

2019

2020

Annual Report







Rights, choices
and security for all
British Columbians

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Letter of Transmittal

September 24, 2020

The Honourable David Eby, QC
Attorney General
Ministry of Attorney General
PO Box 9044, STN PROV GOVT
Victoria, British Columbia V8W 9E2

Dear Attorney General:

I have the honour of delivering to you the Annual Report of the Public Guardian and Trustee in accordance with the provisions of section 25 of the *Public Guardian and Trustee Act*.

This report covers the period April 1, 2019 to March 31, 2020.

Yours truly,

Catherine M. Romanko
Public Guardian and Trustee

Message from the Public Guardian and Trustee

This year was a period of continued growth and development for the Public Guardian and Trustee (PGT) in the areas of mandate and organizational capacity to provide effective services.

In November 2019, the PGT commenced a new statutory service for adults as provincial legislative amendments related to care facility admission came into force. The new law creates a legal scheme for consent to admission to a care home. Under these provisions, the PGT provides or selects an eligible person to provide substitute consent to admission for adults who are incapable of providing consent and who have no legal representative authorized to do so on their behalf. In this new role, the PGT supports due process protection for adults entering a care facility by ensuring that legal consent for admission is obtained and that placement decisions include consideration of an adult's individual needs and wishes.

During the year, the PGT also made progress on our multiyear plan to enhance client service through the modernization of our information technology systems. Having recently replaced an unsustainable legacy trust accounting system with a modern system, this year we started the evolution of our office from a traditional paper-based environment to one supported by digital records management and at a future stage, interactive online client service.

In February 2020, we successfully implemented the first phase of a document management system focusing initially on records relating to client accounts payable. Staff quickly appreciated the efficiencies enabled by this first venture into client digital records and automated workflows and are looking forward to the improvements to client services further development of the system promises to bring. In related work during the year, we also significantly enhanced our network infrastructure and security to improve performance and reduce our exposure to the risk of cyber attacks.

The continuous education and skills development of our staff is also a key focus of our annual plan to provide effective client service. PGT staff are required as part of their duties to manage often complex legal, financial, personal and health care matters on behalf of our clients. To support that work, we provide ongoing training on a broad range of subjects and skills including ethical decision making, protection of privacy, avoidance of conflicts of interest as well as a variety of legal and financial matters. In recent years, PGT staff have engaged in learning about the history of Indigenous Peoples in Canada including the destructive impact of the residential school system and other facets of colonization on generations of Indigenous families and their communities.

This year over 160 staff members participated in working groups led by an Indigenous cultural awareness consultant and PGT leadership to develop a truth and reconciliation strategy for the PGT to inform organizational culture and client service. The strategy we developed is unique to the PGT and establishes goals, actions and performance measures to guide staff as we pursue reconciliation and take steps to make our client service culturally appropriate.

COVID-19 disrupted the last few weeks of the year covered by this report and required an immediate response by the PGT to minimize health and safety risks caused by the virus. Fortunately, because we had just implemented the first phase of our document management system, we were able to quickly move the majority of staff in all locations to work from home arrangements with minimal disruption to client service. Although we have temporarily suspended in-person interactions with clients and the broader community, staff have maintained these important relationships through regular virtual communication. We expect to have more insight into the impact of the pandemic on our clients and operations in our next annual report.

At the PGT we recognize that our employees are our most valuable resource. Our ability to attract and retain bright, skilled and experienced people is the foundation upon which we provide our client services. The PGT engagement scores in the 2020 BC Public Service Work Environment Survey reassures us that we are on the right track and that our continuous improvement efforts help make our organization a place where employees want to work. In the year ahead, we will continue to work with staff to make our workplace the best it can be.

The work carried out by the PGT on behalf of clients is supported by the generous contribution of time and expertise made by the members of the PGT Investment and Audit Advisory Committees. We are so grateful for their interest in the PGT and thank them for their valuable advice.

I also want to recognize and thank our staff across the province for their professionalism and commitment to providing their best in serving PGT clients.

Catherine M. Romanko
[Public Guardian and Trustee](#)



Performance Report



Accountability Statement

Under my direction, the 2019–2020 Performance Report has been properly prepared and fairly stated, in all material respects, based on the requirements of subsections 25 (1), 25 (2), 25 (3) (c), 25 (3) (d) and 26 (1) (b) of the *Public Guardian and Trustee Act* and on the Performance Reporting Principles For the British Columbia Public Sector (collectively, the “Criteria”). I am accountable for the results achieved and how actual performance has been reported; complying with the requirements of the Criteria; designing, implementing and maintaining internal control relevant to the preparation and presentation of the Performance Report in accordance with the Criteria and free from material misstatement, whether due to fraud or error; the selection of the performance measures included in the Performance Report; making judgments and estimates that are reasonable in the circumstances; and maintaining adequate records in relation to the PGT’s Performance Report. The information presented in the Performance Report reflects the actual performance of the Public Guardian and Trustee for the 12 months ended March 31, 2020.

The information presented represents a comprehensive picture of our actual performance in relation to our service delivery plan. The report contains estimates and significant interpretive information that represents the best judgment of management. The measures presented are consistent with the organization’s mandate, goals and objectives and focus on aspects critical to understanding our performance. Any significant limitations in the reliability of specific data are identified in the report.

The report is intended for a general audience. Specific users may require more detailed information than is contained in this report.

[Catherine M. Romanko](#)
[Public Guardian and Trustee](#)
[September 24, 2020](#)



KPMG LLP
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Independent Practitioners' Reasonable Assurance Report on the 2019–2020 Performance Report of the Public Guardian and Trustee of British Columbia

To:

**The Public Guardian and Trustee of British Columbia,
The Attorney General of the Province of British Columbia,
and the Members of the Legislative Assembly of British Columbia**

We were engaged by the Public Guardian and Trustee of British Columbia (PGT) to undertake a reasonable assurance engagement and report on the 2019–2020 Performance Report (Performance Report) of the PGT for the year ended March 31, 2020 and the PGT's Accountability Statement (statement) thereon as set out on page 11, in the form of an independent opinion about whether the PGT's statement that the Performance Report is properly prepared and fairly stated, in all material respects, based on the requirements of subsections 25 (1), 25 (2), 25 (3) (c), 25 (3) (d) and 26 (1) (b) of the *Public Guardian and Trustee Act (PGT Act)* and on the Performance Reporting Principles For the British Columbia Public Sector (BC Performance Reporting Principles) (collectively referred to herein as the Criteria) is fairly stated.

Our conclusion excludes the following elements of the Performance Report: The Performance Report necessarily contains a number of representations by the PGT concerning the appropriateness of the PGT's goals, objectives, targets, explanations of the adequacy of planned and actual performance, and expectations for the future. These are provided to provide context to assist the reader in evaluating the plans and performance of the PGT. Such representations are the opinions of the PGT and, given their necessarily subjective nature and also the future orientation of some of the representations, such representations inherently cannot be subject to independent verification. Further, as described in the Performance Report section entitled Linking Resources to Performance, the tables and related information on pages 68 to 77 of the Performance Report are derived using an allocation model developed to reflect approximate usage of key services and other segmentation methodologies that are beyond the scope of this engagement; accordingly, with respect to the tables and related information on pages 68 to 77 of the Performance Report, our engagement was limited to providing reasonable assurance that the historical financial information in the Performance Report is consistent with the audited financial statements contained in the PGT's 2019–2020 Annual Report. Accordingly, our opinion set out below excludes the effect of adjustments, if any, which we may have determined to be necessary had we been able to independently verify the representations described in this paragraph, and had we performed a more extensive examination of the tables and related information on pages 68 to 77 of the Performance Report.



Public Guardian and Trustee of British Columbia Responsibilities

The PGT is responsible for properly preparing and fairly presenting the Performance Report free from material misstatement in accordance with the Criteria, and for the information contained therein. The PGT is also responsible for preparing the accompanying statement thereon as set out on page 11.

These responsibilities include: complying with the requirements of subsections 25 (1), 25 (2), 25 (3) (c), 25 (3) (d) and 26 (1) (b) of the *PGT Act*; designing, implementing and maintaining internal control relevant to the preparation and presentation of the Performance Report in accordance with the Criteria and free from material misstatement, whether due to fraud or error; the selection of the performance measures included in the Performance Report; making judgments and estimates that are reasonable in the circumstances; and maintaining adequate records in relation to the PGT's Performance Report.

Practitioners' Responsibilities

Our responsibility is to express an opinion on the Performance Report prepared by the PGT and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our reasonable assurance engagement in accordance with Canadian Standard on Assurance Engagements 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the Performance Report is properly prepared and fairly stated, in all material respects, based on the Criteria.

Reasonable assurance is a high level of assurance, but is not a guarantee that an engagement conducted in accordance with this standard 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 decisions of users of our report.

The nature, timing and extent of procedures performed depends on our professional judgment, including an assessment of the risks that the Performance Report is not properly prepared and fairly presented, in all material respects, in accordance with the Criteria, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the preparation and presentation of the Performance Report in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the PGT's internal control over the preparation and presentation of the Performance Report.

Our engagement also included: assessing the suitability of the Criteria used by the PGT in preparing the Performance Report; evaluating the appropriateness of the methods and procedures used by the PGT in the preparation of the Performance Report; evaluating the reasonableness of calculations, judgements, and estimates made by the PGT in preparing the Performance Report; examining, on a test basis, evidence supporting the amounts and disclosures in the Performance Report; evaluating the proper preparation and fair presentation of the Performance Report in accordance with the Criteria; and performing such other procedures as we considered necessary in the circumstances.

We believe the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.



Practitioners' Independence and Quality Control

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

In our opinion, the PGT's statement, that the Performance Report of the PGT for the year ended March 31, 2020 is properly prepared and fairly presented in all material respects based on the Criteria, is fairly stated.

Purpose of the Performance Report

The Performance Report has been evaluated against the Criteria. The Performance Report reports on the performance of the PGT as a BC public sector entity, in accordance with the requirements of the Criteria, and is intended to provide readers of the Performance Report with credible information, fairly interpreted, with respect to: the public purpose served by the PGT; its goals and results, focusing on the few critical aspects of its performance; information relating the PGT's results to its risks, capacity, resources, and strategies; comparative information; and the basis for key reporting judgements. The Performance Report may not be suitable for other purposes.

The attached Appendix to this report summarizes and explains selected key aspects of how the Performance Report has been properly prepared and fairly stated, in all material respects, based on the Criteria.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, stylized font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants

Vancouver, Canada
September 24, 2020



Appendix to Independent Practitioners' Reasonable Assurance Report on the 2019-2020 Performance Report of the Public Guardian and Trustee of British Columbia

This Appendix summarizes and explains selected key aspects of how the Performance Report has been properly prepared and fairly stated, in all material respects, based on the requirements of subsections 25 (1), 25 (2), 25 (3) (c), 25 (3) (d) and 26 (1) (b) of the PGT Act and on the BC Performance Reporting Principles (collectively referred to herein as the Criteria).

BC Performance Reporting Principle 1 – Explain the Public Purpose Served

The Performance Report identifies and explains the PGT's mandate, enabling legislation, vision, values, and organizational structure. Core program areas, services, clients, and stakeholders are described, as is the role of service partners. The PGT's role and relation to the courts and the Crown are explained.

BC Performance Reporting Principle 2 – Link Goals and Results

The Performance Report identifies and explains the PGT's mandate and vision, its service delivery plan including the goals it has identified in support of its mandate and vision, the related more detailed objectives and performance measures, and its actual results, providing linkages and a logical flow between them. The relevance and relation to long-term outcomes are identified and explained for key performance measures and results. Variances between planned and actual results are identified and explained. The impact of results on the PGT's future direction is also identified and explained where relevant.

BC Performance Reporting Principle 3 – Focus on the Few, Critical Aspects of Performance

The PGT's April 1, 2019 – March 31, 2022 Service Delivery Plan identifies the PGT's five strategic goals related to the three aspects of its mandate, one to three specific objectives related to each goal, and related specific performance measures. The Performance Report repeats this information from the Service Delivery Plan, and provides in a clear, concise format the PGT's actual results for each performance measure, and the meaning and importance of each performance measure and result. The Performance Report also provides related contextual information regarding factors influencing the selection of goals, objectives, and performance measures, and factors influencing the actual results.



Appendix to Independent Practitioners' Reasonable Assurance Report on the 2019-2020 Performance Report of the Public Guardian and Trustee of British Columbia

BC Performance Reporting Principle 4 – Relate Results to Risk and Capacity

The Performance Report summarizes management's approach to risk, including risk identification and assessment, consideration of potential impacts of risks on achievement of PGT goals, and consideration of risk tolerance, resource constraints, and mitigation strategies. It summarizes management's view of the significant risks faced by the PGT, related potential causes including capacity issues, and current and possible risk mitigation strategies for dealing with the risks. Current capacity is described in relation to current results and to the PGT's ability to deliver on its organizational goals and objectives.

BC Performance Reporting Principle 5 – Link Resources, Strategies and Results

The Performance Report identifies the major sources, nature, and amounts of the PGT's funding, provides budgeted and actual revenues and expenses by program area and for the PGT as a whole, and explains key variances between budgeted and actual revenues and expenses for the PGT as a whole. Year over year comparative financial information is provided in the audited financial statements included in the PGT's Annual Report. The Performance Report identifies, for each program area and for the PGT as a whole, the total staff, number of clients, and financial indicators including revenue, expenses, and assets under administration. The Performance Report identifies trends and issues impacting results, revenues, and expenses, and also describes how resources, strategies, and results are linked, including linking areas of expenditure with its goals that are most directly affected by the expenditures. The Performance Report links financial and performance information in a way that should help readers understand the efficiency and economy of the PGT's operations.

BC Performance Reporting Principle 6 – Provide Comparative Information

For each identified specific performance measure linked to the PGT's goals, when applicable the Performance Report provides clear comparisons between planned results, actual results, and previous years' results, as well as targeted results for the following year. When relevant and material, explanations are provided of changes in the nature, source data, and/or calculation of the performance measures. Year over year comparative financial information is provided in the audited financial statements included in the PGT's Annual Report. The Performance Report identifies trends and issues impacting results, revenues, and expenses. The Performance Report also explains the reasons for the lack of provision in the Performance Report of comparative information to similar organizations.



Appendix to Independent Practitioners' Reasonable Assurance Report on the 2019-2020 Performance Report of the Public Guardian and Trustee of British Columbia

The PGT Act, and BC Performance Reporting Principle 7 – Present Credible Information, Fairly Interpreted

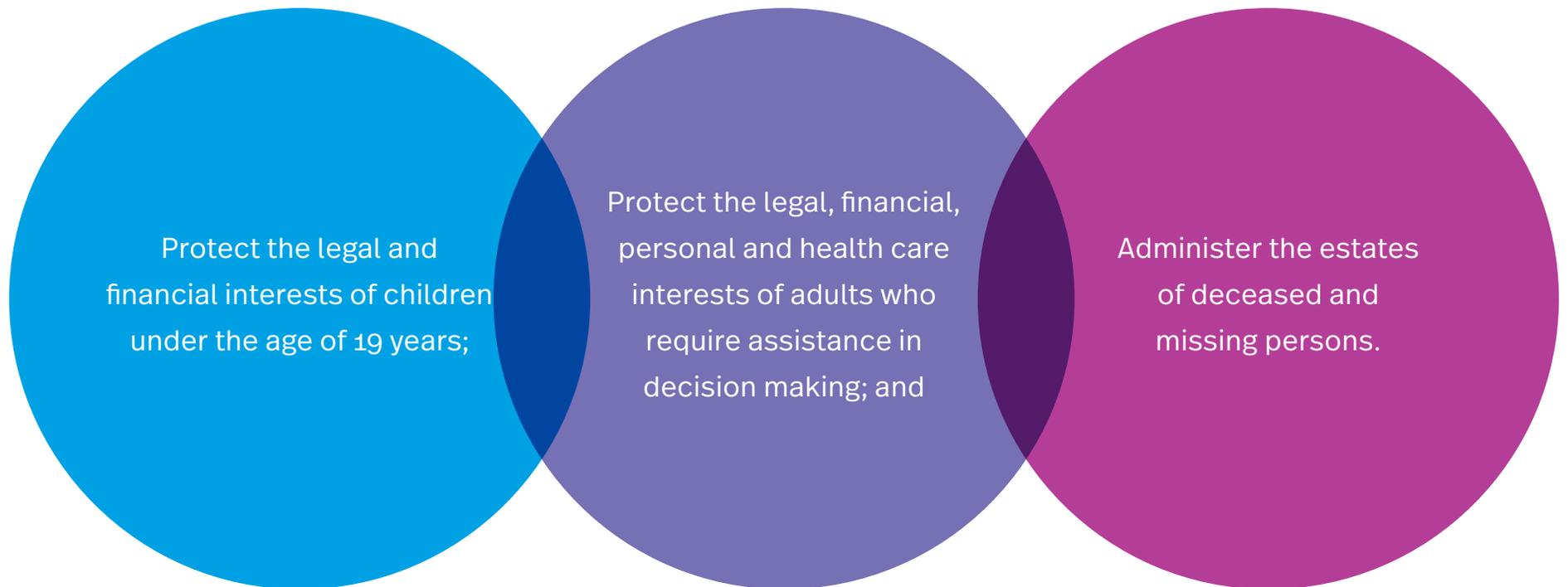
The Performance Report has been made by the PGT to the Attorney General, Province of British Columbia, by September 30, 2020 as required by the statutory reporting requirements and deadline specified in subsections 25 (1), 25 (2), 25 (3) (c), and 25 (3) (d) of the *PGT Act*. Our related Independent Practitioners' Reasonable Assurance Report is provided as required by section 26 (1) (b) of the *PGT Act*. Subject to the limitations described in our report, our opinion relates to the credibility of the information in the Performance Report by providing an opinion, based on our reasonable assurance engagement, as to its proper preparation, in all material respects, based on the Criteria.

BC Performance Reporting Principle 8 – Disclose the Basis for Key Reporting Judgements

The Performance Report explains the basis for selecting the aspects of performance on which it focuses and the rationale for the performance measures reported upon. The Performance Report also provides concise explanations of how most performance measures are derived including, where relevant, data sources and the period covered. The process for selecting goals, objectives, and targeted results for performance measures, and how it is evolving, is described. Any significant changes in the way performance is measured or presented are described. The PGT provides an accountability statement describing her accountability for the Performance Report, and representing (among other things) that the Performance Report has been properly prepared and fairly stated, in all material respects, based on the requirements of the Criteria, and that it reflects the actual performance of the PGT for the 12 months ended March 31, 2020.

Mandate

The mandate of the Public Guardian and Trustee (PGT) is to:

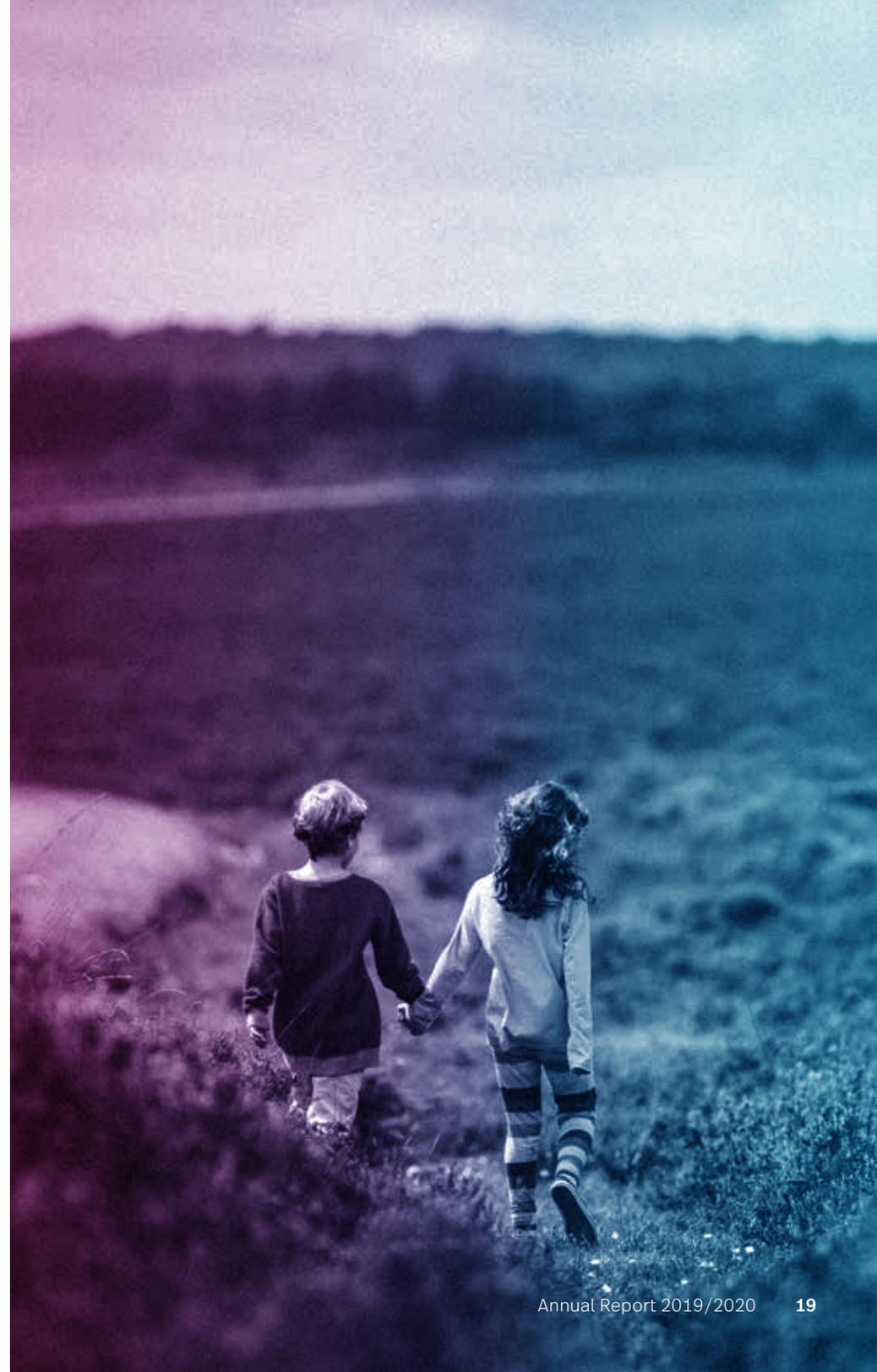


During 2019–2020, the PGT provided services through 269 full time equivalent employee positions to approximately 26,500 clients and administered over \$1.1 billion of trust assets. When managing the financial interests of an individual, estate or trust, the PGT is bound by both common law and statutory fiduciary principles associated with acting as a trustee.

The PGT exercises quasi-judicial authority in specific situations as a result of obligations created by statutory law. In addition, the PGT provides the court with reliable independent submissions when the property or financial interests of minors, vulnerable adults or estates are at risk.

The PGT self funds a large percentage (70% in 2019–2020) of its operating expenses through fees charged on client income and assets with supplementary voted funding that supports public services such as regulatory and oversight activities. Any operating surplus at year end is retained in the Special Account and is not accessible to the PGT for spending in subsequent years without Treasury Board approval.

The PGT has a fiduciary duty to advance the private interests of its clients even if they are contrary to the interests of government. The PGT is independent of government in its case related decision making responsibilities.



Vision

Rights,
choices
and security
for all British
Columbians.

Values

Innovation

We challenge ourselves to seek new and improved ways to deliver service and assist clients.

Integrity

We act in accordance with the highest ethical, legal and personal standards.

Respect

We treat clients, family and friends in a courteous, respectful manner.

Openness

We demonstrate responsibility and transparency to clients, government and the public through annual statutory public reporting on all aspects of our performance.

Client Centred Service

We constantly strive to provide quality service to our clients.

Teamwork

We work with one another and with service partners in striving for seamless service delivery.

Staff Support

We acknowledge staff as our greatest resource and recognize and appreciate their expertise, professionalism and commitment.

Child and
Youth Services

15,752 clients¹

\$193 million assets²

43 staff³

Services to Adults

8,128 clients¹

\$642 million assets²

104 staff³

Estate and Personal
Trust Services

3,018 clients¹

\$275 million assets²

45 staff³

- 1 Clients: the number of individual clients served by both the division and by major business lines throughout the year. Because of this, the divisional total is typically less than the sum of the business lines as clients may require service in more than one business line.
- 2 Total value of assets under administration (at March 31, 2020).
- 3 Full time equivalent employee positions.

Statutes

Numerous acts set out the powers and duties of the PGT.

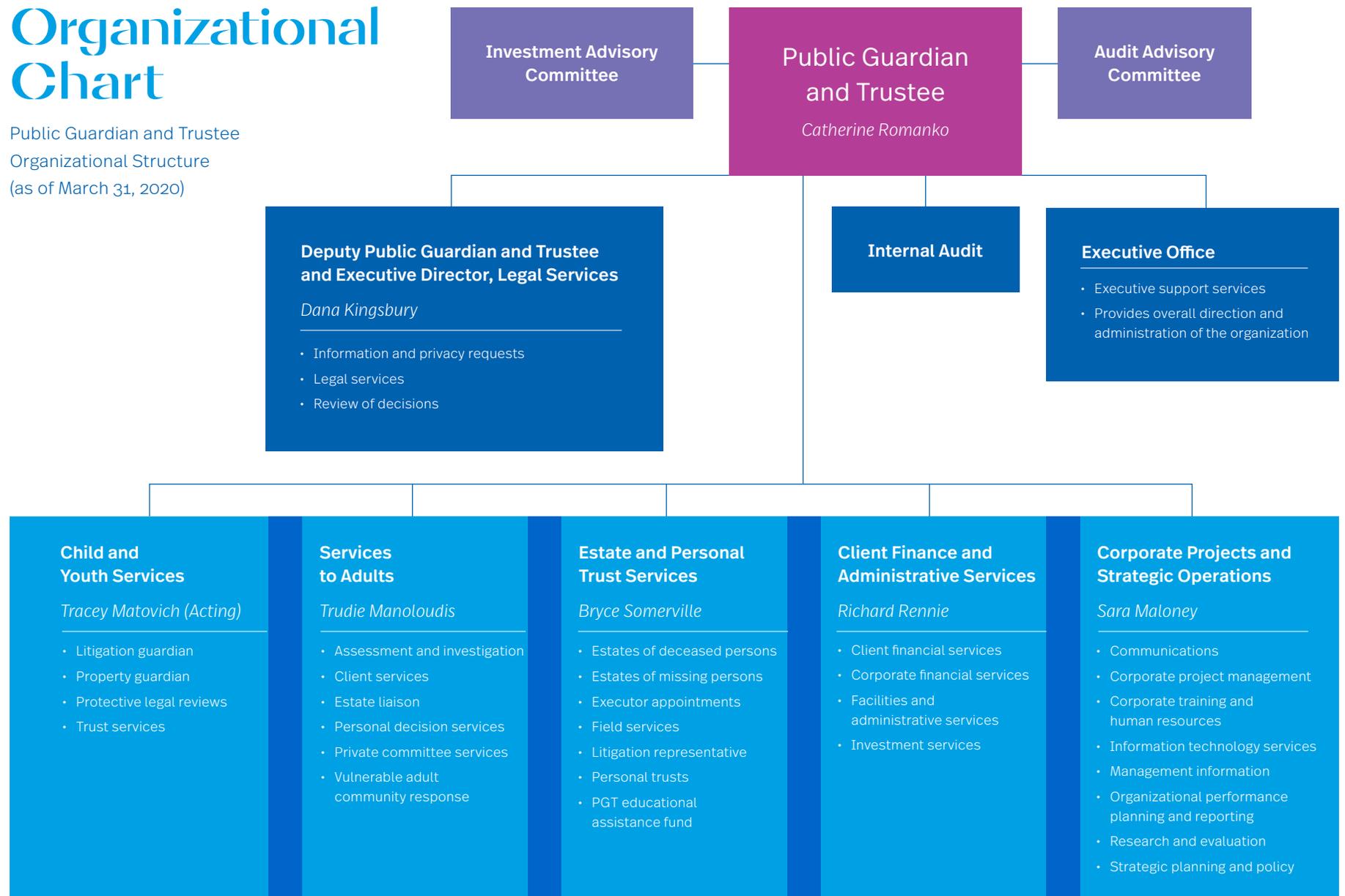
Key provincial statutes include:

- *Adoption Act*
- *Adult Guardianship Act*
- *Child, Family and Community Service Act*
- *Community Care and Assisted Living Act*
- *Cremation, Interment and Funeral Services Act*
- *Employment Standards Act*
- *Estate Administration Act* *
- *Estates of Missing Persons Act*
- *Family Law Act*
- *Health Care (Consent) and Care Facility (Admission) Act*
- *Hospital Act*
- *Infants Act*
- *Insurance Act*
- *Insurance (Vehicle) Act*
- *Limitation Act*
- *Marriage Act*
- *Patients Property Act*
- *Power of Attorney Act*
- *Public Guardian and Trustee Act*
- *Representation Agreement Act*
- *Trust and Settlement Variation Act*
- *Trustee Act*
- *Wills Act* *
- *Wills, Estates and Succession Act* *
- *Wills Variation Act* *

*The *Wills, Estates and Succession Act* came into force on March 31, 2014. The *Estate Administration Act*, *Wills Act* and *Wills Variation Act* have been repealed by the *Wills, Estates and Succession Act*, however, portions of those acts continue to apply if a deceased person died before March 31, 2014.

Organizational Chart

Public Guardian and Trustee
Organizational Structure
(as of March 31, 2020)



Accountability Framework

The PGT is a corporation sole established under the *Public Guardian and Trustee Act*.

Catherine M. Romanko was reappointed as the Public Guardian and Trustee for a second six year term effective October 10, 2017. The PGT can serve a maximum of two terms.

The PGT is accountable to the provincial government, the legislature, the public and directly to PGT clients. Overall accountability is exercised through the government's review and approval of the PGT Service Delivery Plan (SDP) and through publicly reported annual independent performance and financial audits.

Accountability to PGT clients is exercised through internal review processes, the Ombudsperson and judicial oversight of PGT statutory and fiduciary obligations.

Two advisory committees assist the PGT. The **Investment Advisory Committee** is a statutory committee established under the *Public Guardian and Trustee Act* to advise on strategic investment policy. The **Audit Advisory Committee** is established by the PGT to advise on key aspects of internal and external audit, accountability and internal controls. Members of each advisory committee are external to the PGT and are broadly experienced professionals in the legal, financial and social services arena from the public and private sector.

Performance Planning and Reporting

Part 3 of the *Public Guardian and Trustee Act* establishes an accountability framework that provides for performance planning and reporting.

Section 22 of the *Public Guardian and Trustee Act* requires the PGT to prepare an annual three year service delivery plan and deliver it to the Attorney General no later than December 31 for the upcoming three fiscal years. If approved by the Attorney General, the PGT must submit the SDP to the provincial Treasury Board for approval. The *Public Guardian and Trustee Act* specifies SDP content.

Section 25 of the *Public Guardian and Trustee Act* requires the PGT to report to the Attorney General in each fiscal year on operations of the organization for the preceding fiscal year. This annual report must be submitted to the Attorney General by September 30 and thereafter tabled in the Legislative Assembly.

The *Public Guardian and Trustee Act* stipulates that the annual report must include an audited performance report relating to the performance targets and other objectives established in the SDP, together with audited financial statements for both PGT operations and its stewardship of client estates and trusts under administration.

Corporation Sole

The PGT is a corporation sole. This is a corporate legal structure in which all authority and responsibility is vested in a single office holder who operates without a board of directors. This structure is used primarily in situations requiring clear accountability and is a common model for public guardians and trustees in Canada.

Clients, Stakeholders and Service Partners

Primary Client Groups

Almost all PGT clients are vulnerable due to legal status or other incapacity arising from diseases of aging, mental illness, brain injury, special needs or minority. Clients include:

- Children in continuing care of the province
- Children with trust funds
- Children whose guardians wish to settle a claim for damages on behalf of the child
- Adults with cognitive impairments due to brain injury, developmental disability, diseases of aging and mental illness who require assistance with decision making
- Adults requiring substitute decision making for health care decisions and/or consent to care facility admission
- Vulnerable adults who may be experiencing abuse, neglect or self neglect
- Intestate successors and beneficiaries of estates of deceased or missing persons
- Beneficiaries of personal trusts

Key External Relationships

Clients are at the core of all PGT activity. The PGT liaises with, and works in partnership with, a broad range of individuals and organizations in helping clients meet their needs. These include:

- Family and friends of clients
- Community groups and non-profit organizations
- Indigenous organizations
- Provincial government ministries
- Public service partners with statutory authority
- British Columbia Courts
- Law Society of British Columbia and other organizations of legal professionals
- Government of Canada departments and agencies
- BC Investment Management Corporation
- Insurance Corporation of BC
- BC Unclaimed Property Society

Key Private Sector Relationships

The PGT works with a wide range of private sector service providers in meeting its responsibilities for protecting the personal, legal and financial interests of clients. These include:

- Private service providers such as care facilities, funeral homes and personal attendants
- Personal service providers
- Financial institutions
- Medical and social services professionals
- Lawyers
- Accountants
- Insurance providers
- Real property managers
- Heir tracers
- Private investment managers





Program Areas

The PGT serves clients primarily through three broad program areas:

- **Child and Youth Services;**
- **Services to Adults;** and
- **Estate and Personal Trust Services.**

These are supported by:

- **Client Finance and Administrative Services;**
- **Legal Services;**
- **Corporate Projects and Strategic Operations;** and
- **Internal Audit.**

The **Executive Office** provides overall direction and administration of the organization, including coordination and consultation with external service providers and government bodies.

Child and Youth Services

The PGT protects the legal and financial interests of minors under the authority of a range of provincial statutes. The PGT Child and Youth Services division (CYS) works on behalf of and directly with children and youth as well as with their parents or guardians.

Property Guardian

As property guardian, the PGT is co-guardian with the Ministry of Children and Family Development (MCFD) and Delegated Aboriginal Child and Family Service Agencies (DAAs), who are guardians of person for children in continuing care of the Province. The PGT is also property guardian for children who have no legal guardian or are undergoing adoption.

As property guardian, the PGT advances legal claims for damages arising from injuries suffered by the children as the result of the negligence or wrongful act of others. The PGT also pursues financial benefits to which PGT property guardian clients may be entitled such as Canada Pension Plan Children's Benefits and establishes Registered Disability Savings Plans (RDSPs) for qualifying clients.

Trustee

The PGT receives funds to hold in trust on behalf of children, including personal injury settlement proceeds, life insurance proceeds where a minor is a beneficiary and no trustee is named to administer the funds, shares of estates where no trustee is named and a portion of wages earned by child entertainers. Funds are typically held in trust until the child turns 19 (the age of majority in BC) unless disbursed earlier for the benefit of the child. PGT property guardian clients may enter into an agreement with the PGT to hold and manage their funds after reaching the age of majority up until the age of 27. The PGT is required to act as trustee for certain types of funds payable to minors while the *Family Law Act* provides that other funds may be paid directly to parents or guardians.

Protective Legal Reviews

The PGT protects the legal interests of minors by reviewing proposed settlements of claims for unliquidated damages brought on their behalf. The settlements relate to a variety of claims such as the wrongful death of a parent or guardian, medical malpractice or motor vehicle accidents. These reviews help ensure that the settlements are reasonable and in the best interests of the minors.

To protect the property interests of minors in trusts and estates, the PGT also reviews notices of applications to administer an estate of a deceased person or to vary a trust or a will when a minor is a beneficiary or may be entitled to a share in the estate or trust. Where the PGT has reason to believe that a minor's interest in a trust is at risk, the PGT may investigate on behalf of the minor.

Child and Youth Services is also responsible for reviewing grant applications (including grants of probate, any grant of administration or the resealing of a grant) for incapable adults within BC. Any person applying for a representation grant is required to send written notice to the PGT, if any person to whom notice must be given is, or may be, mentally incapable.

Child and Youth Services

Total staff*	43 positions
Total clients**	15,752
Property guardian	4,652
Trustee	9,011
Protective legal reviews	3,082
Litigation guardian (non property guardian)	68
Total value of assets under administration (at March 31, 2020)	\$193 million
Investments and securities	\$191 million
Real property	\$1 million
Other	\$1 million
Business Indicators	
RDSPs (at March 31, 2020)	\$8 million
Other Indicators	
Property guardian clients with assets (at March 31, 2020)	1,329

* Staff refers to full time equivalent employee positions.

** Client counts reflect the number of individual clients served both by the division and by major business lines throughout the year. Because of this, the divisional total is typically less than the sum of the business lines as clients may require service in more than one business line.



Services to Adults

The majority of adult clients rely on PGT financial and legal management or on the PGT's review of decisions made by others. The PGT also makes or provides for substitute health care decisions and substitute consent to care facility admission decisions to be made on behalf of some adults and exercises health and personal care decision making as committee of person for a small number of other adults.

The PGT Services to Adults division (STA) serves adult clients when other appropriate substitute decision makers are not available. Most adult clients have diseases of aging which have impaired their mental capability, while others have mental illnesses, developmental disabilities or brain injuries. In serving adult clients, the PGT strives to balance client independence and the right to self-determination with the need for protection.

Assessment and Investigation

Assessment and Investigation is the first contact point for most adult clients with the PGT. Staff respond to requests from concerned friends, relatives or professionals to assess whether PGT services are required to assist a vulnerable adult. The service includes investigating reports of financial abuse of adults who may be mentally incapable. The PGT may consult with community and family members on possible abuse, neglect

and self neglect issues during an investigation. As a last resort, the PGT might seek authority to be the decision maker where other options for assistance for the adult are not available.

Personal Decision Services

Under the *Health Care (Consent) and Care Facility (Admission) Act*, health care professionals must obtain informed consent before treating a patient and/or admitting them into a licensed care facility. A substitute decision maker is generally needed if patients are mentally incapable of making their own treatment or care facility admission decisions. In the absence of an existing substitute decision maker such as a committee of person or a representative under a representation agreement, the *Health Care (Consent) and Care Facility (Admission) Act* allows the closest qualified relative or close friend to make decisions regarding treatment and/or care facility admission. When these qualified individuals are not available or where there is dispute regarding who to select among equally ranked individuals, the PGT is called upon to appoint another substitute decision maker or to make substitute treatment and/or care facility admission decisions on behalf of the incapable adult.

Client Services

The PGT provides a wide range of direct financial management and personal decision making services for vulnerable adults who require assistance managing their affairs. The PGT acts

in a number of different roles including committee of estate, committee of person, power of attorney, representative, litigation guardian and pension trustee.

When the PGT is appointed as committee of estate, staff work with the adult to establish an effective plan that includes securing assets and pursuing income, benefits and compensation, paying bills and managing investments and property. When appointed as committee of person, the PGT makes health and personal care decisions on behalf of the adult.

Estate Liaison

Estate Liaison coordinates completion of STA direct involvement in a client's affairs and releases property under PGT administration when PGT services are no longer required. Client affairs are transferred to Estate Liaison when the PGT no longer has authority, or is transferring authority for an adult client because the client has become capable of managing their own affairs, someone else has been appointed as committee of the client or the client has died.

Adult Legal Monitoring

The PGT provides a wide range of legal services to incapable adults in British Columbia, the largest component of which is reviewing private committee applications. When individuals apply to be appointed as a committee, the PGT reviews the application and makes recommendations to the court with respect to the medical evidence, bonding requirements and any restrictions to be considered on a committee's

authority. Other legal services include reviewing applications to vary trusts and wills where an incapable adult is named as a beneficiary.

Private Committee Services

A family member or friend of an adult may be appointed by the court to manage the legal and financial and/or personal interests of an incapable adult. When private committees are appointed, the PGT reviews the accounts of the private committees with respect to their management of the adult's affairs and investigates concerns that they may not be complying with their duties.

Vulnerable Adult Community Response

The *Adult Guardianship Act* provides authority for the PGT to designate by regulation external agencies that then have a duty to receive and respond to allegations of abuse, neglect and self neglect of vulnerable adults. The current Designated Agencies are the regional Health Authorities, Community Living BC (CLBC) and Providence Health Care Society.

The *Adult Guardianship Act* further provides authority for the PGT to organize community networks to provide support and assistance to abused and/or neglected adults. The PGT accomplishes this through coordinating a range of province wide standing committees and special events involving service partners and other stakeholders with an interest in issues concerning the reduction of abuse and neglect of vulnerable adults.

Services to Adults

Total staff*	104 positions
Total clients**	8,128
Assessment and investigation	2,275
Personal decision services	688
Client services	3,540
Estate liaison	977
Adult legal monitoring	498
Private committee services	2,110
Total value of assets under administration (at March 31, 2020)	\$642 million
Investments and securities	\$464 million
Real property	\$167 million
Other	\$11 million
Business Indicators	
Liabilities (at March 31, 2020)	\$34 million
RDSPs (at March 31, 2020)	\$22 million
Other Indicators	
Clients with PGT opened tax free savings account(s) (at March 31, 2020)	438

* Staff refers to full time equivalent employee positions.

** Client counts reflect the number of individual clients served both by the division and by major business lines throughout the year. Because of this, the divisional total is typically less than the sum of the business lines as clients may require service in more than one business line.

Estate and Personal Trust Services

The PGT provides estate administration and personal trust services through the Estate and Personal Trust Services division (EPTS). EPTS is also responsible for investigating, securing and maintaining physical assets for all PGT clients.

Administration of Estates of Deceased Persons

The PGT administers estates of deceased persons when the executor, intestate successor, beneficiary or other eligible person is not able or willing to do so. The PGT also administers estates of deceased persons when the intestate successor or beneficiary is a client under authority in another PGT division such as Services to Adults or Child and Youth Services. In addition, the PGT may agree to be appointed as the executor under a will.

If the estate is of minimal value and no next of kin can be found who are willing and able to make funeral arrangements, EPTS makes a referral to the Ministry of Social Development and Poverty Reduction (MSDPR) to make funeral arrangements.

Personal Trusts

The PGT acts as trustee of trusts created by will, court order, or *inter vivos* settlement. If options to appoint a family member or trust company are not appropriate, the PGT may agree to act as trustee. These trusts, for which the PGT acts as trustee, are usually settled to provide benefits to a child or vulnerable adult or alternatively, to provide benefits going forward in perpetuity for a charitable purpose.

Executor Appointments

The PGT may agree to be appointed executor of a will in appropriate circumstances. Once appointed executor, the PGT follows up with each will maker periodically to help ensure that the will is current.

Litigation Representative

The PGT may agree to act as litigation representative for purposes of a specific legal action brought against an estate if there is no executor, administrator or other person to act. The PGT role is generally limited to accepting service of legal documents on behalf of estates without assets. If the estate has assets, the PGT will apply for letters of administration and will manage the litigation in the role of administrator.

PGT Educational Assistance Fund

The PGT Educational Assistance Fund was established by the Province of British Columbia in 1989. As trustee, the PGT distributes funds from the trust in the form of bursaries to qualifying adults who were formerly children in the continuing care of the province.

Under the terms of the trust, applicants are assessed on their grades, financial needs, career goals, personal commitment and other sources of funding available to them to cover education costs. Annual funds available for distribution are dependent on rates of investment return. The trust had a capital value of \$985,832, at December 31, 2019. In 2019–2020, there were 17 applicants and bursaries totaling \$19,300 awarded to 12 individuals.

Estates of Missing Persons

The PGT acts as curator for missing persons as defined in the *Estates of Missing Persons Act*. As curator, the PGT manages the adult's property until the person is located or until the funds are paid into court for safekeeping.

Field Services

Field Services investigates, secures and maintains client physical assets, including real and personal property.

Estate and Personal Trust Services

Total staff*	45 positions
Total clients**	3,018
Deceased estates	2,442
Executor appointments	359
Trusts	225
Estates of missing persons	3
Litigation representative	15
PGT educational assistance fund	17 applicants
Total value of assets under administration (at March 31, 2020)	\$275 million
Investments and securities	\$206 million
Real property	\$58 million
Other	\$11 million
Business Indicators	
Liabilities (at March 31, 2020)	\$6 million
Other Indicators	
Estate administration referrals***	1,193
Probate applications filed with Supreme Court***	282

* Staff refers to full time equivalent employee positions.

** Client counts reflect the number of individual clients served both by the division and by major business lines throughout the year. Because of this, the divisional total is typically less than the sum of the business lines as clients may require service in more than one business line.

*** Figure reflects the count of particular activity across the year.



Client Finance and Administrative Services

The PGT Client Finance and Administrative Services division (CFAS) provides a wide range of both corporate and client services.

The PGT is independent of government in client matters and accordingly requires its own corporate services which include budget planning, corporate accounting and facilities and administrative services.

Client services include collecting receivables, making disbursements and providing investment expertise.

Client Financial Services

Client Financial Services is responsible for the day to day management of client financial services for trusts and estates administered, including client receipts and disbursements. This department also provides tax services, oversees the processing of PGT fees, maintains the security and integrity of client assets and liabilities, helps to ensure an effective system of internal controls and develops annual audited financial statements.

Investment Services

Investment Services is responsible for establishing and managing effective investment plans on behalf of clients and for overseeing the overall investment management process. Investing client assets is a core PGT responsibility and by statute, the PGT is required to act as a prudent investor. The PGT assesses client needs to determine investment goals and objectives to develop personalized investment plans for adult clients and personal trusts with more than \$50,000 in net financial assets and children and youth clients with more than \$25,000 in net financial assets. This department includes an Assets and Liabilities Team responsible for the record keeping of investments, real property and other assets and liabilities.

Corporate Financial Services

Corporate Financial Services is responsible for operating and capital budgeting, forecasting, reporting, payment processing and corporate contract management for the Operating Account. The department develops financial models, projects operating expenses and recoveries from fees, sets out multi-year budget plans, prepares Treasury Board submissions, produces financial management reports and develops annual audited financial statements.

Facilities and Administrative Services

Facilities and Administrative Services is responsible for the delivery of corporate administrative services including records management and archiving, mail services, site and staff safety and security, goods and services purchasing and facilities maintenance.

Legal Services

PGT Legal Services are delivered by a complement of 15.6 staff lawyer positions distributed among program and corporate services and supplemented by outside counsel as required. The Deputy Public Guardian and Trustee is the Executive Director of Legal Services.

Within their assigned areas of practice, the staff lawyers provide advice to the PGT when acting on behalf of clients in a representative capacity. In this role, they may appear at mediations or in civil proceedings on behalf of PGT clients or may instruct outside counsel acting on behalf of clients in a variety of civil matters.

Staff lawyers also carry out certain statutory obligations of the PGT, such as reviewing applications for appointment of private committees, settlements of claims for unliquidated damages on behalf of minors and reviewing proposed transactions affecting the property interests of minors and legal notices where the interests of minors or incapable adults may be affected. In some circumstances, staff lawyers prepare written comments to the court regarding issues concerning the interests of minors or incapable adults in civil proceedings.

At March 31, 2020, PGT staff lawyers were providing legal advice and services to clients that involved acting on nearly 3,000 legal issues.

Other in house counsel carry out a variety of duties to support PGT statutory obligations, including providing legal oversight of PGT involvement in advancing client interests in class proceedings, managing the overall provision of legal services to PGT clients by outside counsel and coordinating compliance with access to information and privacy legislation. In 2019–2020, the PGT responded to 36 requests for information and one court order for production of records.

In 2019–2020, the PGT investigated clients' eligibility for settlement payments in 10 class actions and filed claims where appropriate. The PGT continues to monitor 22 class actions and/or potential class actions on behalf of clients.

The Deputy Public Guardian and Trustee and staff lawyers contribute regularly as speakers and writers for a variety of organizations with respect to the law that impacts PGT clients. They also participate in government law reform initiatives relevant to the PGT mandate.





Corporate Projects and Strategic Operations

The Corporate Projects and Strategic Operations division (CPSO) provides a range of organization wide services in support of PGT operations. These include statutory performance planning and reporting, corporate project management, internal and external communications, strategic and business planning, policy development, management information, research and evaluation, human resource coordination and corporate training.

The PGT maintains its own information technology services independently from the provincial government to help ensure that client information is kept confidential. Information Technology Services implements enhancements to technology infrastructure to support client service.

Internal Audit

The PGT has established an Internal Audit function to support PGT management, employees and clients and other stakeholders, by providing an independent, objective assurance and consulting service designed to improve PGT operations.

Internal Audit employs a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes for the PGT. Internal Audit has direct and unimpaired access to the Public Guardian and Trustee and members of the Audit Advisory Committee to report findings and issues and to request advice and opinions.

PGT Summary Indicators

Total staff*	269 positions
Total clients**	26,542
Total value of assets under administration (at March 31, 2020)	\$1.11 billion
Investments and securities	\$861 million
Real property	\$226 million
Other	\$23 million
Business Indicators	
Client bills paid***	\$231 million
Client receipts processed***	\$290 million
Other Indicators	
Clients with trust accounts (at March 31, 2020)	14,784
Income tax filings***	3,236
Real properties sold***	117
Work Environment Survey Engagement Score	74

* Staff refers to full time equivalent employee positions.

** Client counts reflect the number of individual clients served both by individual divisions and by major business lines throughout the year. Because of this, the PGT total is typically less than the sum of the divisional totals as clients may require service in more than one division.

*** Figure reflects the count or amount of particular activity across the year.

\$1.11 billion

Total value of assets under administration (at March 31, 2020)

Investments

The PGT has three pooled investment funds for clients: the Premium Money Market Fund, the Balanced Income Fund and the Balanced Growth Fund.

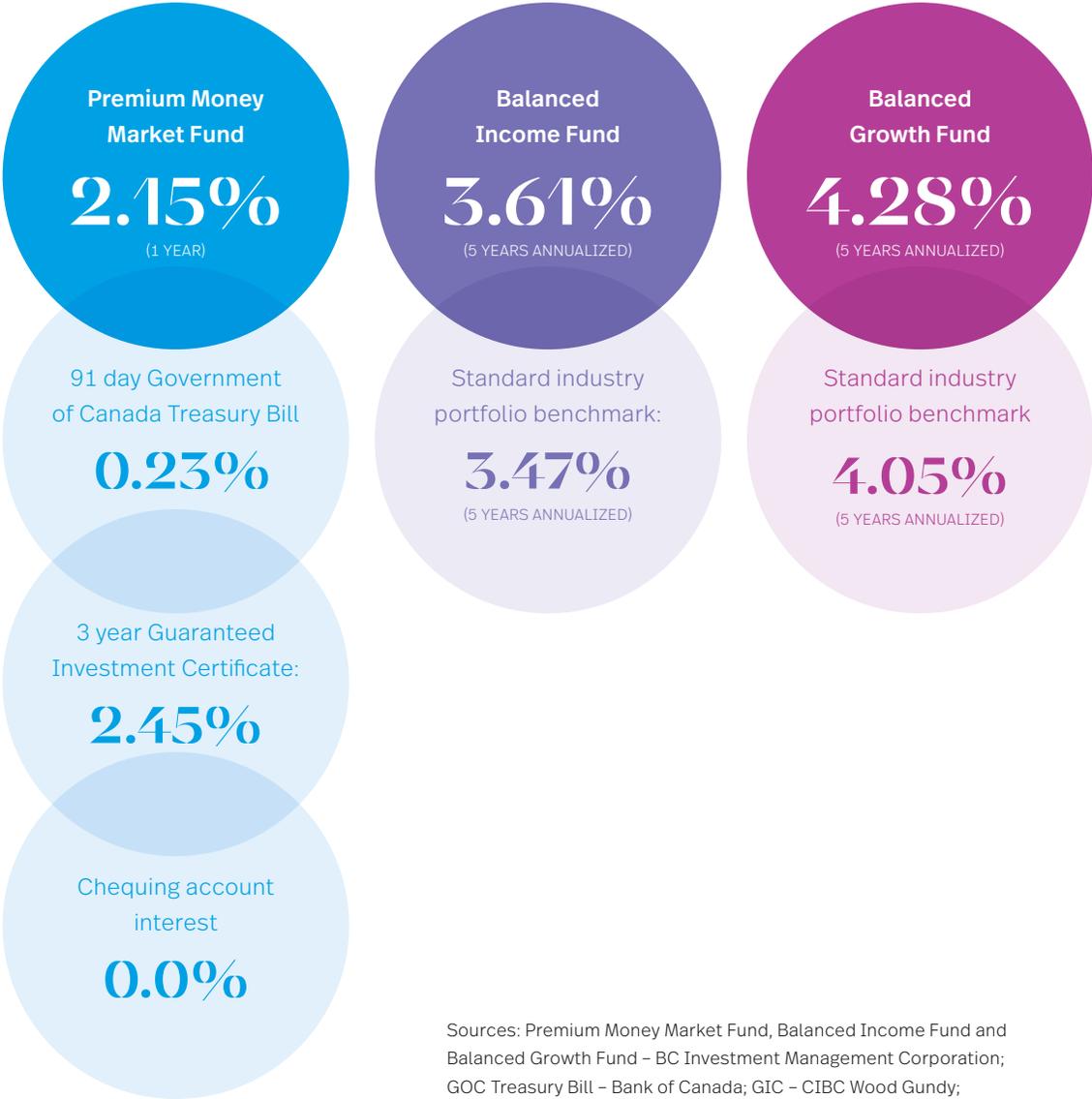
The **Premium Money Market Fund** is intended to preserve capital for risk averse clients and provide liquidity and an improved rate of return for short term investments. (Fund size \$495 million at March 31, 2020).

The **Balanced Income Fund** is aimed at generating income with some growth. It is used most frequently by adult clients with medium term investment time horizons. (Fund size \$40 million at March 31, 2020).

The **Balanced Growth Fund** is aimed at long term capital growth. It is used most frequently by clients with longer investment time horizons. (Fund size \$124 million at March 31, 2020).

The PGT invests client funds in the pooled funds and other investment alternatives and may also rely on the services of brokerages. Although the PGT generally invests client funds in its three pooled funds, the choice of alternatives is determined by client goals and objectives set out in investment plans which are monitored on a regular basis according to portfolio risk.

The following table provides comparisons of rates of return for PGT pooled funds and standard alternatives as of March 31, 2020.



Sources: Premium Money Market Fund, Balanced Income Fund and Balanced Growth Fund – BC Investment Management Corporation; GOC Treasury Bill – Bank of Canada; GIC – CIBC Wood Gundy; Chequing account – CIBC Wood Gundy.



Partnerships and Outreach

The PGT recognizes the importance of providing public information and education about the PGT and related services to facilitate cooperation with service partners and stakeholders, to inform the public about related issues and to mitigate the growth in demand for PGT services.

To this end, the PGT mandate includes providing public education and applying PGT special expertise to advocate for PGT clients at a systemic level as well as that of individual clients. Under the strategic goal of contributing to a fair and just society, the PGT Service Delivery Plan has a specific performance objective related to this work: the PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of PGT clients.

In 2019–2020, the PGT contributed its expertise through extensive partnership and outreach activities.

Formal Committees

- Member, Children’s Forum, an information sharing forum for senior officials with an interest in child protection and related services;
- Member, National Association of Public Trustees and Guardians, an association of Canadian federal, provincial and territorial Public Trustees, Public Guardians and equivalents, committed to excellence in public trusteeship and guardianship and focused on advocacy, policy reform, awareness and shared best practices in the interests of clients;
- Member, Estate Planning Council of Vancouver, an association of estate planning professionals who meet to share ideas and work experiences related to various areas of estate planning;
- Member, National Guardianship Association, a USA organization dedicated to advancing the standard of excellence in guardianship;
- Member, Youth Futures Education Fund Advisory Committee, which guides the Youth Futures Education Fund that provides financial assistance to youth who were in government care and are pursuing a post-secondary education on a tuition waiver;
- Host, BC Adult Abuse/Neglect Prevention Collaborative, a province wide community/government group working towards continuous improvement in the BC response to adult abuse, neglect and self neglect;
- Facilitator, Adult Guardianship Provincial Advisory Committee, including representatives of Health Authorities and CLBC to collaborate on adult protection efforts on a provincial level;
- Member, Council to Reduce Elder Abuse (CREA), established as an integral part of the provincial government plan “Together to Reduce Elder Abuse – B.C.’s Strategy” and co-chair of the Financial Abuse Prevention Action Group;
- Member, Justice Strategic Advisors Team, a cross sector advisory committee with representatives from the ministries of Attorney General and Public Safety and Solicitor General who meet to discuss sector wide IT strategies;
- Member, “Collective Impact – Transition in Resources, Relationships and Understanding Support Together (TRRUST)” an initiative sponsored by the McCreary Centre Society focused on achieving systemic improvements in outcomes for youth transitioning out of government care in Vancouver;
- Member, Trending Table Committee, a Vancouver based working group hosted by MCFD, including members from social work, law enforcement and other agencies, discussing a range of issues relevant to children and youth in care;
- Member, Registered Disability Savings Plan Action Group, an advisory committee to government which works to realize government’s Accessibility 2024 commitment to build and maintain BC’s

position as the province with the highest per capita uptake of RDSPs in Canada; and

- Partner, BC Child and Youth in Care Week, a partnership between the PGT, Ministry of Children and Family Development, Federation of BC Youth in Care Networks, Adoptive Families Association, Federation of Community Social Services of BC and the Representative for Children and Youth to highlight the accomplishments and talents of children and youth in government care.

Consultations

- Participated in law reform initiatives including:
 - Consultation with the Ministry of Health and Health Authorities on implementation of the care facility admission provisions of the *Health Care (Consent) and Care Facility (Admission) Act* legislation which came into force on November 4, 2019 and implementation of the associated long term care access policy which came into force on July 15, 2019; and
 - Consultation with the British Columbia Law Institute and the Ministry of Children and Family Development to review the *Child, Family and Community Service Act* to identify outdated provisions and gaps within the legislation and to review comparative legislative models related to youth aging out of care.
- Participated in the Canadian Centre for Elder Law project “Inclusive Investing: Respecting the Rights of Vulnerable Investors through Supported Decision Making”;
- Engaged with Insurance Corporation of British Columbia (ICBC) representatives to discuss matters of mutual interest concerning the settlement of motor vehicle related claims for children and youth;
- Liaised with Ministry of Health regarding *ex-gratia* payments by government to former residents of Woodlands School;
- Worked collaboratively with National Association of Public Trustees and Guardians and Service Canada on access changes to the national social insurance registry to help ensure staff can access information from the registry on behalf of clients;
- Continued to liaise with Community Living British Columbia and the Advocate for Service Quality on a range of projects relating to incapable adults including information sharing and related data matching; and
- Partnered with Ministry of Children and Family Development and Delegated Aboriginal Agencies on the development and launch of resources and training materials designed to increase the uptake of RDSPs for children in continuing care.

Educational Outreach

- Contributed to professional development programs and conferences such as the BC Branch of the Canadian Bar Association, the BC Notaries, the Vancouver Police Department's Financial Crimes Unit and the Pacific Business and Law Institute;
- Provided periodic training on the role of the PGT to new social workers through the Indigenous Perspectives Society;
- Facilitated a broad range of financial literacy workshops for youth in care, including MCFD/YWCA programs and workshops at the Burnaby Youth Custody Services Centre, the Cedar Walk and Aries programs facilitated by the Urban Native Youth Association and the Vancouver School Board and the First Nations Youth Training Program coordinated by the Blue Collar Group;
- Made submissions to the *Power Pages* magazine issued by the Federation of BC Youth in Care Networks; and
- Participated in National Indigenous Peoples Day activities in Vancouver and the provincial Gathering Our Voices Indigenous Youth Leadership Training Conference.

A photograph of a man with a beard lying in a hospital bed, looking up. A medical professional's hand is visible on his forehead. The image has a blue and purple color cast.

Societal Trends and Other Factors

A number of social trends, risk factors and internal issues affect the work of the PGT, and are outlined on the following pages.

A. Improving client service through the use of technology enhancements

THE ISSUE

- Technology continues to significantly transform the way individuals and organizations operate.
- Citizens expect organizations to be service oriented, providing programs and services in a simple, modern and effective manner.

THE IMPACT ON PGT CLIENTS

- Significant gaps exist between client service expectations and the organization's ability to meet them. For example, clients expect to be able to carry out tasks such as:
 - review the status of accounts online;
 - submit information interactively through a secure portal; and
 - complete payment transactions electronically.
- The PGT has historically operated in a traditional paper based environment supported by legacy systems which are not sustainable. A high volume of paper creates inefficiencies and the risk of error.

THE PGT RESPONSE

- Since 2015, the PGT has taken steps to shift toward an enterprise approach in modernizing the way it manages information, data, technology and security as modernized systems and related processes will support more responsive and effective client service.
- The PGT will continue to work closely with the BC Chief Information Officer and the Ministry of Attorney General to follow leading practice in implementing new technology and making corresponding process improvements.
- The PGT will continue to enhance existing software applications including a modern trust accounting system and associated processes to improve operations and client service.
- The PGT will continue implementation of a document management system including associated process improvements. A document management system is critical to the effective management of significant volumes of client records.
- The PGT will move forward with obtaining business intelligence reporting tools and pursue funding to begin development of interactive digital client self-service.

B. Responding to changing demographics

THE ISSUE

- The percentage of the population of people in British Columbia who are age 65 years or older is increasing, giving rise to an increase in demand for PGT services to adults.
- As the number of older adults in BC increases, the number of deaths also increases giving rise to a growing demand for PGT estate administration services.
- The PGT's role as fiduciary is becoming more complex and carries an increasing degree of risk due to the changing nature and location of client assets, an increasing level of client debt and escalating value of estates being administered.
- British Columbians are ethnically and culturally diverse and require services that are tailored to meet their needs.
- The changing provincial framework for child protection requires the PGT to collaborate with an increasing number of partners, including Delegated Aboriginal Agencies and Indigenous communities to provide property guardianship services to children and youth.

THE IMPACT ON PGT CLIENTS

- PGT clients reasonably expect the PGT to professionally and effectively manage their financial affairs, a task which is increasingly complex as assets are located around the world often in jurisdictions that do not recognize the PGT's legal authority. Assets are in multiple formats including digital. Clients and estates increasingly require debt management and resolution of tax issues.
- Clients also reasonably expect that PGT policies and procedures will be culturally sensitive and culturally competent.

THE PGT RESPONSE

- The PGT will allocate new resources to services in program areas with sustained increases in demand when required funding is secured.
- The PGT will review the impact of increased demand for PGT estate administration services by conducting a review of the manner in which the services are delivered and implementing opportunities for improvement.
- The PGT will provide ongoing skills and knowledge training to staff to support management of complex caseloads including a focus on diversity and Indigenous cultural awareness training.
- The PGT will continue to build its relationships with Indigenous communities, to enhance its capacity to provide effective and relevant services to Indigenous clients.

C. Responding to increasing service expectations

THE ISSUE

- Public expectations and advances in technology have increased demand for instant and easily accessible information.
- The services provided by stakeholders and service partners continue to evolve, increasing the demand for PGT resources.
- The scope of duties associated within the PGT's statutory roles continue to expand. For example, as the result of improved reporting and stronger support for youth leaving care by the Ministry of Children and Family Development, the scope of the PGT's duties as property guardian for children in care has expanded and now includes:
 - responding to an increasing number of critical incident reports about injury or loss suffered by children in continuing care;
 - providing financial literacy training and other transitional supports to a larger number of youth leaving care; and
 - serving as trustee to former youth in care up to their 27th birthday, where the youth has requested continuing PGT support.

THE IMPACT ON PGT CLIENTS

- Feedback from consultations with clients and stakeholders has highlighted the need for improved communication by the PGT about what PGT services entail, how PGT involvement will affect clients and their families and expected service timelines.

THE PGT RESPONSE

- The PGT will continue to focus on making operations more efficient and will continue to assess trends and service demand changes in order to manage its resources in a manner that is flexible and responsive to changing service delivery needs.
- The PGT will develop clear communications materials about services for clients and stakeholders and increase staff training in public education about PGT services.

D. Enhancing employee engagement

THE ISSUE

- Traditional PGT recruitment sources are providing fewer candidates with the education, skills and knowledge required to fill many PGT positions.
- PGT compensation rates, which are determined by government, have not kept pace with private sector equivalents in several key areas.
- Staff retention is challenged by the fact that other employers are able to offer more flexible work arrangements and better compensation.
- In addition to the requirement to have the traditional skills and knowledge required to fulfill PGT roles, staff are increasingly required to have the technical skills to deliver services using new information technology systems.

THE IMPACT ON PGT CLIENTS

- Complex legal, financial and sensitive personal and health care client issues require management by competent, skilled and engaged PGT employees.
- Barriers to effective recruitment means more staff time is spent on ongoing recruitment and training which limits resourcing that can be applied to meeting client needs.
- Staff training is increasingly important as client affairs become more complex to manage.

THE PGT RESPONSE

- The PGT will continue to use bridging positions and temporary assignments to promote career growth.
- The PGT will continue to build its corporate training program, focusing on role based training including technical and communication skills development.
- The PGT will continue to engage in succession planning for critical positions.
- The PGT will continue to include staff in improving business processes.
- The PGT will continue to develop a healthy work environment by promoting health and safety initiatives, respectful workplace policies, a meaningful recognition program and effective communication between staff and leadership teams.
- The PGT will investigate strategies to support staff recruitment and retention such as offering a range of flexible work options and working with government to review classification of key positions.

E. Assessing the impact of recent legislative reform

THE ISSUE

- In recent years, there have been several legislative reforms that have confirmed and/or enhanced the PGT's mandate including amendments to or introduction of:
 - *Family Law Act* (2013);
 - *Adult Guardianship Act* (2014);
 - *Public Guardian and Trustee Act* (2014, 2018 and 2019);
 - *Wills, Estates and Succession Act* (2014);
 - *Infants Act* (2018);
 - *Insurance (Vehicle) Act* (2019); and
 - *Health Care (Consent) and Care Facility (Admission) Act* (2019).

THE IMPACT ON PGT CLIENTS

- Many of these legislative changes have offered benefits to PGT clients including:
 - improved rights protection for vulnerable adults;
 - new post majority trustee services for youth leaving care; and
 - a more modern and efficient legal framework for the making of wills, the administration of estates and the determination of rights of succession.

THE PGT RESPONSE

- Each of these legal reforms required the PGT to implement a combination of changes to policies, procedures, technology and resourcing.
- The PGT will review implementation of recent legislative reforms including care facility admission provisions under the *Health Care (Consent) and Care Facility (Admission) Act* and amendments to the *Infants Act* and the *Public Guardian and Trustee Act* that allow youth transitioning from care the option to enter into an agreement with the PGT to hold and manage their funds until the age of 27 to help ensure reforms are operating as intended.
- The PGT will review and consider any impacts to the PGT role resulting from the anticipated introduction of Enhanced Care Coverage by the Insurance Corporation of British Columbia (ICBC) and related legislative and regulatory amendments.

Context for 2019–2020 Performance Results

Development of PGT Goals, Objectives and Performance Measures

This document reports on PGT performance in year one of the 2019–2022 Service Delivery Plan (SDP) which was approved by the Attorney General. The 2019–2020 budget was funded as set out in the plan. Goals, objectives and performance measures were implemented during 2019–2020 as presented in the SDP and are reported upon in this report.

Accountability requirements under section 22 (2) (c) of the *Public Guardian and Trustee Act* require that the PGT describe major program areas and specify “the performance targets and other measures by which the performance of the program area may be assessed.”

The PGT makes it a priority to meet its performance targets and monitors performance during the year. When targets are at risk, available resources are allocated in year to the program area.

Goals

The PGT approach to developing its goals focuses on outcomes required to fulfill its mandate. These are the well-being of PGT clients, prudent and transparent management of client affairs, operational efficiency and staff effectiveness. Each of the five goals is related to one or more of these outcomes. The PGT’s strategic goals are to:

1. Optimize client service delivery
2. Contribute to a fair and just society
3. Achieve success through relationships
4. Demonstrate accountability and transparency
5. Engage and empower staff

A significant portion of PGT activity involves carrying out fiduciary duty to clients through management of client property and financial assets. The 2019–2020 PGT Performance Measurement Framework linking the goals, objectives and measures (pages 54 to 67) demonstrates that Goal 1 has the greatest number of associated measures and touches almost every area of the organization and its activities.

Objectives

Objectives identified in the SDP serve several functions. They interpret and make visible the meaning of the goals as they relate to specific aspects of PGT work, identify key areas of performance and point to certain desired results in achieving the goals.

The performance measures reflect PGT best efforts to identify aspects of its performance that are most directly related to achieving stated goals and are capable of being measured and validated to an audit standard. Selecting objectives and performance measures is particularly challenging because in most instances the PGT contribution to client outcomes is difficult to isolate.

Goals 3 and 4 do not have specific measures attached to them. The PGT reports on these goals more broadly throughout this Performance Report.

Performance Measures

The PGT selects goals, objectives, performance measures and targets in accordance with underlying assumptions from its corporate values. PGT clients are often particularly vulnerable and the PGT contributes to their wellbeing through activities that are significant to clients, their family, friends, caregivers or intestate successors. Factors such as accessibility, timeliness, accuracy and empowerment are important to client wellbeing. Other factors include the need for client, service partner, stakeholder and public confidence in PGT expertise.

Many targets are driven by external considerations such as meeting legal requirements (fiduciary obligations), benchmarking against private sector standards (investment returns), responding to safety issues (investigations of high risk situations) or may reflect a balance between determining the acceptable level of performance in a specific period with consideration for resources and constraints. In addition, the PGT must be able to substantiate its reported performance results to an audit standard.

Due to the planning and reporting cycle, targets for the first year of the plan reflect the PGT assessment of appropriate and attainable service levels based on its best judgment at the time the targets were established. Results are continually assessed to determine if measures should be continued, targets should be adjusted or if resources could be reassigned to other service areas. Performance measures and related current and future year targets appear in this report as they were approved in the 2019–2022 PGT Service Delivery Plan.

The PGT has a statutory obligation to report on all program areas. This 2019–2020 Performance Report includes 19 performance measures covering all program areas.

Risk Management

The PGT acts in a broad range of fiduciary, statutory and court ordered roles and maintains a strong internal control framework to address legal, financial, operational and other associated risks. Under its Enterprise Risk Management Framework, the PGT maintains a comprehensive risk register and regularly identifies, evaluates and manages risks to the achievement of the PGT's mandate, strategic goals and objectives.

Strategies are implemented to manage and mitigate the likelihood of risk events occurring, and their impact to the organization. These include maintaining a strong control environment, implementing further mitigating control activities to reduce risks to an acceptable level and monitoring the risks mitigating controls on an ongoing basis.

The PGT Executive Committee and other members of management reviewed, evaluated and updated the PGT risk register in October 2019. Risks are evaluated on a residual basis, which measures the amount of risk remaining after considering existing controls to reduce the risk's likelihood and/or impact. While the top residual risks following the October 2019 evaluation remained fairly consistent with those of previous years, there have been some changes. The risk associated with workload impacting employee engagement was found to have the highest residual risk as of October 2019 as employee workloads are becoming increasingly complex and difficult to manage.

Significant PGT risk factors fall into the following three broad risk categories:

- *Legislative framework*: reflecting the impact of changes in government policy, legislation and regulation which could significantly impact service delivery requirements, availability of resources and the PGT cost recovery model;

- *Demand side factors*: reflecting the impact of increasing demands and complexity without additional funding such as legislative reform and changes in client expectations, awareness of PGT services and demographics that will all significantly impact the demand for services from the PGT; and
- *Supply side factors*: reflecting the impact of significant financial, human and operational resource constraints to meet current and planned objectives.

The PGT Operational Risk Management Committee formally reviews the risk register and status of risk mitigation strategies on a quarterly basis and more frequently when necessary with a focus on the top risks facing the organization.

The following table summarizes the most significant specific risks facing the PGT as identified and assessed through the Enterprise Risk Management process in October 2019 and outlines some of the major mitigation strategies. This summary of specific key risks does not describe all potential risks facing the PGT nor all of the related controls and mitigation strategies.

Risk	Nature of Risk	Major Mitigation Strategies
Workload impacting employee engagement	Risk that PGT employees are not effectively engaged due to a very high workload which can impact client service.	The PGT aims to mitigate this risk by creating ongoing recruitment processes to maximize staffing resources, providing additional resources in specific service areas facing increased demands that have corresponding increases in fees, promoting health and wellness activities and resources to promote staff resiliency and continually pursuing efficiency improvements.
Sufficiency of human resources	Risk that PGT cannot recruit or retain adequate numbers of appropriately qualified employees due to constraints such as non-competitive compensation levels for key positions.	The PGT acts to mitigate this risk by striving to increase employee engagement, enhancing recruitment and retention initiatives, improving training programs, developing succession plans and working with the Public Service Agency to develop new strategies for achieving more competitive compensation rates and providing flexible work arrangements.
Sufficiency of internal reporting	Risk of current reporting capacity being insufficient to fully meet current and future operational demands.	The PGT plans to mitigate this risk by continuing to build and expand its existing information management infrastructure, pursuing business intelligence capabilities and continuing to develop additional internal reporting tools.
Priority setting and capacity planning	Risk that PGT has inadequate capacity planning and is committing to various priorities and may lack capacity to deliver on those priorities.	The PGT strives to mitigate this risk through rigorous business planning processes that prioritize current and new initiatives within organizational capacity and the overall strategic direction of the organization.
Changing demographics	Risk that PGT will not meet the needs of the changing demographics of the overall population (including age, ethnicity, geographical location, gender and other factors).	The PGT strives to mitigate this risk through monitoring and analyzing internal and external demographic trends to understand key demand drivers for service and reallocating existing resources where required.
Funding sufficiency and expense authority	Risk that provincial administrative controls will limit the PGT's expense authority so that it is unable to expend its fees in providing services to clients or declining fees will limit the funding available to provide client services.	The PGT strives to mitigate this risk by careful budgeting and by seeking relief from limits on its expense authority by clarifying its fiduciary role and the nature of its self-funding.

2019–2020 Performance Results

In 2019–2020, the PGT met or exceeded its targets for 18 of 19 (95%) of the performance measures on which it is reporting. Specific performance details related to each measure are provided in the following performance details section. The Performance Measurement Framework appears on pages 54-67.

Source Data

Data for this performance report has been drawn primarily from internal information management systems. The primary systems are AXIOM (trust accounting system), CASE (case management application) and FSS (field services system). Financial data is derived largely from the audited financial statements and is rounded.

The PGT maintains clear documentation of the process for collecting and reporting on data supporting its performance results to help ensure consistency and reliability in reported results. Unless otherwise stated, results for specific performance measures are comparable with previous years. The PGT applies a broad range of quality assurance processes and reviews its performance on a quarterly basis. In reporting on performance results, the PGT usually rounds to the nearest whole number.

Unless otherwise specified, client counts reflect varying program workloads as measured by the number of individual clients served throughout the fiscal year. In some instances, the counts will reflect the number of individual clients served and in others, the counts will reflect the number of specific legal authorities under which clients were served with consideration for the fact that one client may be served under multiple authorities.

The PGT continues to enhance its capacity to draw performance reporting results from its information technology systems. Most reports on individual performance measures are now drawn from PGT systems and work continues to make this comprehensive. In the 2016–2017 Performance Report, the PGT reported that it intended to redesign five measures that drew information from the legacy trust accounting system that was replaced on May 1, 2017. The PGT published three new measures that are aligned with the PGT’s strategic goals in the 2018–2021 Service Delivery Plan and an additional two new measures were introduced in the 2019–2022 Service Delivery Plan and will be reported on publicly in this performance report for the first time.

The PGT will continue to follow a leading practices approach by investing time to analyze the information generated from enhancements to systems and design new measures that will most satisfy BC Reporting Principles requirements and the *Public Guardian and Trustee Act*.

In accordance with the *Public Guardian and Trustee Act*, this PGT annual performance report is subject to an independent audit to provide third party assurance on the reported results. Financial statements for the PGT Operating Account and Trusts and Estates Administered are also subject to an annual independent audit to provide third party assurance.

Comparative Information

The PGT is a unique organization largely without private sector comparators and with limited comparability to public bodies in BC and other jurisdictions. Due to its responsibilities, mix of services and unique legal status, PGT access to generally accepted service standards is limited. Public guardian and public trustee agencies in other provinces and territories each have some responsibilities and services or elements of them in common with the PGT but none have the same authorities.

For 2019–2020, the PGT is able to make comparisons from its own performance using information reported in its previous annual reports. While some measures have been changed, eliminated or newly introduced over time, the available comparative data has become more substantial each year and has been used in several instances for changing measures and/or modifying performance targets.



Reports on Individual Performance Measures



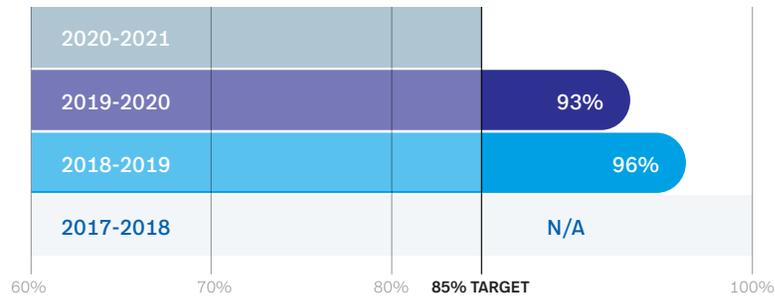
GOAL 1

Optimize Client Service Delivery

OBJECTIVE 1.1

Property and financial interests of PGT clients will be well managed

1.1.1 Percentage of deceased estate funds that are distributed to intestate successors and beneficiaries rather than transferred to the BC Unclaimed Property Society

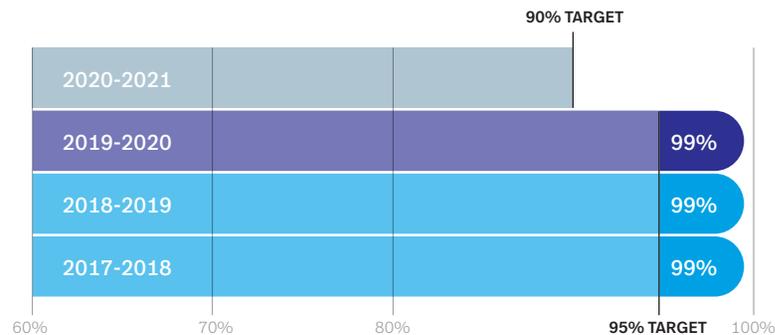


The PGT administers estates for which the executor, intestate successor, beneficiary or other eligible person is not able or willing to do so. If the PGT is unable to determine the lawful intestate successors of an estate after conducting a search, the balance of the estate after payment of creditors, administrator fees and expenses, is transferred to the BC Unclaimed Property Society.

This activity helps ensure that succession laws and wishes of persons making wills are respected and that efforts are made to locate and distribute their entitlements to intestate successors and beneficiaries.

In 2019–2020, PGT Estate and Personal Trust Services distributed \$40,430,250 of which \$37,719,794 (93%) was transferred to intestate successors and beneficiaries.

1.1.2 Percentage of critical incident reports in respect of children in continuing care that are reviewed and have action initiated by the PGT within 45 calendar days of receipt



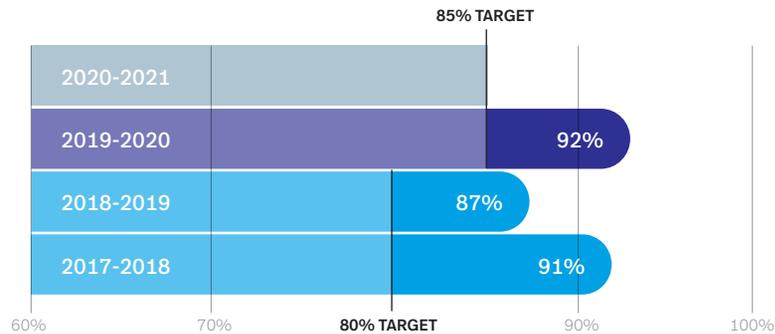
The PGT is co-guardian with MCFD and DAAs for children in continuing care of the Province. Designated officials of MCFD and the DAAs are personal guardians for children in continuing care and the PGT is property guardian. As property guardian, the PGT identifies financial entitlements or legal claims and brings forward appropriate legal action on behalf of the children and youth. This includes legal claims for damages such as personal injury arising from abuse, assault or motor vehicle accidents as well as for statutory benefits such as from the death of a parent.

The PGT receives automated reporting from MCFD and the DAAs of incidents involving children in continuing care and must review

these reports to determine whether to commence civil legal proceedings and/or pursue financial benefits on behalf of the child. This activity satisfies PGT legal obligations as fiduciary and improves the wellbeing of children and youth in continuing care of the Province by protecting their legal rights and financial interests.

In 2019–2020, of 1,328 critical incident reports received directly from MCFD and DAAs, 1,325 (99%) were reviewed and action was initiated by the PGT within 45 calendar days of receipt of the report. In 2020-2021, the target for this measure will be reduced for one year to 90% as the timeframe to complete reviews is reduced from 45 calendar days to 30 calendar days.

1.1.3 Percentage of personalized case plans (covering property, effects, legal issues and living arrangements) that are developed and implemented for new adult clients within six months of PGT appointment as committee of estate



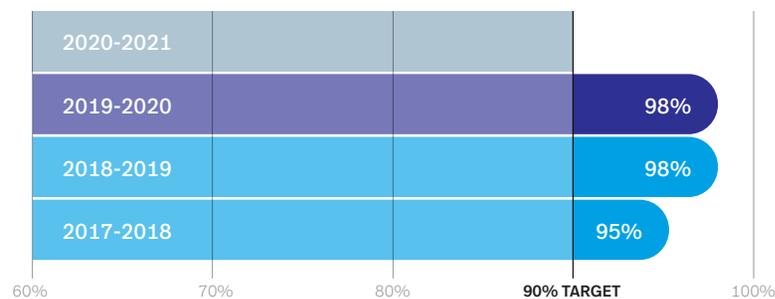
The PGT may become committee of estate under the *Patients Property Act* for adults who are unable to manage their financial and legal affairs. Completion of a personalized case plan for a new committee of estate client demonstrates that the PGT has taken the steps necessary to identify and secure the client's property and financial interests and provides for their ongoing protection. Time taken to develop and implement the plan will vary according to the complexity of the client's property and financial interests.

This activity improves quality of life for incapable adults by making arrangements

that respect client wishes to the extent possible and by developing plans to maximize resources available for their care. For most new committee of estate clients, six months is a reasonable expectation in which to complete the plan as normally several months are required to collect all relevant information about the client.

During 2019-2020, 202 new clients required these plans and the PGT developed personalized case plans for 186 (92%) of them within the six month time frame.

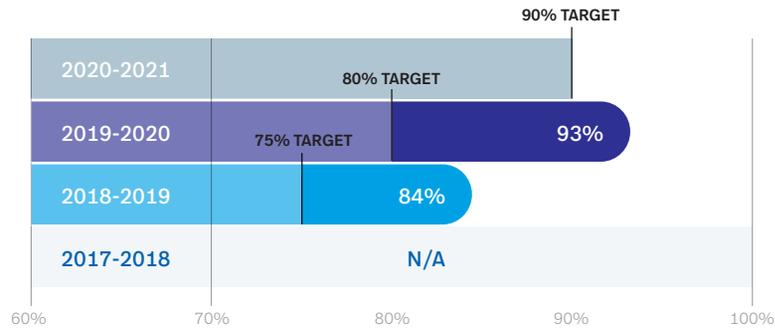
1.1.4 For children and youth where ongoing assistance with day to day maintenance has been approved, personalized expenditure plans will be developed and implemented within 20 calendar days of receiving all decision making information and then annually reviewed



The PGT implements and maintains personalized case plans on behalf of child and youth clients where ongoing assistance with day to day maintenance has been approved. Maintenance includes a broad range of payments to the caregiver for day to day costs of the child's needs. This activity improves the quality of life for minors by providing timely decisions regarding sustainable management of their resources to meet current and future financial needs.

In 2019-2020, personalized case plans were developed and implemented or reviewed within the target timelines for 84 of 86 (98%) minor clients for whom ongoing maintenance has been approved.

1.1.5 Percentage of investment plans and reviews completed prior to specified due date



Developing and implementing client investment plans supports investment decisions that are tailored to individual client circumstances. Individual client circumstances, such as increased or decreased needs for cash funds, are considered when developing and reviewing investment plans. Reviewing existing client investment plans is important because client needs and risk tolerance change over time. Frequency of reviews is also related to the asset mix in the client investment plan. The PGT reviews client investment plans on a rotating basis according to the assessed level of risk associated with the client investment portfolio.

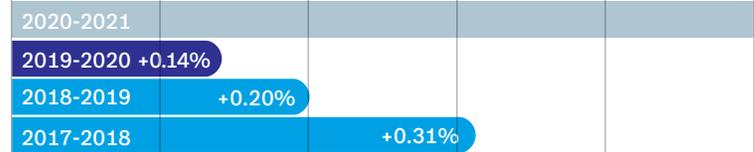
Completing investment plans and reviews contributes to improved quality of life for clients by helping ensure that financial planning remains current to maximize resources available for client specific needs. In 2019–2020, of 1,449 client investment plans and reviews scheduled and required to be completed, 1,353 (93%) were completed prior to the specified due date.

1.1.6 Investment returns for all three pooled funds match or exceed established benchmarks

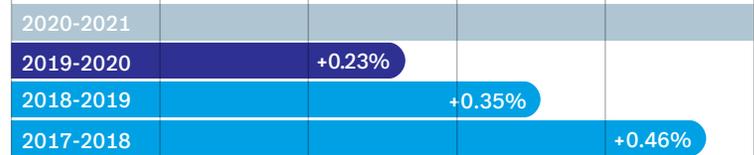
Premium Money Market Fund



Balanced Income Fund



Balanced Growth Fund



PGT client funds are invested to maximize returns in a manner appropriate to individual client circumstances. This measure is a means of comparing performance by investment managers retained by the PGT against established industry benchmarks. The PGT has three pooled common funds: the Premium Money Market Fund (PMMF), the Balanced Income Fund (BIF) and the Balanced Growth Fund (BGF). The majority of client funds are held in the Premium Money Market Fund.

The PGT calculates investment returns using the investment industry standard of five year rolling averages with information on returns calculated by third party professional measurement services. BC Investment Management Corporation reports on the performance of all three pooled funds. The PGT verifies performance with reference to custodianship reports for actual returns and other third party data for industry benchmark returns.

Professional investment management improves quality of life for clients by prudently managing their financial resources to help ensure their resources are maximized to meet their needs. In 2019–2020, investment returns for all three pooled funds exceeded the established benchmarks. The Premium Money Market Fund is comprised of two separate components, a money market pool component and a segregated bond portfolio. For the Premium Money Market Fund, the measure assesses only the performance of the money market pool. Details are recorded in the accompanying tables.

1.1.7 Physical assets of new deceased estates secured within 15 calendar days of notification of death

Securing the physical assets of a deceased person’s estate is a critical step in reducing risk of damage and preventing loss to the value of the estate. The result for creditors and beneficiaries of the estate improves according to the speed with which physical assets are secured. This activity secures assets and maximizes funds available to estates of deceased persons.

Note that this measure is discontinued in both the 2019-2022 and 2020-2023 Service Delivery Plans until a more suitable replacement measure is developed. The previous measure could only be applied to a subset of client physical assets to be secured. The number included in the subset was too small to provide a meaningful measure of work undertaken on behalf of clients in this area.

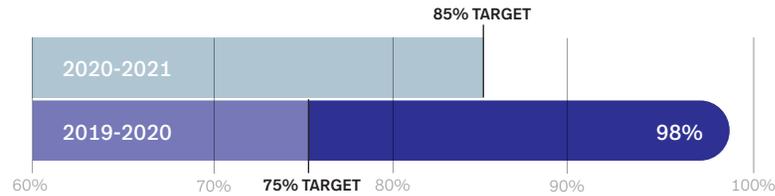
1.1.8 Assets will be entered into the trust accounting system within five business days of receipt of the work order



PGT Field Services secures client physical assets, taking custody of them and providing for their security. Timely recording of the assets in the PGT field services and trust accounting system are key elements in securing them.

In 2019-2020, of 639 client inventory reports, 627 (98%) were recorded within five business days.

1.1.9 Percentage of disbursements on behalf of children and youth processed within 30 calendar days of request

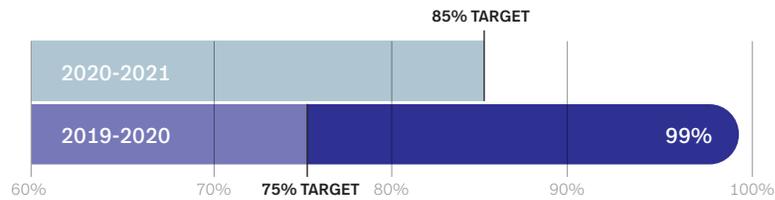


Administering trusts for which a child or youth is the beneficiary is a major responsibility of PGT Child and Youth Services. Funds held in trust by the PGT for a child, are subject to a number of statutory and policy terms and conditions designed to protect the child’s interests. Guardianship and Trust Officers consider client requests to spend from the individual’s trust fund and must determine whether the request falls within or outside of the trust restrictions

while still providing a timely response. This activity benefits children and youth by allowing appropriate disbursements in a timely manner while applying necessary constraints to satisfy fiduciary responsibilities to be prudent.

In 2019–2020, out of 2,098 decisions to issue funds, 2,065 (98%) were completed and a payment issued within 30 calendar days of the request by the guardian or client.

1.1.10 Percentage of disbursements on behalf of adult clients to vendors processed within 30 calendar days



Ensuring that amounts owed by PGT clients are paid in a timely manner is an important aspect of managing the affairs of adult clients. Where the client is able to manage some day to day expenses, funds will be made available to the client in the client’s bank account to cover expenses. If the client is in a care facility, the PGT pays the maintenance charges and provides additional money for small purchases if the client can afford this. Where there are debts or other liabilities and the adult has

sufficient funds, the PGT will arrange for repayment or settle the claims on the adult’s behalf. This activity improves quality of life for incapable adults by ensuring timely bill payments on their behalf, avoiding potential penalty or interest charges.

In 2019–2020, of 46,368 adult client disbursements, 45,836 (99%) were processed within 30 calendar days.

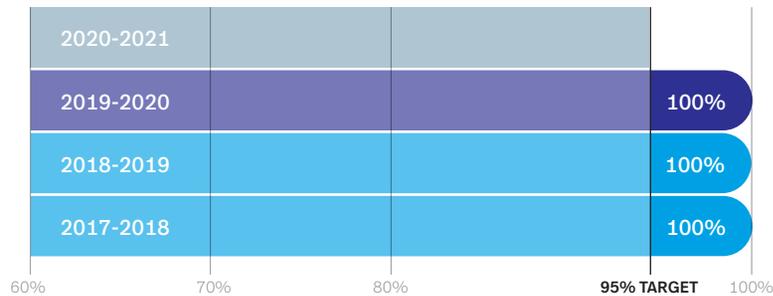
GOAL 1

Optimize Client Service Delivery

OBJECTIVE 1.2

The PGT will deliver high quality client centred services

1.2.1 Percentage of committee of person adult clients who are annually visited by PGT staff

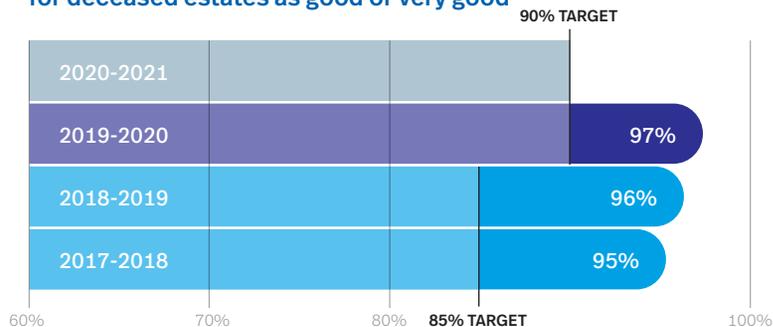


There are a small number of adult clients for whom the PGT acts as a court appointed committee of person and is responsible for their personal care interests. The PGT attempts to visit these clients at least once every year. For the PGT, the visit is an opportunity to review the client's personal situation and assess whether changes are required to help ensure protection of their ongoing personal and health care interests. For the adult, the visit is an opportunity to convey information directly to the PGT without an intermediary such as a caregiver or care facility administrator.

This performance measure focuses on clients for whom the PGT has the greatest

responsibility. Client visits improve quality of life for clients through direct contact with PGT staff and provide for their maximum empowerment. In 2019–2020, visits were made to 108 of 108 (100%) adult clients for whom the PGT acts as committee of person. Note that visits to 8 committee of person clients were excluded from this measure this year due to health and safety concerns arising from COVID-19. The PGT will be amending the definition of client visits to take into account the need for physical distancing during the pandemic. PGT performance with respect to this measure including the amended definition of client visits will be reported in the next annual report.

1.2.2 Percentage of intestate successors and beneficiaries responding to survey who rated administration services for deceased estates as good or very good



The PGT administers estates of deceased persons. The EPTS division conducts a client satisfaction survey with intestate successors and beneficiaries who receive funds when administration of an estate is completed. This activity measures client satisfaction and gives intestate successors and beneficiaries the opportunity to comment on what is important to them regarding services. This activity also improves service delivery by highlighting areas needing improvement.

In 2019–2020, 327 of the 338 (97%) beneficiaries who responded to the survey question rating estate administration services rated them as good or very good.

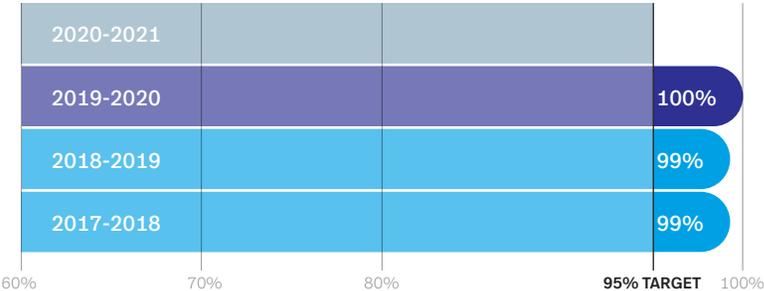
GOAL 2

Contribute to a fair and just society

OBJECTIVE 2.1

Personal interests of PGT clients will be protected

2.1.1 Percentage of major health care substitute decisions for adults made within three business days of all relevant information being received



The PGT protects the personal interests of adults incapable of giving health care consent by making these decisions on their behalf as temporary substitute decision maker (TSDM) under the *Health Care (Consent) and Care Facility (Admission) Act*. The timeliness of PGT substitute health care decisions as TSDM is important to the wellbeing and rights protection of the individual for whom treatment has been proposed by a health care provider.

This performance measure focuses on the most serious decisions which are classified as “major” under the *Health Care (Consent) and Care Facility (Admission) Act*. Timeliness of decision making is important because it facilitates clients receiving health care in a timely manner if that treatment is consented to by the TSDM. In 2019–2020, of 94 major health care decisions, 94 (100%) were made within the three business day time frame.

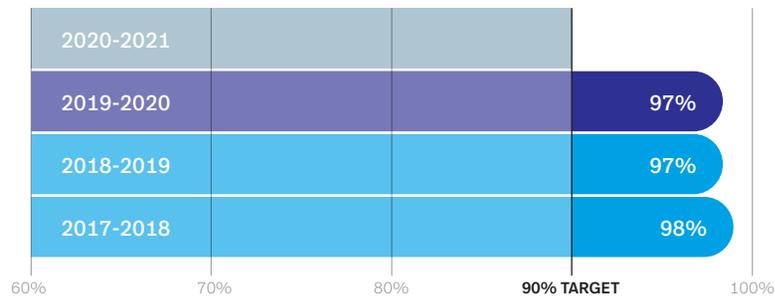
GOAL 2

Contribute to a fair and just society

OBJECTIVE 2.2

Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner

2.2.1 Percentage of proposed minors' settlements \$5,000 and over that are reviewed and the parties advised of the PGT position within 60 calendar days once all relevant information has been received



Under the *Infants Act*, the PGT must review all proposals to settle a variety of claims on behalf of a minor for unliquidated damages such as personal injury arising from motor vehicle accidents, medical malpractice, wrongful death of a parent and other claims. The PGT has jurisdiction to approve infant settlements of \$50,000 or less (exclusive of interest and costs) outside the court process. The PGT also provides written comments to the court for amounts greater than \$50,000 or when the PGT has refused to approve a settlement for less than \$50,000 and the parties have chosen to proceed to court to seek approval.

This statutory service protects the property rights of minors in obtaining fair and reasonable compensation from negligent parties or their insurers. It also contributes to increasing the efficiency of the court system by providing experienced, objective reviews in a timely manner. Within this time frame, the PGT works as quickly as possible as PGT review is usually the final step in what may already have been a very long process for the child and parent or guardian.

In 2019-2020, in 353 of 364 cases (97%), the PGT reviewed the proposed settlements and advised the parties of the PGT position within 60 calendar days of all relevant information being received.

2.2.2 For minors' settlements under \$5,000, the average number of calendar days to review and advise of the PGT position regarding proposed settlements once all relevant information has been received

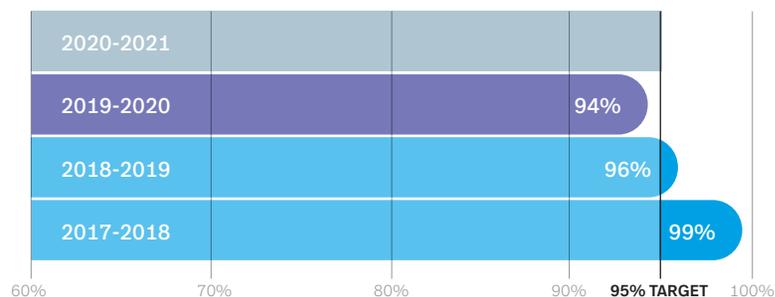


This measure is related to the previous measure (2.2.1) and focuses on proposed settlements of minors' claims for unliquidated damages under \$5,000. The PGT must review all proposals to settle a claim by a minor for unliquidated damages and has jurisdiction to approve infant settlements of \$50,000 or less (exclusive of interest and costs) outside the court process.

These smaller settlements are reported separately because they are usually less complex than larger settlements and it is

possible for them to be reviewed more quickly. In 2019-2020, the PGT reviewed and concluded 90 proposed settlements under \$5,000 in an average of 18.6 elapsed days per settlement. The average duration per review increased from prior years as resource allocations were adjusted to support other service delivery requirements while still maintaining service target levels in this area.

2.2.3 Percentage of cases where, on confirming that the assets of an apparently abused or neglected adult unable to seek support and assistance are at significant risk and in need of immediate protection, protective steps are taken within one business day under section 19 of the Public Guardian and Trustee Act

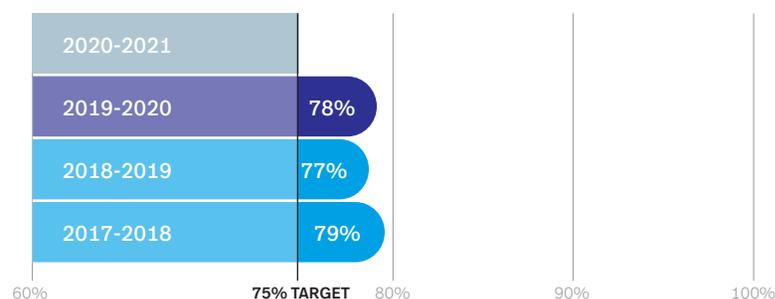


The PGT is mandated under the *Public Guardian and Trustee Act* to protect incapable adults at risk for abuse, neglect and self neglect. One way it does this is to safeguard their assets so that persons seeking to take financial advantage of the adults will be unable to do so. Under section 19 of the *Public Guardian and Trustee Act*, the PGT orders financial institutions and others to restrict access to the assets of an individual while the PGT investigates the situation.

The speed of PGT action can be a major determinant of whether client assets are protected. Taking protective measures in a timely manner increases safety for abused, neglected and self neglecting incapable adults. In 2019-2020, the PGT took protective measures in 126 cases. In 118 (94%) of these, protective measures were taken within one business day.

A number of factors contributed to the PGT missing the target for this measure. The PGT recently took steps to improve documentation of a specific data point for this measure within our case management system. This improvement enhances the rigour with which performance data is captured in the PGT system and increases the accuracy of reported results. The PGT also faced significant staffing challenges with recruitment and retention in 2019-2020, where the team accountable for this target was significantly understaffed. The PGT is also cognizant of the changing landscape of decision making as it relates to the context of balancing the rights of vulnerable adults with PGT statutory authority to freeze assets in urgent cases pending a determination of financial incapability.

2.2.4 Percentage of private committee accounts reviewed within six months of receipt



The court may order that a family member or other person may become committee of a mentally incapable adult.

The PGT helps committees to understand their role and monitors the actions of committees by reviewing their accounts on a regular basis and undertaking investigations when concerns are reported.

The PGT reviews accounts according to a defined schedule to help ensure the

committee is applying the adult's funds appropriately. Account reviews are completed in a timely manner so that losses related to mismanagement or misappropriation can be remedied and future problems prevented.

In 2019-2020, of 511 accounts submitted for review to the PGT, 397 (78%) were reviewed within six months of receipt.

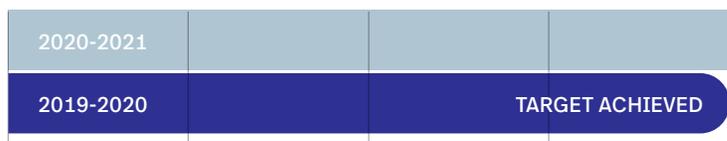
GOAL 2

Contribute to a fair and just society

OBJECTIVE 2.3

The PGT will contribute to public awareness, policy development and law reform initiatives to promote the interests of PGT clients

2.3.1 Review legislative amendments coming into force on April 1, 2019 relating to claims by minors for compensation regarding motor vehicle accident injuries and prepare public education material to explain the impacts to the PGT role to stakeholders

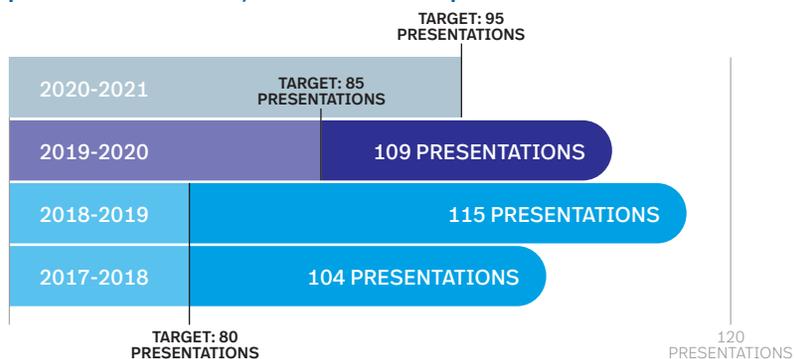


TARGET: EDUCATION MATERIALS POSTED TO PGT WEBSITE BY MARCH 31, 2020

When a minor is injured in a motor vehicle accident, the minor may be eligible for compensation from a variety of sources. When a compensation offer is made, the PGT is required to review the proposed settlement to see that the offer appropriately compensates the minor. On April 1, 2019 amendments to the *Insurance (Vehicle) Regulation*, clarifying changes to ICBC benefits and processes came into effect impacting minors who were subsequently injured in motor vehicle accidents.

The public education material, now available on the PGT website, describes the process for three specific scenarios under the amended legislation, where the PGT reviews settlements for motor vehicle accidents that took place on or after April 1, 2019. Additional changes to the infant settlement review process will take place on May 1, 2021 as the provincial government amended the *Insurance (Vehicle) Act* in February 2020. The PGT will review these changes and make corresponding updates to public education materials as required.

2.3.2 PGT role explained by PGT representatives at stakeholder and service partner conferences, events and other public education forums



The public, service partners and stakeholders continue to request the PGT to make presentations about PGT roles and areas of responsibility. Over the last few years, the PGT has been involved with implementing new legislation and the related requirement for public education activities is great. The PGT strives to meet the demand for public education activities which must be balanced against other service requirements.

Better understanding of the PGT role promotes appropriate uptake of PGT services and is an important element in a PGT demand management strategy. In 2019-2020, the PGT made 109 public presentations.

GOAL 3

Achieve success through relationships

OBJECTIVE 3.1

Build relationships and understanding of roles with clients and stakeholders to support improved service

Assessment – There are no specific performance measures for this goal, however, the PGT plans to achieve its mandate through working with others including clients, their friends and families, organizations with statutory authority and a wide range of professional and organizational service providers. This includes participating in government wide and government/ community initiatives as documented in this report (see pages 40-41).

GOAL 4

Demonstrate accountability and transparency

OBJECTIVE 4.1

Provide meaningful information to clients, stakeholders and the public

Assessment – All of the specific performance measures described under the previous goals also relate to this goal. In addition, the PGT is approaching this goal by responding to a large number of strategic and operational factors. Implementing supportive information technology, particularly further implementing a new document management system is a major strategic approach. The PGT has a strong accountability framework that includes an Enterprise Risk Management Framework (see pages 50-51) and independently audited public reporting on performance and operations (see pages 78-117).

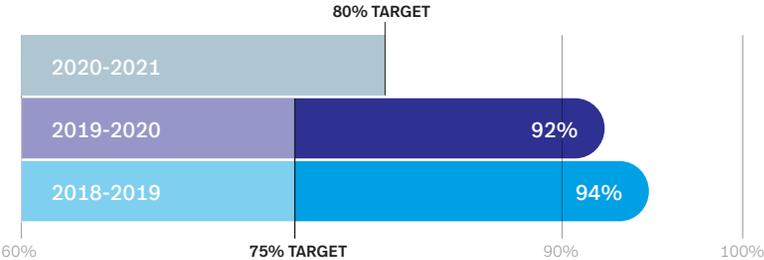
GOAL 5

Engage and empower staff

OBJECTIVE 5.1

Develop motivated, skilled and accountable leaders and staff

5.1.1 Percentage of existing PGT staff that completed at least 10 hours of client service related learning



Training and learning is a vital component of developing a motivated and skilled workforce. The increasing complexity of substitute decision making for vulnerable clients and of managing client financial assets and estates demands that appropriate and continuous skills and knowledge training be provided to staff. Often this type of learning is not available in formal educational programs. To this end, the PGT delivers in person and eLearning training and education programs focusing on substantive knowledge based education and role based training for staff.

The percentage of staff who receive training is another indicator contributing to quality client service. In 2019–2020, 220 of 239 (92%) received at least 10 hours of client service related learning.



Linking Resources to Performance

A young child is shown in profile, looking towards the left, holding several lit sparklers. The sparklers are bright and create a trail of light against a dark blue background. The child is wearing a dark, patterned shirt. The overall mood is celebratory and hopeful.

Linking Resources, Strategies and Results

Background

The PGT is responsible by law for delivering a broad range of services to clients and is self-funded for a large percentage of its expenditure budget. In developing its annual budget, the PGT provides for meeting its statutory and fiduciary obligations to its clients. The PGT establishes strategic goals and determines performance measures and targets within the budgeted resources and constraints of a given year in the context of its three year service plan.

The PGT delivers client services through a combination of activities that are specific to an operational division, integrated between divisions, across divisions or are delivered in conjunction with service partners:

- Operational divisions focus on broad client groups such as children and youth, adults and estates of deceased persons. Costs are assigned directly to the divisions.
- Activities of operational divisions are supported by integrated services such as legal, investments, information systems, securing of client assets, warehousing, budgeting, facilities and executive support services. Costs for these integrated services are assigned across operational divisions using an allocation model developed to reflect approximate usage.

- Some services, such as quality assurance and risk management, are delivered in a cross divisional manner. Costs of cross divisional services are assigned directly through operational division budgets and indirectly through costs assigned through an allocation model.
- Services such as maintaining client real property are delivered in conjunction with service partners and are charged directly to clients.

See pages 76 and 77 for the Allocation of Recoveries and Expenses by Program – Budget and Actual (unaudited) for the year ended March 31, 2020.

Delivery of services and allocation of costs are reflected in Areas of Expenditures and PGT Strategic Goals (unaudited) on pages 71 and 72, describing which PGT goals apply to which area of expenditure. The table provides a context to put PGT areas of expenditure into perspective. The distribution also reflects the integrated and cross divisional nature of PGT operations.

Linkages

Client services fall into one of two broad service areas:

- Trust and estate services are fiduciary in nature with the greatest impact from the service on the management of individual client assets which is reflected in the total or high level of cost recovery.
- Public services are regulatory in nature with the greatest impact from the service on monitoring or oversight and the limited or non-existent cost recovery reflects the public nature of these services.

Table 1 (unaudited) demonstrates that most PGT goals apply broadly to most areas of expenditure and may involve both a number of programs and expenditures and a number of divisions.

Challenges

The challenge of segmenting expenditures is greatest at the broad goal level. It is a lesser challenge in the case of specific performance measures within each goal as these are more likely to apply to a single area of expenditure. However, the PGT considers that elaboration of budget particulars at the individual measure level is not possible as the work is too interrelated and spread throughout PGT activities.

For example, integrating a new adult client requires more than preparation of a new case plan. Assets must be secured, legal interests must be considered, real property may have to be sold, an investment plan may have to be developed and overdue taxes may have to be made current.

These complex linkages mean that although the areas of expenditure are linked with groups of strategic goals, the relationship between performance and outcomes and changes in costs may not be direct or immediate.

Areas of Expenditure and PGT Strategic Goals

(Unaudited)*

Trust and Estate Services



Goals 1, 3, 4 and 5 most directly affected

*All PGT expenditures are allocated into one of two categories according to the nature of the work, i.e., trust and estate services or public services. Goals may apply in both categories. Individual performance measures within a goal may relate more specifically to one area of expenditure than another.

Trust and Estate Services

Trust and estate services are the primary PGT responsibility and in 2019–2020 accounted for \$21.0 million or 68% of total costs and produced \$20.5 million or 95% of total self-generated recoveries from fees.

Trust and estate services include the following:

- Child trust services
- Adult trust services
- Estate and personal trust services

Context

- PGT Estate and Personal Trust Services division achieved cost recovery. The rate of recovery was 110% in 2019–2020 (113% in 2018–2019).
- The PGT acts as a prudent investor in managing all client invested funds. These investment activities support objectives under Goal 1 by helping to ensure property and financial interests of PGT clients are well managed. At March 31, 2020, the average cost per client for salaries and benefits within the PGT investment services section was \$14.31 (\$12.67 at March 31, 2019).

Public Services

Goals 1, 2, 3, 4 and 5 most directly affected

Public services accounted for \$9.8 million or 32% of total costs in 2019–2020 and produced \$1.0 million or 5% of total self-generated recoveries from fees.

Public services include the following:

TABLE 1

Program Areas	COSTS	SELF-GENERATED RECOVERIES
Child and Youth Services		
Property guardian	\$ 2.58 million	-
Infant settlement and other legal reviews	\$ 1.19 million	\$ 0.32 million
Grant application reviews	\$ 0.68 million	\$ 0.18 million
Litigation guardian	\$ 0.10 million	-
Services to Adults		
Assessment and investigation	\$ 2.01 million	\$ 0.04 million
Personal decision services	\$ 1.07 million	-
Committee of person	\$ 0.11 million	-
Private committee services	\$ 1.92 million	\$ 0.44 million
Other adult legal services	\$ 0.14 million	-
Total	\$ 9.80 million	\$ 0.98 million

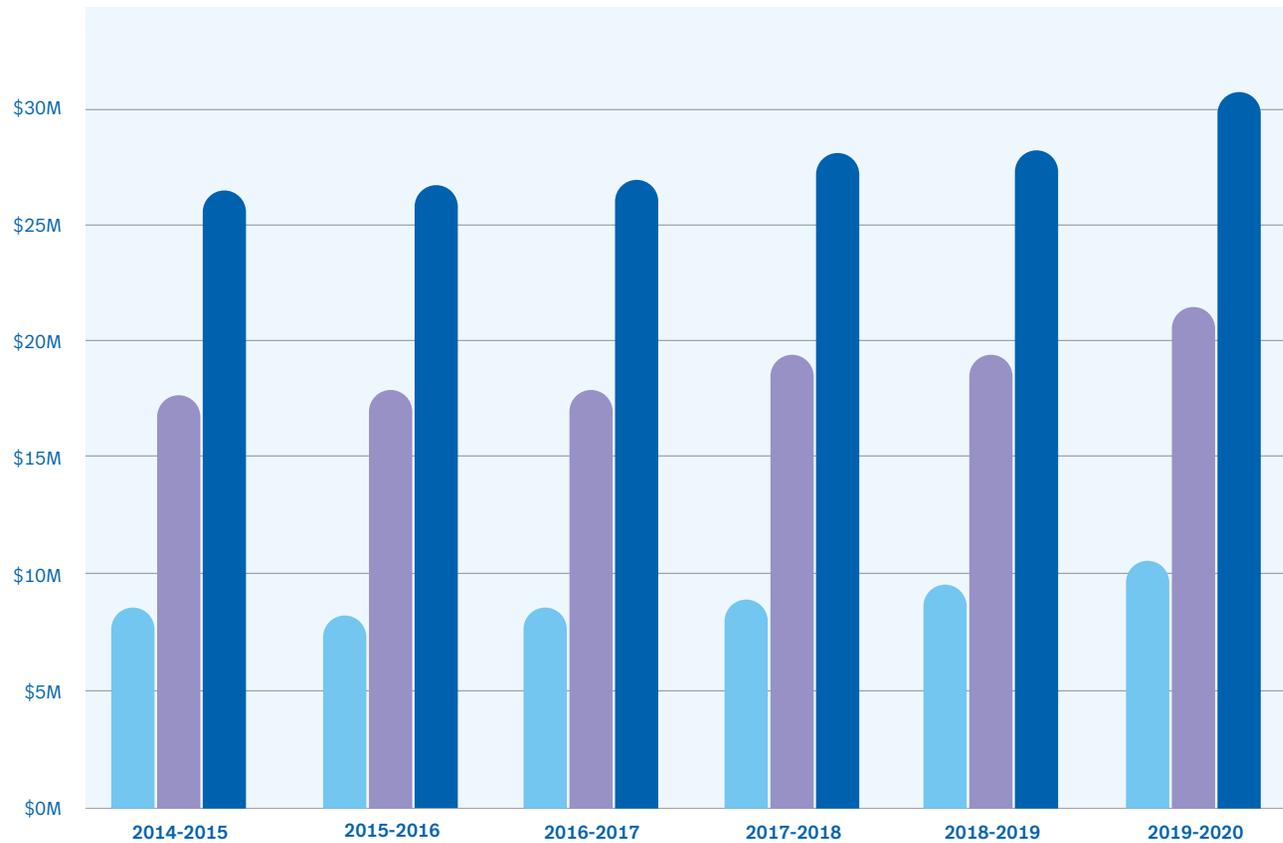
Context

Under the *Health Care (Consent) and Care Facility (Admission) Act*, PGT staff act as a substitute decision maker for health care treatment and care facility admission or appoint other suitable substitutes to make these decisions. This activity supports objectives under Goal 2 by helping to ensure personal interests of PGT clients are protected. In 2019–2020, average unit cost was \$1,815 (note, there is no comparable benchmark for the prior year as care facility admission activity commenced in 2019-2020).

The *Wills, Estates and Succession Act* requires that the PGT be notified before a court application for a grant involving interests of a child or incapable adult. These grant application reviews support objectives under Goal 3 by helping to ensure statutory protective and monitoring services are delivered in an appropriate, timely and fair manner. In 2019–2020, cost per review was \$937 (\$890 in 2018–2019) and the *Public Guardian and Trustee Fees Regulation* allows a fee of \$300 per notice for this review.

TABLE 2

**PGT Voted Funding, Recoveries and Expenses
2014-2015 to 2019-2020**



	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Voted Funding	\$8.79M	\$8.58M	\$8.76M	\$8.91M	\$9.37M	\$10.46M
Self-Generated Recoveries	\$17.76M	\$17.99M	\$17.98M	\$19.28M	\$19.29M	\$21.49M
Expenses	\$26.51M	\$26.55M	\$26.74M	\$28.20M	\$28.83M	\$30.85M

Recoveries and Program Costs 2019–2020

Introduction

The PGT cost allocation model was developed to show recoveries from fees and costs in a meaningful way by linking resources to the costs of providing service. Budgeted figures have been derived from the Estimates approved by the Legislative Assembly of British Columbia on May 30, 2019. Actual results are provided from the audited financial statements of the Public Guardian and Trustee Operating Account. These amounts may differ from the Public

Accounts of the Province of British Columbia due to timing differences resulting from year end accruals and adjustments posted to the PGT's accounts that are below the materiality threshold for posting to the Public Accounts.

Recovery Sources and Variances

Recoveries are comprised of fees charged in accordance with the *Public Guardian and Trustee Fees Regulation* and funding received from the Province of British Columbia.

Recoveries and Variances (Unaudited)

<i>Year Ended March 31, 2020 (expressed in thousands of dollars)</i>	BUDGET	ACTUAL	VARIANCE*	% VARIANCE*	NOTE
External recoveries from fees					
Commissions	\$ 10,591	\$ 12,420	\$ 1,829	17%	1
Asset management fees	7,226	7,170	(56)	(1%)	
Fees for investigations, monitoring and legal services	975	976	1	0%	
Estate liaison administration fees	542	469	(73)	(13%)	2
Minimum administration fees	381	373	(8)	(2%)	
Heir tracing fees	85	84	(1)	(1%)	
Total external recoveries from fees	19,800	21,492	1,692	9%	
Voted funding from the Province of British Columbia	9,704	10,461	757	8%	3
Total	\$ 29,504	\$ 31,953	\$ 2,449	8%	

* Brackets in the above table indicate actual results are less than budget

Explanatory Notes on Recoveries Variances

- Capital commissions were higher than budgeted due to multiple large settlements received and higher than expected investment market returns.
- Estate liaison administration fees were lower than budgeted due to a 10% decrease in open Estate Liaison files during 2019-2020.
- Additional funding was received for costs associated with the *Health Care (Consent) and Care Facilities (Admission) Act*.

Expenses and Variances (Unaudited)

Year Ended March 31, 2020 (expressed in thousands of dollars)

	BUDGET	ACTUAL	VARIANCE*	% VARIANCE*	NOTE
Expenses					
Salaries and benefits	\$ 23,746	\$ 23,330	\$ (416)	(2%)	
Computer systems and support	1,910	3,000	1,090	57%	1
Other operating and administrative costs	1,412	1,747	335	24%	2
Amortization	1,220	1,195	(25)	(2%)	
Client expenditures	667	603	(64)	(10%)	
Professional services	254	487	233	92%	3
Legal services	265	288	23	9%	
Building occupancy	30	198	168	560%	2
Total expenses	\$ 29,504	\$ 30,848	\$ 1,344	5%	

* Brackets in the above table indicate actual results are less than budget

Explanatory Notes on Expenses Variances

1. Increased contracted support was required for the maintenance and post implementation support of the trust accounting system. Additional computer hardware and software was purchased to implement network security improvements.
2. Facilities purchases deferred from prior years due to insufficient budget were made in 2019-2020.
3. Professional services were incurred for the translation of publications for the *Health Care (Consent) and Care Facilities (Admission) Act*, development of an Indigenous reconciliation strategy and staff training initiatives that are not included in the budget.

Allocation of Recoveries and Expenses by Program Area – Budget (Unaudited)

Year Ended March 31, 2020
(expressed in thousands of dollars)

	TRUST AND ESTATE SERVICES				PUBLIC SERVICES			TOTAL
	ADULT TRUST SERVICES	ESTATE AND PERSONAL TRUST SERVICES	CHILD TRUST SERVICES	SUBTOTAL	ADULT SERVICES	CHILD SERVICES	SUBTOTAL	
External recoveries from fees								
Commissions	5,549	4,134	908	10,591	-	-	-	10,591
Asset management fees	4,163	1,748	1,315	7,226	-	-	-	7,226
Estate liaison administration fees	542	-	-	542	-	-	-	542
Minimum administration fees	381	-	-	381	-	-	-	381
Heir tracing fees	-	85	-	85	-	-	-	85
Fees for investigations, monitoring and legal services	-	-	-	-	474	501	975	975
Total external recoveries from fees	10,635	5,967	2,223	18,825	474	501	975	19,800
Operating Expenses								
Salaries and benefits	9,803	4,450	1,491	15,744	4,056	3,946	8,002	23,746
Computer systems and support	840	347	126	1,313	332	265	597	1,910
Other operating and administrative costs	598	205	218	1,021	205	186	391	1,412
Amortization	536	221	81	838	212	170	382	1,220
Client expenditures	444	156	6	606	48	13	61	667
Professional services	90	48	32	170	45	39	84	254
Legal services	234	-	2	236	22	7	29	265
Building occupancy	12	6	2	20	5	5	10	30
Total operating expenses	12,557	5,433	1,958	19,948	4,925	4,631	9,556	29,504
Net external recovery (expense)*	(1,922)	534	265	(1,123)	(4,451)	(4,130)	(8,581)	(9,704)
Other revenue								
Voted funding from the Province of British Columbia	-	-	-	-	-	-	-	9,704
Balance								-

* Does not include deduction for centralized overhead costs paid and expensed by other government entities for PGT operating costs including certain financial and administrative services, post-employment benefits, and office and warehouse facilities.

Allocation of Recoveries and Expenses by Program Area – Actual (Unaudited)

Year Ended March 31, 2020
(expressed in thousands of dollars)

	TRUST AND ESTATE SERVICES				PUBLIC SERVICES			TOTAL
	ADULT TRUST SERVICES	ESTATE AND PERSONAL TRUST SERVICES	CHILD TRUST SERVICES	SUBTOTAL	ADULT SERVICES	CHILD SERVICES	SUBTOTAL	
External recoveries from fees								
Commissions	6,283	4,504	1,633	12,420	-	-	-	12,420
Asset management fees	4,213	1,666	1,291	7,170	-	-	-	7,170
Estate liaison administration fees	469	-	-	469	-	-	-	469
Minimum administration fees	373	-	-	373	-	-	-	373
Heir tracing fees	-	84	-	84	-	-	-	84
Fees for investigations, monitoring and legal services	-	-	-	-	476	500	976	976
Total external recoveries from fees	11,338	6,254	2,924	20,516	476	500	976	21,492
Operating Expenses								
Salaries and benefits	9,790	4,364	1,492	15,646	4,061	3,623	7,684	23,330
Computer systems and support	1,321	541	197	2,059	525	416	941	3,000
Other operating and administrative costs	802	275	146	1,223	285	239	524	1,747
Amortization	526	217	79	822	208	165	373	1,195
Client expenditures	426	162	(4)	584	24	(5)	19	603
Professional services	191	87	47	325	90	72	162	487
Legal services	255	-	2	257	24	7	31	288
Building occupancy	81	38	12	131	35	32	67	198
Total operating expenses	13,392	5,684	1,971	21,047	5,252	4,549	9,801	30,848
Net external recovery (expense)*	(2,054)	570	953	(531)	(4,776)	(4,049)	(8,825)	(9,356)
Other revenue								
Voted funding from the Province of British Columbia	-	-	-	-	-	-	-	10,461
Balance								1,105

* Does not include deduction for centralized overhead costs paid and expensed by other government entities for PGT operating costs including certain financial and administrative services, post-employment benefits, and office and warehouse facilities.



Audited Financial Statements 2019–2020



Financial Statements of the
Operating Account of the

**PUBLIC GUARDIAN AND TRUSTEE OF
BRITISH COLUMBIA**

And Independent Auditors' Report thereon

Year ended March 31, 2020

MANAGEMENT'S STATEMENT OF RESPONSIBILITIES FOR THE OPERATING ACCOUNT FINANCIAL STATEMENTS OF THE PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Management is responsible for preparing the accompanying financial statements and is responsible for their integrity and objectivity. The financial statements are prepared in conformity with Canadian public sector accounting standards and include amounts based on informed judgments and estimates of the expected effects of current events and transactions.

Management is also responsible for 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 of British Columbia adheres to legislation and regulatory requirements. These systems include the communication of policies and the Public Guardian and Trustee of British Columbia's ethical principles and standards of conduct throughout the organization. Management continually monitors the systems of internal controls for compliance.

KPMG LLP has been appointed by the Public Guardian and Trustee of British Columbia as independent auditors to examine and report on the financial statements and their report follows.

Catherine M. Romanko
Public Guardian and Trustee

June 25, 2020



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITORS' REPORT

To the Public Guardian and Trustee of British Columbia

Opinion

We have audited the financial statements of the Operating Account of the Public Guardian and Trustee of British Columbia (the PGT), which comprise:

- the statement of financial position as at March 31, 2020
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the PGT as at March 31, 2020 and the results of its operations and cash flow for the year ended in accordance with Canadian Public Sector Accounting Standards.



Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ report.

We are independent of the PGT in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 management either intends to liquidate the PGT or to cease operations, or has no realistic alternative but to do so.

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

Auditors’ Responsibilities for the Audit of the Financial Statements

Our 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 auditors’ report that includes our 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 the financial statements.

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



We 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 our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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.
- 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 we identify during our audit.

Chartered Professional Accountants

Vancouver, Canada
June 25, 2020

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Statement of Financial Position
(Expressed in thousands of dollars)

March 31, 2020, with comparative information for 2019

	Notes	2020	2019
Financial assets			
Cash	4(a)	\$ 21,416	\$ 21,192
Due from Trusts and Estates Administered	5	4,050	3,499
Other financial assets		1,023	742
		26,489	25,433
Liabilities			
Accounts payable and accrued liabilities		1,187	2,092
Deferred revenue		377	330
		1,564	2,422
Net financial assets		24,925	23,011
Non-financial assets			
Tangible capital assets	6	2,848	3,657
Accumulated surplus	3	\$ 27,773	\$ 26,668
Contingent liabilities	7		

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

Catherine M. Romanko
Public Guardian and Trustee

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Statement of Operations and Accumulated Surplus (Expressed in thousands of dollars)

Year ended March 31, 2020, with comparative information for 2019

	Notes	2020 Budget (Note 8)	2020	2019
External recoveries from fees		\$ 19,800	\$ 21,492	\$ 19,286
Funding from the Province of British Columbia	4(b)	9,704	10,461	9,365
		29,504	31,953	28,651
Expenses:	4(c)			
Salaries and benefits		23,746	23,330	22,314
Computer systems and support		1,910	3,000	2,721
Other operating and administrative costs		1,412	1,747	1,474
Amortization		1,220	1,195	1,269
Client expenditures		667	603	669
Professional services		254	487	301
Legal services		265	288	53
Building occupancy	4(d)	30	198	30
		29,504	30,848	28,831
Annual surplus (deficit)		-	1,105	(180)
Accumulated surplus, beginning of year		26,668	26,668	26,848
Accumulated surplus, end of year		\$ 26,668	\$ 27,773	\$ 26,668

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

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Statement of Changes in Net Financial Assets (Expressed in thousands of dollars)

Year ended March 31, 2020, with comparative information for 2019

	2020 Budget (Note 8)	2020	2019
Annual surplus (deficit)	\$ -	\$ 1,105	\$ (180)
Acquisition of tangible capital assets	(363)	(386)	(138)
Amortization of tangible capital assets	1,220	1,195	1,269
Increase in net financial assets	857	1,914	951
Net financial assets, beginning of the year	23,011	23,011	22,060
Net financial assets, end of the year	\$ 23,868	\$ 24,925	\$ 23,011

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

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Statement of Cash Flows
(Expressed in thousands of dollars)

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 1,105	\$ (180)
Non-cash item:		
Amortization of tangible capital assets	1,195	1,269
Change in due from Trusts and Estates Administered	(551)	(270)
Change in other financial assets	(281)	(559)
Change in accounts payable and accrued liabilities	(905)	848
Change in deferred revenue	47	1
	610	1,109
Capital activities:		
Acquisition of tangible capital assets	(386)	(138)
Increase in cash	224	971
Cash, beginning of year	21,192	20,221
Cash, end of year	\$ 21,416	\$ 21,192
Cash consists of:		
Cash held by the Province of British Columbia	\$ 19,739	\$ 18,655
Cash held directly	1,677	2,537
	\$ 21,416	\$ 21,192

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

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Notes to Financial Statements

(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2020

1. Reporting entity:

The Public Guardian and Trustee of British Columbia (the “PGT”) Operating Account (“Operating Account”) operates under the authority of the Public Guardian and Trustee Act (the “Act”). The Operating Account is not liable for taxation, except insofar as the government is liable. The Operating Account was established as a Special Account in the general fund of the consolidated revenue fund of the Province of British Columbia.

The Operating Account reports the revenues earned from the services provided to clients of the PGT and the operating and capital expenditures relating to the provision of these services. Clients are adults who are not capable of managing their own affairs, deceased persons’ estates which have no other person willing and able to act for them, estates of missing persons, and children in receipt of settlement funds, insurance policy proceeds or money from estates.

Separate financial statements have been prepared as at March 31, 2020 for client trust accounts, which include \$1.07 billion (2019 - \$1.04 billion) of net assets held in trust.

2. Summary of significant accounting policies:

(a) Basis of accounting:

Management has prepared these financial statements in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of CPA Canada. These financial statements were authorized for issue by the Public Guardian and Trustee on June 25, 2020.

(b) Due from Trusts and Estates Administered and allowance for doubtful accounts:

Due from the Trusts and Estates Administered includes amounts owing from trusts and estates under administration by the PGT for fees, cost recoveries and short term loans. The PGT maintains an allowance for doubtful accounts that reflects management’s best estimate of uncollectible amounts owing. Amounts deemed uncollectible are charged to client expenditures in the statement of operations in the period in which they are deemed uncollectible. These amounts are collectible on demand and are not interest bearing.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Notes to Financial Statements

(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2020

2. Summary of significant accounting policies (continued):

(c) Tangible capital assets:

Tangible capital assets are recorded at cost and are amortized on a straight-line basis over their estimated useful lives. Computer hardware and software purchases less than ten thousand dollars are amortized over three years. All remaining assets are amortized over five years.

(d) Revenue recognition:

External recoveries from fees consists of fees paid by clients in accordance with the Public Guardian and Trustee Fees Regulation as provided for under the Act. Fees are recognized in the period in which the service is provided or at the point in time directed by regulation, court order, co-trustees or beneficiaries. Funding from the Province of British Columbia is recognized as revenue when authorized and eligibility criteria, if any, have been met, unless the funding contains stipulations on how it is to be expended by the PGT, in which case the funding is recorded as deferred revenue. Once the stipulations have been met, the funding is subsequently recognized as revenue.

(e) Employee benefit plans:

All eligible employees participate in a multi-employer defined benefit pension plan. All contributions to this plan are expensed as incurred.

(f) Client expenditures:

Client expenditures represent amounts paid for clients' property management, provision for doubtful accounts on amounts owing from clients, and other miscellaneous expenditures made on behalf of clients. Legal expenditures paid on behalf of clients are reported under legal services.

(g) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions in determining reported amounts. The only significant areas requiring the use of management estimates are the estimation of the collectability of accounts receivable and the useful life of tangible capital assets. Actual results could differ from these estimates.

(h) Segmented information and expense presentation:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information. As the Operating Account's sole activity is the managing of services provided to clients of the PGT, additional segmented disclosure is not required and expenses are presented by category on the statement of operations and accumulated surplus.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Notes to Financial Statements

(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2020

3. Accumulated surplus:

Spending from external recoveries in excess of the budget approved by the Province of British Columbia is permitted to the extent it does not reduce the Accumulated Surplus carried forward from the previous year. Spending from the Accumulated Surplus requires Treasury Board approval.

4. Related party transactions:

The PGT is a corporation sole. All transactions with related parties, including the Province of British Columbia ministries, agencies and Crown corporations occurred in the normal course of operations and are valued at the exchange amount, which reflects fair value unless otherwise disclosed in these notes.

- (a) The PGT uses the Province of British Columbia's financial and banking systems to process and record most of its transactions. Transactions related to PGT fees and other amounts collected from clients are processed and recorded first in the PGT's own financial and banking system, and subsequently recorded on a monthly aggregate basis in the Province of British Columbia's systems.
- (b) A transfer of \$10,461 (2019 - \$9,365) from a sub-vote of the Ministry of Attorney General has been provided for services to incapable adults, children and youth and for other expenditures of the PGT.
- (c) Certain financial and administrative services, post-employment benefits, and office and warehouse facilities are provided centrally by various ministries and agencies of the government of the Province of British Columbia. The costs of these services are not charged to the Operating Account and are, therefore, not included in the statement of operations.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Notes to Financial Statements

(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2020

4. Related party transactions (continued):

(d) Office and warehouse facilities are provided by Shared Services British Columbia (“SSBC”) within the Ministry of Citizens' Services. The cost of buildings occupied by the PGT, including charges from SSBC, and the net building occupancy expense of the PGT is as follows:

	2020	2019
Building costs incurred by SSBC for facilities occupied by the PGT Portion not charged to the PGT	\$ 2,774 (2,698)	\$ 2,802 (2,776)
Building costs paid by the PGT to SSBC	76	26
Building costs paid by the PGT to unrelated parties	122	4
Building occupancy expense, as reported on the statement of operations	\$ 198	\$ 30

5. Due from Trusts and Estates Administered:

	2020	2019
Gross amount due from Trusts and Estates Administered	\$ 5,587	\$ 5,025
Allowance for doubtful accounts	(1,537)	(1,526)
Net amount due from Trusts and Estates Administered	\$ 4,050	\$ 3,499

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Notes to Financial Statements

(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2020

6. Tangible capital assets:

	2020									
	Cost beginning of year	Additions for the year	Disposals for the year	Cost end of year	Accumulated amortization beginning of year	Disposals	Amortization expense	Accumulated amortization end of year	Net book value beginning of year	Net book value end of year
Operating equipment	\$ 21	\$ -	\$ -	\$ 21	\$ (21)	\$ -	\$ -	\$ (21)	\$ -	\$ -
Furniture and equipment	549	222	-	771	(470)	-	(24)	(494)	79	277
Personal computer software	32	-	-	32	(32)	-	-	(32)	-	-
Computer hardware - less than \$10,000	226	85	-	311	(209)	-	(11)	(220)	17	91
Server computer software	7,185	-	-	7,185	(3,826)	-	(1,062)	(4,888)	3,359	2,297
Computer hardware - greater than \$10,000	490	79	-	569	(288)	-	(98)	(386)	202	184
Tenant improvement	704	-	-	704	(704)	-	-	(704)	-	-
Total	\$ 9,207	\$ 386	\$ -	\$ 9,593	\$ (5,550)	\$ -	\$ (1,195)	\$ (6,745)	\$ 3,657	\$ 2,848

	2019									
	Cost beginning of year	Additions for the year	Disposals for the year	Cost end of year	Accumulated amortization beginning of year	Disposals	Amortization expense	Accumulated amortization end of year	Net book value beginning of year	Net book value end of year
Operating equipment	\$ 21	\$ -	\$ -	\$ 21	\$ (20)	\$ -	\$ (1)	\$ (21)	\$ 1	\$ -
Furniture and equipment	505	59	(15)	549	(464)	15	(21)	(470)	41	79
Personal computer software	111	-	(79)	32	(110)	79	(1)	(32)	1	-
Computer hardware - less than \$10,000	438	17	(229)	226	(427)	229	(11)	(209)	11	17
Server computer software	8,178	-	(993)	7,185	(3,658)	993	(1,161)	(3,826)	4,520	3,359
Computer hardware - greater than \$10,000	428	62	-	490	(214)	-	(74)	(288)	214	202
Tenant improvement	704	-	-	704	(704)	-	-	(704)	-	-
Total	\$ 10,385	\$ 138	\$ (1,316)	\$ 9,207	\$ (5,597)	\$ 1,316	\$ (1,269)	\$ (5,550)	\$ 4,788	\$ 3,657

Cost includes fully amortized assets that are still in use of \$3,526 (2019 - \$3,248).

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Operating Account

Notes to Financial Statements
(Expressed in thousands of dollars)

Year ended March 31, 2020

7. Contingent liabilities:

From time to time, the Public Guardian and Trustee is a defendant in legal actions in carrying out its duties. Under Section 21 of the Act, monies required to discharge any liability or claim against the PGT must be paid out of the consolidated revenue fund of the Province of British Columbia.

8. Budget figures:

Budget figures have been provided for comparative purposes and are derived from the estimates approved by the Legislative Assembly of British Columbia on May 30, 2019.

9. Employee benefit plans:

The PGT and all eligible employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pension Plans Act*. The British Columbia Pension Corporation administers the plan, including payments of pension benefits to eligible employees. A board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of assets and administration of benefits.

The Public Service Pension Plan is a multi-employer, defined benefit plan. Under joint trusteeship, the risks and rewards associated with the Plan's unfunded liability or surplus are shared between the employers and the Plan members and will be reflected in their future contributions. Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of the funding. The last actuarial valuation was published in December 2017 and showed that the Plan was at 108% funded as at March 31, 2017. The next actuarial valuation is to be completed as at March 31, 2020.

During the year ended March 31, 2020, the PGT contributed \$1,665 (2019 - \$1,598) to the Plan. These contributions are included in salaries and benefits expense. No pension liability for this Plan is included in these financial statements.

10. Fair value:

The fair value of the Operating Account's financial instruments, which include cash, due from Trusts and Estates Administered, other financial assets, and accounts payable and accrued liabilities are not materially different from their carrying value due to their short-term nature.

Financial Statements of the
Trusts and Estates Administered by the

**PUBLIC GUARDIAN AND TRUSTEE
OF BRITISH COLUMBIA**

And Independent Auditors' Report thereon

Year ended March 31, 2020

MANAGEMENT'S STATEMENT OF RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS OF TRUSTS AND ESTATES ADMINISTERED BY THE PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Management is responsible for preparing the accompanying financial statements and is responsible for their integrity and objectivity. The financial statements are prepared in conformity with International Financial Reporting Standards and include amounts based on informed judgments and estimates of the expected effects of current events and transactions.

Management is also responsible for 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 of British Columbia adheres to legislation and regulatory requirements. These systems include the communication of policies and the Public Guardian and Trustee of British Columbia's ethical principles and standards of conduct throughout the organization. Management continually monitors the systems of internal controls for compliance.

KPMG LLP has been appointed by the Public Guardian and Trustee of British Columbia as independent auditors to examine and report on the financial statements and their report follows.

Catherine M. Romanko
Public Guardian and Trustee

June 25, 2020



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITORS' REPORT

To the Public Guardian and Trustee of British Columbia

Opinion

We have audited the financial statements of the trusts and estates administered by the Public Guardian and Trustee of British Columbia (the PGT), which comprise:

- the statement of net assets of trusts and estates administered as at March 31, 2020
- the statements of income and expenses of trusts and estates administered for the year then ended
- the statement of changes in net assets of trusts and estates administered for the year then ended
- the statement of cash flows of trusts and estates administered for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies
(hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets of the trusts and estates administered by the PGT as at March 31, 2020 and its income and expenses, its changes in net assets and its cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ report.

We are independent of the PGT in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 management either intends to liquidate the PGT or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 auditors' report that includes our 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 the financial statements.

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

We 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 our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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.
- 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 we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slightly slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants

Vancouver, Canada
June 25, 2020

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Statement of Net Assets of Trusts and Estates Administered
(Expressed in thousands of dollars)

March 31, 2020, with comparative information for 2019

	Notes	2020	2019
Assets			
Premium Money Market Fund	5	\$ 495,327	\$ 459,543
Balanced Income Fund	6	39,670	41,540
Balanced Growth Fund	7	123,510	141,039
Other investments and securities	8	202,455	181,992
Other financial assets	9	17,160	20,713
Real property	10	226,082	228,986
Other assets		5,659	5,348
		1,109,863	1,079,161
Liabilities			
Accounts payable and accrued liabilities		5,764	9,271
Payable to the Public Guardian and Trustee Operating Account	11	5,481	4,803
Mortgages and loans payable		30,956	28,070
		42,201	42,144
Net Assets of Trusts and Estates Administered		\$ 1,067,662	\$ 1,037,017

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

Catherine M. Romanko
Public Guardian and Trustee

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Statement of Income and Expenses of Trusts and Estates Administered
(Expressed in thousands of dollars)

Year ended March 31, 2020, with comparative information for 2019

	Notes	Premium Money Market Fund	Balanced Income Fund	Balanced Growth Fund	Other investments and securities	Real property	Movement in other assets less liabilities	2020	2019
Income:									
Pensions, benefits and settlements		\$ 123,435	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 123,435	\$ 111,676
Interest and dividends		9,792	804	3,850	2,172	-	-	16,618	15,559
		133,227	804	3,850	2,172	-	-	140,053	127,235
Expenses:									
Client care and maintenance	12(a)	70,915	-	-	-	-	(2,826)	68,089	68,723
Public Guardian and Trustee fees	12(b)	19,468	386	1,434	-	-	678	21,966	19,681
Professional services	12(c)	8,316	39	125	176	-	(277)	8,379	6,724
Estate settlement	12(d)	4,100	-	-	-	-	(121)	3,979	2,942
Income taxes paid from Trusts and Estates Administered		2,301	-	-	3	-	1,809	4,113	6,101
		105,100	425	1,559	179	-	(737)	106,526	104,171
Net income (loss) before realized and unrealized gains and losses		28,127	379	2,291	1,993	-	737	33,527	23,064
Realized and unrealized gains/losses:									
Net realized gains (losses) on assets sold or released		-	2,249	11,444	18,783	1,930	(270)	34,136	(9,671)
Change in unrealized gains/losses		3,060	(2,761)	(16,668)	(41,886)	(11,846)	(157)	(70,258)	33,408
		3,060	(512)	(5,224)	(23,103)	(9,916)	(427)	(36,122)	23,737
Net income (loss), representing total comprehensive income (loss) - 2020		\$ 31,187	\$ (133)	\$ (2,933)	\$ (21,110)	\$ (9,916)	\$ 310	\$ (2,595)	
Net income (loss), representing total comprehensive income (loss) - 2019		\$ 25,572	\$ 1,984	\$ 7,978	\$ 6,974	\$ 9,158	\$ (4,865)		\$ 46,801

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

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Statement of Changes in Net Assets of Trusts and Estates Administered
(Expressed in thousands of dollars)

Year ended March 31, 2020, with comparative information for 2019

	Notes	Premium Money Market Fund	Balanced Income Fund	Balanced Growth Fund	Other investments and securities	Other financial assets	Real property	Other assets less liabilities	Total
Balance at March 31, 2018		\$ 441,613	\$ 39,993	\$ 127,907	\$ 173,446	\$ 20,039	\$ 214,395	\$ (37,121)	\$ 980,272
Net income (loss) representing comprehensive income (loss) for the year		25,572	1,984	7,978	6,974	145	9,158	(5,010)	46,801
Other changes in net assets of Trusts and Estates Administered:									
Assets acquired		-	-	-	49,214	30,515	81,562	-	161,291
Assets purchased		(34,596)	6,635	24,998	2,434	-	411	-	(118)
Assets sold or collected		127,667	(7,072)	(19,844)	(24,012)	(26,949)	(48,668)	-	1,122
Assets released to clients, beneficiaries and heirs		-	-	-	(26,064)	(3,037)	(27,872)	-	(56,973)
Cash distributions to clients, beneficiaries and heirs		(98,968)	-	-	-	-	-	-	(98,968)
Unclaimed assets transferred to the British Columbia Unclaimed Property Society	13	(1,745)	-	-	-	-	-	-	(1,745)
Movement in other assets less liabilities		-	-	-	-	-	-	5,335	5,335
Total changes in net assets of Trusts and Estates Administered		17,930	1,547	13,132	8,546	674	14,591	325	56,745
Balance at March 31, 2019		459,543	41,540	141,039	181,992	20,713	228,986	(36,796)	1,037,017
Net income (loss) representing comprehensive income (loss) for the year		31,187	(133)	(2,933)	(21,110)	(506)	(9,916)	816	(2,595)
Other changes in net assets of Trusts and Estates Administered:									
Assets acquired		-	-	-	81,539	21,371	78,030	-	180,940
Assets purchased		(49,917)	5,563	16,322	27,913	-	-	-	(119)
Assets sold or collected		156,989	(7,300)	(30,918)	(40,576)	(23,492)	(53,716)	-	987
Assets released to clients, beneficiaries and heirs		-	-	-	(27,303)	(926)	(17,302)	-	(45,531)
Cash distributions to clients, beneficiaries and heirs		(99,356)	-	-	-	-	-	-	(99,356)
Unclaimed assets transferred to the British Columbia Unclaimed Property Society	13	(3,119)	-	-	-	-	-	-	(3,119)
Movement in other assets less liabilities		-	-	-	-	-	-	(562)	(562)
Total changes in net assets of Trusts and Estates Administered		35,784	(1,870)	(17,529)	20,463	(3,553)	(2,904)	254	30,645
Balance at March 31, 2020		\$ 495,327	\$ 39,670	\$ 123,510	\$ 202,455	\$ 17,160	\$ 226,082	\$ (36,542)	\$ 1,067,662

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

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Statement of Cash Flows of Trusts and Estates Administered
(Expressed in thousands of dollars)

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Income:		
Pensions, benefits and settlements	\$ 123,435	\$ 111,676
Interest and dividends	9,792	8,774
Expenses:		
Client care and maintenance	(70,915)	(66,463)
Fees paid to the Public Guardian and Trustee Operating Account	(19,468)	(18,712)
Professional services	(8,316)	(6,083)
Estate Settlement Expenses	(4,100)	(2,786)
Income taxes paid from Trusts and Estates Administered	(2,301)	(3,390)
	28,127	23,016
Investing activities:		
Contributions to Balanced Income Fund	(5,563)	(6,635)
Withdrawals from Balanced Income Fund	7,300	7,071
Contributions to Balanced Growth Fund	(16,322)	(24,998)
Withdrawals from Balanced Growth Fund	30,918	19,844
Contributions to other investments and securities	(27,913)	(2,434)
Withdrawals from other investments and securities	40,576	24,012
Purchases of real property	-	(411)
Purchases of other assets	(119)	(118)
Net proceeds from sale of assets	54,703	49,791
	83,580	66,122
Financing activities:		
Proceeds from collection of assets	23,492	26,949
Distributions to clients, beneficiaries and heirs	(99,356)	(98,968)
Transfers of unclaimed assets	(3,119)	(1,745)
	(78,983)	(73,764)
Increase in cash and cash equivalents	32,724	15,374
Increase in unrealized gain on Premium Money Market Fund	3,060	2,556
Premium Money Market Fund, representing cash and cash equivalents, beginning of year	459,543	441,613
Premium Money Market Fund, representing cash and cash equivalents, end of year	\$ 495,327	\$ 459,543

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

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Notes to Financial Statements of Trusts and Estates Administered
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2020

1. Reporting entity:

The Public Guardian and Trustee of British Columbia (the “PGT”) operates under the *Public Guardian and Trustee Act* (the “Act”) and other provincial statutes to uphold the legal rights and safeguard the financial interests of adults who are not capable of managing their own affairs, deceased persons’ estates which have no other person willing and able to act for them, estates of missing persons and children in receipt of settlement funds, insurance policy proceeds or money from estates.

The PGT’s principal office is located at 700 - 808 West Hastings Street, Vancouver, British Columbia V6C 3L3.

These financial statements reflect the net assets held in trust and activity for the trusts and estates under administration by the PGT. This collection of accounts is now reported as Trusts and Estates Administered by the PGT and was reported in prior year financial statements as Estates and Trusts Administered by the PGT. Separate financial statements have been prepared for the PGT Operating Account, which report the recoveries from fees, funding from the Province of British Columbia, and the operating and capital expenses of the PGT.

2. Basis of preparation:

(a) Statement of compliance:

These financial statements have been prepared in accordance with the principles of International Financial Reporting Standards (“IFRS”).

These financial statements meet the requirements of Section 25 of the Act.

These financial statements have been authorized for issue by the Public Guardian and Trustee on June 25, 2020.

(b) Basis of measurement:

These financial statements have been prepared on the historical cost basis except for the Premium Money Market Fund, Balanced Income Fund, Balanced Growth Fund, other investments and securities and real property, which are carried at fair value.

(c) Functional and presentational currency:

These financial statements are presented in Canadian dollars, which is the functional currency for the PGT.

(d) Use of estimates and judgments:

The preparation of these financial statements, in conformity with IFRS, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses. Actual values ultimately realized may differ from these estimates and are recognized in the period in which the estimates are revised and in any future periods affected.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Notes to Financial Statements of Trusts and Estates Administered
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2020

3. Summary of significant accounting policies:

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

(a) Recognition and measurement of assets and liabilities:

On initial recognition, assets and liabilities are recorded at fair value on the effective date the PGT commences administration of the asset or liability, which is the date of death for estate administration, the date of PGT appointment for trust administration or the date that the estate or trust assumed beneficial ownership for assets and liabilities acquired after PGT appointment.

The Premium Money Market Fund (“PMMF”), Balanced Income Fund (“BIF”), Balanced Growth Fund (“BGF”) and other investments and securities are carried at fair value as determined from valuation data provided by investment service providers.

Amounts receivable included in other financial assets are carried at amortized cost.

Other assets include jewelry, collectibles, intangibles, vehicles and effects and are carried at cost, which represents the estimated fair value of the asset on the effective date that the PGT commenced administration of the asset.

All financial liabilities are carried at amortized cost.

(b) Cash and cash equivalents:

Cash and cash equivalents is represented by the PMMF, which is used for day-to-day receipts and disbursements for all clients. Investments held by the PMMF are highly liquid and may be easily drawn upon by the PGT in administering the trusts and estates. Cash held in individual external client bank accounts, included in other financial assets (note 9), is not classified as cash and cash equivalents.

(c) Measurement of real property:

IFRS requires that, in the absence of an IFRS that can be specifically applied to a situation, management should use judgment in developing and applying an accounting policy to provide relevant, reliable and prudent information. In these instances, it is suggested that IFRS requirements in dealing with similar issues are applied, as well as measurement concepts included within the IFRS Framework.

Real property included within the statement of net assets primarily represents the value of residential properties, currently occupied by the clients of the PGT. This property does not meet the definition of property, plant and equipment, nor investment property, although the acceptable measurement bases for such assets include both cost and fair value.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Notes to Financial Statements of Trusts and Estates Administered
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2020

3. Summary of significant accounting policies (continued):

(c) Measurement of real property (continued):

Accordingly, real property is carried at fair value in the statement of net assets as determined by professional appraisals or, where an appraisal is not available or is not current, as determined from the most recent British Columbia Assessment Authority property assessment or other relevant valuation data.

(d) Revenue recognition:

Income from pensions, benefits and settlements, as well as interest and dividends is recognized on an accrual basis.

Gains and losses on assets represent the appreciation or depreciation in the value of assets administered by the PGT from the value assigned on the date of appointment of the client (if acquired on appointment) or date of purchase (if purchased for clients after appointment). Such gains and losses become realized on the date the assets are sold or released to clients, beneficiaries and heirs. Both realized gains/losses and changes in unrealized gains/losses are reported in the statement of income and expenses.

4. Financial risk management:

As a fiduciary, the PGT is responsible for managing the assets owned by each estate and trust under its authority. The PGT must exercise the care, skill, diligence and judgment of a prudent investor for its clients.

Under Section 12 of the Act, the PGT is permitted to create common funds within the trust fund account. The PGT has established three common funds called the PMMF, the BIF and the BGF. The PMMF holds short- and medium-term fixed income investments and is used for day-to-day receipts and disbursements of all clients. The BIF and the BGF hold investments, which are appropriate for clients with long-term investment horizons.

Under Section 13(1) of the Act, the PGT is permitted to make separate investments for clients if the money is subject to an express trust or direction for investment or it is, for any other reason, in the best interests of the client to do so. Other investments and securities include separate investment portfolios and registered plans which are established or maintained for clients according to their investment profile.

The three common funds are managed by British Columbia Investment Management Corporation ("BCI"). Other investments are managed by private investment management firms.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Notes to Financial Statements of Trusts and Estates Administered
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2020

4. Financial risk management (continued):

The PGT maintains a risk management practice that includes quarterly monitoring of the returns and investment strategy of the three common funds and annual monitoring for other client investment portfolios. PGT corporate investment policies assign the investment asset mix strategies for client trusts based on the PGT's assessment of appropriate investment strategy for the client.

Four investment portfolio asset mix models are used, and the asset mixes for the Balanced Growth Fund and Balanced Income Fund were modified on February 1, 2020. Client investment portfolios are allocated amongst the three common funds as follows:

Asset Mix	Investment portfolio allocation	Subsequent to January 31, 2020		Prior to February 1, 2020	
		Fixed Income	Equity	Fixed Income	Equity
Model A	Balanced Growth Fund	45%	55%	40%	60%
Model B	Balanced Income Fund	62%	38%	60%	40%
Model C	Blend of Balanced Income Fund and Premium Money Market Fund	81%	19%	80%	20%
Model D	Premium Money Market Fund	100%	nil	100%	nil

Assets in "other investments and securities" represent individual client accounts. Although these individual accounts may have a slightly different target asset mix, they have a similar risk profile to the above asset mix models.

PGT client investments are exposed to a variety of financial risks: credit risk, liquidity risk, and market risk (comprised of interest rate risk, currency risk and other price risk). The fair value of investments can fluctuate on a daily basis as a result of these risk exposures.

Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment it has entered into, resulting in a financial loss. The investment policy established by the PGT limits credit risk by limiting the maximum exposure to one single issuer and by investing only in debt securities from governments and corporations with a minimum rating of at least "BBB" or "R-1" as defined by Moody's, Standard & Poor's or Dominion Bond Rating Service. The funds' compliance with policy asset mix and investment guidelines is reviewed quarterly by management and the PGT Investment Advisory Committee.

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

Notes to Financial Statements of Trusts and Estates Administered
(Tabular amounts, except percentages, expressed in thousands of dollars)

Year ended March 31, 2020

4. Financial risk management (continued):

Liquidity risk:

Liquidity risk is the risk that a client account is unable to meet its financial obligations as they come due. PGT minimizes this risk by ensuring that client accounts hold sufficient cash funds to meet current liabilities and expenses and considers liquidity risk at March 31, 2020 and March 31, 2019 to be insignificant.

Interest rate risk:

Interest rate risk is the risk that the fair value or cash flows of interest bearing investments will fluctuate due to changes in market interest rates. Interest rate risk is managed by PGT through established asset mix policies.

Currency risk:

Currency risk is the risk that the fair value of investments will change due to changes in foreign exchange rates. Currency risk is managed by PGT through established asset mix policies.

Other price risk:

Other price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Other price risk is managed by PGT through established asset mix policies.

5. Premium Money Market Fund (PMMF):

The investment policy target asset mix for the PMMF is 50% (2019 - 50%) fixed income securities which are issued, insured or guaranteed by the Government of Canada, a provincial or municipal or territorial government with a maximum term to maturity of 5 years and 50% (2019 - 50%) government and corporate money market securities with a maximum term to maturity of 15 months.

The investment policy statement for the PMMF requires that fixed income and money market securities held must meet certain credit quality ratings. Specifically, fixed income investments must be investment grade and have a minimum credit rating of "BBB- "or better by Standard & Poor's, or an equivalent rating by another major recognized rating agency and Corporate short term debt securities, and non-Canadian short term debt securities, must be rated "A-1 (Low)" or better by Standard & Poor's or have an equivalent rating from another credit rating agency.

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5. Premium Money Market Fund (continued):

Credit risk:

The amount recorded for the PMMF on the statement of net assets held in trust represents the maximum credit risk associated with the PMMF. The PMMF is currently comprised of cash and debt instruments with credit ratings as follows:

	2020		2019	
	Amount	%	Amount	%
Segregated bonds:				
AAA	\$ 43,189	9	\$ 60,509	13
AA	97,786	20	93,020	21
A	76,710	15	88,958	19
	217,685	44	242,487	53
Money market:				
A-1 (low) or better	243,507	49	240,335	52
Cash (overdraft)	34,135	7	(23,278)	(5)
	\$ 495,327	100	\$ 459,543	100

Interest rate risk:

Debt instruments held within the PMMF mature on the following basis:

	2020	2019
Cash (overdraft)	\$ 34,135	\$ (23,278)
Debt instruments:		
Less than one year	298,779	287,961
One to three years	145,744	118,046
Three years to five years	16,669	76,814
	\$ 495,327	\$ 459,543

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5. Premium Money Market Fund (continued):

As at March 31, 2020, if interest rates were to increase or decrease by 1%, with other variables held constant, the fair value of the PMMF, and accordingly, net assets, would have increased or decreased, respectively, by approximately \$4.7 million (2019 - \$6.6 million).

Currency risk:

As at March 31, 2020 and 2019, the PMMF is not exposed to currency risk as all PMMF securities are denominated in Canadian dollars.

Other price risk:

As at March 31, 2020 and 2019, the PMMF is not exposed to other price risk as all PMMF securities are fixed income instruments.

6. Balanced Income Fund (BIF):

The BIF is a unitized fund of funds pool of investments. The investment objective is to enhance returns for investors with a low to moderate level of risk by investing in a well-diversified portfolio. The investment policy target asset mix as at March 31, 2020 is 62% fixed income securities, rated “BBB” or better for bonds or “A-1 (low)” or better for money market securities, and 38% domestic and international equities, invested through indexed pooled funds (2019 - 60% fixed income, 40% equity).

Credit risk:

The BIF’s maximum exposure to credit risk as at March 31, 2020 is \$25.2 million (2019 - \$25.2 million), representing the amount of debt instruments within the BIF at March 31, 2020. The BIF’s investment policy guidelines require that debt instruments are rated BBB or A-1 (low) or better and have a duration that is within 20% of the FTSE TMX Canada Universe Bond Index.

Interest rate risk:

The BIF is exposed to interest rate risk on that portion of its portfolio invested in fixed income securities. As at March 31, 2020, if interest rates were to increase or decrease by 1%, with all other variables held constant, the fair value of the BIF, and accordingly net assets, would have increased or decreased, respectively, by approximately \$1.4 million (2019 - \$1.3 million).

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6. Balanced Income Fund (continued):

Currency risk:

The BIF's maximum exposure to currency risk at March 31, 2020 is \$11.7 million (2019 - \$11.4 million), representing the amount of international equity investments within the BIF at March 31, 2020, of which \$7.4 million (2019 - \$7.4 million), is exposed to US dollars and \$4.3 million (2019 - \$4.0 million) is exposed to other international currencies.

As at March 31, 2020, if the Canadian dollar had strengthened or weakened by 2% in relation to all currencies, with all other variables held constant, the fair value of the BIF, and accordingly net assets held in trust, would have decreased or increased, respectively, by approximately \$0.2 million (2019 - \$0.2 million).

Other price risk:

The BIF's maximum exposure to other price risk as at March 31, 2020 is \$14.5 million (2019 - \$16.3 million), representing the amount of equity instruments within the BIF at March 31, 2020. As the BIF uses an indexed pooled and portfolio strategy, the BIF's net asset values will vary based on changes in the related market index benchmarks. The impact on the BIF due to a 10% change in benchmark, using historical correlation between the return of the BIF units as compared to the BIF's benchmark, as at March 31, 2020, with all other variables held constant, would be an increase or decrease to the fair value of the BIF, and accordingly net assets, of \$1.4 million (2019 - \$1.7 million).

7. Balanced Growth Fund (BGF):

The BGF is a unitized fund of funds pool of investments. The investment objective is to enhance long-term returns for investors with a moderate to high level of risk by investing in a well-diversified portfolio. The investment policy target asset mix as at March 31, 2020 is 45% fixed income securities, rated "BBB" or better for bonds or "A-1 (low)" or better for money market securities and 55% domestic and international equities, invested through indexed pooled funds (2019 - 40% fixed income, 60% equity).

Credit risk:

The BGF's maximum exposure to credit risk as at March 31, 2020 is \$59.4 million (2019 - \$56.6 million), representing the amount of debt instruments within the BGF at March 31, 2020. The BGF's investment policy guidelines require that debt instruments are rated BBB or A-1 (low) or better and have a duration that is within 20% of the FTSE TMX Canada Universe Bond Index.

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7. Balanced Growth Fund (continued):

Interest rate risk:

The BGF is exposed to interest rate risk on that portion of its portfolio invested in fixed income securities. As at March 31, 2020, if the interest rates were to increase or decrease by 1%, with all other variables held constant, the fair value of the BGF, and accordingly net assets, would have increased or decreased by approximately \$3.7 million (2019 - \$3.9 million).

Currency risk:

The BGF's maximum exposure to currency risk at March 31, 2020 is \$48.4 million (2019 - \$56.5 million), representing the amount of international equity investments within the BGF at March 31, 2020, of which \$29.2 million (2019 - \$36.7 million) is exposed to US dollars and \$19.3 million (2019 - \$19.8 million) is exposed to other international currencies.

As at March 31, 2020, if the Canadian dollar had strengthened or weakened by 2% in relation to all currencies, with all other variables held constant, the fair value of the BGF, and accordingly net assets, would have decreased or increased, respectively, by approximately \$1.1 million (2019 - \$1.1 million).

Other price risk:

The BGF's maximum exposure to other price risk as at March 31, 2020 is \$64.1 million (2019 - \$84.4 million), representing the amount of equity instruments within the BGF at March 31, 2020. As the BGF uses an indexed pooled fund portfolio strategy, the BGF's net asset values will vary based on changes in the related market index benchmarks. The impact on the BGF due to a 10% change in benchmark, using historical correlation between the return of the BGF units as compared to the BGF's benchmark, as at March 31, 2020, with all other variables held constant, would be an increase or decrease to the fair value of the BGF, and accordingly net assets, of \$7.0 million (2019 - \$8.5 million).

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8. Other investments and securities:

Other investments and securities are comprised of the following:

	2020	2019
Investment portfolios	\$ 92,162	\$ 74,522
Registered plans	75,880	70,714
Other	34,413	36,756
	<u>\$ 202,455</u>	<u>\$ 181,992</u>

The balance of other investments and securities is comprised of numerous individual client accounts, each managed in accordance with specific target asset mix policies. Each individual client account is exposed to credit, interest rate, currency and other price risks based on individual asset mix and holdings. In management's opinion, aggregation and presentation of these individual risk exposures and fair value hierarchy measurements (note 14) would not provide additional meaningful information.

9. Other financial assets:

Other financial assets are comprised of the following:

	2020	2019
Cash in external client bank accounts	\$ 10,216	\$ 10,780
Amounts receivable	6,944	9,933
	<u>\$ 17,160</u>	<u>\$ 20,713</u>

External client bank accounts are bank accounts in the name of individual clients that were held at the time that the PGT commenced administration of the assets and that remain open as at the financial reporting date. The collection of cash from these external client bank accounts, to the PMMF, is classified as proceeds from collection of assets on the Statement of Cash Flows.

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10. Real property:

Real property includes land, buildings and manufactured homes. As at March 31, 2020, approximately 99.12% (2019 - 98.97%) of the fair value of real properties represents properties located in British Columbia.

11. Payable to the Public Guardian and Trustee Operating Account:

The payable to the PGT Operating Account is payable on demand, not interest bearing and is comprised of PGT fees and cost recoveries (note 12(b)) and short-term loans as follows:

	2020	2019
Total fees and cost recoveries charged but not paid	\$ 4,203	\$ 3,886
Short term loans advanced but not repaid	1,384	1,139
Gross amount due to the PGT Operating Account	5,587	5,025
Portion of fees payable from within the Balanced Income Fund and Balanced Growth Fund	(106)	(222)
Balance payable to the PGT Operating Account as presented on the Statement of Net Assets	\$ 5,481	\$ 4,803

12. Expenses:

(a) Client care and maintenance:

Client care and maintenance represents goods and services purchased for clients and for personal living expenses, including payments to care facilities.

(b) Public Guardian and Trustee fees:

PGT fees are charged to trusts and estates, for services provided by the PGT, in accordance with the Public Guardian and Trustee Fees Regulation as provided for under the Act. In addition, the PGT recovers costs incurred in delivering certain services as provided for under the Act.

The expense for PGT fees includes commissions, asset management fees, administration fees, heir tracing fees, cost recoveries and applicable sales tax. Most of the applicable fees are calculated, charged, and collected automatically by the trust accounting system. PGT fees applicable to the BIF and BGF, are charged directly to, and collected from, these pooled funds.

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12. Expenses (continued):

(c) Professional services:

Professional fees are expenses incurred on behalf of clients for services such as accounting, legal, investment management, custodial, funeral and property management.

(d) Estate settlement:

Estate settlement represents expenses incurred to settle estates for deceased and missing persons such as probate fees, asset disposition fees and claims against the estates.

13. Unclaimed assets transferred to the British Columbia Unclaimed Property Society:

Unclaimed assets are transferred periodically to the British Columbia Unclaimed Property Society when they are deemed inactive by the PGT under Section 27.1 of the Act.

14. Fair values:

The PMMF, BIF, BGF, other investments and securities and real property are reflected in the Statement of Net Assets at fair value. In management's opinion, the fair values of other financial assets and accounts payable, mortgages and loans payable, and amounts payable to the PGT Operating Account are not materially different from the carrying value.

Fair Value Hierarchy:

The three levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets with insufficient volume or infrequent transactions (less active markets), or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data for substantially the full term of the assets or liabilities.

Level 3 - Inputs that are unobservable: there is little, if any, market activity. Inputs into the determination of fair value require significant management judgment or estimation.

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14. Fair values (continued):

As at March 31, 2020 and 2019, the PMMF investments were fair valued using Level 1 inputs, based on the daily closing net asset value of the underlying fund.

As at March 31, 2020 and 2019, the BIF and BGF investments were fair valued using Level 2 inputs, based on the respective net asset value of each of the underlying funds.

As at March 31, 2020 and 2019, Real Property was fair valued using Level 2 inputs, based on the most recent appraisal carried out by a qualified independent appraiser contracted by the PGT.

Fair value information has not been provided for other investments and securities as management believes it would not provide additional meaningful information. The fair values of other financial assets and liabilities, which are carried at amortized cost in the financial statements, are also based on Level 2 inputs as while price quotations are available, the instruments are not traded in an active market. For each of the years ended March 31, 2020, and 2019, there were no significant transfers between the levels in the hierarchy.





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