

**THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS**

**FINANCIAL STATEMENTS**

**For the Year Ended March 31, 2005**



SASKATCHEWAN

## Provincial Auditor Saskatchewan

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### AUDITOR'S REPORT


To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets of the Provincial Mediation Board Trust Accounts as at March 31, 2005 and the statement of changes in net assets for the year then ended. The Provincial Mediation Board's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets of the Provincial Mediation Board Trust Accounts as at March 31, 2005 and the changes in net assets for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan  
June 9, 2005



Fred Wendel, CMA, CA  
Provincial Auditor

## Statement 1

**THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS**  
**STATEMENT OF NET ASSETS**  
**As at March 31**

	<u>2005</u>	<u>2004</u>
<b>ASSETS</b>		
Due from General Revenue Fund (Note 3)	\$ <u>295,008</u>	\$ <u>301,296</u>
<b>NET ASSETS</b>		
Trust account balances (Statement 2)		
Orderly payment of debts program	\$ 215,691	\$ 252,895
Consumer proposals	32,189	13,000
Mediation of debts program	45,748	33,601
Tax enforcement proceedings	<u>1,380</u>	<u>1,800</u>
Net Assets (Note 2b)	\$ <u>295,008</u>	\$ <u>301,296</u>

(See accompanying notes to the financial statements)

## Statement 2

**THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**For the Year Ended March 31**

	<u>2005</u>	<u>2004</u>
<b>ORDERLY PAYMENT OF DEBTS PROGRAM</b>		
Receipts from clients	\$ 1,539,899	\$ 1,458,252
Payments to creditors	(1,340,773)	(1,211,862)
Application and Administration fees	<u>(236,330)</u>	<u>(214,508)</u>
Decrease (Increase) in Net Assets	(37,204)	31,882
Net Assets, beginning of year	<u>252,895</u>	<u>221,013</u>
Net Assets, end of year (Statement 1)	<u>\$ 215,691</u>	<u>\$ 252,895</u>
<b>CONSUMER PROPOSALS</b>		
Receipts from clients	\$ 84,266	\$ 42,660
Interest from General Revenue Fund (Note 3)	473	335
Payments to creditors	(46,888)	(29,443)
Application and Administration fees	<u>(18,662)</u>	<u>(9,490)</u>
Increase in Net Assets	19,189	4,062
Net Assets, beginning of year	<u>13,000</u>	<u>8,938</u>
Net Assets, end of year (Statement 1)	<u>\$ 32,189</u>	<u>\$ 13,000</u>
<b>MEDIATION OF DEBTS PROGRAM</b>		
Receipts from clients	\$ 226,469	\$ 163,893
Payments to creditors	(196,967)	(140,276)
Application and Administration fees	<u>(17,355)</u>	<u>(11,627)</u>
Increase in Net Assets	12,147	11,990
Net Assets, beginning of year	<u>33,601</u>	<u>21,611</u>
Net Assets, end of year (Statement 1)	<u>\$ 45,748</u>	<u>\$ 33,601</u>
<b>TAX ENFORCEMENT PROCEEDINGS</b>		
Receipts from property owners	\$ 21,240	\$ 21,213
Payments to municipalities	(100)	(2,993)
Application and Administration fees	<u>(21,560)</u>	<u>(18,180)</u>
Decrease (Increase) in Net Assets	(420)	40
Net Assets, beginning of year	<u>1,800</u>	<u>1,760</u>
Net Assets, end of year (Statement 1)	<u>\$ 1,380</u>	<u>\$ 1,800</u>

(See accompanying notes to the financial statements)



**THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2005**

**1. Legislative Authority**

The Trust Accounts were established for the purpose of receiving and disbursing monies for persons who have entered into negotiations for the settlement of debts, either through *The Provincial Mediation Board Act*, *The Tax Enforcement Act*, Orderly Payment of Debts Regulations or through the Consumer Proposals Program.

**2. Significant Accounting Policies**

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant:

a) Receipt and Payment of Trusts

Monies held in trust on behalf of clients are paid out to creditors through mutually agreed upon payment plans

b) Net Assets

Net assets are the total of the various trust monies held on behalf of persons who have entered into negotiations for the settlement of debts, either through *The Provincial Mediation Board Act*, *The Tax Enforcement Act*, Orderly Payment of Debts Regulations or through the Consumer Proposals Program.

c) Application and Administration Fees

Under Parts III and X of *The Bankruptcy and Insolvency Act*, the Consumer Proposals and the Orderly Payment of Debts Consolidation Orders are subject to application and administration fees which are payable to the Department of Justice.

**3. Related Party Transactions**

In accordance with established government practice, the Trust Accounts have not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Department of Justice from monies appropriated by the Legislature for such purposes.

The Provincial Mediation Board's bank accounts, shown as due from General Revenue Fund, are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan

The bank account set up to handle Consumer Proposals earns interest that is calculated and paid by the General Revenue Fund on a monthly basis into the Trust's bank account using the Government's thirty day borrowing rate and the Trust's average daily bank account balance. The Government's average thirty day borrowing rate for 2004-05 is 2.20% (2003-04 - 2.79%). Interest is allocated to clients based on their balances.

No interest is paid into the bank account used for the remaining programs.

#### **4. Financial Instruments**

Financial instruments consist of amounts due from General Revenue Fund. There are no significant terms and conditions related to the financial instruments that may affect the amount, timing and certainty of future cash flows. The fair value of these instruments approximates carrying value due to their immediate or short-term maturity.