

MINISTRY OF JUSTICE AND ATTORNEY GENERAL
THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS

FINANCIAL STATEMENTS

For the Year Ended March 31, 2011



SASKATCHEWAN

Provincial Auditor Saskatchewan

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INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of The Provincial Mediation Board Trust Accounts, which comprise the statement of net assets as at March 31, 2011, and the statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles for Treasury Board's approval, 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.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Provincial Mediation Board Trust Accounts as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 20, 2011

Bonnie Lysyk, MBA, CA
Provincial Auditor

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

	<u>2011</u>	<u>2010</u>
ASSETS		
Due from General Revenue Fund (Note 3)	\$ <u>58,476</u>	\$ <u>74,220</u>
NET ASSETS		
Trust account balances (Statement 2)		
Orderly payment of debts program	\$ 47,646	\$ 62,414
Mediation of debts program	9,150	10,486
Tax enforcement proceedings	<u>1,680</u>	<u>1,320</u>
Net assets (Note 2b)	\$ <u>58,476</u>	\$ <u>74,220</u>

(See accompanying notes to the financial statements)

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

	<u>2011</u>	<u>2010</u>
ORDERLY PAYMENT OF DEBTS PROGRAM		
Receipts from clients	\$ 367,160	\$ 615,977
Payments to creditors	(325,288)	(547,014)
Application and administration fees	<u>(56,640)</u>	<u>(95,431)</u>
Decrease in net assets	(14,768)	(26,468)
Net assets, beginning of year	<u>62,414</u>	<u>88,882</u>
Net assets, end of year (Statement 1)	<u>\$ 47,646</u>	<u>\$ 62,414</u>
CONSUMER PROPOSALS		
Receipts from clients	\$ ---	\$ 4,390
Interest from General Revenue Fund (Note 3)	---	---
Payments to creditors	(---)	(6,306)
Application and administration fees	<u>(---)</u>	<u>(1,938)</u>
Decrease in net assets	(---)	(3,854)
Net assets, beginning of year	---	<u>3,854</u>
Net assets, end of year (Statement 1)	<u>\$ ---</u>	<u>\$ ---</u>
MEDIATION OF DEBTS PROGRAM		
Receipts from clients	\$ 97,535	\$ 134,658
Payments to creditors	(90,468)	(130,725)
Application and administration fees	<u>(8,403)</u>	<u>(7,446)</u>
Decrease in net assets	(1,336)	(3,513)
Net assets, beginning of year	<u>10,486</u>	<u>13,999</u>
Net assets, end of year (Statement 1)	<u>\$ 9,150</u>	<u>\$ 10,486</u>
TAX ENFORCEMENT PROCEEDINGS		
Receipts from municipalities	\$ 18,760	\$ 14,995
Payments to municipalities	(600)	(320)
Application and administration fees	<u>(17,800)</u>	<u>(15,075)</u>
Increase in net assets	360	(400)
Net assets, beginning of year	<u>1,320</u>	<u>1,720</u>
Net assets, end of year (Statement 1)	<u>\$ 1,680</u>	<u>\$ 1,320</u>

(See accompanying notes to the financial statements)

THE PROVINCIAL MEDIATION BOARD TRUST ACCOUNTS

NOTES TO FINANCIAL STATEMENTS

March 31, 2011

1. Legislative Authority

The Provincial Mediation Board Trust Accounts (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 Orderly Payment of Debts Regulations, Consumer Proposal Program, *The Provincial Mediation Board Act*, or *The Tax Enforcement Act*.

Effective January 1, 2010, the Consumer Proposal Program was no longer offered by the Provincial Mediation Board. All outstanding Consumer Proposals have been wound up.

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 are held in trust on behalf of clients and paid out to creditors through mutually agreed upon payment plans or consolidation orders made pursuant to Part X of *The Bankruptcy and Insolvency Act*.

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 Orderly Payment of Debts Regulations*, *The Provincial Mediation Board Act*, or *The Tax Enforcement Act*.

c) Applications and Administration Fees

Under Part X of *The Bankruptcy and Insolvency Act*, the Orderly Payment of Debts Consolidation Orders are subject to application and administration fees which are deducted and paid to the Ministry of Justice and Attorney General.

d) Cash Flow Statement

A cash flow statement has not been provided since cash flow information is readily apparent from the other financial statements.

e) **Future Accounting Policy Change**

For the fiscal year beginning April 1, 2011, the Trust Accounts has selected the Public Sector Accounting Handbook as its accounting standards. The Trust Accounts is currently assessing the potential impact of the change in accounting standards on its financial statements for the year ending March 31, 2012.

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 cost is reflected in these statements. These costs are borne by the Ministry of Justice and Attorney General from monies appropriated by the Legislature for such purposes. Also, the Provincial Mediation Board transfers to the Ministry of Justice and Attorney General the fee the Board collects pursuant to section 6 and subsection 7.1(2) of *The Provincial Mediation Board Act* from the mediation of debt program and tax enforcement proceedings. During the year, the Provincial Mediation Board paid, for all of its programs, \$82,843 to the Ministry.

The Provincial Mediation Board's bank accounts, described as Due from General Revenue Fund (GRF) are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. No interest is paid into these accounts by the GRF.

Due from GRF is the only financial instrument of the Provincial Mediation Board and has been classified as held for trading. There are no significant terms and conditions related to this financial instrument that may affect the amount, timing and certainty of future cash flows. The carrying value of this instrument approximates fair value due to its immediate or short-term nature.