

OFFICE OF THE OMBUDSMAN

FINANCIAL STATEMENTS

For the Year Ended March 31, 2017



Ombudsman Saskatchewan

Promoting Fairness

Management's Responsibility for the Financial Statements

Management of Ombudsman Saskatchewan is responsible for the accompanying financial statements. Ombudsman Saskatchewan maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to obtain reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

Management of Ombudsman Saskatchewan prepares these statements in accordance with Canadian public sector accounting standards, using management's best estimates and judgement when appropriate.

The Provincial Auditor expresses an independent opinion on these statements. Her report provides the scope of her audit and states her opinion.

On behalf of the Ombudsman Saskatchewan

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Ombudsman

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Manager of Administration

OFFICE OF THE OMBUDSMAN
Statement of Financial Position
As at March 31

	2017	2016 (Restated Note 10)
ASSETS		
Financial assets		
Due from the General Revenue Fund	\$ 239,420	\$ 204,702
Total financial assets	239,420	204,702
Liabilities		
Accounts payable	122,385	106,580
Salaries payable	1,195	3,238
Accrued leave entitlements	115,840	94,884
Total liabilities	239,420	204,702
Net debt (Statement 3)	-	-
Non - financial assets		
Tangible capital assets (Note 3, 9)	152,418	145,325
Prepaid expenses	14,460	10,156
Total non-financial assets	166,878	155,481
Accumulated surplus (Statement 2)	\$ 166,878	\$ 155,481
Contractual obligations (Note 11)		

(See accompanying notes to the financial statements)

OFFICE OF THE OMBUDSMAN
Statement of Operations and Accumulated Surplus
For the Year Ended March 31

	<u>2017</u>	<u>2017</u>	<u>2016</u>
	Budget	Actual	(Restated
	(Note 4)		Note 10)
			Actual
Revenue:			
General Revenue Fund Appropriation	\$ 3,914,000	\$ 3,371,104	\$ 3,151,907
Total Revenue	<u>3,914,000</u>	<u>3,371,104</u>	<u>3,151,907</u>
Expenses:			
Salaries and benefits	3,041,000	2,616,787	2,437,205
Office space and equipment rental	294,400	292,526	310,243
Communication	55,400	54,479	51,529
Miscellaneous services	89,200	97,341	98,012
Office supplies and expenses	34,500	22,583	39,888
Advertising, promotion, and events	111,600	66,512	58,608
Travel	56,500	55,132	52,324
Amortization (Note 3, 9)	-	70,446	72,009
Dues and fees	74,300	47,456	23,565
Repairs and maintenance	157,100	36,445	37,289
Total Expenses	<u>3,914,000</u>	<u>3,359,707</u>	<u>3,180,672</u>
Operating surplus (deficit)	\$ <u>-</u>	11,397	(28,765)
Accumulated surplus, beginning of year		<u>155,481</u>	<u>184,246</u>
Accumulated surplus, end of year (Statement 1)		<u>\$ 166,878</u>	<u>\$ 155,481</u>

(See accompanying notes to the financial statements)

OFFICE OF THE OMBUDSMAN
Statement of Change in Net Debt
For the Year Ended March 31

	<u>2017</u>	<u>2016</u> <u>(Restated</u> <u>Note 10)</u>
Operating surplus (deficit)	\$ 11,397	\$ (28,765)
Capital asset additions (Note 3)	(77,539)	(42,122)
Amortization of tangible capital assets (Note 3, 9)	<u>70,446</u>	<u>72,009</u>
	<u>(7,093)</u>	<u>29,887</u>
Acquisition of prepaid expenses	(14,460)	(10,156)
Use of prepaid expenses	<u>10,156</u>	<u>9,034</u>
	<u>(4,304)</u>	<u>(1,122)</u>
Decrease (increase) in net debt	-	-
Net debt, beginning of the year	<u>-</u>	<u>-</u>
Net debt, end of the year (Statement 1)	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

(See accompanying notes to the financial statements)

OFFICE OF THE OMBUDSMAN
Statement of Cash Flow
For the Year Ended March 31

Cash from (used in) operating activities:	<u>2017</u>	<u>2016</u>
General Revenue Fund appropriation received	\$ 3,336,386	\$ 3,144,899
Salaries and benefits paid	(2,597,874)	(2,441,119)
Supplies and other expenses paid	(660,973)	(661,658)
Cash provided by operations	<u>77,539</u>	<u>42,122</u>
Cash from (used in) capital activities:		
Capital assets purchased (Note 3)	<u>(77,539)</u>	<u>(42,122)</u>
Cash used in capital activities	<u>(77,539)</u>	<u>(42,122)</u>
Increase (decrease) in cash and cash equivalents	-	-
Cash, beginning of the year	-	-
Cash, end of year	<u>\$ -</u>	<u>\$ -</u>

(See accompanying notes to the financial statements)

**OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

1. Authority and Description of Operations

The Ombudsman Act, 2012, gives the Ombudsman the authority to investigate or informally address complaints of unfairness in provincial and municipal government actions. *The Public Interest Disclosure Act* appoints the Ombudsman as the Public Interest Disclosure Commissioner, with the authority to provide advice to and investigate disclosures from public servants with allegations of wrongdoing or reprisal within their provincial government institutions.

The Ombudsman's Budget and Financial Statements encompass all financial aspects associated with the roles of the Ombudsman and Public Interest Disclosure Commissioner.

2. Significant Accounting Policies

These financial statements are prepared using Canadian public sector accounting standards. These statements do not include a Statement of Remeasurement Gains and Losses as the Office of the Ombudsman (Office) has no activities that give rise to remeasurement gains or losses. As a result, its accumulated surplus is the same as its accumulated operating surplus. The following accounting policies are considered to be significant.

(a) Revenue

The Office receives an appropriation from the General Revenue Fund to carry out its work. General Revenue Fund appropriations are included in revenue when amounts are spent or committed.

(b) Tangible capital assets

Tangible capital assets are reported at cost less accumulated amortization. Tangible capital assets are capitalized when the purchase amount is at or above the thresholds noted below for each category and amortized on a straight-line basis over the indicated time period:

Computer Hardware	\$2,500 / 5 years
Computer Software	\$2,500 / 5 years
Equipment and Furniture	\$2,500 / 10 years
Leasehold Improvements	\$2,500 / Lesser of remaining useful life or current lease term

(c) Accrued employee costs

Accrued employee costs include the value of salary payable amounts and accrued leave entitlements (including estimated sick leave accrual), which are recorded as a liability owed to staff at year end.

The Office estimates its sick leave benefit obligation based on accumulated employee sick leave entitlements. A liability for vesting or accumulating sick leave is recorded in the year the employee provides services in return for the sick leave benefits. This liability is only recorded if it is expected to be significant to the organization.

3. Tangible Capital Assets (Note 9)

	2017				(Restated - Note 10) Total 2016
	Hardware & Software	Equipment & Furniture	Leasehold Improvements	Total	Total
Cost, April 1	\$ 50,632	\$ 96,467	\$ 258,108	\$ 405,207	\$ 363,085
Additions	61,284	16,255	-	77,539	42,122
Disposals	(47,363)	(2,567)	-	(49,930)	-
Cost, March 31	<u>64,553</u>	<u>110,155</u>	<u>258,108</u>	<u>432,816</u>	<u>405,207</u>
Accumulated Amortization, April 1	50,633	54,384	154,865	259,882	187,873
Annual Amortization	12,257	6,568	51,621	70,446	72,009
Adjustment for disposals	(47,363)	(2,567)	-	(49,930)	-
Accumulated Amortization, March 31	<u>15,527</u>	<u>58,385</u>	<u>206,486</u>	<u>280,398</u>	<u>259,882</u>
Net Book Value, March 31	<u>\$ 49,026</u>	<u>\$ 51,770</u>	<u>\$ 51,622</u>	<u>\$ 152,418</u>	<u>\$ 145,325</u>

**OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

4. Budget

These amounts reflected on an expense basis represent funds appropriated by the Legislative Assembly to enable the Ombudsman to carry out the Office's duties under *The Ombudsman Act, 2012*. The Office's expenditures are limited to the amount appropriated to it by the Legislative Assembly. The amount appropriated for the year was \$3,914,000.

5. Lapsing of appropriation

The Office follows *The Financial Administration Act, 1993* with regards to its spending. If the Office spends less than its appropriation by March 31, the difference is not available to acquire the goods and services in the next fiscal year.

6. Costs borne and services provided to other agencies

The Office has not been charged with certain administrative costs and employee benefit costs. These costs are borne by the Legislative Assembly and the Ministry of Finance. No provision for these costs is reflected in these financial statements.

7. Financial Instruments

The Office's financial instruments include due from the general revenue fund, accounts payable and accrued employee payables. The carrying amount of these instruments approximates fair value due to their immediate or short-term maturity. These instruments have no significant interest rate and credit risk.

8. Pension Plan

The Office participates in a defined contribution pension plan for the benefit of its employees. The Office's financial obligation of the plan is limited to making payments of 5% of employees' salaries for current service. Pension costs are not included in the Office's financial statements as these costs are borne by other agencies (Note 6).

9. Tangible Capital Assets - Change in Accounting Estimate

During the year ended March 31, 2017, the Office changed its accounting estimate for the useful life of furniture and equipment to 10 years (2016 - 5 years) to be reflective of the Office's operations. The Office has applied this change prospectively. The increase to useful life of furniture and equipment reduces amortization expense for March 31, 2017 by \$9,300.

10. Tangible Capital Assets - Correction of Error in Prior Period

During the year ended March 31, 2017, the Office identified that prior years' certain tangible capital assets valued at less than the capitalization thresholds as described in Note 2(b) had been capitalized in error. The Office has corrected the error retrospectively, which has the following impact on prior period comparative figures:

	Increase (decrease) Year Ended March 31, 2016
<u>Statement of Financial Position</u>	
Tangible capital assets	\$ (2,240)
Accumulated surplus	(2,240)
<u>Statement of Operations and Accumulated Surplus</u>	
Amortization expense	\$ (1,770)
Operating deficit	(1,770)
Accumulated surplus, beginning of year	(4,010)
Accumulated surplus, end of year	(2,240)
<u>Statement of Changes in Net Debt</u>	
Operating deficit	\$ (1,770)
Amortization of tangible capital assets	(1,770)

11. Contractual Obligations

During the year ended March 31, 2014, the Office and its landlord entered into a new lease whereby the Office agreed to rent the Saskatoon premises for five years commencing June 15, 2013. Annual lease payments are \$162,073.

The Office and its landlord are entered into a lease whereby the Office agrees to rent the Regina premises on a year-to-year basis expiring annually on January 31st. Annual lease payments are \$157,845.