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**Saskatchewan Party Caucus
Financial Statements**
March 31, 2013

Management's Responsibility

To the Members of Saskatchewan Party Caucus:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Management Committee is composed entirely of MLA's who are neither management nor employees of the Caucus. The Management Committee is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Management Committee fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Management Committee is also responsible for recommending the appointment of the Caucus' external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Management Committee and management to discuss their audit findings.

August 13, 2013


Chief of Staff

Independent Auditors' Report

To the Members of Saskatchewan Party Caucus:

We have audited the accompanying financial statements of the Saskatchewan Party Caucus, which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of revenues and expenditures and Caucus surplus and cash flows for the years ended March 31, 2013 and March 31, 2012, 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 accounting standards for not-for-profit organizations, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 auditors' 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.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Saskatchewan Party Caucus as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Regina, Saskatchewan

August 13, 2013

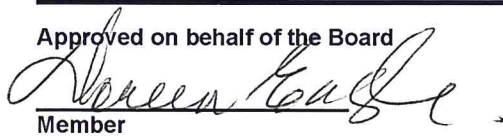

Chartered Accountants

Saskatchewan Party Caucus Statement of Financial Position

As at March 31, 2013

	2013	2012	April 1 2011
Assets			
Current			
Cash	441,323	256,650	59,525
Prepaid expenses and deposits	9,621	9,467	5,398
Accounts receivable	-	-	30,638
	450,944	266,117	95,561
Capital assets (Note 4)	11,370	15,439	40,366
	462,314	281,556	135,927
Liabilities			
Current			
Accounts Payable (Note 5)	32,666	26,088	65,982
Current portion of capital lease obligations	-	-	12,579
	32,666	26,088	78,561
Deferred contributions related to information technology enhancements (Note 6)	27,029	43,362	-
	59,695	69,450	78,561
Contingencies (Note 7)			
Surplus			
Caucus Surplus (Note 7)	402,619	212,106	57,366
	462,314	281,556	135,927

Approved on behalf of the Board


Member


Member

The accompanying notes are an integral part of these financial statements

Saskatchewan Party Caucus
Statement of Operations and Changes in Net Assets
For the year ended March 31, 2013

	2013	2012
Revenue		
Sessional research general and secretarial expense	1,209,983	1,020,191
Information technology enhancements grant	16,333	5,638
	1,226,316	1,025,829
Expenses		
Advertising	363,593	187,725
Amortization	4,070	24,928
Bank charges and interest	109	263
Computer maintenance	41,110	26,905
Contract work	16,522	35,072
Insurance	547	410
Interest on capital leases	-	155
Meetings	14,793	16,248
Memberships fees	2,777	4,092
Office supplies	11,004	14,891
Postage	1,133	1,344
Professional fees	7,883	15,673
Salaries and Benefits	561,729	517,691
Telephone	4,114	3,288
Travel and training	6,419	22,404
	1,035,803	871,089
Excess of revenue over expenses	190,513	154,740
Caucus surplus, beginning of year	212,106	57,366
Caucus surplus, end of year	402,619	212,106

The accompanying notes are an integral part of these financial statements

Saskatchewan Party Caucus
Statement of Cash Flows
For the year ended March 31, 2013

	2013	2012
Cash provided by (used for) the following activities		
Operating		
Cash receipts from grants	1,209,983	1,099,825
Cash paid for program service expenses	(473,017)	(389,571)
Cash paid for salaries and benefits	(552,293)	(500,395)
Cash paid for interest	-	(155)
	184,673	209,704
Financing		
Repayments on capital lease obligation	-	(12,579)
	184,673	197,125
Increase in cash resources	184,673	197,125
Cash resources, beginning of year	256,650	59,525
	441,323	256,650
Cash resources, end of year	441,323	256,650

The accompanying notes are an integral part of these financial statements

Saskatchewan Party Caucus Notes to the Financial Statements

For the year ended March 31, 2013

1. Organization and operations

A Caucus is defined by S.50 (1) (b) of the Legislative Assembly and Executive Council Act to mean a group of two or more Members who are elected to the Assembly and who belong to the same political party.

The Saskatchewan Party Caucus receives funding from the Legislative Assembly pursuant to various directives adopted by the Legislative Assembly's Board of Internal Economy.

In accordance with Board of Internal Economy Directive #23 - Caucus Accountability and Disclosure, the Caucus is required to submit annual audited financial statements as well as audited financial statements for the term of the 28th Legislature.

2. Transition to accounting standards for not-for-profit organizations

Adoption of accounting standards for not-for-profit organizations

As stated in Note 3, these are the Caucus' first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The accounting policies set out in Note 3 have been applied consistently in preparing the financial statements for the year ended March 31, 2013, the comparative information for the year ended March 31, 2012 and the opening ASNPO statement of financial position as at April 1, 2011 (the Caucus' date of transition to ASNPO).

In preparing these financial statements, the Caucus has not elected to apply any of the available transitional provisions permitted by CICA 1501 *First-time Adoption by not-for-profit organizations* at the date of transition to ASNPO.

3. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	<i>Method</i>	<i>Rate</i>
Computer equipment	declining balance	30 %
Computer software	declining balance	30 %
Office equipment	declining balance	20 %
Assets under capital lease	straight line	2 years

Assets under capital lease are amortized straight-line over the term of the capital lease.

Deferred contributions related to information technology enhancements

Grants related to information technology enhancements are deferred and amortized over the term of the assets the grant monies were used to purchase.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Saskatchewan Party Caucus
Notes to the Financial Statements
For the year ended March 31, 2013

Revenue recognition

All sources of revenue are recognized when earned in accordance with the Board of Internal Economy directives.

Financial instruments

The Caucus recognizes its financial instruments when the Caucus becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Caucus may irrevocably elect to subsequently measure any financial instrument at fair value. The Caucus has not made such an election during the year. The Caucus subsequently measures cash, accounts receivable and accounts payable at cost.

Transaction costs are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

All financial assets except derivatives are tested annually for impairment. Management considers recent collection experience for the accounts receivable in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost to reflect losses in value are not reversed for subsequent increases in value.

4. Capital assets

	Cost	Accumulated amortization	2013 Net book value	2012 Net book value
Assets under capital lease	18,020	18,020	-	-
Computer equipment	76,273	71,235	5,038	7,197
Computer software	57,459	55,622	1,837	2,624
Office equipment	18,799	14,304	4,495	5,618
	170,551	159,181	11,370	15,439

5. Accounts Payable

In accordance with the Board of Internal Economy Directive #23 - Caucus Accountability and Disclosure, at year end, accounts payable and accrued liabilities include:

	2013	2012
Audit	7,560	6,773
Courier service	749	729
Equipment service	-	6,635
General contractual services	2,397	330
Meals and catering	-	118
Office supplies	1,073	44
Promotion	210	-
Telephone and communication	144	-
Travel and training	-	251
Vacation payable	20,444	11,008
Water	89	200
	32,666	26,088

6. Deferred contributions related to information technology enhancements

Board of Internal Economy Directive #7.3 - Caucus Information Technology Resources states that the information technology enhancements grant is to be used for information technology enhancements. In November 2011, the Caucus received an information technology enhancements grant of \$49,000 under the Board of Internal Economy Directive #7.3 which was recorded as deferred contributions and will be taken into income at a straight line rate of 3 years. During the year \$16,333 (2012 - \$5,638) has been recognized as revenue.

7. Caucus surplus

Board of Internal Economy Directive #23 - Caucus Accountability and Disclosure provides that within six months of polling day, surplus Caucus funds, if any, after payment of outstanding accounts shall revert to the Crown.

In the event of a directive being adopted requiring the surplus, or a portion thereof, to be refunded to the Assembly, a liability would be created. No provision has been made in the accounts for this potential contingency during the year.

8. Financial instruments

The Caucus, as part of its operations, carries a number of financial instruments, which include cash, accounts receivable, accounts payable and accruals.

Risk Management Policy

The Caucus, as part of operations, has established an oversight committee in the management committee. As part of the operations of the Caucus, the management committee has overall responsibility for the establishment and oversight of the Caucus' risk management framework and reviews the Caucus' policies on an ongoing basis. Further, the management committee reviews annually the Caucus' succession policy in place for the staffing component of the office.

Fair Value of Financial Instruments

The carrying amount of cash, accounts receivable, accounts payable and accrued liabilities approximates their fair value due to the short-term nature of these items.

Liquidity risk

Liquidity risk is the risk that the Caucus will encounter difficulty in meeting obligations associated with financial liabilities. The Caucus enters into transactions to purchase goods and services on credit for which repayment is required at various maturity dates. The Caucus monitors its cash balances and cash flows generated from funding to meet requirements. The Caucus manage the liquidity risk resulting from accounts payable by continuously monitoring forecast and actual cash flows.

9. Commitments

The Caucus is in a 4 year agreement to pay monthly website hosting and user fees, which expires March 31, 2015. Minimum monthly payments on the hosting services and user fees are \$2,100.

Estimated minimum annual payments as follows:

2014	25,200
2015	25,200
	<hr/>
	50,400