

**Saskatchewan Party Caucus
Financial Statements**
March 31, 2021

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. 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.

September 1, 2021



Chief of Staff

To the Members of Saskatchewan Party Caucus:

Opinion

We have audited the financial statements of Saskatchewan Party Caucus (the "Caucus"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Caucus as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Caucus 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 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.

In preparing the financial statements, management is responsible for assessing the Caucus'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 Caucus or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 auditor's 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 these 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 Caucus'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 Caucus's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Caucus 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.

We 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.

Regina, Saskatchewan

September 1, 2021

MNP LLP

Chartered Professional Accountants

MNP

**Saskatchewan Party Caucus
Statement of Financial Position**

As at March 31, 2021

	2021	2020
Assets		
Current		
Cash	891,402	413,043
Accounts receivable	-	56,006
	891,402	469,049
Capital assets (Note 3)	25,251	27,885
	916,653	496,934
Liabilities		
Current		
Accounts payable and accruals (Note 4)	54,383	202,887
Deferred contributions related to information technology enhancements (Note 5)	36,000	-
	90,383	202,887
Surplus		
Caucus Surplus (Note 6)	826,270	294,047
	916,653	496,934

Approved on behalf of the Board

Director

Director

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, 2021

	2021	2020
Revenue		
Grant revenue	1,277,180	1,258,810
Amortization of deferred contributions	12,000	12,750
	1,289,180	1,271,560
Expenses		
Advertising	55,940	968,554
Amortization	9,037	7,627
Bank charges and interest	127	468
Computer maintenance	4,774	2,550
Contract work	50,150	43,788
Insurance	424	424
Meetings	3,574	13,127
Membership fees	16,264	12,871
Office supplies	9,476	11,356
Postage	35,349	237,328
Professional fees	22,223	10,268
Salaries and benefits	528,397	584,741
Telephone	13,268	10,874
Travel and entertainment	7,954	12,014
	756,957	1,915,990
Excess (deficiency) of revenue over expenses	532,223	(644,430)
Caucus surplus, beginning of year	294,047	938,477
Caucus surplus, end of year	826,270	294,047

The accompanying notes are an integral part of these financial statements

Saskatchewan Party Caucus
Statement of Cash Flows
For the year ended March 31, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating		
Cash receipts from grants	1,381,187	1,202,804
Cash paid for program service expenses	(368,028)	(1,266,134)
Cash paid for salaries and benefits	(528,397)	(582,624)
	484,762	(645,954)
Investing		
Purchase of capital assets	(6,403)	(18,511)
Increase (decrease) in cash resources	478,359	(664,463)
Cash resources, beginning of year	413,043	1,077,506
Cash resources, end of year	891,402	413,043

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, 2021

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 29th Legislature.

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Caucus as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause staff shortages and increased government regulations in Canada, all of which may negatively impact the Caucus' financial condition.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada 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.

	Rate
Computer equipment	30 %
Computer software	30 %
Office equipment	20 %

Deferred contributions related to information technology enhancements

Grants related to information technology enhancements are deferred and amortized over the estimated useful life 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.

Revenue recognition

Revenue is recognized on the accrual basis when earned, and collection is assured.

Saskatchewan Party Caucus
Notes to the Financial Statements

For the year ended March 31, 2021

2. **Significant accounting policies** *(Continued from previous page)*

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 all financial instruments at amortized cost.

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

Financial asset impairment

The Caucus assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Caucus determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Caucus reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Caucus reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of excess in the year the reversal occurs.

3. **Capital assets**

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2021 Net book value</i>	<i>2020 Net book value</i>
Computer equipment	147,153	124,463	22,690	24,639
Computer software	32,569	32,321	248	355
Office equipment	21,779	19,466	2,313	2,891
	201,501	176,250	25,251	27,885

Saskatchewan Party Caucus
Notes to the Financial Statements
For the year ended March 31, 2021

4. Accounts payable and accruals

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

	2021	2020
Computer equipment	-	11,610
Audit	9,500	8,526
Consulting	-	3,865
Courier service	62	78
Memberships	1,053	1,180
Office supplies	471	-
Promotion	-	139,289
Telephone	-	198
Vacation payable	43,148	38,130
Water	149	11
	54,383	202,887

5. Deferred contributions related to information technology enhancements

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of information technology enhancements. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. The information technology enhancement grant will be recognized over four years beginning in 2021. Changes in deferred capital contributions are as follows:

	2021	2020
Balance, beginning of year	-	12,750
Contributions received during the year	48,000	-
Less: Amounts recognized as revenue during the year	(12,000)	(12,750)
	36,000	-

6. Caucus surplus

Board of Internal Economy Directive #23 - Caucus Accountability and Disclosure provides that within six months following the polling date subsequent to the dissolution of each Legislature, all surplus funds determined pursuant to clause (5)(a) shall revert to the Crown. This provision only becomes a requirement if the Caucus ceases to exist as described in clause (7). Since the Caucus is still in existence at year end, no provision has been made in the accounts for this potential contingency during the year.

7. Financial instruments

The Caucus, as part of its operations, carries a number of financial instruments, which include cash, accounts payable and accruals. It is management's opinion that the Caucus is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

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 manages the liquidity risk resulting from accounts payable by continuously monitoring forecast and actual cash flows.