

Saskatchewan Party Caucus
Financial Statements
March 31, 2017

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 24, 2017


Chief of Staff

Independent Auditors' Report

To the Members of Saskatchewan Party Caucus:

We have audited the accompanying financial statements of Saskatchewan Party Caucus, which comprise the statement of financial position as at March 31, 2017, and the statements of operations and changes in net assets and cash flows 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 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 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 Saskatchewan Party Caucus as at March 31, 2017 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.

Regina, Saskatchewan

August 24, 2017



Chartered Professional Accountants

**Saskatchewan Party Caucus
Statement of Financial Position**

As at March 31, 2017

	2017	2016
Assets		
Current		
Cash	623,150	155,174
Prepaid expenses and deposits	870	871
	624,020	156,045
Capital assets (Note 3)	27,151	38,338
	651,171	194,383
Liabilities		
Current		
Accounts payable and accruals (Note 4)	84,108	81,569
Deferred contributions related to information technology enhancements (Note 5)	38,250	-
	122,358	81,569
Surplus		
Caucus Surplus (Note 6)	528,813	112,814
	651,171	194,383

Approved on behalf of the Board



Member

Member

Laura Rossi

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, 2017

	2017	2016
Revenue		
Grant revenue	1,320,872	1,212,815
Amortization of deferred contributions	12,750	-
	1,333,622	1,212,815
Expenses		
Advertising	108,177	1,048,686
Amortization	11,188	8,698
Bank charges and interest	137	611
Computer maintenance	3,396	4,054
Contract work	84,368	44,729
Facilitation services	-	3,120
Insurance	400	400
Meetings	20,808	12,219
Membership fees	13,167	1,896
Office supplies	21,332	40,137
Postage	1,371	117,517
Professional fees	17,600	11,165
Repairs and maintenance	80	-
Salaries and benefits	613,337	578,840
Telephone	8,161	9,503
Travel and entertainment	14,101	9,842
	917,623	1,891,417
Excess (deficiency) of revenue over expenses	415,999	(678,602)
Caucus surplus, beginning of year	112,814	791,416
Caucus surplus, end of year	528,813	112,814

The accompanying notes are an integral part of these financial statements

Saskatchewan Party Caucus
Statement of Cash Flows

For the year ended March 31, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating		
Cash receipts from grants	1,320,872	1,212,815
Cash paid for program service expenses	(302,926)	(848,334)
Cash paid for salaries and benefits	(600,970)	(574,866)
	416,976	(210,385)
Financing		
Cash contributions related to information technology resources	51,000	-
Investing		
Purchase of capital assets	-	(33,708)
Increase (decrease) in cash resources	467,976	(244,093)
Cash resources, beginning of year	155,174	399,267
Cash resources, end of year	623,150	155,174

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, 2017

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. 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.

	Method	Rate
Computer equipment	declining balance	30 %
Computer software	declining balance	30 %
Office equipment	declining balance	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, 2017

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

Financial instruments

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

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year. The Caucus subsequently measures all financial instruments at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost.

Financial asset impairment

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Organization 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 Organization 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 Organization 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>2017 Net book value</i>	<i>2016 Net book value</i>
Computer equipment	120,118	96,508	23,610	33,728
Computer software	32,569	31,536	1,033	1,475
Office equipment	19,993	17,485	2,508	3,135
	172,680	145,529	27,151	38,338

Saskatchewan Party Caucus
Notes to the Financial Statements
For the year ended March 31, 2017

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:

	2017	2016
Audit	8,525	8,525
Courier service	-	928
Memberships	621	-
Office supplies	-	619
Promotion	36,233	24,305
Telephone	222	2,087
Vacation payable	38,441	26,074
Water	66	11
Printing	-	19,020
	84,108	81,569

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 2017. Changes in deferred capital contributions are as follows:

	2017	2016
Amount received during the year	51,000	-
Less: Amounts recognized as revenue during the year	(12,750)	-
	38,250	-
Balance, end of year	38,250	-

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.

Saskatchewan Party Caucus
Notes to the Financial Statements

For the year ended March 31, 2017

7. Financial instruments

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

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.