

**Saskatchewan Party Caucus
Financial Statements**
March 31, 2012

Management's Responsibility

To the Members of Saskatchewan Party Caucus:

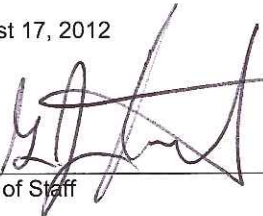
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles. This responsibility includes selecting appropriate 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 fulfils 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, an independent firm of Chartered Accountants, 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 Committee and management to discuss their audit findings.

August 17, 2012



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, 2012, and the statements of revenues and expenditures and Caucus surplus 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 generally accepted accounting principles, 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, 2012 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

August 17, 2012



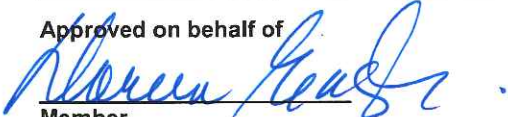
Chartered Accountants

**Saskatchewan Party Caucus
Statement of Financial Position**

As at March 31, 2012

	2012	2011
Assets		
Current		
Cash	256,650	59,525
Accounts receivable	-	30,638
Prepaid expenses and deposits	9,467	5,398
	266,117	95,561
Capital assets (Note 3)	15,439	40,366
	281,556	135,927
Liabilities		
Current		
Accounts payable and accruals (Note 4)	26,088	65,982
Current portion of capital lease obligations	-	12,579
	26,088	78,561
Deferred contributions related to information technology enhancements (Note 5)	43,362	-
	69,450	78,561
Surplus		
Caucus surplus	212,106	57,366
	281,556	135,927

Approved on behalf of


Member


Member

The accompanying notes are an integral part of these financial statements

Saskatchewan Party Caucus
Statement of Revenues and Expenses and Caucus Surplus

For the year ended March 31, 2012

	2012	2011
Revenue		
Sessional research general and secretarial expense	1,020,191	871,568
Information technology enhancements grant	5,638	7,599
	1,025,829	879,167
Expenses		
Advertising	187,725	591,420
Amortization	24,928	24,861
Computer maintenance	26,905	37,371
Contract work	35,072	50,245
Insurance	410	616
Interest and bank charges	263	3
Interest on capital leases	155	595
Meetings	16,248	15,346
Membership fees	4,092	4,017
Office supplies	14,891	15,049
Postage	1,344	1,177
Professional fees	15,673	6,545
Salaries and benefits	517,691	530,559
Telephone	3,288	3,714
Travel and training	22,404	12,500
	871,089	1,294,018
Excess (deficiency) of revenues over expenditures for the year	154,740	(414,851)
Caucus surplus, beginning of year	57,366	472,217
Caucus surplus, end of year	212,106	57,366

The accompanying notes are an integral part of these financial statements

Saskatchewan Party Caucus
Statement of Cash Flows
For the year ended March 31, 2012

	2012	2011
Cash provided by (used for) the following activities		
Operating activities		
Cash received from the Saskatchewan Legislative Assembly	1,082,530	841,475
Program service expenses paid	(372,276)	(690,920)
Cash paid for salaries and benefits	(500,395)	(530,559)
Interest paid	(155)	(329)
	209,704	(380,333)
Financing activities		
Increase in capital lease obligation	-	18,550
Repayments of capital lease obligation	(12,579)	(11,421)
	(12,579)	7,129
Investing activities		
Purchase of capital assets	-	(33,332)
Cash resources, beginning of year	59,525	466,061
Cash resources, end of year	256,650	59,525

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, 2012

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 27th Legislature.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Capital assets

Capital assets are recorded at cost. The cost for contributed capital assets is considered to be fair value at the date of contribution.

Amortization is provided using methods and 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 %
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 3 years over the term of the assets the grant monies were used to purchase.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 earnings in the periods in which they become known.

Revenue recognition

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

Saskatchewan Party Caucus Notes to the Financial Statements

For the year ended March 31, 2012

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

Financial instruments

The Caucus has classified cash, accounts receivable and accounts payable and accrued liabilities as financial instruments held for trading.

Held for trading financial assets and liabilities are financial instruments that are acquired or incurred principally for the purpose of selling or repurchasing the instrument in the near term or are initially designated as held for trading. These instruments are initially recognized at fair value. Fair value is approximated by the instruments' initial cost in a transaction between unrelated parties. Held for trading financial instruments are carried at fair value with both realized and unrealized gains and losses included in the statement of revenue, expenditures and surplus. Transactions to purchase or sell these items are recorded on the settlement date. Transaction costs related to held for trading financial instruments are expensed as incurred.

Recent Accounting Pronouncements

Canadian accounting standards for not-for-profit organizations

In October 2010, the Accounting Standards Board (AcSB) approved the accounting standards for private sector not-for-profit organizations (NFPOs) to be included in Part III of the CICA Handbook-Accounting ("Handbook"). Part III will comprise:

- The existing "4400 series" of standards dealing with the unique circumstances of NFPOs, currently in Part V of the Handbook; and
- The new accounting standards for private enterprises in Part II of the Handbook, to the extent that they would apply to NFPOs.

Effective for fiscal years beginning on or after January 1, 2012, private sector NFPOs will have the option to adopt either Part III of the Handbook or International Financial Reporting Standards (IFRS). Earlier adoption is permitted. The Caucus expects to adopt Part III of the Handbook as its new financial reporting standards. The Caucus has not yet determined the impact of the adoption of Part III of the Handbook on its financial statements.

3. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2012 Net book value</i>	<i>2011 Net book value</i>
Computer equipment	76,273	69,076	7,197	10,281
Computer software	57,459	54,835	2,624	10,587
Office equipment	18,799	13,181	5,618	7,023
Assets under capital lease	18,020	18,020	-	12,475
	170,551	155,112	15,439	40,366

Saskatchewan Party Caucus
Notes to the Financial Statements
For the year ended March 31, 2012

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:

	2012	2011
Advertising and promotion	-	18,081
Audit	6,773	5,620
General contractual service	330	319
Meals and catering	118	174
Office supplies	44	66
Postage and courier	729	28
Repairs and maintenance	6,635	2,827
Research	-	14,487
Salaries, wages and benefits	11,008	23,887
Telephone and communication	-	195
Travel and training	251	180
Water	200	117
	26,088	65,981

5. 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, \$5,638 has been recognized as revenue.

6. 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.

7. 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 ("management"). As part of the operation of the Caucus, management has overall responsibility for the establishment and oversight of the Caucus' risk management framework and reviews the Caucus' policies on an ongoing basis. Further, management 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.

Saskatchewan Party Caucus Notes to the Financial Statements

For the year ended March 31, 2012

7. Financial Instruments (Continued from previous page)

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 and capital leases by continuously monitoring forecast and actual cash flows.

8. Capital management

The Caucus' objective when managing capital is to maintain a sufficient capital base so as to allow the Caucus to respond to its needs. The Caucus receives funding pursuant to various directives adopted by The Legislative Assembly's Board of Internal Economy and as such, maintains the capital structure pursuant to those directives.

9. Commitments

The Caucus has entered into 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 \$1,995. Estimated minimum annual payments for 2013 are \$23,940.