



MEYERS NORRIS PENNY LLP

**Saskatchewan Party Caucus
Financial Statements**

March 31, 2010

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's external auditors.

Meyers Norris Penny 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 Management Committee and management to discuss their audit findings.

July 8, 2010

Chief of Staff

To the Members of the Saskatchewan Party Caucus:

We have audited the statement of financial position of the Saskatchewan Party Caucus as at March 31, 2010 and the statements of revenue and expenditures and Caucus surplus and cash flows for the year ended March 31, 2010. These financial statements are the responsibility of the Caucus' management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Caucus as at March 31, 2010 and the results of its operations and its cash flows for the year ended March 31, 2010 in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP

Regina, Saskatchewan

July 8, 2010

MEYERS NORRIS PENNY LLP

Saskatchewan Party Caucus Statement of Financial Position

As at March 31, 2010

	2010	2009
Assets		
Current		
Cash	466,061	296,975
Accounts receivable	545	-
Prepaid expenses and deposits	5,475	4,284
	472,081	301,259
Capital assets (Note 3)	32,426	46,443
	504,507	347,702
Liabilities		
Current		
Accounts payable and accruals (Note 4)	18,976	27,241
Current portion of capital lease obligations	5,713	8,576
	24,689	35,817
Capital lease obligations (Note 6)	-	5,713
Deferred contributions related to information technology enhancements	7,599	20,266
	32,288	61,796
Surplus		
Caucus surplus	472,219	285,906
	504,507	347,702
Approved on behalf of Caucus		
Member	Member	

Saskatchewan Party Caucus Statement of Revenue and Expenditures and Caucus Surplus

For the period ended March 31, 2010

	2010	2009
Revenue		
Sessional research general and secretarial expense	865,909	838,245
Information technology enhancements grant	12,667	12,667
	878,576	850,912
Expenditures		
Advertising and promotion	28,490	14,593
Amortization	19,911	19,846
Chair of leg and review committee	5,545	-
Computer maintenance	51,572	49,907
Contract work	60,260	73,674
Dues and memberships	3,086	3,483
Facilitation services	20,618	-
Insurance	370	623
Interest and bank charges	64	82
Interest on capital leases	1,781	3,113
Meetings	22,083	14,279
Office	22,381	41,431
Postage	1,020	23,368
Professional fees	5,775	4,895
Salaries, wages and benefits	428,703	377,449
Telephone, fax and internet	2,081	1,507
Travel and training	18,523	22,796
	692,263	651,046
Excess of revenue over expenditures for the year	186,313	199,866
Caucus surplus, beginning of period	285,906	86,040
Caucus surplus, end of period	472,219	285,906

Saskatchewan Party Caucus
Statement of Cash Flows
For the period ended March 31, 2010

	2010	2009
Cash provided by (used for) the following activities		
Operating activities		
Cash received from the Saskatchewan Legislative Assembly	865,909	838,245
Cash paid to suppliers	(251,805)	(241,595)
Cash paid to employees	(428,703)	(377,449)
Interest paid	(1,845)	(3,195)
	183,556	216,006
Financing activities		
Increase in current portion of capital lease obligations	-	1,332
Repayments of capital lease obligations	(8,576)	(8,576)
	(8,576)	(7,244)
Investing activities		
Purchases of capital assets	(5,894)	(30,423)
Increase in cash resources	169,086	178,339
Cash resources, beginning of period	296,975	118,636
Cash resources, end of period	466,061	296,975

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 26th Legislature.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Capital assets

Capital assets are initially recorded at cost. 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	3 years

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

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.

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 their 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 unrealised 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.

Saskatchewan Party Caucus

Notes to the Financial Statements

For the period ended March 31, 2010

Recent accounting pronouncements

In December 2006, the Canadian Institute of Chartered Accountants (CICA) issued Section 3862 Financial Instruments - Disclosures and Section 3863 Financial Instruments - Presentation to replace Section 3861 Financial Instruments - Disclosure and Presentation. The effective date for these new Sections was for interim and annual financial statements with fiscal years beginning on or after October 1, 2007, with earlier adoption permitted. However, in light of the uncertainty regarding the future direction in setting standards for not-for-profit organizations, the CICA released a decision to allow deferral of Sections 3862 and 3863 for this sector. As such, not-for-profit organizations should continue to apply Section 3861.

3. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2010 Net book value</i>	<i>2009 Net book value</i>
Computer equipment	67,530	61,585	5,945	5,789
Computer software	54,522	38,427	16,095	23,969
Office equipment	15,697	10,020	5,677	3,907
	137,749	110,032	27,717	33,665
Assets under capital lease				
Equipment under capital lease	24,208	19,499	4,709	12,778
	161,957	129,531	32,426	46,443

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:

	<i>2010</i>	<i>2009</i>
Audit	5,400	5,400
Telephone and communication	53	87
Advertising and promotion	5,560	-
Office supplies	264	280
Research	-	12,429
Salaries, wages and benefits	7,510	6,750
Repairs and maintenance	104	1,946
General contractual service	85	330
Postage and courier	-	19
	18,976	27,241

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 2007, the Caucus received an information technology enhancements grant of \$38,000 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 \$12,667 (2009 - \$12,667) has been recognized as revenue.

Saskatchewan Party Caucus
Notes to the Financial Statements
For the period ended March 31, 2010

6. Capital lease obligations

The Caucus has the following capital lease commitments:

	2010	2009
Lease of computer equipment for a thirty-six month period at an interest rate of 17%, commencing November 1, 2007, with a monthly lease payment of \$863	5,713	14,289
Less: current portion	5,713	8,576
	-	5,713

Minimum lease payments related to the obligation under capital lease are as follows:

2011	6,041
Less: imputed interest	(328)
	5,713
Less: current portion	(5,713)
	-

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 for the current 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 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's risk management framework and reviews the Caucus's policies on an ongoing basis. Further, management reviews annually the Caucus's 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 maturities 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 Organization monitors its cash balances and cash flows generated from funding to meet requirements. The Organization manages the liquidity risk resulting from accounts payable and capital leases by continuously monitoring forecast and actual cash flows.

9. Capital management

Saskatchewan Party Caucus Notes to the Financial Statements

For the period ended March 31, 2010

The Caucus's objective when managing capital, is to maintain a sufficient capital base so as to allow the Organization 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.

10. Commitments

The Caucus has entered into an agreement to pay monthly website hosting and user fees. Estimated minimum annual payments are as follows:

2011	17,160
2012	11,440
	<hr/>
	28,600

Minimum monthly payments on the hosting services and user fees are \$1,430 until November 30, 2011.