

**Saskatchewan Party Caucus**  
**Financial Statements**  
*March 31, 2018*

## **Management's Responsibility**

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To the Members of Saskatchewan Party Caucus:

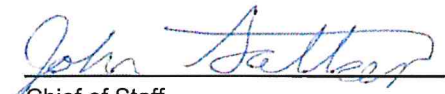
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting 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.

September 15, 2018

  
Chief of Staff

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## 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, 2018, 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, 2018 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

September 15, 2018



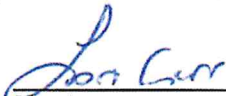
Chartered Professional Accountants

**Saskatchewan Party Caucus**  
**Statement of Financial Position**  
*As at March 31, 2018*

	2018	2017
<b>Assets</b>		
<b>Current</b>		
Cash	730,995	623,150
Prepaid expenses and deposits	-	871
	730,995	624,021
<b>Capital assets (Note 3)</b>	19,256	27,151
	750,251	651,172
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals (Note 4)	49,045	84,108
<b>Deferred contributions related to information technology enhancements (Note 5)</b>	25,500	38,250
	74,545	122,358
<b>Surplus</b>		
Caucus Surplus (Note 6)	675,706	528,814
	750,251	651,172

Approved on behalf of the Board

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 Member

  
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 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, 2018*

	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Grant revenue	1,149,247	1,320,872
Amortization of deferred contributions	14,537	12,750
	<b>1,163,784</b>	<b>1,333,622</b>
<b>Expenses</b>		
Advertising	270,927	108,177
Amortization	7,894	11,188
Bank charges and interest	139	137
Computer maintenance	7,336	3,396
Contract work	54,626	84,368
Insurance	400	400
Meetings	8,742	20,808
Membership fees	10,441	13,167
Office supplies	12,806	21,332
Postage	58,187	1,371
Professional fees	9,435	17,600
Repairs and maintenance	-	80
Salaries and benefits	553,001	613,337
Telephone	7,800	8,161
Travel and entertainment	15,158	14,101
	<b>1,016,892</b>	<b>917,623</b>
<b>Excess of revenue over expenses</b>	<b>146,892</b>	<b>415,999</b>
<b>Caucus surplus, beginning of year</b>	<b>528,814</b>	<b>112,815</b>
	<b>675,706</b>	<b>528,814</b>
<b>Caucus surplus, end of year</b>	<b>675,706</b>	<b>528,814</b>

*The accompanying notes are an integral part of these financial statements*

# Saskatchewan Party Caucus

## Statement of Cash Flows

For the year ended March 31, 2018

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	2018	2017
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Cash receipts from grants	1,151,034	1,320,872
Cash paid for program service expenses	(490,189)	(302,926)
Cash paid for salaries and benefits	(553,001)	(600,970)
	<b>107,844</b>	<b>416,976</b>
<b>Financing</b>		
Cash contributions related to information technology resources	-	51,000
<b>Increase in cash resources</b>	<b>107,844</b>	<b>467,976</b>
<b>Cash resources, beginning of year</b>	<b>623,151</b>	<b>155,174</b>
<b>Cash resources, end of year</b>	<b>730,995</b>	<b>623,150</b>

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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, 2018

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## 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.

	<b>Method</b>	<b>Rate</b>
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, 2018*

### 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>Accumulated</i>	<i>2018</i>	<i>2017</i>
	<i>Cost</i>	<i>amortization</i>	<i>Net book</i>	<i>Net book</i>
			<i>value</i>	<i>value</i>
Computer equipment	120,118	103,591	16,527	23,610
Computer software	32,569	31,846	723	1,033
Office equipment	19,993	17,987	2,006	2,508
	172,680	153,424	19,256	27,151



# Saskatchewan Party Caucus

## Notes to the Financial Statements

*For the year ended March 31, 2018*

#### 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:

	2018	2017
Audit	8,526	8,525
Courier service	46	-
Memberships	694	621
Promotion	5,024	36,233
Telephone	223	222
Vacation payable	34,482	38,441
Water	50	66
	49,045	84,108

#### 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:

	2018	2017
Balance, beginning of year	38,250	-
Amount received during the year	-	51,000
Less: Amounts recognized as revenue during the year	(12,750)	(12,750)
	25,500	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.

**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.