

**Saskatchewan Party Caucus
Financial Statements**
November 6, 2011 – April 4, 2016

Management's Responsibility

To the Members of Saskatchewan Party Caucus:

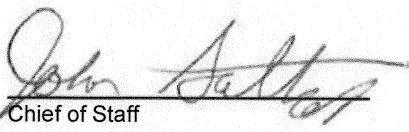
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting 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 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 Professional 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 1, 2016


Chief of Staff



Independent Auditors' Report

To the Members of the Saskatchewan Party Caucus:

We have audited the accompanying financial statements of Saskatchewan Party Caucus, which comprise the statement of financial position as at April 4, 2016, the statements of operations and changes in net assets and cash flows for the period November 7, 2011 to April 4, 2016, the period of the 27th Legislature of the Province of Saskatchewan, and a summary of significant accounting policies and other explanatory notes.

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 April 4, 2016 and the results of its operations and its cash flows for the period November 7, 2011 to April 4, 2016, the period of the 27th Legislature of the Province of Saskatchewan in accordance with Canadian accounting standards for not-for-profit organizations.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are intended solely to provide information to the Speaker of the Legislative Assembly. As a result, the statement may not be suitable for any other purpose. Our report is intended solely for the Speaker of the Legislative Assembly and should not be used by parties other than the Speaker of the Legislative Assembly.

Other Matters

Further, in our opinion, Saskatchewan Party Caucus has complied, in all material respects, in accordance with Board of Internal Economy Directive #23 – Caucus Accountability and Disclosure for the period November 7, 2011 to April 4, 2016, the period of the 27th Legislature.

Regina, Saskatchewan
August 1, 2016

MNP LLP
Chartered Professional Accountants



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Saskatchewan Party Caucus
Statement of Financial Position
As at April 4, 2016

April 4, 2016 *November 6, 2011*

Assets

Current

Cash	155,174	25,694
Accounts receivable	-	14,780
Prepaid expenses and deposits	873	3,124

156,047 43,598

Capital assets (Note 3)

38,338 25,826

194,385 69,424

Liabilities

Current

Accounts payable and accrued liabilities (Note 4)	82,563	45,629
Current portion of capital lease obligations (Note 5)	-	1,367

82,563 46,996

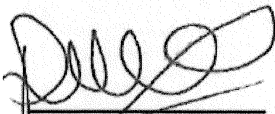
Surplus


Caucus surplus (Note 6)

111,822 22,428

194,385 69,424

Approved on behalf of the Board


Member


Member

Saskatchewan Party Caucus
Statement of Operations and Changes in Net Assets
For the period from November 7, 2011 to April 4, 2016

	<i>November 7, 2011 to April 4, 2016</i>	<i>November 7, 2007 to November 6, 2011</i>
Revenue		
Grant revenue	5,413,317	3,449,959
Amortization of deferred contributions	48,999	38,000
Computer equipment grant	-	1,500
	5,462,316	3,489,459
Expenditures		
Advertising and promotion	2,116,725	820,223
Amortization	34,991	84,249
Chair of leg and review committee	-	5,545
Computer maintenance	66,286	163,405
General contractual services	175,408	264,581
Facilitation services	3,588	20,618
Insurance	2,009	1,953
Interest and bank charges	1,178	420
Interest on capital leases	(49)	7,306
Meetings	59,177	76,023
Memberships	11,456	13,587
Office supplies	104,413	99,423
Postage and courier	143,285	28,196
Professional fees	44,243	30,768
Repairs and maintenance	1,399	-
Salaries, wages and benefits	2,535,730	1,790,221
Telephone and communications	27,076	11,277
Travel and training	46,007	69,854
	5,372,922	3,487,649
Excess of revenue over expenditures for the period	89,394	1,810
Caucus surplus, beginning of period	22,428	20,618
Caucus surplus, end of period	111,822	22,428

The accompanying notes are an integral part of these financial statements

Saskatchewan Party Caucus
Statement of Cash Flows
For the period from November 7, 2011 to April 4, 2016

*November 7, November 7,
2011 to April 2007 to
4, 2016 November 6,
2011*

Cash provided by (used for) the following activities

Operating activities

Cash received from the Saskatchewan Legislative Assembly	5,449,413	3,493,501
Cash paid to suppliers	(2,797,714)	(1,589,823)
Cash paid to employees	(2,471,983)	(1,783,047)
Interest paid	49	(7,254)
	179,765	113,377

Financing activities

Obligations under capital lease advances	-	18,550
Obligations under capital lease repayments	(2,783)	(39,636)
	(2,783)	(21,086)

Investing activities

Purchases of capital assets	(47,502)	(51,629)
Purchase of assets under capital lease	-	(18,020)
	(47,502)	(69,649)

(Decrease) increase in cash resources	129,480	22,642
Cash resources, beginning of period	25,694	3,052
Cash resources, end of period	155,174	25,694

Saskatchewan Party Caucus Notes to the Financial Statements

For the period from November 7, 2011 to April 4, 2016

1. Organization and operations

A Caucus is defined by S.2 of the Legislative Assembly Act 2007 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 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 3 years, which represents 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.

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 cash and accounts payable 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.

Saskatchewan Party Caucus Notes to the Financial Statements

For the period from November 7, 2011 to April 4, 2016

2. Significant accounting policies (continued from previous page)

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

	April 4, 2016			<i>November 6, 2011</i>
	<i>Cost</i>	<i>Accumulated amortization</i>	<i>Net book value</i>	<i>Net book value</i>
Computer equipment	120,118	86,390	33,728	8,482
Computer software	32,569	31,094	1,475	5,942
Office equipment	19,993	16,858	3,135	6,204
	172,680	134,342	38,338	20,628

4. Accounts payable and accrued liabilities

Board of Internal Economy Directive #23 - Caucus Accountability and Disclosure requires a listing of outstanding accounts. As at period end, accounts payable and accrued liabilities include:

	April 4, 2016	<i>November 6, 2011</i>
Audit	8,525	6,688
Courier service	1,620	25
Repairs and maintenance	-	1,465
Office supplies	619	48
Printing	19,020	-
Promotion	24,305	-
Telephone and communication	2,389	245
Travel and training	-	-
Vacation payable	26,074	37,158
Water	11	-
	82,563	45,629

**Saskatchewan Party Caucus
Notes to the Financial Statements**

For the period from November 7, 2011 to April 4, 2016

5. Capital lease obligations

The Caucus has the following capital lease commitments:

	<i>April 4, 2016</i>	<i>November 6, 2011</i>
Lease of computer equipment, bearing interest at 5%, with 13 monthly payments of \$1,427, expires December 2011	-	1,367
Lease of computer equipment for a thirty-six month period at an interest rate of 17%, commencing November 2007, with a monthly lease payment of \$863	-	-
	-	1,367
<u>Less: current portion</u>	-	<u>(1,367)</u>
	-	-

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.

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.