

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 6, 2014



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, 2014, 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, 2014 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 6, 2014




Chartered Accountants

Saskatchewan Party Caucus
Statement of Financial Position
As at March 31, 2014

	2014	2013
Assets		
Current		
Cash	827,043	441,323
Prepaid expenses and deposits	6,118	9,621
	833,161	450,944
Capital assets (Note 3)	17,358	11,370
	850,519	462,314
Liabilities		
Current		
Accounts payable and accruals (Note 4)	29,838	32,666
	29,838	32,666
Deferred contributions related to information technology enhancements	10,695	27,029
	40,533	59,695
Surplus		
Caucus Surplus (Note 6)	809,986	402,619
	850,519	462,314

Approved on behalf of the Board


 Member


 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, 2014

	2014	2013
Revenue		
Grant revenue	1,257,025	1,209,983
Amortization of deferred contributions	16,333	16,333
	1,273,358	1,226,316
Expenses		
Advertising	144,110	363,593
Amortization	6,708	4,070
Bank charges and interest	220	109
Contract work	36,921	41,827
Insurance	440	547
Meetings	12,001	14,793
Membership fees	2,450	2,777
Office supplies	26,703	11,004
Postage	21,435	1,133
Professional fees	8,235	7,883
Repairs and maintenance	16,729	15,805
Salaries and benefits	575,192	561,729
Telephone	5,920	4,114
Travel and training	8,927	6,419
	865,991	1,035,803
Excess of revenue over expenses	407,367	190,513
Caucus surplus, beginning of year	402,619	212,106
Caucus surplus, end of year	809,986	402,619

The accompanying notes are an integral part of these financial statements

Saskatchewan Party Caucus
Statement of Cash Flows
For the year ended March 31, 2014

	2014	2013
Cash provided by (used for) the following activities		
Operating		
Cash receipts from grants	1,229,345	1,209,983
Cash paid for program service expenses	(287,035)	(473,017)
Cash paid for salaries and benefits	(543,893)	(552,293)
	398,417	184,673
Investing		
Purchase of capital assets	(12,697)	-
Increase in cash resources	385,720	184,673
Cash resources, beginning of year	441,323	256,650
Cash resources, end of year	827,043	441,323

The accompanying notes are an integral part of these financial statements

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

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.

	<i>Method</i>	<i>Rate</i>
Computer equipment	declining balance	30 %
Computer software	declining balance	30 %
Office equipment	declining balance	20 %
Assets under capital lease	straight line	2 years

Deferred contributions related to information technology enhancements

Grants related to information technology enhancements are deferred and amortized over the term 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 or cost.

Saskatchewan Party Caucus
Notes to the Financial Statements
For the year ended March 31, 2014

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**

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2014 Net book value</i>	<i>2013 Net book value</i>
Computer equipment	85,885	75,630	10,255	5,038
Computer software	32,569	29,559	3,010	1,837
Office equipment	19,421	15,328	4,093	4,495
	137,875	120,517	17,358	11,370

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>2014</i>	<i>2013</i>
Audit	7,875	7,560
Courier service	916	749
Equipment service	2,100	-
General contractual services	246	2,397
Office supplies	1,141	1,073
Promotion	487	210
Telephone	178	144
Vacation payable	16,826	20,444
Water	69	89
	29,838	32,666

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 \$16,333 (2013 - \$16,333) 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 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.

8. Commitments

The Caucus is in 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 \$2,100.

Estimated minimum annual payments as follows:

2015	25,200
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