

Saskatchewan Party Caucus
Financial Statements
November 6, 2007 - November 6, 2011

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.

February 9, 2012


Chief of Staff

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 November 6, 2011, the statements of revenues and expenditures and Caucus surplus and cash flows for the period from November 7, 2007 to November 6, 2011, the period of the 26th 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 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 November 6, 2011 and the results of its operations and its cash flows for the period from November 7, 2007 to November 6, 2011, the period of the 26th Legislature of the Province of Saskatchewan in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
February 9, 2012

MNP LLP
Chartered Accountants

Saskatchewan Party Caucus
Statement of Financial Position
As at November

November 6, 2011 November 6, 2007

Assets

Current

Cash	25,694	3,052
Accounts receivable	14,780	18,277
Prepaid expenses and deposits	3,124	1,603

43,598 22,932

Capital assets (Note 3)

25,826 40,956

69,424 63,888

Liabilities

Current

Accounts payable and accrued liabilities (Note 4)	45,629	19,139
Current portion of capital lease obligations (Note 5)	1,367	2,598

46,996 21,737

Obligation under capital lease (Note 5)

- 21,533

46,996 43,270

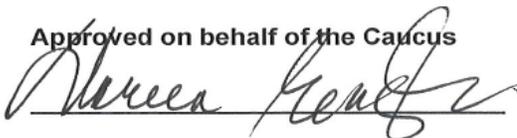
Surplus

Caucus surplus

22,428 20,618

69,424 63,888

Approved on behalf of the Caucus

 Member

 Member

Saskatchewan Party Caucus
Statement of Revenue and Expenditures and Caucus Surplus
For the period from November 7, 2007 to November 6, 2011

	November 7, 2007 to November 6, 2011	<i>November 5, 2003, to November 6, 2007</i>
Revenue		
Leader of the opposition	-	580,853
Sessional research, general and secretarial expense	3,449,959	3,409,727
Computer equipment grant	1,500	2,000
Information technology enhancing grant	38,000	29,000
	3,489,459	4,021,580
Expenditures		
Advertising and promotion	820,223	115,817
Amortization	84,249	169,715
Chair of leg and review committee	5,545	-
Computer maintenance	163,405	99,708
General contractual services	264,581	307,800
Donations	-	250
Facilitation services	20,618	-
Insurance	1,953	2,405
Interest and bank charges	420	2,631
Interest on capital leases	7,306	8,564
Meetings	76,023	57,601
Memberships	13,587	14,239
Office supplies	99,423	73,536
Postage and courier	28,196	29,946
Professional fees	30,768	23,667
Rental	-	8,619
Salaries, wages and benefits	1,790,221	2,820,674
Security	-	80
Telephone and communications	11,277	52,142
Travel and training	69,854	209,645
	3,487,649	3,997,039
Excess of revenue from operations	1,810	24,541
Other items		
Loss on disposal of capital assets	-	(3,923)
(Deficiency) excess of revenue over expenditures for the period	1,810	20,618
Caucus surplus, beginning of period	20,618	-
Caucus surplus, end of period	22,428	20,618

The accompanying notes are an integral part of these financial statements

Saskatchewan Party Caucus

Statement of Cash Flows

For the period from November 7, 2007 to November 6, 2011

	<i>November 7, 2007 to November 6, 2011</i>	<i>November 5, 2003 to November 6, 2007</i>
Cash provided by (used for) the following activities		
Operating activities		
Cash received from the Saskatchewan Legislative Assembly	3,493,501	4,012,905
Cash paid to suppliers	(1,589,823)	(985,573)
Cash paid to employees	(1,783,047)	(2,879,605)
Interest paid	(7,254)	(11,195)
	113,377	136,532
Financing activities		
Obligations under capital lease advances	18,550	150,110
Obligations under capital lease repayments	(39,636)	(134,510)
	(21,086)	15,600
Investing activities		
Purchases of capital assets	(51,629)	(30,605)
Purchase of assets under capital lease	(18,020)	(143,264)
Proceeds on disposal of capital assets	-	1,175
Decrease (increase) in other assets	-	1,701
	(69,649)	(170,993)
(Decrease) increase in cash resources	22,642	(18,861)
Cash resources, beginning of period	3,052	21,913
Cash resources, end of period	25,694	3,052

The accompanying notes are an integral part of these financial statements

Saskatchewan Party Caucus Notes to the Financial Statements

For the period from November 7, 2007 to November 6, 2011

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 audited financial statements for the term of the 26th Legislature.

The Caucus is exempt from income tax under paragraph 149(1)(1) of the *Federal Income Tax Act*.

2. 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 initially 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	

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, which represents 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. Grants related to information technology enhancements are deferred and amortized straight-line Over 3 years.

Saskatchewan Party Caucus

Notes to the Financial Statements

For the period from November 7, 2007 to November 6, 2011

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

	Cost	Accumulated amortization	November 6, 2011 Net book value	<i>November 6, 2007 Net book Value</i>
Computer equipment	76,273	67,791	8,482	9,398
Computer software	57,459	51,517	5,942	3,404
Office equipment	18,799	12,595	6,204	4,079
	152,531	131,903	20,628	16,881
Assets under capital lease				
Computer equipment	18,020	12,822	5,198	24,075
Computer software	-	-	-	-
	170,551	144,725	25,826	40,956

Saskatchewan Party Caucus

Notes to the Financial Statements

For the period from November 7, 2007 to November 6, 2011

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:

	November 6, 2011	<i>November 6, 2007</i>
Audit	6,688	4,836
Repairs and maintenance	1,465	2,863
General contractual services	-	1,255
Office supplies	48	2,102
Postage and courier	25	-
Salaries, wages and benefits	37,158	1,701
Telephone and communication	245	3,595
Travel and training	-	2,787
	45,629	<i>19,139</i>

5. Capital lease obligations

The Caucus has the following capital lease commitments:

	November 6, 2011	<i>November 6, 2007</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	-	24,131
	1,367	<i>24,131</i>
Less: current portion	(1,367)	(2,598)
	-	<i>21,533</i>

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.

7. Financial instruments

The Caucus as part of its operations carries a number of financial instruments, which include cash, accounts receivable, and accounts payable and accrued liabilities. The carrying amount of the Caucus' financial instruments approximates their fair value due to their relatively short-term maturities.

Saskatchewan Party Caucus Notes to the Financial Statements

For the period from November 7, 2007 to November 6, 2011

Risk management policy

The Caucus, as part of operations, has established an oversight committee within 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.

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 manages the liquidity risk resulting from accounts payable and capital leases by continuously monitoring forecast and actual cash flows.

8. Comparative figures

The financial statements are as at and for the period from November 7, 2007 to November 6, 2011, the period of the 26th Legislature of the Province of Saskatchewan. Comparative figures are for the 25th Legislature of the Province of Saskatchewan, the period of November 5, 2003 to November 6, 2007.

9. 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.