

# **NEW DEMOCRATIC PARTY CAUCUS**

**Financial Statements**

**Year Ended March 31, 2016**



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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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The financial statements of New Democratic Party Caucus have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of New Democratic Party Caucus 's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Caucus Committee is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Committee also considers, for review and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by MWC Chartered Professional Accountants LLP, in accordance with Canadian generally accepted auditing standards.

Director of Administration and Human  
Resources

Caucus Chair

Regina, Saskatchewan  
September 22, 2016



Chartered Professional  
Accountants LLP

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## INDEPENDENT AUDITOR'S REPORT

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### To the Members of New Democratic Party Caucus

We have audited the accompanying financial statements of New Democratic Party Caucus, which comprise the statement of financial position as at March 31, 2016 and the statements of operations, changes in net assets and cash flow 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.

### Auditor's 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 auditor's 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.

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*An asset to our clients, not an expense*

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Independent Auditor's Report to the Members of New Democratic Party Caucus *(continued)*

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of New Democratic Party Caucus as at March 31, 2016 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*MWC LLP*

Chartered Professional Accountants

Regina, Saskatchewan  
September 22, 2016




# NEW DEMOCRATIC PARTY CAUCUS

## Statement of Financial Position

March 31, 2016

	2016	2015
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 99,154	\$ 249,703
Accounts receivable	-	31,521
	<b>99,154</b>	<b>281,224</b>
<b>CAPITAL ASSETS (Note 3)</b>	<b>-</b>	<b>2,566</b>
	<b>\$ 99,154</b>	<b>\$ 283,790</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accruals (Note 5)	\$ 89,648	\$ 10,606
Wages payable	107,398	122,725
	<b>197,046</b>	<b>133,331</b>
<b>CAUCUS SURPLUS (DEFICIT) (Note 7)</b>	<b>(97,892)</b>	<b>150,459</b>
	<b>\$ 99,154</b>	<b>\$ 283,790</b>

ON BEHALF OF THE CAUCUS

 \_\_\_\_\_ Member

 \_\_\_\_\_ Member

See accompanying notes

# NEW DEMOCRATIC PARTY CAUCUS

## Statement of Operations

For the Year Ended March 31, 2016

	2016	2015
<b>REVENUES</b>		
Allowances and grants	\$ 750,478	\$ 781,998
Interest and other	73	204
	<u>750,551</u>	<u>782,202</u>
<b>EXPENSES</b>		
Advertising	160,547	3,868
Amortization	2,565	5,259
Bank charges and interest	762	455
Equipment maintenance and website service	62,398	13,836
Insurance	567	551
Meetings and receptions	13,627	14,016
Office	4,497	4,027
Printing, postage and delivery	4,978	5,523
Professional fees	69,925	39,740
Telephone and communications	15,821	10,437
Travel and accommodations	17,807	16,493
Wages and benefits	645,408	719,341
	<u>998,902</u>	<u>833,546</u>
<b>EXCESS OF REVENUES (EXPENSES)</b>	<u>\$ (248,351)</u>	<u>\$ (51,344)</u>

## Statement of Changes in Net Assets

Year Ended March 31, 2016

	2016	2015
<b>SURPLUS (DEFICIT) - BEGINNING OF YEAR</b>	\$ 150,459	\$ 201,803
Excess of revenues (expenses)	<u>(248,351)</u>	<u>(51,344)</u>
<b>SURPLUS (DEFICIT) - END OF YEAR</b>	<u>\$ (97,892)</u>	<u>\$ 150,459</u>

See accompanying notes

# NEW DEMOCRATIC PARTY CAUCUS

## Statement of Cash Flow Year Ended March 31, 2016

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Excess of revenues (expenses)	\$ (248,351)	\$ (51,344)
Item not affecting cash:		
Amortization of capital assets	<u>2,565</u>	<u>5,259</u>
	<u>(245,786)</u>	<u>(46,085)</u>
Changes in non-cash working capital:		
Accounts receivable	31,521	(22,639)
Accounts payable and accruals	79,043	(16,596)
Prepaid expenses	-	551
Wages payable	<u>(15,327)</u>	<u>68,480</u>
	<u>95,237</u>	<u>29,796</u>
<b>DECREASE IN CASH FLOW</b>	<b>(150,549)</b>	<b>(16,289)</b>
<b>CASH - BEGINNING OF YEAR</b>	<b><u>249,703</u></b>	<b><u>265,992</u></b>
<b>CASH - END OF YEAR</b>	<b><u>\$ 99,154</u></b>	<b><u>\$ 249,703</u></b>

See accompanying notes

# NEW DEMOCRATIC PARTY CAUCUS

## Notes to Financial Statements

Year Ended March 31, 2016

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### 1. NATURE OF OPERATIONS

The Caucus office provides research, secretarial and general services for the New Democratic Party of Saskatchewan Members of the Legislative Assembly. The Caucus is a registered not-for-profit organization and is exempt from income taxes.

The Caucus receives funding from the Legislative Assembly pursuant to various directives adopted by the Legislative Assembly's Board of Internal Economy.

The Caucus year end coincides with the fiscal year end of the provincial government. In the event of a provincial election, the Caucus is dissolved the day before polling day and a new Caucus begins the day after.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets including cash and accounts receivable are reported at amortized cost.

Financial liabilities including accounts payable and accrued liabilities are measured at amortized cost.

#### Revenue recognition

Allowances and grants are recognized on a monthly basis per the directives of the Board of Internal Economy. Interest and other income is recognized in the period earned.

#### Capital assets

Capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods. One half year of amortization is taken in the year of acquisition.

Equipment	5 years	straight-line method
Computer equipment	3 years	straight-line method



# NEW DEMOCRATIC PARTY CAUCUS

## Notes to Financial Statements

Year Ended March 31, 2016

### 3. CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Equipment	\$ 3,812	\$ 3,812	\$ -	\$ 253
Computer equipment	15,668	15,668	-	2,313
	<u>\$ 19,480</u>	<u>\$ 19,480</u>	<u>\$ -</u>	<u>\$ 2,566</u>

### 4. LINE OF CREDIT

The Caucus has a line of credit of \$ 20,000 available of which no amount has been drawn upon at year end. The line of credit is secured under a general security agreement and bears interest at 2.700%.

### 5. 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:

	2016	2015
Advertising	\$ 59,653	\$ 25
Equipment maintenance and website service	2,260	649
Group life benefit plan	937	1,370
Meetings and receptions	-	1,398
Printing, postage and delivery	268	998
Professional fees	25,452	4,624
Travel and accommodations	272	816
Telephone and communications	806	726
	<u>\$ 89,648</u>	<u>\$ 10,606</u>

### 6. FINANCIAL INSTRUMENTS

The Caucus is exposed to various risks through its financial instruments and management is responsible to monitor, evaluate and manage these risks. The following analysis provides information about the Caucus's risk exposure and concentration as of March 31, 2016.

#### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. As the majority of the Caucus' income is from grants, the Caucus is not exposed to significant credit risk.

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# NEW DEMOCRATIC PARTY CAUCUS

## Notes to Financial Statements

Year Ended March 31, 2016

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### 6. FINANCIAL INSTRUMENTS *(continued)*

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Caucus' significant exposure to liquidity risk is related to accumulated employee payables that are not funded by Legislative Assembly. As at yearend the balance is \$43,053 (2015 - \$32,792) which is included in wages payable.

#### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Caucus does not have significant exposure to interest rate risk.

### 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.

### 8. SUBSEQUENT EVENTS

As per the operating agreement the Caucus ceased operations the day the writ was dropped, March 8, 2016 but continued to exist until the date of polling, April 4, 2016, at which time a new caucus was formed. On formation of the new caucus some employees were terminated which resulted in severance of \$67,609 being paid which was fully funded by the Legislative Assembly.