



Office of the
Official Opposition

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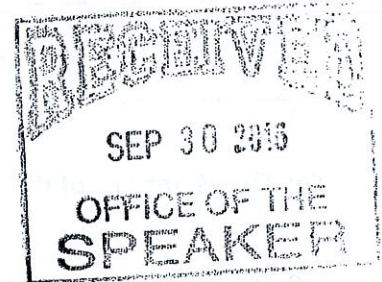
Saskatchewan Legislative Assembly

September 30, 2016

265 Legislative Building
Regina, Saskatchewan
S4S 0B3

Phone: (306) 787-7388
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Honourable Corey Tocher
Speaker
Legislative Assembly of Saskatchewan
129 Legislative Building
REGINA SK S4S 0B3



Dear Speaker Tocher:

Pursuant to Board of Internal Economy Directive #23: **Caucus Accountability and Disclosure**, I hereby submit the audited Financial Statements for the term audit: November 7, 2011 to April 4, 2016, as commissioned by the auditing firm of MWC Chartered Professional Accountants LLP.

I trust this audit meets the requirements as set out in the Directive.

Sincerely,

George Soule
Chief of Staff

cc: Cheryl Stecyk, Director of Administration & Human Resources, NDP Caucus Office





COPY

53 month term

Chartered Professional
Accountants LLP

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH DIRECTIVES

To: The Members of the New Democratic Party Caucus

We have made an examination to determine whether the New Democratic Party Caucus complied with the provisions of the following directives: Compliance with the established criteria of the Directives is the responsibility of the Caucus. Our responsibility was to express an opinion on this compliance based on our audit.

Directive #7.2 Caucus Resources
Directive #7.3 Caucus Information Technology Resources
Directive #11 Grant to Office of the Leader of the Opposition
Directive #23 Caucus Accountability and Disclosure

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the New Democratic Party Caucus complied with the criteria of the directives referred to above. Such an audit includes examining on a test basis evidence supporting compliance, and evaluating overall compliance with the criteria.

In our opinion, as at April 4, 2016, the New Democratic Party Caucus has complied, in all significant respects, with the criteria established by the directives.

MWCLLP

Chartered Professional Accountants

Regina, Saskatchewan
September 22, 2016

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2320 Lorne Street, Regina, SK S4P 2M9 ☎ 306-352-8621 ☎ 306-565-8476 🌐 mwc-cpa.ca

NEW DEMOCRATIC PARTY CAUCUS

Financial Statements

Fifty Three Month Period Ended April 4, 2016



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

INDEPENDENT AUDITOR'S REPORT

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 April 4, 2016 and the statements of operations, changes in net assets and cash flow for the fifty three month period 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.

(continues)

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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 April 4, 2016 and the results of its operations and its cash flow for the period 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

April 4, 2016

	<u>April 4</u> <u>2016</u>	<u>November 6</u> <u>2011</u>
ASSETS		
CURRENT		
Cash	\$ 99,154	\$ 77,410
Accounts receivable	67,609	105,818
Prepaid expenses	-	230
	<u>166,763</u>	<u>183,458</u>
CAPITAL ASSETS (Note 3)	-	5,110
	<u>\$ 166,763</u>	<u>\$ 188,568</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accruals (Note 5)	\$ 89,648	\$ 10,525
Wages payable	175,007	178,157
	<u>264,655</u>	<u>188,682</u>
CAUCUS SURPLUS (DEFICIT) (Note 7)	<u>(97,892)</u>	<u>(114)</u>
	<u>\$ 166,763</u>	<u>\$ 188,568</u>

ON BEHALF OF THE CAUCUS


Member


Member

See accompanying notes

NEW DEMOCRATIC PARTY CAUCUS

Statement of Operations

For the Fifty Three Month Period Ended April 4, 2016

	<i>April 4</i> 2016 <i>(53 Months)</i>	<i>November 6</i> 2011 <i>(48 Months)</i>
REVENUES		
Allowances and grants	\$ 3,378,645	\$ 4,095,882
Interest and other	12,063	3,872
Information technology grant	<u>9,000</u>	<u>21,500</u>
	3,399,708	4,121,254
EXPENSES		
Advertising	179,208	393,821
Amortization	18,985	21,358
Bank charges and interest	2,718	2,077
Equipment maintenance and website service	108,898	137,113
Insurance	2,450	2,267
Meetings and receptions	56,373	68,196
Office	19,452	96,635
Printing, postage and delivery	28,680	31,916
Professional fees	382,811	201,351
Telephone and communications	46,873	74,307
Travel and accommodations	76,854	55,899
Wages and benefits	<u>2,574,184</u>	<u>3,017,824</u>
	3,497,486	4,102,764
EXCESS OF REVENUES (EXPENSES)	\$ (97,778)	\$ 18,490

Statement of Changes in Net Assets

Fifty Three Month Period Ended April 4, 2016

	<i>April 4</i> 2016	<i>November 6</i> 2011
SURPLUS (DEFICIT) - BEGINNING OF YEAR	\$ (114)	\$ (18,604)
Excess of revenues (expenses)	<u>(97,778)</u>	<u>18,490</u>
SURPLUS (DEFICIT) - END OF YEAR	\$ (97,892)	\$ (114)

See accompanying notes

NEW DEMOCRATIC PARTY CAUCUS

Statement of Cash Flow

Fifty Three Month Period Ended April 4, 2016

	<u>April 4 2016 (53 Months)</u>	<u>November 6 2011 (48 Months)</u>
OPERATING ACTIVITIES		
Excess of revenues (expenses)	\$ (97,778)	\$ 18,490
Item not affecting cash:		
Amortization of capital assets	<u>18,985</u>	<u>21,358</u>
	<u>(78,793)</u>	<u>39,848</u>
Changes in non-cash working capital:		
Accounts receivable	38,209	(158)
Accounts payable and accruals	79,123	(34)
Prepaid expenses	230	81
Wages payable	<u>(3,150)</u>	<u>16,783</u>
	<u>114,412</u>	<u>16,672</u>
Cash flow from operating activities	<u>35,619</u>	<u>56,520</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>(13,875)</u>	<u>(19,786)</u>
INCREASE IN CASH FLOW	<u>21,744</u>	<u>36,734</u>
CASH - BEGINNING OF PERIOD	<u>77,410</u>	<u>40,676</u>
CASH - END OF PERIOD	<u>\$ 99,154</u>	<u>\$ 77,410</u>

See accompanying notes

NEW DEMOCRATIC PARTY CAUCUS

Notes to Financial Statements

Fifty Three Month Period Ended April 4, 2016

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 (ASNFPPO).

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 revenue 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

Fifty Three Month Period Ended April 4, 2016

3. CAPITAL ASSETS

	Cost	Accumulated amortization	April 4 2016 Net book value	November 6 2011 Net book value
Equipment	\$ 3,812	\$ 3,812	\$ -	\$ 2,529
Computer equipment	15,668	15,668	-	2,581
	\$ 19,480	\$ 19,480	\$ -	\$ 5,110

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:

	April 4 2016	November 6 2011
Advertising	\$ 59,653	\$ 1,500
Equipment maintenance and website service	2,260	582
Group life benefit plan	937	-
Office	-	599
Printing, postage and delivery	268	-
Professional fees	25,452	5,500
Travel and accommodations	272	-
Telephone and communications	806	2,345
	\$ 89,648	\$ 10,526

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 April 04, 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.

(continues)

NEW DEMOCRATIC PARTY CAUCUS

Notes to Financial Statements

Fifty Three Month Period Ended April 4, 2016

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 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.



Chartered Professional
Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To: **The Members of the New Democratic Party Caucus**

We have audited the effectiveness of the New Democratic Party Caucus's internal control over financial reporting in effect for the year ending April 4, 2016.

Management's Responsibility

The management of New Democratic Party Caucus is responsible for establishing and maintaining a system of internal control to achieve the control objectives noted in (a) to (d) below. In fulfilling this responsibility, estimates and judgment by management are required to assess the expected benefits and related costs of control procedures. Pursuant to their responsibilities under Directive #7.2 – Caucus Resources and Directive #23 – Caucus Accountability and Disclosure, they are required to determine if there is a system of internal control in effect which provides management with reasonable, but not absolute, assurance that:

- a) The accounts are faithfully and properly kept to permit the preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations;
- b) All public money is fully accounted for and properly disclosed, and the rules and procedures applied are sufficient to ensure an effective check on the assessment, collection and proper allocation of public money;
- c) Transactions are executed in accordance with management's authorization, public money expended is applied to the purpose for which it was appropriated by the Legislature and the expenditures have adequate statutory authority; and
- d) Essential records are maintained and the rules and procedures applied are sufficient to safeguard and control public money against loss from unauthorized use or disposition.

Auditor's Responsibility

Our responsibility is to express an opinion based on our audit, on whether the entity's internal control over financial reporting was effectively maintained in accordance with criteria established in "Guidance on Control" (CoCo Framework) published by the Chartered Professional Accountants of Canada.

We conducted our audit in accordance with the standard for audits of internal control over financial reporting set out in the CPA Canada Handbook – Assurance. This standard requires that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances.

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Independent Auditor's Report to the Members of the New Democratic Party Caucus

(continued)

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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 entity maintained, in all material respects, effective internal control over financial reporting for the 53 month period ended April 4, 2016, in accordance with criteria established in "Guidance on Control" (CoCo Framework) published by the Chartered Professional Accountants of Canada.

We have also audited, in accordance with Canadian generally accepted auditing standards, the statement of financial position as at April 4, 2016 and the statements of operations, changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information of the New Democratic Party Caucus and issued our report dated September 22, 2016.

MWC LLP

Chartered Professional Accountants

Regina, Saskatchewan
September 22, 2016