

NEW DEMOCRATIC PARTY CAUCUS

Financial Statements

Five Month Period Ended March 31, 2021


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 (ASNPO). 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.

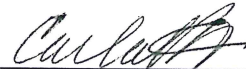
The integrity and reliability of New Democratic Party Caucus's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial 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 16, 2021



Chartered Professional
Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of New Democratic Party Caucus

Opinion

We have audited the financial statements of New Democratic Party Caucus (the Caucus), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets and cash flows for the five month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Caucus as at March 31, 2021, and the results of its operations and cash flows for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Caucus in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

We have also undertaken a reasonable assurance engagement on the Caucus' compliance with directives set out by the Board of Internal Economy and provided an opinion on the Caucus' internal control over financial reporting in accordance with Guidance on Control (CoCo Framework) published by the Chartered Professional Accountants of Canada under separate Auditor's Reports dated **September XX, 2021**.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the Caucus's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Caucus or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Caucus's financial reporting process.

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An asset to our clients, not an expense

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Caucus's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Caucus's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Caucus to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MWC LLP

Chartered Professional Accountants

Regina, Saskatchewan
September 16, 2021

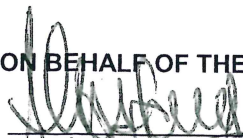
NEW DEMOCRATIC PARTY CAUCUS

Statement of Financial Position

March 31, 2021

	March 31 2021	October 25 2020
ASSETS		
CURRENT		
Cash	\$ 164,375	\$ 47,401
Accounts receivable	-	87,816
Prepaid expenses	1,636	2,673
	<u>166,011</u>	137,890
CAPITAL ASSETS (Note 4)	<u>2,821</u>	3,850
	<u>\$ 168,832</u>	<u>\$ 141,740</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accruals (Note 5)	\$ 22,877	\$ 5,618
Wages payable	87,207	158,343
	<u>110,084</u>	163,961
CAUCUS SURPLUS (Note 3)	<u>58,748</u>	(22,221)
	<u>\$ 168,832</u>	<u>\$ 141,740</u>

ON BEHALF OF THE CAUCUS



M.L.A.



M.L.A.

See notes to financial statements

NEW DEMOCRATIC PARTY CAUCUS

Statement of Operations

Five Month Period Ended March 31, 2021

	<i>March 31</i> 2021 <i>(5 months)</i>	<i>October 25</i> 2020 <i>(7 months)</i>
REVENUES		
Allowances and grants	\$ 390,630	\$ 617,676
Information technology grant	13,000	-
	403,630	617,676
EXPENSES		
Wages and benefits	276,362	554,391
Equipment maintenance and website service	20,517	13,826
Telephone and communications	8,247	9,826
Professional fees	5,600	67,390
Contractual services	4,500	37,818
Office	2,620	829
Printing, postage and delivery	2,618	47,490
Amortization	1,030	1,624
Meetings and receptions	661	1,511
Bank charges and interest	286	360
Advertising	140	4,209
Insurance	80	797
Travel and accommodations	-	1,211
	322,661	741,282
EXCESS OF REVENUES (EXPENSES)	\$ 80,969	\$ (123,606)

Statement of Changes in Net Assets

Five Month Period Ended March 31, 2021

	<i>March 31</i> 2021	<i>October 25</i> 2020
SURPLUS (DEFICIT) - BEGINNING OF YEAR	\$ (22,221)	\$ 101,385
EXCESS OF REVENUES (EXPENSES)	80,969	(123,606)
SURPLUS (DEFICIT) - END OF YEAR <i>(Note 3)</i>	\$ 58,748	\$ (22,221)

See notes to financial statements

NEW DEMOCRATIC PARTY CAUCUS

Statement of Cash Flows

Five Month Period Ended March 31, 2021

	<i>March 31</i> 2021 <i>(5 months)</i>	<i>October 25</i> 2020 <i>(7 months)</i>
OPERATING ACTIVITIES		
Excess of revenues (expenses)	\$ 80,969	\$ (123,606)
Item not affecting cash:		
Amortization of capital assets	<u>1,030</u>	<u>1,624</u>
	<u>81,999</u>	<u>(121,982)</u>
Changes in non-cash working capital:		
Accounts receivable	87,816	(75,137)
Accounts payable and accruals	17,258	(5,372)
Prepaid expenses	1,037	(510)
Wages payable	<u>(71,136)</u>	<u>91,402</u>
	<u>34,975</u>	<u>10,383</u>
Cash flow from (used by) operating activities	<u>116,974</u>	<u>(111,599)</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>-</u>	<u>(1,171)</u>
INCREASE (DECREASE) IN CASH FLOW	116,974	(112,770)
CASH - BEGINNING OF PERIOD	<u>47,401</u>	<u>160,171</u>
CASH - END OF PERIOD	<u>\$ 164,375</u>	<u>\$ 47,401</u>

See notes to financial statements

NEW DEMOCRATIC PARTY CAUCUS

Notes to Financial Statements

Five Month Period Ended March 31, 2021

1. PURPOSE OF THE CAUCUS

The New Democratic Party Caucus (the "Caucus") is organized under section 50(1)(b) of the Legislative Assembly and Executive Council Act. The Caucus provides research, secretarial and general services for the New Democratic Party of Saskatchewan Members of the Legislative Assembly.

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.

The most recent polling date was October 26, 2020 and the Caucus resumed activity pursuant to the election results.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 and cost recoveries are recognized in the period the cost is incurred if the amount can be estimated and collection is reasonably assured.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

Equipment	5 years
Computer equipment	3 years

NEW DEMOCRATIC PARTY CAUCUS

Notes to Financial Statements

Five Month Period Ended March 31, 2021

3. 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 if the Caucus ceases to exist as a result of the provincial election.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	March 31 2021 Net book value	October 25 2020 Net book value
Equipment	\$ 2,656	\$ 1,311	\$ 1,345	\$ 1,648
Computer equipment	9,247	7,771	1,476	2,202
	<u>\$ 11,903</u>	<u>\$ 9,082</u>	<u>\$ 2,821</u>	<u>\$ 3,850</u>

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:

	March 31 2021	October 25 2020
Professional fees	\$ 10,600	\$ 5,000
Equipment maintenance and website service	9,799	132
Telephone and communications	1,403	475
Insurance	876	-
Office supplies	190	-
Bank charges and interest	8	11
	<u>\$ 22,876</u>	<u>\$ 5,618</u>

6. 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 2.450%.

NEW DEMOCRATIC PARTY CAUCUS

Notes to Financial Statements

Five Month Period Ended March 31, 2021

7. 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, 2021.

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. Any exposure to unrecoverable cost recoveries is nominal as no cost outlay is made until the arrangement is in place.

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 \$46,854 (2020 October - \$57,179) 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.