

# **NEW DEMOCRATIC PARTY CAUCUS**

**Financial Statements**

**Year Ended March 31, 2014**

## 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 Mintz & Wallace Chartered Accountants LLP, in accordance with Canadian generally accepted auditing standards.



Director of Administration and Human  
Resources



Caucus Chair

Regina, Saskatchewan

IAN WALLACE, CA

TODD MINTZ, CA

CLINT CEHOLSKI, CA

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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, 2014 and the statements of revenues and expenditures, 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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**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, 2014 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.

**Emphasis of Matter**

Without modifying our opinion we draw your attention to Note 8 which describes a prior period adjustment to accrue a retirement allowance benefit payable which was previously unrecorded.

Regina, Saskatchewan  
September 15, 2014



Mintz & Wallace  
Chartered Accountants LLP


# NEW DEMOCRATIC PARTY CAUCUS

## Statement of Financial Position

March 31, 2014

	2014	2013 <i>(Restated)</i>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 265,992	\$ 165,108
Accounts receivable	8,882	10,000
Prepaid expenses	551	551
	<u>275,425</u>	<u>175,659</u>
<b>CAPITAL ASSETS</b> <i>(Note 3)</i>	<u>7,825</u>	<u>13,511</u>
	<u>\$ 283,250</u>	<u>\$ 189,170</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accruals <i>(Note 5)</i>	\$ 27,203	\$ 3,501
Deferred revenue	-	325
Wages payable	54,245	39,897
	<u>81,448</u>	<u>43,723</u>
<b>CAUCUS SURPLUS</b>	<u>201,802</u>	<u>145,447</u>
Surplus <i>(Note 7)</i>	<u>\$ 283,250</u>	<u>\$ 189,170</u>

ON BEHALF OF THE CAUCUS

 \_\_\_\_\_ Member

 \_\_\_\_\_ Member

See notes to financial statements

# NEW DEMOCRATIC PARTY CAUCUS

## Statement of Revenues and Expenditures

Year Ended March 31, 2014

	2014	2013 <i>(Restated)</i>
<b>REVENUES</b>		
Allowances and grants	\$ 751,011	\$ 727,745
Interest and other	210	236
Cost recoveries	1,186	10,000
	<u>752,407</u>	<u>737,981</u>
<b>EXPENDITURES</b>		
Advertising	5,617	8,967
Amortization	5,686	4,258
Bank charges and interest	554	825
Equipment maintenance and website service	10,110	17,119
Insurance	551	551
Meetings and receptions	12,530	12,185
Office	4,898	3,266
Printing, postage and delivery	5,337	4,166
Professional fees	79,658	126,156
Telephone and communications	7,858	8,071
Travel and accommodations	10,743	31,329
Utilities	1,118	4,289
Wages and benefits	551,392	439,593
	<u>696,052</u>	<u>660,775</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>\$ 56,355</u>	<u>\$ 77,206</u>

See notes to financial statements

# NEW DEMOCRATIC PARTY CAUCUS

## Statement of Changes in Net Assets

Year Ended March 31, 2014

	2014	2013
<b>SURPLUS - BEGINNING OF YEAR - AS PREVIOUSLY STATED</b>	\$ 165,852	\$ 83,485
Prior Period Adjustments <i>(Note 8)</i>	<u>(20,405)</u>	<u>(15,244)</u>
As restated	145,447	68,241
Excess of revenues over expenditures	<u>56,355</u>	<u>77,206</u>
<b>SURPLUS - END OF YEAR</b>	<u>\$ 201,802</u>	<u>\$ 145,447</u>

See notes to financial statements

# NEW DEMOCRATIC PARTY CAUCUS

## Statement of Cash Flow

Year Ended March 31, 2014

	2014	2013 <i>(Restated)</i>
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	\$ 56,355	\$ 77,206
Item not affecting cash:		
Amortization of capital assets	5,686	4,258
	<u>62,041</u>	<u>81,464</u>
Changes in non-cash working capital:		
Accounts receivable	1,118	(10,000)
Accounts payable and accruals	23,702	1
Deferred revenue	(325)	325
Wages payable	14,348	10,450
	<u>38,843</u>	<u>776</u>
Cash flow from operating activities	<u>100,884</u>	<u>82,240</u>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	-	(13,875)
<b>INCREASE IN CASH FLOW</b>	<b>100,884</b>	<b>68,365</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>165,108</b>	<b>96,743</b>
<b>CASH - END OF YEAR</b>	<b>\$ 265,992</b>	<b>\$ 165,108</b>

See notes to financial statements



# NEW DEMOCRATIC PARTY CAUCUS

## Notes to Financial Statements

Year Ended March 31, 2014

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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

These financial statements are presented in accordance with Canadian accounting standards for not-for-profit organizations.

#### 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.

#### Revenue recognition

Allowances and grants are recognized on a monthly basis per the directives of the Board of Internal Economy. Cost recoveries are recognized when services are rendered and collection is reasonably assured.

#### 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, 2014

### 3. CAPITAL ASSETS

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Equipment	\$ 3,812	\$ 2,925	\$ 887	\$ 1,649
Computer equipment	15,668	8,730	6,938	11,862
	<u>\$ 19,480</u>	<u>\$ 11,655</u>	<u>\$ 7,825</u>	<u>\$ 13,511</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 prime plus 1%.

### 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:

	2014	2013
Advertising	\$ 15	\$ -
Equipment maintenance and website service	534	-
Insurance	551	-
Meetings and receptions	44	-
Printing, postage and delivery	277	-
Professional fees	25,049	3,501
Telephone and communications	733	-
	<u>\$ 27,203</u>	<u>\$ 3,501</u>

### 6. FINANCIAL INSTRUMENTS

The Caucus is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Caucus's risk exposure and concentration as of March 31, 2014.

#### 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, 2014

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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 monitors its exposure to liquidity risk through annual budgetary controls and reporting.

#### 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. PRIOR PERIOD ADJUSTMENT

In the current year it was discovered that a retirement allowance had not been accrued.

The impact of this adjustment to the 2012 year end was an increase in wages payable by \$15,244 and a decrease of \$15,244 in the excess of revenue over expenses.

The impact of this adjustment to the 2013 year end was an increase in wages payable by \$20,405 and a decrease of \$5,161 in the excess of revenue over expenses. The opening net assets of the 2013 year end are correspondingly decreased by \$15,244 and the current year net assets decreased by \$20,405 to reflect this change.