

NEW DEMOCRATIC PARTY CAUCUS

Financial Statements

48 Month Period Ended November 6, 2011

Management's Responsibility for Financial Reporting

The financial statements of New Democratic Party Caucus have been prepared in accordance with Canadian generally accepted accounting principles. 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 financial statements have been audited on behalf of the members by Mintz & Wallace, in accordance with Canadian generally accepted auditing standards.

Director of Administration and
Human Resources

Caucus Chair

Regina, Saskatchewan
April 23, 2012

INDEPENDENT AUDITORS' 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 November 6, 2011, and the statements of revenues and expenses, changes in net assets and cash flows for the 48 month period then ended, and a summary of significant accounting policies and other 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 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.

(continues)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of New Democratic Party Caucus as at November 6, 2011, and the results of its operations and its cash flows for the period then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
April 23, 2012



Mintz & Wallace
Chartered Accountants LLP

NEW DEMOCRATIC PARTY CAUCUS

Statement of Financial Position

November 6, 2011

	2011	2007
ASSETS		
CURRENT		
Cash	\$ 77,410	\$ 40,676
Accounts receivable	105,818	105,660
Prepaid expenses	230	311
	<u>183,458</u>	<u>146,647</u>
CAPITAL ASSETS (Note 3)	<u>5,110</u>	<u>6,683</u>
	<u>\$ 188,568</u>	<u>\$ 153,330</u>
LIABILITIES AND SURPLUS (DEFICIT)		
CURRENT		
Accounts payable and accruals (Note 5)	\$ 10,526	\$ 10,561
Wages payable	178,157	161,374
	<u>188,683</u>	<u>171,935</u>
CAUCUS SURPLUS (DEFICIT)		
Surplus (deficit) (Note 7)	<u>(115)</u>	<u>(18,605)</u>
	<u>\$ 188,568</u>	<u>\$ 153,330</u>

ON BEHALF OF THE CAUCUS

_____ Member

_____ Member

See accompanying notes

NEW DEMOCRATIC PARTY CAUCUS

Statement of Revenues and Expenses 48 Month Period Ended November 6, 2011

	2011 48 months	2007 48 months
REVENUE		
Allowances and grants	\$ 4,095,882	\$ 2,203,751
Interest and other	3,872	3,354
Information technology grant	21,500	32,001
	<u>4,121,254</u>	<u>2,239,106</u>
EXPENSES		
Advertising	393,821	96,754
Amortization	21,358	19,833
Insurance	2,267	1,807
Bank charges and interest	2,077	1,440
Meetings and receptions	68,196	30,955
Office	96,635	85,927
Printing, postage and delivery	28,584	37,146
Professional fees	201,351	50,571
Facilities rental	3,738	-
Equipment maintenance and website service	137,113	35,643
Wages and benefits	3,017,824	1,951,664
Telephone and communications	74,307	11,106
Travel and accommodations	52,161	20,824
Utilities	3,332	-
	<u>4,102,764</u>	<u>2,343,670</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 18,490</u>	<u>\$ (104,564)</u>

See accompanying notes

NEW DEMOCRATIC PARTY CAUCUS

Statement of Changes in Net Assets

48 Month Period Ended November 6, 2011

	2011	2007
SURPLUS (DEFICIT) - BEGINNING OF PERIOD	\$ (18,605)	\$ 85,958
Excess of revenue over expenses	<u>18,490</u>	<u>(104,564)</u>
SURPLUS (DEFICIT) - END OF PERIOD	<u>\$ (115)</u>	<u>\$ (18,606)</u>

See accompanying notes

NEW DEMOCRATIC PARTY CAUCUS

Statement of Cash Flows

48 Month Period Ended November 6, 2011

	2011 <i>48 months</i>	2007 <i>48 months</i>
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 18,490	\$ (104,564)
Item not affecting cash:		
Amortization of capital assets	21,358	19,833
	<u>39,848</u>	<u>(84,731)</u>
Changes in non-cash working capital:		
Accounts receivable	(158)	(102,584)
Accounts payable and accruals	(34)	7,006
Prepaid expenses	81	(311)
Wages payable	16,783	135,363
	<u>16,672</u>	<u>39,474</u>
Cash flow from (used by) operating activities	<u>56,520</u>	<u>(45,257)</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>(19,786)</u>	<u>(19,519)</u>
INCREASE (DECREASE) IN CASH FLOW	36,734	(64,776)
CASH - BEGINNING OF PERIOD	<u>40,676</u>	<u>105,452</u>
CASH - END OF PERIOD	<u>\$ 77,410</u>	<u>\$ 40,676</u>

See accompanying notes

NEW DEMOCRATIC PARTY CAUCUS

Notes to Financial Statements

48 Month Period Ended November 6, 2011

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 ceases operations as of the day the writ is dropped but continues to exist to the day before polling. The Caucus resumes operations the day after election.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

Financial instruments

Cash is classified as held-for-trade and is measured at fair value. Accounts receivable are classified as loans and receivables and are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities and are measured at amortized cost.

Revenue recognition

All sources of revenue are recognized when earned in accordance with the Board of Internal Economy directives.

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

48 Month Period Ended November 6, 2011

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2011 Net book value	2007 Net book value
Equipment	\$ 6,803	\$ 4,274	\$ 2,529	\$ -
Computer equipment	5,309	2,728	2,581	6,683
	<u>\$ 12,112</u>	<u>\$ 7,002</u>	<u>\$ 5,110</u>	<u>\$ 6,683</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:

	2011	2007
Advertising and promotion	\$ 1,500	\$ -
Audit	5,500	2,332
Consulting	-	7,015
Equipment maintenance	582	-
Office	599	951
Telephone and communications	2,345	263
	<u>\$ 10,526</u>	<u>\$ 10,561</u>

6. FINANCIAL INSTRUMENTS

The Caucus' financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Caucus is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

7. CAUCUS SURPLUS (DEFICIT)

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.