

NEW DEMOCRATIC PARTY CAUCUS

Financial Statements

Year Ended March 31, 2018

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 26, 2018



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 March 31, 2018 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, 2018 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 26, 2018

NEW DEMOCRATIC PARTY CAUCUS

Statement of Financial Position

March 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 100,990	\$ 127,055
Prepaid expenses	584	584
	<u>101,574</u>	<u>127,639</u>
CAPITAL ASSETS (Note 4)	4,318	915
	<u>\$ 105,892</u>	<u>\$ 128,554</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accruals (Note 6)	\$ 6,015	\$ 10,460
Wages payable	57,036	76,264
	<u>63,051</u>	<u>86,724</u>
CAUCUS SURPLUS (Note 3)	42,841	41,830
	<u>\$ 105,892</u>	<u>\$ 128,554</u>

ON BEHALF OF THE CAUCUS

 Member

 Member

See accompanying notes

NEW DEMOCRATIC PARTY CAUCUS

Statement of Operations Year Ended March 31, 2018

	2018	2017
REVENUES		
Allowances and grants	\$ 787,288	\$ 860,484
Interest and other	24	147
Information technology grant	-	10,000
	787,312	870,631
EXPENSES		
Advertising	12,637	737
Amortization	1,001	183
Insurance	638	567
Bank charges and interest	414	586
Meetings and receptions	11,431	14,199
Office	4,166	4,526
Printing, postage and delivery	5,729	8,121
Professional fees	46,075	15,885
Equipment maintenance and website service	22,280	18,925
Wages and benefits	659,739	627,112
Telephone and communications	11,078	15,958
Travel and accommodations	11,113	24,110
	786,301	730,909
EXCESS OF REVENUES (EXPENSES)	\$ 1,011	\$ 139,722

Statement of Changes in Net Assets Year Ended March 31, 2018

	2018	2017
SURPLUS (DEFICIT) - BEGINNING OF YEAR	\$ 41,830	\$ (97,892)
EXCESS OF REVENUES (EXPENSES)	1,011	139,722
SURPLUS (DEFICIT) - END OF YEAR (Note 3)	\$ 42,841	\$ 41,830

See accompanying notes

NEW DEMOCRATIC PARTY CAUCUS

Statement of Cash Flow Year Ended March 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenues (expenses)	\$ 1,011	\$ 139,722
Item not affecting cash:		
Amortization of capital assets	1,001	183
	<u>2,012</u>	<u>139,905</u>
Changes in non-cash working capital:		
Accounts payable and accruals	(4,445)	(79,188)
Prepaid expenses	-	(584)
Wages payable	(19,228)	(31,134)
	<u>(23,673)</u>	<u>(110,906)</u>
Cash flow from (used by) operating activities	<u>(21,661)</u>	<u>28,999</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>(4,404)</u>	<u>(1,098)</u>
INCREASE (DECREASE) IN CASH FLOW	(26,065)	27,901
CASH - BEGINNING OF YEAR	<u>127,055</u>	<u>99,154</u>
CASH - END OF YEAR	<u>\$ 100,990</u>	<u>\$ 127,055</u>

See accompanying notes

NEW DEMOCRATIC PARTY CAUCUS

Notes to Financial Statements

Year Ended March 31, 2018

1. PURPOSE OF THE CAUCUS

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

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

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

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.

NEW DEMOCRATIC PARTY CAUCUS

Notes to Financial Statements

Year Ended March 31, 2018

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Equipment	\$ 1,484	\$ 148	\$ 1,336	\$ -
Computer equipment	4,018	1,036	2,982	915
	<u>\$ 5,502</u>	<u>\$ 1,184</u>	<u>\$ 4,318</u>	<u>\$ 915</u>

5. 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 3.450%.

6. 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:

	2018	2017
Equipment maintenance and website service	\$ 93	\$ 998
Group life benefit plan	-	1,087
Meetings and receptions	444	374
Office supplies	24	-
Printing, postage and delivery	-	982
Professional fees	5,000	3,500
Travel and accommodations	-	3,519
Telephone and communications	454	-
	<u>\$ 6,015</u>	<u>\$ 10,460</u>

NEW DEMOCRATIC PARTY CAUCUS

Notes to Financial Statements

Year Ended March 31, 2018

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, 2018.

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.

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 \$42,914 (2017 - \$37,719) 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.