

NEW DEMOCRATIC PARTY CAUCUS

Financial Statements

Year Ended March 31, 2013

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
September 13, 2013

IAN WALLACE, CA

TODD MINTZ, CA

CLINT CEHOLSKI, CA

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 statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, and the statements of revenues and expenditures, changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012, 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 audits. We conducted our audits 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

(continues)

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, 2013, March 31, 2012 and April 1, 2011, and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Regina, Saskatchewan
September 13, 2013



Mintz & Wallace
Chartered Accountants LLP


NEW DEMOCRATIC PARTY CAUCUS

Statement of Financial Position

March 31, 2013

	<i>March 31</i> 2013	<i>March 31</i> 2012	<i>November 7</i> 2011
ASSETS			
CURRENT			
Cash	\$ 165,108	\$ 96,743	\$ 77,410
Accounts receivable	10,000	-	105,818
Prepaid expenses	551	551	230
	<u>175,659</u>	<u>97,294</u>	<u>183,458</u>
CAPITAL ASSETS (Note 4)	<u>13,510</u>	<u>3,894</u>	<u>5,110</u>
	<u>\$ 189,169</u>	<u>\$ 101,188</u>	<u>\$ 188,568</u>
LIABILITIES AND NET ASSETS			
CURRENT			
Accounts payable and accruals (Note 6)	\$ 3,500	\$ 3,500	\$ 10,526
Deferred revenue	325	-	-
Wages payable	19,492	14,203	178,157
	<u>23,317</u>	<u>17,703</u>	<u>188,683</u>
CAUCUS SURPLUS (DEFICIT)			
Surplus (deficit) (Note 8)	<u>165,852</u>	<u>83,485</u>	<u>(115)</u>
	<u>\$ 189,169</u>	<u>\$ 101,188</u>	<u>\$ 188,568</u>

ON BEHALF OF THE CAUCUS

 _____ Member

 _____ Member

See accompanying notes

NEW DEMOCRATIC PARTY CAUCUS

Statement of Revenues and Expenditures

Year Ended March 31, 2013

	2013	2012 <i>(5 months)</i>
REVENUES		
Allowances and grants	\$ 727,745	\$ 299,804
Interest and other	236	154
Information technology grant	-	9,000
Cost recoveries	10,000	-
	<u>737,981</u>	<u>308,958</u>
EXPENDITURES		
Advertising	8,967	209
Amortization	4,258	1,217
Insurance	551	230
Bank charges and interest	825	122
Meetings and receptions	12,185	4,015
Office	3,266	2,764
Printing, postage and delivery	4,166	2,620
Professional fees	126,156	67,332
Equipment maintenance and website service	17,119	5,435
Wages and benefits	434,432	135,597
Telephone and communications	8,071	4,686
Travel and accommodations	31,329	482
Utilities	4,289	649
	<u>655,614</u>	<u>225,358</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 82,367</u>	<u>\$ 83,600</u>

See notes to financial statements

NEW DEMOCRATIC PARTY CAUCUS

Statement of Changes in Net Assets

Year Ended March 31, 2013

	2013	2012
SURPLUS (DEFICIT) - BEGINNING OF PERIOD	\$ 83,485	\$ (115)
Excess of revenues over expenditures	<u>82,367</u>	<u>83,600</u>
SURPLUS (DEFICIT) - END OF PERIOD	<u>\$ 165,852</u>	<u>\$ 83,485</u>

See notes to financial statements

NEW DEMOCRATIC PARTY CAUCUS

Statement of Cash Flows

Year Ended March 31, 2013

	2013	2012 <i>(5 months)</i>
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 82,367	\$ 83,600
Item not affecting cash:		
Amortization of capital assets	4,258	1,217
	<u>86,625</u>	<u>84,817</u>
Changes in non-cash working capital:		
Accounts receivable	(10,000)	105,818
Accounts payable and accruals	-	(7,026)
Prepaid expenses	-	(321)
Deferred revenue	325	-
Wages payable	5,290	(163,955)
	<u>(4,385)</u>	<u>(65,484)</u>
Cash flow from operating activities	<u>82,240</u>	<u>19,333</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>(13,875)</u>	-
INCREASE IN CASH FLOW	68,365	19,333
CASH - BEGINNING OF YEAR	<u>96,743</u>	<u>77,410</u>
CASH - END OF YEAR	<u>\$ 165,108</u>	<u>\$ 96,743</u>

See notes to financial statements

NEW DEMOCRATIC PARTY CAUCUS

Notes to Financial Statements

Year Ended March 31, 2013

1. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the company adopted Canadian Accounting Standards for Not-for-Profit Organizations (ASNFP). These financial statements are the first prepared in accordance with these standards. The adoption of ASNFP had no impact on net assets as at November 7, 2011 or revenues and expenditures or cash flows for the period ended March 31, 2012 as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

2. 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.

3. 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.

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, 2013

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2013 Net book value	2012 Net book value
Equipment	\$ 3,812	\$ 2,163	\$ 1,649	\$ 1,792
Computer equipment	19,184	7,323	11,861	2,102
	<u>\$ 22,996</u>	<u>\$ 9,486</u>	<u>\$ 13,510</u>	<u>\$ 3,894</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 prime plus 1%.

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:

	2013	2012
Professional fees	<u>\$ 3,500</u>	<u>\$ 3,500</u>

7. FINANCIAL INSTRUMENTS

The company 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 company's risk exposure and concentration as of March 31, 2013.

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 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.

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Notes to Financial Statements

Year Ended March 31, 2013

8. 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.