

# **NEW DEMOCRATIC PARTY CAUCUS**

**Financial Statements**

**Five Month Period Ended March 31, 2012**

## **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 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.

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Director of Administration and Human  
Resources

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Caucus Chair

Regina, Saskatchewan

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## INDEPENDENT AUDITORS' 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, 2012 and the statements of revenues and expenditures, changes in net assets and cash flows for the five month period 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 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 March 31, 2012, 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  
September 12, 2012



Mintz & Wallace  
Chartered Accountants LLP

# NEW DEMOCRATIC PARTY CAUCUS

## Statement of Financial Position

March 31, 2012

	<i>March 31</i> <b>2012</b>	<i>November 6</i> <b>2011</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 96,743	\$ 77,410
Accounts receivable	-	105,818
Prepaid expenses	<u>551</u>	<u>230</u>
	<b>97,294</b>	<b>183,458</b>
<b>CAPITAL ASSETS</b> (Note 3)	<u><b>3,893</b></u>	<u><b>5,110</b></u>
	<u><b>\$ 101,187</b></u>	<u><b>\$ 188,568</b></u>
<b>LIABILITIES AND SURPLUS (DEFICIT)</b>		
<b>CURRENT</b>		
Accounts payable and accruals (Note 5)	\$ 3,500	\$ 10,526
Wages payable	<u>14,202</u>	<u>178,157</u>
	<b>17,702</b>	<b>188,683</b>
<b>CAUCUS SURPLUS (DEFICIT)</b>		
Surplus (deficit) (Note 7)	<u><b>83,485</b></u>	<u><b>(115)</b></u>
	<u><b>\$ 101,187</b></u>	<u><b>\$ 188,568</b></u>

### ON BEHALF OF THE CAUCUS

\_\_\_\_\_ Member

\_\_\_\_\_ Member

See accompanying notes

# NEW DEMOCRATIC PARTY CAUCUS

## Statement of Revenues and Expenditures

Five Month Period Ended March 31, 2012

	<i>March 31</i> <b>2012</b> <i>(5 months)</i>	<i>November 6</i> <b>2011</b> <i>(7 months)</i>
<b>REVENUE</b>		
Allowances and grants	\$ 299,804	\$ 582,238
Interest and other	154	807
Information technology grant	9,000	-
	<u>308,958</u>	<u>583,045</u>
<b>EXPENDITURES</b>		
Advertising	209	130,334
Amortization	1,217	1,703
Insurance	230	321
Bank charges and interest	122	339
Meetings and receptions	4,015	14,261
Office	2,764	10,624
Printing, postage and delivery	2,620	8,588
Professional fees	67,332	28,653
Facilities rental	-	1,643
Equipment maintenance and website service	5,435	14,874
Wages and benefits	135,597	413,574
Telephone and communications	4,686	12,664
Travel and accommodations	482	12,778
Utilities	649	3,332
	<u>225,358</u>	<u>653,688</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>\$ 83,600</b>	<b>\$ (70,643)</b>

See accompanying notes

# NEW DEMOCRATIC PARTY CAUCUS

## Statement of Changes in Net Assets

Five Month Period Ended March 31, 2012

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	<i>March 31</i> <b>2012</b>	<i>November 6</i> <b>2011</b>
<b>SURPLUS (DEFICIT) - BEGINNING OF PERIOD</b>	<b>\$ (115)</b>	<b>\$ 70,528</b>
Excess (deficiency) of revenue over expenditures	<u><b>83,600</b></u>	<u><b>(70,643)</b></u>
<b>SURPLUS (DEFICIT) - END OF PERIOD</b>	<u><b>\$ 83,485</b></u>	<u><b>\$ (115)</b></u>

See accompanying notes

# NEW DEMOCRATIC PARTY CAUCUS

## Statement of Cash Flows

Five Month Period Ended March 31, 2012

	<i>March 31</i> <b>2012</b> <i>(5 months)</i>	<i>November 6</i> <b>2011</b> <i>(7 months)</i>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenditures	<b>\$ 83,600</b>	<b>\$ (70,643)</b>
Item not affecting cash:		
Amortization of capital assets	<u>1,217</u>	<u>1,703</u>
	<b>84,817</b>	<b>(68,940)</b>
Changes in non-cash working capital:		
Accounts receivable	<b>105,818</b>	<b>(23,789)</b>
Accounts payable	<b>(7,026)</b>	<b>(11,559)</b>
Prepaid expenses	<b>(321)</b>	<b>(230)</b>
Wages payable	<b>(163,955)</b>	<b>74,058</b>
	<u><b>(65,484)</b></u>	<u><b>38,480</b></u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>19,333</b>	<b>(30,460)</b>
<b>CASH - BEGINNING OF PERIOD</b>	<u><b>77,410</b></u>	<u><b>107,870</b></u>
<b>CASH - END OF PERIOD</b>	<u><b>\$ 96,743</b></u>	<u><b>\$ 77,410</b></u>

See accompanying notes



# NEW DEMOCRATIC PARTY CAUCUS

## Notes to Financial Statements

Five Month Period Ended March 31, 2012

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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 as of polling day and a new Caucus begins 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.

As at March 31, 2012 and November 6, 2011 the Caucus does not have any outstanding contracts of financial instruments with embedded derivatives.

#### 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

Five Month Period Ended March 31, 2012

### 3. CAPITAL ASSETS

	Cost	Accumulated amortization	March 31 2012 Net book value	November 6 2011 Net book value
Equipment	\$ 6,803	\$ 5,012	\$ 1,791	\$ 2,529
Computer equipment	5,309	3,207	2,102	2,581
	<u>\$ 12,112</u>	<u>\$ 8,219</u>	<u>\$ 3,893</u>	<u>\$ 5,110</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:

	March 31 2012	November 6 2011
Advertising and promotion	\$ -	\$ 1,500
Professional fees	3,500	5,500
Equipment maintenance	-	582
Office	-	599
Telephone and communications	-	2,345
	<u>\$ 3,500</u>	<u>\$ 10,526</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.