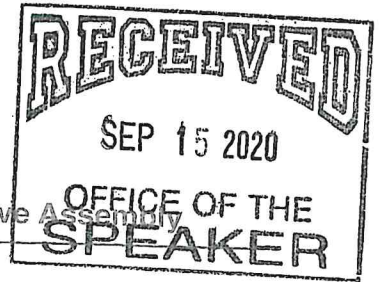




Office of the  
Official Opposition

COPY



Saskatchewan Legislative Assembly

September 14, 2020

265 Legislative Building  
Regina, Saskatchewan  
S4S 0B3

Phone: (306) 787-7388  
Fax: (306) 787-6247  
Email: leader@ndpcaucus.sk.ca

Honourable Mark Docherty  
Speaker  
Legislative Assembly of Saskatchewan  
129 Legislative Building  
REGINA SK S4S 0B3

Dear Speaker Docherty:

Pursuant to Board of Internal Economy Directive #23: **Caucus Accountability and Disclosure**, I hereby submit the audited Financial Statements for the 2019-2020 fiscal year, prepared for the NDP Caucus by the accounting firm of MWC Chartered Professional Accountants LLP.

I trust this audit meets the requirements as set out in the Directive.

Sincerely,

Adrienne King  
Chief of Staff

Encl.

cc: Cheryl Stecyk, Director of Administration & Human Resources, NDP Caucus



# **NEW DEMOCRATIC PARTY CAUCUS**

**Financial Statements**

**Year Ended March 31, 2020**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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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.

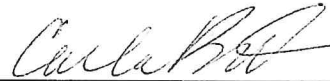
The integrity and reliability of New Democratic Party Caucus's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial 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  
August 20, 2020



Chartered Professional  
Accountants LLP

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of New Democratic Party Caucus

### Opinion

We have audited the financial statements of New Democratic Party Caucus (the Caucus), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Caucus as at March 31, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Caucus in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

We have also undertaken a reasonable assurance engagement on the Caucus' compliance with directives set out by the Board of Internal Economy and provided an opinion on the Caucus' internal control over financial reporting in accordance with Guidance on Control (CoCo Framework) published by the Chartered Professional Accountants of Canada under separate Auditor's Reports dated August 20, 2020.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Caucus's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Caucus or to cease operations, or has no realistic alternative but to do so.

(continues)

*An asset to our clients, not an expense*

102-4701 Parliament Ave, Regina, SK S4W 0T9 ☎306-352-8621 📠306-565-8476 🌐mwc-cpa.ca

Independent Auditor's Report to the Members of New Democratic Party Caucus *(continued)*

Those charged with governance are responsible for overseeing the Caucus's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Caucus's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Caucus's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Caucus to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*MWC LLP*

Chartered Professional Accountants

Regina, Saskatchewan  
August 20, 2020

# NEW DEMOCRATIC PARTY CAUCUS

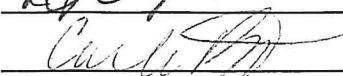
## Statement of Financial Position

March 31, 2020

	2020	2019
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 160,171	\$ 98,593
Accounts receivable (Note 4)	12,679	50,824
Prepaid expenses	2,163	964
	<u>175,013</u>	<u>150,381</u>
<b>CAPITAL ASSETS (Note 5)</b>	<u>4,302</u>	<u>5,891</u>
	<u>\$ 179,315</u>	<u>\$ 156,272</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accruals (Note 6)	\$ 10,989	\$ 7,980
Wages payable	66,940	75,173
	<u>77,929</u>	<u>83,153</u>
<b>CAUCUS SURPLUS (Note 3)</b>	<u>101,386</u>	<u>73,119</u>
	<u>\$ 179,315</u>	<u>\$ 156,272</u>

ON BEHALF OF THE CAUCUS

  
\_\_\_\_\_ Member

  
\_\_\_\_\_ Member

See notes to financial statements

# NEW DEMOCRATIC PARTY CAUCUS

## Statement of Operations

Year Ended March 31, 2020

	2020	2019
<b>REVENUES</b>		
Allowances and grants	\$ 992,815	\$ 900,303
Cost recoveries and other income	5	50,824
	<u>992,820</u>	<u>951,127</u>
<b>EXPENSES</b>		
Wages and benefits	810,313	709,722
Contractual services	40,195	60,437
Equipment maintenance and website service	28,818	27,926
Travel and accommodations	19,310	15,849
Telephone and communications	16,615	15,443
Meetings and receptions	16,199	15,729
Professional fees	9,570	6,360
Printing, postage and delivery	9,552	9,896
Advertising	4,906	53,593
Office	4,641	2,403
Amortization	2,966	2,278
Insurance	797	638
Bank charges and interest	671	575
	<u>964,553</u>	<u>920,849</u>
<b>EXCESS OF REVENUES (EXPENSES)</b>	<u>\$ 28,267</u>	<u>\$ 30,278</u>

## Statement of Changes in Net Assets

Year Ended March 31, 2020

	2020	2019
<b>SURPLUS (DEFICIT) - BEGINNING OF YEAR</b>	\$ 73,119	\$ 42,841
<b>EXCESS OF REVENUES (EXPENSES)</b>	<u>28,267</u>	<u>30,278</u>
<b>SURPLUS (DEFICIT) - END OF YEAR (Note 3)</b>	<u>\$ 101,386</u>	<u>\$ 73,119</u>

See notes to financial statements

# NEW DEMOCRATIC PARTY CAUCUS

## Statement of Cash Flows

Year Ended March 31, 2020

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Excess of revenues (expenses)	\$ 28,267	\$ 30,278
Item not affecting cash:		
Amortization of capital assets	2,966	2,278
	<u>31,233</u>	<u>32,556</u>
Changes in non-cash working capital:		
Accounts receivable	38,145	(50,824)
Accounts payable and accruals	3,010	1,964
Prepaid expenses	(1,199)	(380)
Wages payable	(8,233)	18,138
	<u>31,723</u>	<u>(31,102)</u>
Cash flow from operating activities	<u>62,956</u>	<u>1,454</u>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	<u>(1,378)</u>	<u>(3,851)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>61,578</b>	<b>(2,397)</b>
<b>CASH - BEGINNING OF YEAR</b>	<u>98,593</u>	<u>100,990</u>
<b>CASH - END OF YEAR</b>	<u>\$ 160,171</u>	<u>\$ 98,593</u>

See notes to financial statements



# NEW DEMOCRATIC PARTY CAUCUS

## Notes to Financial Statements

Year Ended March 31, 2020

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### 1. PURPOSE OF THE CAUCUS

The New Democratic Party Caucus (the "Caucus") is organized under section 50(1)(b) of the Legislative Assembly and Executive Council Act. The Caucus provides research, secretarial and general services for the New Democratic Party of Saskatchewan Members of the Legislative Assembly.

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

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

#### 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 and cost recoveries are recognized in the period the cost is incurred if the amount can be estimated and collection is reasonably assured.

#### 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:

Equipment	5 years
Computer equipment	3 years

### 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 if the Caucus ceases to exist as a result of the provincial election.

# NEW DEMOCRATIC PARTY CAUCUS

## Notes to Financial Statements

Year Ended March 31, 2020

### 4. ACCOUNTS RECEIVABLE

Accounts receivable includes the March 2020 funding payment which was received in April of 2020. The balance of the prior year related to a cost sharing agreement which was outstanding at the end of 2019.

### 5. CAPITAL ASSETS

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Equipment	\$ 1,484	\$ 742	\$ 742	\$ 1,039
Computer equipment	9,247	5,687	3,560	4,852
	<u>\$ 10,731</u>	<u>\$ 6,429</u>	<u>\$ 4,302</u>	<u>\$ 5,891</u>

### 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:

	2020	2019
Professional fees	\$ 5,000	\$ 5,000
Travel and accommodations	82	1,696
Meetings and receptions	660	700
Printing, postage and delivery	2,604	291
Equipment maintenance and website service	934	212
Telephone and communications	1,696	74
Office supplies	6	7
Bank charges and interest	7	-
	<u>\$ 10,989</u>	<u>\$ 7,980</u>

### 7. 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 2.450%.

# NEW DEMOCRATIC PARTY CAUCUS

## Notes to Financial Statements

Year Ended March 31, 2020

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### 8. 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, 2020.

#### 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. Any exposure to unrecoverable cost recoveries is nominal as no cost outlay is made until the arrangement is in place.

#### 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 \$51,181 (2019 - \$50,112) 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.