

**NEW DEMOCRATIC PARTY CAUCUS**

**Financial Statements**

**Year Ended March 31, 2022**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

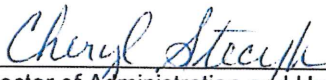
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The financial statements of New Democratic Party Caucus have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate 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.

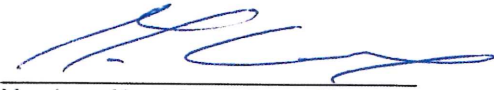
The integrity and reliability of New Democratic Party Caucus's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial 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 meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Caucus Committee approve the financial statements and considers 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



Member of Legislative Assembly

Regina, Saskatchewan  
September 14, 2022



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, 2022, and the statements of income, 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, 2022, and the results of its operations and 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 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 these 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 September 14, 2022.

### **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 ASNPO, 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 related 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.

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

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*An asset to our clients, not an expense*

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### **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  
September 14, 2022


# NEW DEMOCRATIC PARTY CAUCUS

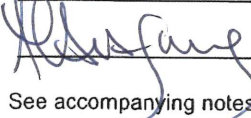
## Statement of Financial Position

March 31, 2022

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 294,503	\$ 164,375
Accounts receivable (Note 4)	54,347	-
Prepaid expenses	1,906	1,636
	<u>350,756</u>	<u>166,011</u>
<b>CAPITAL ASSETS (Note 5)</b>	<u>6,785</u>	<u>2,821</u>
	<u>\$ 357,541</u>	<u>\$ 168,832</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accruals (Note 6)	\$ 64,991	\$ 22,877
Wages payable	101,891	87,207
	<u>166,882</u>	<u>110,084</u>
<b>CAUCUS SURPLUS (Note 3)</b>	<u>190,659</u>	<u>58,748</u>
	<u>\$ 357,541</u>	<u>\$ 168,832</u>

ON BEHALF OF THE CAUCUS

  
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M.L.A.

  
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M.L.A.

See accompanying notes to financial statements



# NEW DEMOCRATIC PARTY CAUCUS

## Statement of Income Year Ended March 31, 2022

	2022	2021 <i>(5 months)</i>
<b>REVENUES</b>		
Allowances and grants	\$ 918,584	\$ 390,630
Information technology grant	-	13,000
	<b>918,584</b>	<b>403,630</b>
<b>EXPENSES</b>		
Wages and benefits	663,018	276,362
Equipment maintenance and website service	35,478	20,517
Printing, postage and delivery	24,620	2,618
Telephone and communications	18,384	8,247
Meetings and receptions	14,010	661
Professional fees	12,691	5,600
Travel and accommodations	4,643	-
Office	3,850	2,620
Amortization of capital assets	3,219	1,030
Contractual services	2,675	4,500
Advertising	2,617	140
Insurance	917	80
Bank charges and interest	551	286
	<b>786,673</b>	<b>322,661</b>
<b>EXCESS OF REVENUES (EXPENSES)</b>	<b>\$ 131,911</b>	<b>\$ 80,969</b>

## Statement of Changes in Net Assets Year Ended March 31, 2022

	2022	2021
<b>CAUCUS SURPLUS (DEFICIT) - BEGINNING OF YEAR</b>	\$ 58,748	\$ (22,221)
<b>EXCESS OF REVENUES (EXPENSES)</b>	<b>131,911</b>	<b>80,969</b>
<b>CAUCUS SURPLUS (DEFICIT) - END OF YEAR</b> <i>(Note 3)</i>	<b>\$ 190,659</b>	<b>\$ 58,748</b>

See accompanying notes to financial statements

# NEW DEMOCRATIC PARTY CAUCUS

## Statement of Cash Flows Year Ended March 31, 2022

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenues (expenses)	\$ 131,911	\$ 80,969
Item not affecting cash:		
Amortization of capital assets	3,219	1,030
	<u>135,130</u>	<u>81,999</u>
Changes in non-cash working capital:		
Accounts receivable	(54,347)	87,816
Accounts payable and accruals	42,115	17,258
Prepaid expenses	(270)	1,037
Wages payable	14,684	(71,136)
	<u>2,182</u>	<u>34,975</u>
Cash flow from operating activities	<u>137,312</u>	<u>116,974</u>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	(7,184)	-
<b>INCREASE IN CASH FLOW</b>	<u>130,128</u>	<u>116,974</u>
<b>CASH - BEGINNING OF YEAR</b>	<u>164,375</u>	<u>47,401</u>
<b>CASH - END OF YEAR</b>	<u>\$ 294,503</u>	<u>\$ 164,375</u>

See accompanying notes to financial statements

# NEW DEMOCRATIC PARTY CAUCUS

## Notes to Financial Statements

Year Ended March 31, 2022

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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 (ASNPO).

#### 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, 2022

### 4. ACCOUNTS RECEIVABLE

As at yearend the Caucus has receivables from the Members of the Legislative Assembly's offices to reimburse it for postal services. The outstanding balance was received in May 2022.

### 5. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Equipment	\$ 2,656	\$ 1,933	\$ 723	\$ 1,345
Computer equipment	15,361	9,299	6,062	1,476
	<u>\$ 18,017</u>	<u>\$ 11,232</u>	<u>\$ 6,785</u>	<u>\$ 2,821</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:

	2022	2021
Printing, postage and delivery	\$ 54,347	\$ -
Professional fees	6,119	10,600
Meetings and receptions	3,164	-
Telephone and communications	1,138	1,403
Equipment maintenance and website service	132	9,799
Office supplies	91	190
Insurance and charges	-	885
	<u>\$ 64,991</u>	<u>\$ 22,877</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 2.700%.

# NEW DEMOCRATIC PARTY CAUCUS

## Notes to Financial Statements

Year Ended March 31, 2022

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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, 2022.

#### 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 \$58,767 (2021 - \$46,854) 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.