

# **NEW DEMOCRATIC PARTY CAUCUS**

**Financial Statements**

**Year Ended March 31, 2023**

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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 25, 2023



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, 2023, 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, 2023, 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 (ASNPO).

#### 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 Independent Practitioner's Reports dated **September 26, 2023**.

#### 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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**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 25, 2023

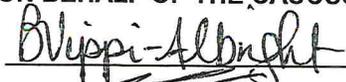
# NEW DEMOCRATIC PARTY CAUCUS

## Statement of Financial Position

March 31, 2023

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 316,211	\$ 294,503
Accounts receivable (Note 4)	63,400	54,347
Prepaid expenses	1,393	1,906
	<u>381,004</u>	<u>350,756</u>
<b>CAPITAL ASSETS (Note 5)</b>	<u>6,671</u>	<u>6,785</u>
	<u>\$ 387,675</u>	<u>\$ 357,541</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accruals (Note 6)	\$ 63,784	\$ 64,991
Wages payable	117,103	101,891
	<u>180,887</u>	<u>166,882</u>
<b>CAUCUS SURPLUS (Note 3)</b>	<u>206,788</u>	<u>190,659</u>
	<u>\$ 387,675</u>	<u>\$ 357,541</u>
<b>COMMITMENTS (Note 9)</b>		

ON BEHALF OF THE CAUCUS

 M.L.A.

 M.L.A.

See accompanying notes to financial statements

# NEW DEMOCRATIC PARTY CAUCUS

## Statement of Income Year Ended March 31, 2023

	2023	2022
<b>REVENUES</b>		
Allowances and grants	\$ 1,007,351	\$ 918,584
<b>EXPENSES</b>		
Wages and benefits	787,759	663,018
Advertising	37,319	2,617
Equipment maintenance and website service	33,693	35,478
Contractual services	32,228	2,675
Printing, postage and delivery	25,292	24,620
Meetings and receptions	19,292	14,010
Telephone and communications	16,130	18,384
Travel and accommodations	15,782	4,643
Professional fees	14,592	12,691
Office	3,897	3,850
Amortization of capital assets	3,538	3,219
Insurance	966	917
Bank charges and interest	734	551
	<u>991,222</u>	<u>786,673</u>
<b>EXCESS OF REVENUES (EXPENSES)</b>	<u>\$ 16,129</u>	<u>\$ 131,911</u>

## Statement of Changes in Net Assets Year Ended March 31, 2023

	2023	2022
<b>CAUCUS SURPLUS (DEFICIT) - BEGINNING OF YEAR</b>	\$ 190,659	\$ 58,748
<b>EXCESS OF REVENUES (EXPENSES)</b>	<u>16,129</u>	<u>131,911</u>
<b>CAUCUS SURPLUS (DEFICIT) - END OF YEAR (Note 3)</b>	<u>\$ 206,788</u>	<u>\$ 190,659</u>

See accompanying notes to financial statements

# NEW DEMOCRATIC PARTY CAUCUS

## Statement of Cash Flows Year Ended March 31, 2023

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Excess of revenues (expenses)	\$ 16,129	\$ 131,911
Item not affecting cash:		
Amortization of capital assets	3,538	3,219
	<u>19,667</u>	<u>135,130</u>
Changes in non-cash working capital:		
Accounts receivable	(9,053)	(54,347)
Accounts payable and accruals	(1,207)	42,115
Prepaid expenses	513	(270)
Wages payable	15,212	14,684
	<u>5,465</u>	<u>2,182</u>
Cash flow from operating activities	<u>25,132</u>	<u>137,312</u>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	<u>(3,424)</u>	<u>(7,184)</u>
<b>INCREASE IN CASH FLOW</b>	<b>21,708</b>	<b>130,128</b>
<b>CASH - BEGINNING OF YEAR</b>	<u>294,503</u>	<u>164,375</u>
<b>CASH - END OF YEAR</b>	<u>\$ 316,211</u>	<u>\$ 294,503</u>

See accompanying notes to financial statements

# NEW DEMOCRATIC PARTY CAUCUS

## Notes to Financial Statements

Year Ended March 31, 2023

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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

#### Basis of presentation

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, 2023

### 4. ACCOUNTS RECEIVABLE

As at yearend, the Caucus' accounts receivable includes:

	2023	2022
Reimbursement for postal services from the Members of Legislative Assembly's offices	\$ 48,500	\$ 54,347
Opposition Caucus Grant	14,900	-
	\$ 63,400	\$ 54,347

### 5. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Equipment	\$ 2,656	\$ 2,168	\$ 488	\$ 723
Computer equipment	18,785	12,602	6,183	6,062
	\$ 21,441	\$ 14,770	\$ 6,671	\$ 6,785

### 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:

	2023	2022
Printing, postage and delivery	\$ 50,249	\$ 54,347
Professional fees	8,000	6,119
Meetings and receptions	1,674	3,164
Telephone and communications	1,424	1,138
Equipment maintenance and website service	1,232	132
Insurance	966	-
Office	235	91
Bank charges and interest	4	-
	\$ 63,784	\$ 64,991

### 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 6.700%.

# NEW DEMOCRATIC PARTY CAUCUS

## Notes to Financial Statements

Year Ended March 31, 2023

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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, 2023.

#### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Caucus' income is from grant funding sources and therefore it is management's opinion 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 \$57,206 (2022 - \$58,767) 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.

### 9. COMMITMENTS

Subsequent to the yearend, The Caucus entered into an agreement for the development of an advertising campaign. The contract commences May 23, 2023 and is expected to be completed by September 30, 2023. The total contract is for \$170,000 with \$30,703 due on signing and the remaining balance due on August 1, 2023 or a mutually agreed date prior to the ads being released.



Chartered Professional  
Accountants LLP

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## INDEPENDENT AUDITOR'S REPORT

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### To the Members of New Democratic Party Caucus

We have audited the effectiveness of New Democratic Party Caucus internal control over financial reporting as at March 31, 2023.

#### Management's Responsibility

The entity's management is responsible for maintaining effective internal control over financial reporting.

#### Auditor's Responsibility

Our responsibility is to express an opinion based on our audit, on whether the entity's internal control over financial reporting was effectively maintained in accordance with criteria established in "Guidance on Control" (CoCo Framework) published by the Chartered Professional Accountants of Canada.

We conducted our audit in accordance with the standards for audits of internal control over financial reporting set out in the CPA Handbook - Assurance. This standard requires that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

An entity's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Canadian generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and directors of the entity; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

**Opinion**

In our opinion, the entity maintained, in all material respects, effective internal control over financial reporting as at March 31, 2023, in accordance with criteria established in "Guidance on Control" (CoCo Framework) published by the Chartered Professional Accountants of Canada.

We have also audited, in accordance with Canadian generally accepted auditing standards, the statement of financial position as at March 31, 2023 and the statements of operations, changes in net assets and cash flows for the year ended March 31, 2023, and a summary of significant accounting policies and other explanatory information of New Democratic Party Caucus and issued our report dated September 25, 2023.

*MWC LLP*

Chartered Professional Accountants

Regina, Saskatchewan  
September 25, 2023