

R. WILLIAM LYON
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Independent Auditor's Report

New Democrats of Canada Association,
Chief agent for the New Democratic Party
300 - 279 Laurier Avenue West
Ottawa, Ontario K1P 5J9

Report on the Return

I have audited the accompanying Registered Party Financial Transactions Return (the "Return") of the New Democratic Party of Canada as at December 31, 2014 and for the year then ended. The financial information in the Return has been prepared by the Chief Agent of the New Democratic Party of Canada based on the financial reporting provisions of Section 424 of the Canada Elections Act and in the prescribed form issued by Elections Canada.

The Chief Agent's Responsibility for the Financial Information

The Chief Agent is responsible for the preparation of this financial information in accordance with the financial reporting provisions of Section 424 of the Canada Elections Act and in the prescribed form issued by Elections Canada, and for such internal control as the Chief Agent determines is necessary to enable the preparation of the Return that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial information based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial information, 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 information 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 information.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the New Democratic Party of Canada derives a substantial portion of its revenue from donations and contributions, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of revenue from this source was limited to accounting for the amounts recorded in the books of the Party and I was not able to determine where any adjustment might be necessary to the amount of donations and contributions reported.

Qualified Opinion

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the Registered Party Financial Transactions Return of the New Democratic Party of Canada is prepared, in all material respects, in accordance with the financial reporting provisions of Section 424 of the Canada Elections Act and in the prescribed form issued by Elections Canada.

Basis of Accounting and Restriction of Use

I draw your attention to the Note to the Return which describes the basis of accounting. The Return is prepared to assist the Chief Agent of the New Democratic Party of Canada to meet the requirements of the Canada Elections Act. As a result, the Return may not be suitable for another purpose. My report is intended solely for the Chief Agent of the New Democratic Party of Canada and the Chief Electoral Officer, and should not be used by parties other than the Chief Agent and the Chief Electoral Officer.

Report on Other Legal and Regulatory Requirements

As required by Subsection 426(1) of the Canada Elections Act, in my opinion, the Return presents the information contained in the financial records on which it is based.



R. William Lyon CPA, CA, LPA, BComm.
Licensed Public Accountant

Mountain, Ontario
June 26, 2015.

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NEW DEMOCRATIC PARTY
NOUVEAU PARTI DÉMOCRATIQUE

FINANCIAL STATEMENTS
ÉTATS FINANCIERS

DECEMBER 31, 2014
AU 31 DÉCEMBRE 2014

NEW DEMOCRATIC PARTY

BALANCE SHEET

December 31, 2014

	ASSETS	
	<u>2014</u>	<u>2013</u>
Current		
Cash	\$ 2,499,354	\$ 1,397,962
Accounts receivable (net of allowance for doubtful accounts 2014: 103,900 2013: 103,900	859,394	2,096,400
Prepaid expenses	455,059	446,645
Total current assets	<u>3,813,807</u>	<u>3,941,007</u>
Capital (note 1,2)	<u>6,337,806</u>	<u>4,534,757</u>
	<u>\$ 10,151,613</u>	<u>\$ 8,475,764</u>

LIABILITIES AND NET ASSETS

Current		
Bank Loan	\$ -	\$ 490,000
Accounts payable and accrued liabilities	2,799,531	2,109,556
Total current liabilities	<u>2,799,531</u>	<u>2,599,556</u>
Net assets	<u>7,352,082</u>	<u>5,876,208</u>
	<u>\$ 10,151,613</u>	<u>\$ 8,475,764</u>

The attached notes form an integral part of these financial statements

Approved on behalf of the Association:


NEW DEMOCRATIC PARTY
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
Balance, beginning of the year	\$ 5,876,208	\$ 2,884,984
Excess of revenue over expenses (expenses over revenue) for the year	<u>1,475,874</u>	<u>2,991,224</u>
Balance, end of the year	<u>\$ 7,352,082</u>	<u>\$ 5,876,208</u>

The attached notes form an integral part of these financial statements

R. William Lyon Chartered Accountant

NEW DEMOCRATIC PARTY

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
Donations and contributions	\$ 9 526 097	\$ 8 154 721
Fundraising and membership	130 937	170 695
Transfers	2 386	27 930
Quarterly allowances	2 876 662	5 177 992
Rebates	70 467	192 365
Other revenue	31 077	31 462
	<u>12 637 626</u>	<u>13 755 165</u>
Expenses		
Advertising -- Radio/TV	-	3 017
Advertising -- Other	196 352	197 070
Bank charges and interest	211 657	301 204
Depreciation and amortization	895 507	353 273
Fundraising	2 049 348	2 829 759
Office expenses	1 083 204	1 040 696
Polling	362 918	110 664
Professional services	854 305	586 488
Research	9 336	30 143
Salaries and benefits	4 193 441	3 303 571
Travel and hospitality	551 156	1 162 220
Transfers	925 413	986 401
Other	41 693	75 117
	<u>11 374 330</u>	<u>10 979 623</u>
Excess of revenue over expenses (expenses over revenue) from Party operations	1 263 296	2 775 542
Excess of revenue over expenses (expenses over revenue) from building operations	<u>212 578</u>	<u>215 682</u>
Excess of revenue over expenses (expenses over revenue) for the year	<u>\$ 1 475 874</u>	<u>\$ 2 991 224</u>

The attached notes form an integral part of these financial statements.

NEW DEMOCRATIC PARTY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

1. Significant accounting policy:

Bases of presentation:

The New Democrats Association of Canada was incorporated in October 1986 under the Canada Corporations Act. The Association is a federal political party founded on the principle that the social, economic and political progress of Canada can be assured only by the application of democratic socialist principles to government and the administration of public affairs. The New Democrats Association of Canada is the corporate entity of the New Democratic Party and is a registered federal political party under the Canada Elections Act.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates.

Revenue and expense recognition:

Contributions revenue is recognized in the year for which a tax receipt is issued. Other revenue is recognized on the accrual basis.

Capital assets:

Capital assets are recorded at cost and depreciated using the straight line method at the following

Furniture and Equipment	10%
Computers	20%
Building	2%

2. Capital assets:

Capital assets comprise the following:

	2014		2013	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Furniture and Equipment	\$ 1 633 689	\$ 1 311 831	\$ 321 858	\$ 371 266
Computers	4 340 932	2 006 468	2 334 464	742 263
Land and building	4 576 928	895 444	3 681 484	3 421 228
	<u>\$ 10 551 549</u>	<u>\$ 4 213 743</u>	<u>\$ 6 337 806</u>	<u>\$ 4 534 757</u>

3. Statement of cash flows:

A statement of cash flows has not been prepared as information relating to cash flows is otherwise adequately disclosed.

NEW DEMOCRATIC PARTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

4. Comparative figures:

Certain balances of the preceding period have been reclassified to conform with the current year's financial statement presentation.