

OFFICE OF THE CHIEF ELECTORAL OFFICER

FINANCIAL STATEMENTS

For the year ended March 31, 2023

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

Opinion

We have audited the financial statements of the Office of the Chief Electoral Officer, which comprise the statement of financial position as at March 31, 2023, and the statements of operations and accumulated surplus, change in net debt 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 Office of the Chief Electoral Officer as at March 31, 2023, and the results of its operations, change in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Office of the Chief Electoral Officer 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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 Office of the Chief Electoral Officer'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 Office of the Chief Electoral Officer or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Office of the Chief Electoral Officer'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 Office of the Chief Electoral Officer'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 Office of the Chief Electoral Officer'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 Office of the Chief Electoral Officer 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 identified during the audit.

Regina, Saskatchewan
July 24, 2023

A handwritten signature in black ink that reads "T. Clemett".

Tara Clemett, CPA, CA, CISA
Provincial Auditor
Office of the Provincial Auditor

**OFFICE OF THE CHIEF ELECTORAL OFFICER
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31**

	<u>2023</u>	<u>2022</u>
Financial Assets		
Due from the General Revenue Fund	\$ 1,020,444	\$ 705,790
	<u>1,020,444</u>	<u>705,790</u>
Liabilities		
Accounts Payable	868,914	530,707
Accrued Employee Costs	151,530	175,083
	<u>1,020,444</u>	<u>705,790</u>
Net Debt (Statement 3)	<u>-</u>	<u>-</u>
Non-financial Assets		
Tangible Capital Assets (Note 4)	757,971	917,485
Prepaid Expenses	-	-
	<u>757,971</u>	<u>917,485</u>
Accumulated Surplus (Statement 2)	<u>\$ 757,971</u>	<u>\$ 917,485</u>
Contractual Obligations (Note 5)		

(See accompanying notes to the financial statements)

**OFFICE OF THE CHIEF ELECTORAL OFFICER
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31**

	2023		2022
	Budget (Note 6)	Actual	Actual
Revenue			
General Revenue Fund	\$ 6,330,000	\$ 6,246,776	\$ 5,200,130
Miscellaneous Income	-	107	3,076
Total Revenue	<u>6,330,000</u>	<u>6,246,883</u>	<u>5,203,206</u>
Expenses			
Operating:			
Salaries and Benefits	2,075,663	2,191,875	2,040,803
Contractual Services	954,289	1,090,166	992,737
Communications and Advertising	15,087	49,136	17,976
Employee Travel	46,807	47,845	4,549
Supplies and Services	176,706	157,436	171,566
Office Rent, Insurance and Utilities	383,891	393,800	379,621
Equipment	184,900	212,155	176,141
Amortization (Note 4)	241,567	272,633	250,469
Total Operating Expense	<u>4,078,910</u>	<u>4,415,046</u>	<u>4,033,862</u>
Events:			
2022 Saskatchewan Boundaries Commission Costs (Note 10) (Schedule 1)	301,000	188,743	8,113
2022 Saskatoon Meewasin By-Election Costs (Note 11) (Schedule 2)	483,000	452,845	-
2022 Athabasca By-Election Costs (Note 12) (Schedule 3)	-	4,862	541,495
2023 Lumsden-Morse By-Election Costs (Note 13) (Schedule 4)	-	225	-
2023 Regina Coronation Park By-Election Costs (Note 13) (Schedule 5)	-	371	-
2023 Regina Walsh Acres By-Election Costs (Note 13) (Schedule 6)	-	225	-
2024 General Election Costs (Note 14) (Schedule 7)	1,683,657	1,344,080	500,063
2020 General Election Costs (Note 15) (Schedule 8)	-	-	386,678
Total Events Expense	<u>2,467,657</u>	<u>1,991,351</u>	<u>1,436,349</u>
Total Expenses	<u>6,546,567</u>	<u>6,406,397</u>	<u>5,470,211</u>
Operating (Deficit)	<u>\$ (216,567)</u>	<u>\$ (159,514)</u>	<u>\$ (267,005)</u>
Accumulated Surplus, beginning of year		917,485	1,184,490
Accumulated Surplus, end of year (Statement 1)		<u>\$ 757,971</u>	<u>\$ 917,485</u>

(See accompanying notes to the financial statements)

**OFFICE OF THE CHIEF ELECTORAL OFFICER
STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED MARCH 31**

	<u>2023</u>	<u>2022</u>
Operating Deficit	\$ (159,514)	\$ (267,005)
Acquisition of Tangible Capital Assets (Note 4)	(113,119)	-
Amortization of Tangible Capital Assets (Note 4)	272,633	250,469
Change in Prepaid Expenses	-	16,536
	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Debt	<u>-</u>	<u>-</u>
Net Debt, beginning of year	-	-
	<u>-</u>	<u>-</u>
Net Debt, end of year (Statement 1)	<u>\$ -</u>	<u>\$ -</u>

(See accompanying notes to the financial statements)

**OFFICE OF THE CHIEF ELECTORAL OFFICER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31**

	<u>2023</u>	<u>2022</u>
Cash from (used for) operating activities:		
General Revenue Fund appropriation received	\$ 5,932,230	\$ 6,831,550
Salaries and benefits paid	(2,904,562)	(2,552,591)
Supplies and other expenses paid	(2,914,549)	(4,295,495)
Cash (used for) from operating activities	<u>113,119</u>	<u>(16,536)</u>
Cash from (used for) capital activities:		
Purchase of Tangible Capital Assets (Note 4)	(113,119)	-
Change in Prepaid Expenses	-	16,536
Cash from (used for) capital activities	<u>(113,119)</u>	<u>16,536</u>
Increase (Decrease) in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of the year	-	-
Cash and cash equivalents, end of the year	<u>\$ -</u>	<u>\$ -</u>

(See accompanying notes to the financial statements)

**OFFICE OF THE CHIEF ELECTORAL OFFICER
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023**

1. Authority and Purpose

The Chief Electoral Officer is an officer of the Legislative Assembly and is appointed by resolution of the Assembly. The mandate of the Office of the Chief Electoral Officer (Office) is to administer provincial elections, enumerations and provincial election finances under *The Election Act, 1996*. The Office maintains the province's political contributions tax credit disclosure regime under *The Political Contributions Tax Credit Act*, and administers referenda, plebiscites and time votes according to *The Referendum and Plebiscite Act* and *The Time Act*. The net cost of the operations of the Office is borne by the General Revenue Fund of the Province of Saskatchewan.

The Office is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards. The Office maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to obtain reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

2. Summary of Accounting Policies

These financial statements are prepared in accordance with Canadian public sector accounting standards. These statements do not include a Statement of Remeasurement Gains and Losses as the Office has no activities that give rise to remeasurement gains or losses. As a result, its accumulated surplus is the same as its accumulated operating surplus.

The following policies are considered significant:

- (a) **Reporting Entity** – The reporting entity is the Office of the Chief Electoral Officer, for which the Chief Electoral Officer is responsible.
- (b) **Revenue** – The Office receives statutory appropriations from the General Revenue Fund to carry out its work. General Revenue Fund appropriations are included in revenue when amounts are spent or committed.
- (c) **Tangible Capital Assets** – Tangible capital assets are reported at cost less accumulated amortization. All capital assets are amortized on a straight-line basis over a life of two to ten years. Work in progress (WIP) is not amortized until completed and placed in service for use.

- (d) **Accrued Employee Costs** – Accrued employee costs include the salary, vacation, and severance owed to staff of the Office at year end.
- (e) **Use of Estimates** – These statements are prepared in conformity with Canadian public sector accounting standards. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current year operations when identified.

3. New Standards and Amendments to Standards

A number of new standards and amendments to standards which may impact the Office are not yet effective for the year ended March 31, 2023, and have not been applied in preparing these financial statements. The following new standards and amendments to standards are effective for financial statements on or after the dates noted below:

PSG-8, Purchased Intangibles (April 1, 2023)
 PS3160, Public Private Partnerships (April 1, 2023)
 PS3400, Revenue (April 1, 2023)

The extent of the impact on adoption of these standards is not known at this time.

PS 3280, Asset Retirement Obligations (effective for fiscal years beginning on or after April 1, 2022), has been considered for the Office and determined to have no impact.

4. Tangible Capital Assets

The recognition and measurement of tangible capital assets is based on their service potential. These assets will not provide resources to discharge liabilities of the Office.

	2023						2022
	Hardware & Software	Machinery & Equipment	Office Equipment	Furniture & Building Improvements	System Development	Total	Total
Cost:							
Beginning of year	\$ 149,406	\$ 28,270	\$ 4,615	\$ 816,688	\$ 2,331,736	\$ 3,330,715	\$ 3,330,715
Additions	29,266	57,035	-	26,818	-	113,119	-
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	(289,467)	(289,467)	-
End of Year	178,672	85,305	4,615	843,506	2,042,269	3,154,367	3,330,715
Accumulated Amortization:							
Beginning of year	110,681	22,616	4,615	811,950	1,463,368	2,413,230	2,162,761
Annual amortization	48,480	8,531	-	11,395	204,227	272,633	250,469
Disposals	-	-	-	-	(289,467)	(289,467)	-
End of year	159,161	31,147	4,615	823,345	1,378,128	2,396,396	2,413,230
Net Book Value, end of year	\$ 19,511	\$ 54,158	\$ -	\$ 20,161	\$ 664,141	\$ 757,971	\$ 917,485

5. Contractual Obligations

Operating Leases

Minimum annual payments under operating leases on property over the next two years are as follows:

2023/24	108,750
2024/25	112,500

6. Budget and Lapsing of Appropriation

Budget amounts reflected on an expense basis represent funds appropriated by the Legislative Assembly to enable the Chief Electoral Officer to carry out the Office's duties under *The Election Act, 1996*. The amount appropriated for the year was \$6,330,000.

An amount of \$5,546,000 was appropriated at the beginning of the fiscal year. A by-election occurred in the Saskatoon Meewasin constituency on September 26, 2022. Supplemental funding of \$483,000 was requested to cover the costs associated with this by-election. In addition, the Office was designated as the secretariat for the 2022 Provincial Constituency Boundaries Commission. Supplemental funding of \$301,000 was requested to cover the costs incurred for the Commission.

The Office follows *The Financial Administration Act, 1993* with regards to its spending. If the Office spends less than its appropriation by March 31 the difference is not available to acquire goods and services in the next fiscal year.

7. Pension Plan

The Office participates in a defined contribution pension plan for the benefit of its employees. The Office's financial obligation of the plan is limited to making payments of 8.6% of employees' salaries for current service. Pension costs are not included in these statements as the costs are borne by other agencies (Note 8).

8. Costs Borne by Third Party Agencies

The Office has not been charged with certain administrative costs and employee benefit costs. These costs are borne by the Legislative Assembly Service and the Ministry of Finance. No provision for these costs has been made in these statements.

9. Financial Instruments

The Office's financial instruments include Due from the General Revenue Fund, Accounts Payable, and Accrued Employee Costs. The carrying amount of these instruments approximates fair value due to their immediate

or short-term maturity. These instruments have no significant interest rate or credit risk.

10. 2022 Saskatchewan Boundaries Commission

The Constituency Boundaries Act, 1993 requires that a Provincial Constituency Boundaries Commission be established every 10 years to review and recommend changes to constituency boundaries in the province. The Office of the Chief Electoral Officer has been appointed as the Secretariat for the Commission and will incur costs on behalf of the Commission over fiscal years 2021-22 and 2022-23. The costs for 2022-23 have been reflected in these financial statements.

11. 2022 Saskatoon Meewasin By-Election Costs

The Saskatoon Meewasin By-Election took place on September 26, 2022. Due to the timing of the event some expenses for 2022-23 were estimated. Any difference between estimated and actual expenses will be reflected in 2023-24.

12. 2022 Athabasca By-Election Costs

The Athabasca By-Election took place on February 15, 2022. Amounts included in 2022-2023 reflect the difference between costs estimated in 2021-2022 and actual expenses incurred.

13. 2023 By-Election Costs

In accordance with legislation, By-Elections for the Lumsden-Morse, Regina Coronation Park, and Regina Walsh Acres constituencies must take place during the 2023-24 fiscal year. The costs for 2022-23 have been reflected in these financial statements.

14. 2024 General Election Costs

The 2024 General Election Costs are being incurred over four fiscal years. The costs for 2022-23 have been reflected in these financial statements.

15. 2020 General Election Costs

The 2020 General Election Costs were incurred over five fiscal years beginning in 2017-2018. No costs were incurred in 2022-23.

**Office of the Chief Electoral Officer
2022 Saskatchewan Boundaries Commission Costs**

<u>2022 Saskatchewan Boundaries Commission</u>	2023		2022
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Salaries and Benefits	\$ 151,961	\$ 98,083	\$ 2,610
Contractual Services	21,000	9,804	-
Communications and Advertising	55,850	61,258	-
Employee Travel	34,159	13,020	-
Supplies and Services	20,407	1,475	-
Office Rent and Utilities	7,950	2,702	-
Equipment	9,673	2,401	5,503
Total Event Expenses (Statement 2)	\$ 301,000	\$ 188,743	\$ 8,113

**Office of the Chief Electoral Officer
2022 Saskatoon Meewasin By-Election Costs**

<u>2022 Saskatoon Meewasin By-Election</u>	2023		2022
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Salaries and Benefits	\$ 99,100	\$ 92,842	\$ -
Contractual Services	40,735	43,477	-
Communications and Advertising	101,300	113,057	-
Employee Travel	2,000	3,859	-
Supplies and Services	42,103	62,103	-
Office Rent and Utilities	35,538	31,875	-
Equipment	10,300	682	-
Reimbursement of Election Expenses	151,924	104,950	-
Total Event Expenses (Statement 2)	\$ 483,000	\$ 452,845	\$ -

**Office of the Chief Electoral Officer
2022 Athabasca By-Election Costs**

<u>2022 Athabasca By-Election</u>	2023		2022
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Salaries and Benefits	\$ -	\$ -	\$ 152,926
Contractual Services	-	208	78,802
Communications and Advertising	-	2,347	72,847
Employee Travel	-	-	25,193
Supplies and Services	-	68	82,879
Office Rent and Utilities	-	140	8,319
Equipment	-	-	1,006
Reimbursement of Election Expenses	-	2,099	119,523
Total Event Expenses (Statement 2)	<u>\$ -</u>	<u>\$ 4,862</u>	<u>\$ 541,495</u>

Office of the Chief Electoral Officer
2023 Lumsden-Morse By-Election Costs

<u>2023 Lumsden-Morse By-Election</u>	2023		2022
	Budget	Actual	Actual
Communications and Advertising	\$ -	\$ 121	-
Supplies and Services	-	104	-
Total Event Expenses (Statement 2)	\$ -	\$ 225	\$ -

**Office of the Chief Electoral Officer
2023 Regina Coronation Park By-Election Costs**

<u>2023 Regina Coronation Park By-Election</u>	2023		2022
	Budget	Actual	Actual
Communications and Advertising	\$ -	\$ 371	-
Total Event Expenses (Statement 2)	\$ -	\$ 371	\$ -

**Office of the Chief Electoral Officer
2023 Regina Walsh Acres By-Election Costs**

<u>2023 Regina Walsh Acres By-Election</u>	<u>2023</u>		<u>2022</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Communications and Advertising	\$ -	\$ 121	-
Supplies and Services	-	104	-
Total Event Expenses (Statement 2)	\$ -	\$ 225	\$ -

**Office of the Chief Electoral Officer
2024 General Election Costs**

<u>2024 General Election</u>	2023		2022
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Salaries and Benefits	\$ 210,783	\$ 498,209	\$ 78,279
Contractual Services	1,200,074	538,228	373,767
Communications and Advertising	255,000	87,821	15,271
Employee Travel	-	40,953	1,314
Supplies and Services	-	94,982	15,729
Office Rent and Utilities	-	2,086	8,983
Equipment	17,800	81,801	6,720
Total Event Expenses (Statement 2)	<u>\$ 1,683,657</u>	<u>\$ 1,344,080</u>	<u>\$ 500,063</u>

**Office of the Chief Electoral Officer
2020 General Election Costs**

<u>2020 General Election</u>	2023		2022
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Salaries and Benefits	\$ -	\$ -	\$ 183,249
Contractual Services	-	-	43,838
Communications and Advertising	-	-	59,237
Employee Travel	-	-	(590)
Supplies and Services	-	-	7,862
Office Rent and Utilities	-	-	73,198
Equipment	-	-	47,036
Reimbursement of Election Expenses	-	-	(27,152)
Total Event Expenses (Statement 2)	\$ -	\$ -	\$ 386,678