

THE THE NATIONAL CITIZENS ALLIANCE OF CANADA

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

December 31, 2019

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MICHAEL L. DOYLE PROFESSIONAL CORPORATION

CHARTERED PROFESSIONAL ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

To: The Chief Agent and Officers of :
The National Citizens Alliance of Canada

Qualified Opinion

I have audited the financial statements of the National Citizens Alliance of Canada which comprise the statement of financial position at December 31, 2019 and the statements of operations, changes in net assets and cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the Party as at December 31, 2019 and the results of operations and its cash flows for year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Basis for Qualified Opinion

In common with many similar organizations, National Citizens Alliance (The Party) derives revenue from donations, fund raising and other activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Party.

All financial operations were conducted by the Party's chief agent under conditions of poor internal control. Records of transactions were not prepared until well after the year end and supporting documentation was confused and disorganized

I was not able to determine whether any adjustments might be necessary to donation and other revenues, excess of revenue over expense, assets and surplus.

I conducted my audit in accordance with Canadian Generally Accepted Accounting Standards. My responsibilities are further described in the Auditor's Responsibilities for the Audit of Financial Audits section of my report. I am independent of the Entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility 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 controls 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 Party'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor' Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with 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 be 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, I exercise professional judgement and professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether through 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for ones 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 to the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists I am required to draw attention in my auditor's report to the related disclosures or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Entity 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.

I 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 I identify during my audit.



**MICHAEL L. DOYLE PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANT**

Calgary, Alberta,
August 30, 2020

THE THE NATIONAL CITIZENS ALLIANCE OF CANADA

STATEMENT OF FINANCIAL POSITION

December 31, 2019

ASSETS

	<u>2019</u>	<u>2018</u>
Current		
Cash in bank accounts	\$ <u>495</u>	\$ <u>--</u>

LIABILITIES

Current		
Advances from party leader, Note 3	\$ <u>5,896</u>	\$ <u>--</u>

NET ASSET DEFICIENCY

GENERAL FUND DEFICIT, Note 1	<u>(5,401)</u>	<u>--</u>
	\$ <u>495</u>	\$ <u>--</u>

Approved By The Board:

Stephen Garvey
Party Leader

THE THE NATIONAL CITIZENS ALLIANCE OF CANADA

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSET DEFICIENCY

YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
Revenues:		
Political donations	\$ 5,132	\$ --
Memberships	1,685	--
Merchandise sales	<u>2,298</u>	<u>--</u>
	<u>9,115</u>	<u>--</u>
Expenses		
Advertising - other	1,550	--
Accommodation	1,282	--
Interest expense	413	--
Office and bank charges	5,982	--
Printing	1,045	--
Service fees	594	--
Travel and hospitality	3,683	--
Miscellaneous	--	--
	<u>14,549</u>	<u>--</u>
DEFICIENCY OF REVENUE OVER EXPENDITURE	(5,434)	
NET ASSET DEFICIENCY, beginning of year	<u>--</u>	<u>--</u>
Net Assets contributed by predecessor party, Note	<u>33</u>	<u>--</u>
NET ASSET (DEFICIENCY), end of period	\$ <u><u>(5,401)</u></u>	\$ <u><u>--</u></u>

THE THE NATIONAL CITIZENS ALLIANCE OF CANADA

STATEMENT OF CASH FLOWS

YEAR MONTHS ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
FUNDS PROVIDED (USED) BY OPERATING ACTIVITIES		
Political Donation income	\$ 5,132	\$ --
Merchandise sales	2,298	--
Memberships	1,685	
Operating expenses	<u>(15,632)</u>	<u>--</u>
FUNDS (USED) PROVIDED BY OPERATING ACTIVITIES	<u>(6,517)</u>	<u>--</u>
FUNDS PROVIDED BY FINANCING ACTIVITIES		
Cash provided by predecessor organization	33	--
Advances from leader	<u>6,979</u>	<u>--</u>
	<u>7,012</u>	<u>--</u>
INCREASE IN CASH DURING YEAR	462	--
CASH, beginning of year	<u>--</u>	<u>--</u>
CASH, end of year	\$ <u><u>495</u></u>	\$ <u><u>--</u></u>
REPRESENTED BY		
Cash in bank accounts	\$ <u><u>495</u></u>	\$ <u><u>--</u></u>

THE THE NATIONAL CITIZENS ALLIANCE OF CANADA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

1. GENERAL

The National Citizens Alliance of Canada is a Canadian political party formed in 2019 and registered as an official party with Elections Canada on January 29, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

The Party followed Canadian generally accepted accounting principles for not-for-profit organizations.

(a) Asset Recognition

These financial statements include only those assets, liabilities, revenues and expenses relating to the operations of The National Citizens Alliance Party of Canada for the period January 29, 2019 to December 31, 2019.

(b) Revenue Recognition

The Party followed the deferral method of revenue recognition. Revenues were recognized as collected from donors. Revenues currently consist of tax creditable political donations, membership income and merchandise sales.

(c) Financial Instruments

The party's financial instruments consisted of cash and accounts payable. It is the Board's opinion that the Corporation was not exposed to significant interest, liquidity, market or credit risks arising from these financial instruments. The fair value of these financial instruments approximated their carrying values.

(d) Use of Estimates

The preparation of the financial statements of the Party are in conformity with generally accepted accounting principles that 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 revenues and expenses during the reporting period. Actual results could differ from these estimates.

(e) Cash

For purposes of the statement of cash flows the Party considered cash to be cash in bank accounts or on hand.

(f) General Fund

The general fund accounted for the Party's operating and administration activities. The Party had only a general fund.

THE THE NATIONAL CITIZENS ALLIANCE OF CANADA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

2. DONATED SERVICES

The Board of Directors and party members provided their services to the party without compensation. The value of these donated services is not reflected in these financial statements.

3. ECONOMIC DEPENDENCE

The party was economically dependent upon its leader who has advanced funds to the party to enable it to continue its operations.

4. ADVANCES FROM LEADER

The advances from the leader of \$ 5,896 are unsecured and no interest is charged on them. No time has been set for their repayment. This amount was repaid during the 2020 year.