
INDEPENDENT AUDITOR'S REPORT

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

Qualified Opinion

I have audited the accompanying Registered Party financial Transaction Return (the "Return") of The National Citizens Alliance of Canada for the year ending December 31, 2021. The financial information in the Return has been prepared by the Chief Agent of the National Citizens Alliance of Canada based on the financial reporting provisions of Section 432 of the Canada Elections Act and in the prescribed form issued by Elections Canada.

In my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of my report, the Return of The National Citizens Alliance of Canada for the year ending December 31, 2021 is prepared, in all material respects, in accordance with the financial reporting provisions of Section 432 of the Canada Elections Act and in the prescribed form issued by Elections Canada.

Basis for Qualified Opinion

In common with organizations of this type, The National Citizens Alliance of Canada derives revenue from contributions and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of revenues from contributions and donations was limited to the amounts recorded in the records of the National Citizens Alliance of Canada and I was not able to determine whether any adjustments might be necessary to the amount of contributions, excess of revenue over expenditures for the year and net assets reported.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Return* section of my report. I am independent of the National Citizens Alliance of Canada in accordance with ethical requirements that are relevant to my audit of the Return 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 qualified audit opinion.

Responsibilities of Chief Agent and Those Charged with Governance for the Returns

Chief Agent is responsible for the preparation and fair presentation of the Return in accordance with the financial reporting provisions of Section 432 of the Canada Elections Act and in the prescribed form by Elections Canada, and for such internal control as Chief Agent determines is necessary to enable the preparation of Return that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the National Citizens Alliance of Canada financial reporting process.

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Auditor's Responsibilities for the Audit of the Return

My objectives are to obtain reasonable assurance about whether the Return 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 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 Return .

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the Return , 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 my 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 company'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 company'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 in the Return 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 auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Return , including the disclosures, and whether the Return 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.

Report on Other Legal and Regulatory Requirements

As required by the Subsection 435(1) of the Canada Elections Act, the Return presents the information as contained in the financial records on which it is based.

Magma

Calgary, Alberta
July 31, 2022

PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANT

THE NATIONAL CITIZENS ALLIANCE OF CANADA
Financial Statements
Year Ended December 31, 2021

THE NATIONAL CITIZENS ALLIANCE OF CANADA
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Year Ended December 31, 2021

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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 (the Party), which comprise the statement of financial position as at December 31, 2021, and the statements of revenues and expenses and deficit and cash flows for the year then ended, and 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 organization as at December 31, 2021, 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 Qualified Opinion

In common with many similar organizations, The 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. The verification of the expenses were also not possible due to the limited amount of supporting documentation.

I was not able to determine whether any adjustments might be necessary to donation and other revenues, expenses, excess of revenue over expenses, and cash flows from operations for the years ended Dec 31, 2021 and current and net assets and surplus.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the organization in accordance with 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 qualified audit opinion.

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.

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In preparing the financial statements, management is responsible for assessing the organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 organization'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 organization'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 in the financial statements 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 auditor's report. However, future events or conditions may cause the organization 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.

Magma

Calgary, Alberta
July 25, 2022

PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANT

THE NATIONAL CITIZENS ALLIANCE OF CANADA
Statement of Financial Position
December 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash in bank accounts	<u>\$ 373</u>	<u>\$ 198</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Advances from Party leader. Note 4	\$ 1,872	\$ 2,900
NET DEBT	<u>(1,499)</u>	<u>(2,702)</u>
	<u>\$ 373</u>	<u>\$ 198</u>

Approved by Chief Agent

THE NATIONAL CITIZENS ALLIANCE OF CANADA
Statement of Revenues and Expenses and Deficit
Year Ended December 31, 2021

	2021	2020
REVENUES		
Political donations	\$ 2,774	\$ 2,211
Memberships	409	732
Merchandise sales	337	194
	<u>3,520</u>	<u>3,137</u>
EXPENSES		
Professional fees	1,038	-
Advertising - other	279	227
Telephone	256	-
Travel and hospitality	253	-
Office and bank charges	229	98
Service fees	163	113
Interest and bank charges	99	-
	<u>2,317</u>	<u>438</u>
NET EXCESS OF REVENUES OVER EXPENSES	1,203	2,699
NET ASSETS (DEBT) - BEGINNING OF YEAR	<u>(2,702)</u>	<u>(5,401)</u>
DEBT - END OF YEAR	\$ (1,499)	\$ (2,702)

THE NATIONAL CITIZENS ALLIANCE OF CANADA
Statement of Cash Flows
Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 1,203	\$ 2,699
Change in non-cash working capital:		
Advances from Party leader. Note 4	<u>(1,028)</u>	<u>(2,996)</u>
INCREASE (DECREASE) IN CASH FLOW	175	(297)
Cash - beginning of year	<u>198</u>	<u>495</u>
CASH - END OF YEAR	<u>\$ 373</u>	<u>\$ 198</u>
CASH CONSISTS OF:		
Cash in bank accounts	<u>\$ 373</u>	<u>\$ 198</u>

THE NATIONAL CITIZENS ALLIANCE OF CANADA

Notes to Financial Statements

Year Ended December 31, 2021

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. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 1, 2021 to December 31, 2021.

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.

General Fund

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

Cash and cash equivalents

Cash includes cash in bank accounts.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Contributed services

Volunteer services contributed on behalf of the Party in carrying out its operating activities are not recognized in these financial statements due to the difficulty of determining their fair value.

Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the organization be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

4. ECONOMIC DEPENDENCE

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

THE NATIONAL CITIZENS ALLIANCE OF CANADA

Notes to Financial Statements

Year Ended December 31, 2021

5. ADVANCE FROM LEADER

The advances from the leader of \$1,872 are unsecured and no interest is charged on them. No time has been set for their repayment.
