
INDEPENDENT AUDITOR'S REPORT

REPORT ON THE AUDIT OF THE RETURN

To the Directors of the Libertarian Party Of Canada

To the Chief Electoral Officer for Elections Canada

Opinion

We have audited the accompanying Registered Party Financial Transactions Return (the "Return") of the Libertarian Party of Canada for the year ended December 31, 2021.

In our opinion, the Return of the Libertarian Party of Canada for the year ended December 31, 2021 is prepared, in all material respects, in accordance with the the financial reporting provisions of Section 432 of the *Canada Elections Act* and in the prescribed form issued by Elections Canada.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Return* section of our report. We are independent of the Libertarian Party of Canada in accordance with the ethical requirements that are relevant to our audit of the Return 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.

Emphasis of Matter - Basis of Accounting and Restriction on Use

We draw your attention to Note 1 of the Return, which describes the basis of accounting. The Return is prepared to assist the Chief Agent to meet the requirements of the *Canada Elections Act*. As a result, the Return may not be suitable for another purpose. Our report is intended solely for the Chief Agent and the Chief Electoral Officer. We neither assume nor accept any responsibility or liability to any other third party in respect of this report. Our opinion is not modified in respect of this matter.

Responsibilities of The Chief Agent and Those Charges with Governance for the Return

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

Those charged with governance are responsible for overseeing the Libertarian Party of Canada's financial reporting process.

Report on Other Legal and Regulatory Requirements

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

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Auditor's Responsibilities for the Audit of the Return

Our objectives are to obtain reasonable assurance about whether the Return is 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 GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of user taken on the basis of this Return.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 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 Libertarian Party of Canada's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by the Chief Agent.

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.

Winnipeg, Manitoba
August 23, 2022

KJL & Associates

Chartered Professional Accountants

LIBERTARIAN PARTY OF CANADA
Note to the Annual Financial Transactions Return
Year Ended December 31, 2021

1. Basis of accounting

The Registered Party's Annual Financial Transactions Return (the "Return") has been prepared in accordance with the financial reporting provisions of Section 432 of the *Canada Elections Act* and in the prescribed form issued by Elections Canada.

The Return is prepared by the Chief Agent of the Libertarian Party of Canada to comply with the financial reporting provisions of Section 432 of the *Canada Elections Act*. The Return is intended solely for the use of the Chief Agent and the Chief Electoral Officer. Accordingly, readers are cautioned that the Return may not be suitable for another purpose. The *Canada Elections Act* requires that the Return be made available for public inspection.

LIBERTARIAN PARTY OF CANADA
Financial Statements
Year Ended December 31, 2021

LIBERTARIAN PARTY OF CANADA
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Year Ended December 31, 2021

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LIBERTARIAN PARTY OF CANADA
Statement of Financial Position
December 31, 2021

	2021	2020
Assets		
Current		
Cash	\$ 61,645	\$ 46,876
Liabilities		
Current		
Accounts payable	\$ 3,820	\$ 2,623
Surplus	57,825	44,253
Liabilities and Surplus	\$ 61,645	\$ 46,876

LIBERTARIAN PARTY OF CANADA
Statement of Revenues, Expenses and Surplus
Year Ended December 31, 2021

	2021	2020
Revenue		
Contributions	\$ 30,800	\$ 19,636
Transfers received	353	162
Other income	22	55
	31,175	19,853
Expenses (Schedule 1)	17,603	16,155
Net earnings for the year	13,572	3,698
Surplus	44,253	40,555
Surplus - end of year	\$ 57,825	\$ 44,253

LIBERTARIAN PARTY OF CANADA
Statement of Cash Flows
Year Ended December 31, 2021

	2021	2020
Operating activities		
Net revenue for the year	\$ 13,572	\$ 3,698
Change in non-cash working capital:		
Accounts payable	1,197	(981)
Increase in cash flow	14,769	2,717
Cash - beginning of year	46,876	44,159
Cash - end of year	\$ 61,645	\$ 46,876

LIBERTARIAN PARTY OF CANADA
Notes to Financial Statements
Year Ended December 31, 2021

1. Nature of operations

The Libertarian Party of Canada (the "Party") is a Registered Political Party as defined in Section 2 (1) of the *Canada Elections Act*.

2. Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

3. Summary of significant accounting policies

Financial instruments

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.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash in transit.

Revenue recognition

The Party follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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.

4. Financial instruments

The Party is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Party's risk exposure and concentration as of December 31, 2021.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Party is exposed to credit risk through financial instruments such as cash and cash equivalents. The Party's cash and cash equivalents are maintained at major financial institutions; therefore, the Party considers these financial instruments to be low risk.

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LIBERTARIAN PARTY OF CANADA
Notes to Financial Statements
Year Ended December 31, 2021

4. Financial instruments (*continued*)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Party is exposed to this risk mainly in respect of its receipt of funds from its contributors and other related sources. The Party mitigates this risk by active cash management and maintenance of cash resources.

Unless otherwise noted, it is management's opinion that the Party is not exposed to significant other price risks arising from these financial instruments.

LIBERTARIAN PARTY OF CANADA

**Expenses
(Schedule 1)**

Year Ended December 31, 2021

	2021		2020
Bank and credit card charges	\$ 2,269	\$	1,478
IT and website	5,814		4,873
Meetings and conventions	3,554		-
Leader's budget	449		3,025
Membership expenses	507		603
Office	700		786
Professional fees	4,156		3,390
Transfers to candidates	154		2,000
	\$ 17,603	\$	16,155