

The National Advancement Party of Canada

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

December 31, 2016

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MICHAEL L. DOYLE

CHARTERED PROFESSIONAL ACCOUNTANT

PROFESSIONAL CORPORATION

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INDEPENDENT AUDITOR'S REPORT

To: The Chief Agent and Officers of :
The National Advancement Party of Canada

I have audited the accompanying financial statements of The National Advancement Party of Canada which comprise the statement of financial position as at December 31, 2016, the statement of operations and changes in net assets and the statement of cash flows for the fourteen months then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 miss-statement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. Except as explained in the following paragraph, I conducted my audit in accordance with Canadian 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 statements are free from material miss-statement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material miss-statement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes 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 evaluating the presentation of the financial statements.

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

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Party derives revenue from contributions, 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 organization. Therefore, I was not able to determine whether any adjustments might be necessary to donations, excess of revenue over expenditure and cash flows for the fourteen months ended December 31, 2016

Independent Auditor's Report Continued...

In my opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Party as at December 31, 2016 and the results of its operations and changes in its net assets and cash flows for the fourteen months then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Opinion

In my opinion these financial statements present fairly, in all material respects, the financial position of the Party as at December 31, 2016 and the results of its operations and changes in net assets and cash flows for the fourteen months then ended in accordance with Canadian Accounting Standards for Not For Profit Organizations.

The opening balances for the 14 month period were audited by another chartered professional accountant.

A handwritten signature in dark ink, appearing to read 'M. Doyle', enclosed within a large, loopy oval shape.

CHARTERED PROFESSIONAL ACCOUNTANT

Calgary,
August 14, 2017

THE NATIONAL ADVANCEMENT PARTY OF CANADA

STATEMENT OF FINANCIAL POSITION

December 31, 2016

ASSETS

2016

Current

Cash in bank accounts

\$ 469

Capital Asset, Note 5

250

\$ 719

LIABILITIES

Current

Advances from party leader, Note 3

\$ 2,377

NET ASSET DEFICIENCY

GENERAL FUND DEFICIT, Note 1

(1,658)

\$ 719

Approved By The Board:

Stephen Garvey

Party Leader

Jeffrey Wenzowski

Chief Agent

THE NATIONAL ADVANCEMENT PARTY OF CANADA

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSET DEFICIENCY

FOURTEEN MONTHS ENDED DECEMBER 31, 2016

	<u>2016</u>
Revenues:	
Political donations	\$ <u>1,410</u>
Expenses	
Advertising - other	144
Bank charges	94
Office	312
Professional fees	806
Travel and hospitality	<u>20</u>
	<u>1,376</u>
EXCESS OF REVENUE OVER EXPENDITURE	34
NET ASSET DEFICIENCY, beginning of period	<u>(1,692)</u>
NET ASSET DEFICIENCY, end of period	\$ <u><u>(1,658)</u></u>

THE NATIONAL ADVANCEMENT PARTY OF CANADA

STATEMENT OF CASH FLOWS

FOURTEEN MONTHS ENDED DECEMBER 31, 2016

	<u>2016</u>
FUNDS PROVIDED (USED) BY OPERATING ACTIVITIES	
Political Donation income	\$ 1,410
Operating expenses	<u>(1,376)</u>
FUNDS PROVIDED BY OPERATING ACTIVITIES	<u>34</u>
FUNDS PROVIDED BY FINANCING ACTIVITIES	
Advances from leader	769
Repayments of advances from leader	<u>(400)</u>
	<u>369</u>
INCREASE IN CASH DURING YEAR	403
CASH, beginning of year	<u>66</u>
CASH, end of year	\$ <u><u>469</u></u>
REPRESENTED BY	
Operating fund Cash	\$ <u><u>469</u></u>

THE NATIONAL ADVANCEMENT PARTY OF CANADA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

1. GENERAL

The National Advancement Party (NAPC) is a Canadian political party formed in 2014 and registered as an official party with Elections Canada on August 19, 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

The Party follows 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 Advancement Party of Canada for the period October 20, 2015 to December 31, 2017.

(b) Revenue Recognition

The Party follows the deferral method of revenue recognition. Revenues are recognized as collected from donors. Revenues currently consist only of tax creditable political donations.

(c) Financial Instruments

The party's financial instruments consist of cash and accounts payable. It is the Board's opinion that the Corporation is not exposed to significant interest, liquidity, market or credit risks arising from these financial instruments. The fair value of these financial instruments approximates 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 considers cash to be cash in bank accounts or on hand.

(f) General Fund

The general fund accounts for the Party's operating and administration activities. At present the party has only a general fund.

THE NATIONAL ADVANCEMENT PARTY OF CANADA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

2. DONATED SERVICES

The Board of Directors and party members provide 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 is 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 \$2,377 are unsecured and no interest is charged on them. No time has been set for their repayment and no interest is being charged.

MICHAEL L. DOYLE

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INDEPENDENT AUDITOR'S REPORT

To: The Chief Agent for the National Advancement Party of Canada

Report on the Return

I have audited the accompanying Registered Party Financial Transactions Return (the Return) of the National Advancement Party of Canada for the year ended December 31, 2016. This Return has been prepared by the Chief Agent of the National Advancement Party of Canada based on the financial reporting provisions of section 432 (1) of the *Canada Elections Act* and in the prescribed form issued by Elections Canada

The Chief Agent's Responsibility for the Return

The Chief Agent is responsible for the preparation of the Return in accordance with the financial reporting provisions of section 432 (1) of the *Canada Elections Act* and in the prescribed form issued by Elections Canada and for such internal control as the financial agent determines is necessary to enable the preparation of a 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 Return 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 whether the Return is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Return. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Return, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Return 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the financial agent, as well as evaluating the overall presentation of the Return.

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

Independent Auditor's report (continued)

Basis for Qualified Opinion

The Canada Elections Act does not require me to report, nor was it practical to determine, that the accounting records include all transactions relating to the National Advancement Party of Canada for the year ended December 31, 2016. Accordingly, my verification of the election expenses was limited to the financial transactions recorded in the National Advancement Party of Canada's accounting records.

Qualified Opinion

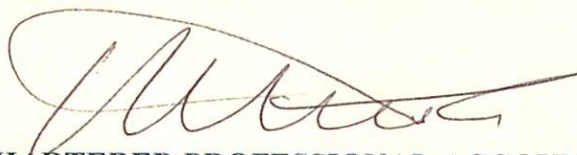
In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the Registered Party Financial Transactions Return of the National Advancement Party of Canada for the year ended December 31, 2016 is prepared, in all material respects, in accordance with the financial reporting provisions of section 432 (1) of the *Canada Elections Act* and in the prescribed form issued by Elections Canada.

Basis of Accounting and Restriction on Use

Without modifying my opinion, I draw attention to Note X to the Return, which describes the basis of accounting. The Return is prepared to assist the chief agent of the registered party 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 financial agent and the chief electoral officer, and should not be used by parties other than the financial agent or the chief electoral officer.

Report on Other Legal and Regulatory Requirements

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



CHARTERED PROFESSIONAL ACCOUNTANT

Calgary,
August 14, 2017