

THE NATIONAL CITIZENS ALLIANCE OF CANADA

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED DECEMBER 31, 2020

THE NATIONAL CITIZENS ALLIANCE OF CANADA

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Year Ended December 31, 2020

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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 accompanying Registered Party financial Transaction Return (The "Return") of The National Citizens Alliance of Canada for the year ending December 31, 2020. 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, 2020 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 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 Financial Statements

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.

(continues)

Auditor's Responsibilities for the Audit of the Financial Statements

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
August 30, 2023

Magma Professional Corporation, Chartered Professional Accountant

THE NATIONAL CITIZENS ALLIANCE OF CANADA

Statement of Financial Position

December 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash in bank accounts	\$ 198	\$ 495
	<u>\$ 198</u>	<u>\$ 495</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Advances from Party leader. Note 4	\$ 2,900	\$ 5,896
	<u>2,900</u>	<u>5,896</u>
NET ASSETS		
General Fund	<u>(2,702)</u>	<u>(5,401)</u>
	<u>\$ 198</u>	<u>\$ 495</u>

Approved by Chief Agent

THE NATIONAL CITIZENS ALLIANCE OF CANADA

Statement of Financial Position

December 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash in bank accounts	\$ 198	\$ 495
	<u>\$ 198</u>	<u>\$ 495</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Advances from Party leader. Note 4	\$ 2,900	\$ 5,896
	<u>2,900</u>	<u>5,896</u>
NET ASSETS		
General Fund	<u>(2,702)</u>	<u>(5,401)</u>
	<u>\$ 198</u>	<u>\$ 495</u>



Approved by Chief Agent

THE NATIONAL CITIZENS ALLIANCE OF CANADA

Statement of Operations
Year Ended December 31, 2020

	2020	2019
REVENUE		
Memberships	\$ 732	\$ 1,685
Political donations	2,211	5,132
Merchandise sales	194	2,298
	<u>3,137</u>	<u>9,115</u>
EXPENSES		
Advertising - other	227	1,549
Service fees	113	594
Office and bank charges	98	5,982
Interest expense	-	414
Printing	-	1,045
Travel and hospitality	-	3,683
Accommodation	-	1,282
	<u>438</u>	<u>14,549</u>
Excess (deficiency) of revenue over expenses	<u>\$ 2,699</u>	<u>\$ (5,434)</u>

THE NATIONAL CITIZENS ALLIANCE OF CANADA

Statement of Changes in Net Assets

Year Ended December 31, 2020

	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ (5,401)	\$ 33
Excess (deficiency) of revenue over expenses	<u>2,699</u>	<u>(5,434)</u>
NET ASSETS - END OF YEAR	<u>\$ (2,702)</u>	<u>\$ (5,401)</u>

THE NATIONAL CITIZENS ALLIANCE OF CANADA**Statement of Cash Flows****Year Ended December 31, 2020**

	2020	2019
OPERATING ACTIVITIES		
excess (deficiency) of revenue over expenses for the year	\$ 2,699	\$ (5,434)
Changes in non-cash working capital items:		
Advances from Party leader, Note 4	(2,996)	5,896
INCREASE (DECREASE) IN CASH	(297)	462
Cash - beginning of year	495	-
CASH - END OF YEAR	\$ 198	\$ 462
CASH CONSISTS OF:		
Cash in bank accounts	\$ 198	\$ 495

THE NATIONAL CITIZENS ALLIANCE OF CANADA

Notes to Financial Statements

Year Ended December 31, 2020

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 (ASNFPO).

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, 2020 to December 31, 2020.

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.

Use of Estimates

The preparation of the financial statements of the Party are in conformity with Canadian Accounting Standards for Not-for-Profit Organizations 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.

Cash and cash equivalents

Cash includes cash in bank accounts.

General Fund

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

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

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations that are applicable to a going concern. Under the going concern assumption, a organization is viewed as being able to realize its assets and discharge its liabilities in the normal course of operations.

THE NATIONAL CITIZENS ALLIANCE OF CANADA

Notes to Financial Statements

Year Ended December 31, 2020

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.

5. ADVANCE FROM LEADER

The advances from the leader of \$2,900 are unsecured and no interest is charged on them. No time has been set for their repayment. This amount was repaid during the 2021 year.