People's Party of Canada

Financial Statements

December 31, 2024



bva

Comptabilité d'affaires
et services-conseils

Membre indépendant BKR International

People's Party of Canada

Financial Statements

December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Directors of
People's Party of Canada

Qualified Opinion

We have audited the financial statements of People's Party of Canada (the entity), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

As is the case with many not-for-profit organizations, the entity derives revenue from donations and contributions, the completeness of which cannot be satisfactorily audited. Accordingly, our audit of these revenues was limited to the amounts recorded in the entity's accounts, and we were not able to determine whether any adjustments might be necessary to donation and contribution revenue, excess (deficiency) of revenues over expenses, and cash flows from operating activities for the years ended December 31, 2024 and December 31, 2023, current assets as at December 31, 2024 and December 31, 2023, and net assets as at January 1 and December 31, 2024 and 2023. As a result, we expressed a qualified audit opinion on the financial statements for the year ended December 31, 2023 due to the possible effects of this limitation in the scope of our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 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 Canadian accounting standards for not-for-profit organizations, 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.

In preparing the financial statements, management is responsible for assessing the entity'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 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's Responsibilities for the Audit of the Financial Statements
Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 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 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's 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.

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.

Blanchette Vachon s.e.n.c.r.l. [1]

Saint-Georges, June 17, 2025

[1] Chartered Professional Accountant auditor, public accountancy permit No. A114407

People's Party of Canada

Statement of Operations

Year Ended December 31, 2024

	2024	2023
REVENUES		
Donations and contributions	$ 1,159,903	$ 1,620,662
Membership	145,975	163,437
Transfers received from Electoral District Associations	100,030	167,831
Transfers received from candidates by-elections	2,449	115,943
Interest income	88,662	79,611
Promotional materials	608	22,486
Change in the fair value of financial instruments measured at fair value	14,254	-
	1,511,881	2,169,970
EXPENSES		
Salaries and benefits	653,880	524,875
Advertising - Radio and television	-	133,691
Advertising - Social media	29,971	23,186
Advertising - Others	73,758	408,166
Supporters rallies	936	893
National Congress	287,768	1,500
Rent	40,141	42,622
Professional fees	224,106	283,231
Office supplies	91,194	56,467
Database	87,197	82,476
Posters and placards	2,385	31,102
Telecommunications	7,286	9,938
Travel	140,348	235,193
Transfers - Electoral District Associations for by-elections and events	6,000	83,365
Transfers to candidates by-elections	14,000	127,500
Interest and bank charges	31,757	59,424
Amortization of fixed assets	1,335	1,570
Other expenses	5,349	-
	1,697,411	2,105,199
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$ (185,530)	$ 64,771

The accompanying notes are an integral part of these financial statements.

People's Party of Canada

Changes in Net Assets

Year Ended December 31, 2024

	Invested in fixed assets	Unrestricted	2024 Total	2023 Total
BALANCE, BEGINNING OF YEAR	$ 10,245	$ 1,967,054	$ 1,977,299	$ 1,912,528
Excess (deficiency) of revenues over expenses	(1,335)	(184,195)	(185,530)	64,771
BALANCE, END OF YEAR	$ 8,910	$ 1,782,859	$ 1,791,769	$ 1,977,299

The accompanying notes are an integral part of these financial statements.

People's Party of Canada

Cash Flows

Year Ended December 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	$ (185,530)	$ 64,771
Non-cash items:		
Amortization	1,335	1,570
Change in the fair value of financial instruments measured at fair value	(14,254)	-
	(198,449)	66,341
Net change in non-cash items related to operating activities (Note 8)	133,938	181,259
	(64,511)	247,600
INVESTING ACTIVITIES		
Net change in term deposits	290,649	(90,649)
Additions to investments	(100,000)	-
Proceeds from disposal of investments	100,000	-
	290,649	(90,649)
FINANCING ACTIVITY		
Net changes in deferred membership revenues	(52,014)	(92,453)
INCREASE IN CASH	174,124	64,498
CASH, BEGINNING OF YEAR	308,527	244,029
CASH, END OF YEAR	$ 482,651	$ 308,527

The accompanying notes are an integral part of these financial statements.

People's Party of Canada

Statement of Financial Position

As at December 31, 2024

	2024	2023
ASSETS		
Current assets		
Cash	$ 482,651	$ 308,527
Term deposits, 2.25 to 4.7%, 2025	1,400,000	1,690,649
Accounts receivable	118,232	267,495
	2,000,883	2,266,671
Long-term assets		
Investments (Note 3)	114,254	100,000
Fixed assets (Note 4)	8,910	10,245
	$ 2,124,047	$ 2,376,916
LIABILITIES		
Current liabilities		
Accounts payable (Note 5)	$ 95,406	$ 110,731
Current portion of deferred membership revenues	116,684	128,808
	212,090	239,539
Long-term liability		
Deferred membership revenues (Note 6)	120,188	160,078
	332,278	399,617
NET ASSETS		
Invested in fixed assets	8,910	10,245
Unrestricted	1,782,859	1,967,054
	1,791,769	1,977,299
	$ 2,124,047	$ 2,376,916

On behalf of the Board,

_____, Director

_____, Director

The accompanying notes are an integral part of these financial statements.

People's Party of Canada

Notes to the Financial Statements

December 31, 2024

1. LEGAL FORM AND ENTITY OBJECTIVES

The People's Party of Canada was incorporated under the Canada Not-for-Profit Corporations Act in October 2018 and was registered under the Canada Election Act in January 2019. The four values of the People's Party of Canada are: freedom, fairness, personal responsibility and respect. The People's Party of Canada is a not-for-profit organization and is exempt of income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The entity applies the Canadian accounting standards for not-for-profit organizations.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates.

Significant estimates include the evaluation of assets' useful lives used to calculate amortization and the valuation of their net recoverable value and the valuation of accrued liabilities included in accounts payable. Management considers that the estimates used in the preparation of these financial statements present fairly the entity’s situation.

Revenue recognition

The entity applies the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Memberships are recognized in the year to which they relate.

Other revenues are recognized when there is convincing evidence of the existence of an agreement, the services have been rendered, there is no uncertainty as to their acceptance, amount of income is fixed or determinable and collection is reasonably assured.

Interest income is recognized in the year in which it is earned.

Financial instruments

Initial measurement

The entity initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the entity is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of a financial asset or liability in a related party transaction that has repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, its cost is determined using the consideration transferred or received by the entity in the transaction.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Subsequent measurement

The entity subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in mutual funds, which are designated to be measured at fair value. Changes in fair value of these financial instruments are recognized in earnings in the period incurred.

Financial assets measured at amortized cost using the straight-line method include cash, term deposits and accounts receivable.

Financial assets measured at fair value include mutual funds.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in net income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in net income over the life of the instrument using the straight-line method.

Impairment

For financial assets measured at cost or amortized cost, the entity determines whether there are indications of possible impairment. When there are, and the entity determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Fixed assets

Fixed assets are accounted for at cost. Amortization is calculated on their respective estimated useful lives using the declining balance method at the following rates:

Furniture	10%
Computer equipment	20%

Impairment of long-lived assets

When circumstances indicate that a fixed assets has suffered an impairment, its net carrying amount must be reduced to its fair value or replacement cost. Impairment losses must be recognized as expenses in the statement of operations. An impairment loss should not be reversed.

3. INVESTMENTS

	2024	2023
Mutual funds measured at fair value	$ 114,254	$ 100,000

4. FIXED ASSETS

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Furniture	$ 10,358	$ 3,936	$ 6,422	$ 7,135
Computer equipment	7,506	5,018	2,488	3,110
	$ 17,864	$ 8,954	$ 8,910	$ 10,245

5. ACCOUNTS PAYABLE

	2024	2023
Trade payables	$ 22,234	$ 27,671
Salaries	55,104	47,945
Government remittances	18,068	7,538
Others	-	27,577
	$ 95,406	$ 110,731

6. DEFERRED MEMBERSHIP REVENUES

Deferred membership revenues represent memberships rights related to the following years.

	2024	2023
Beginning of year	$ 288,886	$ 381,339
Minus : Amount recognized as revenue for the year	(145,975)	(163,437)
Plus : Amount received during the year	93,961	70,984
End of year	236,872	288,886
Current portion of deferred membership revenues	116,684	128,808
	$ 120,188	$ 160,078

7. COMMITMENT

The entity has signed a rent agreement for three years in 2022 for the lease of an office.

The commitment of the entity under a lease agreement aggregates to $16,020. The instalments over the next year are the following:

2025	$ 16,020

8. NET CHANGE IN NON-CASH ITEMS RELATED TO OPERATING ACTIVITIES

	2024	2023
Accounts receivable	$ 149,263	$ 142,961
Accounts payable	(15,325)	38,298
	$ 133,938	$ 181,259

9. FINANCIAL INSTRUMENTS

Financial risks
The significant risks arising from financial instruments to which the entity is exposed as at December 31, 2024 are detailed below.

Credit risk
The entity's main credit risk is related to accounts receivable. The entity grants credit to its customers and members in the normal course of its operations.

Liquidity risk
The entity is exposed to this risk mainly in respect of its accounts payable other than government remittances.

Interest rate risk
The entity is exposed to interest rate risk on its fixed-interest rate financial instruments. Fixed interest rate instruments subject the entity to a fair value risk, since fair value fluctuates inversely to changes in market interest rates.

Other price risk
The entity is exposed to other price risk through its investments in mutual funds for which the value fluctuates based on market ratings.