

**UNITED CONSERVATIVE PARTY OF ALBERTA**  
**Financial Statements**  
**Years Ended December 31, 2020 and 2019**

**UNITED CONSERVATIVE PARTY OF ALBERTA**  
**Index to Financial Statements**  
**Years Ended December 31, 2020 and 2019**

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## Independent Auditor's Report

To the Members of the United Conservative Party of Alberta

### Qualified Opinion

We have audited the financial statements of the United Conservative Party of Alberta ("the Association"), which comprise the statements of financial position as at December 31, 2020 and December 31, 2019 and the statements of revenues and expenditures, changes in net assets (liabilities) and cash flows for the years 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 Association as at December 31, 2020 and December 31, 2019, and its financial performance and its cash flows for the years then ended in accordance with the financial reporting framework described in Note 3 to the financial statements.

### Basis for Qualified Opinion

In common with many not-for profit organizations, the Association derives a material amount of revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2020 and 2019, current assets as at December 31, 2020 and 2019, and net assets (liabilities) as at January 1 and December 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

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 Association 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 opinion.

### Basis of Presentation

Without modifying our opinion, we draw attention to Note 3 to the financial statements, which describes the financial reporting framework used in the preparation of these financial statements. These financial statements are prepared to assist the Association to comply with the financial reporting provisions of the *Election Finances and Contributions Disclosure Act - Alberta*. As a result, these financial statements may not be suitable for any other purpose.

## **Independent Auditor's Report (continued)**

### **Other Information**

Management is responsible for the other information. The other information comprises:

- Political Party Annual Financial Statement

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### **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 *Election Finances and Contributions Disclosure Act - Alberta*, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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.

## Independent Auditor's Report (continued)

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 Association'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 Association'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 Association 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.



Calgary, Canada  
March 31, 2021

Chartered Professional Accountants

**UNITED CONSERVATIVE PARTY OF ALBERTA**  
**Statements of Financial Position**  
**Years Ended December 31, 2020 and 2019**

	2020	2019 (Restated Note 12)
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents (Note 4)	\$ 258,314	\$ -
Accounts receivable	372,514	178,934
Prepaid expenses	95,168	90,159
	725,996	269,093
Property and equipment (Note 5)	56,990	79,300
	\$ 782,986	\$ 348,393
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Bank indebtedness (Note 4)	\$ -	\$ 876,048
Accounts payable and accrued liabilities (Note 8)	286,106	566,952
	286,106	1,443,000
Loan payable (Note 10)	40,000	-
	326,106	1,443,000
<b>NET ASSETS (LIABILITIES)</b>	<b>456,880</b>	<b>(1,094,607)</b>
	<b>\$ 782,986</b>	<b>\$ 348,393</b>

*Commitments (Note 6)*

**ON BEHALF OF THE BOARD**

(signed) "Ryan Becker"

(signed) "Maxwell DeGroat"

**UNITED CONSERVATIVE PARTY OF ALBERTA**  
**Statements of Revenues and Expenditures**  
**Years Ended December 31, 2020 and 2019**

	2020	2019 (Restated Note 12)
<b>REVENUES</b>		
Contributions of \$250 and less	\$ 2,784,801	\$ 1,086,458
Contributions greater than \$250	963,427	1,697,134
Transfers from Constituency Associations / Candidates	418,755	257,224
Other fees and income (Note 11)	177,981	2,023
Annual general meeting	174,063	419,942
Memberships	122,071	283,304
Events	32,119	71,292
	<b>4,673,217</b>	<b>3,817,377</b>
<b>EXPENSES</b>		
Salaries and wages	710,641	959,846
Subcontracts	610,633	1,004,750
Fundraising costs	472,274	387,978
Annual general meeting	204,408	452,331
Telemarketing	194,880	1,228,303
Rent	162,306	149,261
Professional fees	158,529	366,270
Leader's expenses	92,376	68,570
Transfers to Constituency Associations	91,712	152,695
Insurance	78,774	73,181
Credit card processing fees	75,291	111,631
Election campaign	70,318	548,602
Computer and internet	44,164	46,703
Office	37,773	116,585
Bank charges	32,206	31,062
Travel	22,603	59,644
Amortization	22,310	24,392
Meetings and conventions	17,191	40,046
Advertising and promotion	15,656	15,846
Communication	6,675	31,652
Nomination process	1,000	166,036
Over-contributions	10	3,695
Event costs	-	152,439
	<b>3,121,730</b>	<b>6,191,518</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER ITEM</b>	<b>1,551,487</b>	<b>(2,374,141)</b>
<b>OTHER ITEM</b>		
Transfers from Parties (Note 9)	-	133,828
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ 1,551,487</b>	<b>\$ (2,240,313)</b>

**UNITED CONSERVATIVE PARTY OF ALBERTA**

**Statements of Changes in Net Assets (Liabilities)**

**Years Ended December 31, 2020 and 2019**

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	<b>2020</b>	2019 (Restated Note 12)
<b>NET ASSETS (LIABILITIES) - BEGINNING OF YEAR</b>		
As previously recorded	<b>\$ (1,117,489)</b>	\$ 1,809,328
Prior period adjustments ( <i>Note 12</i> )	<b>22,882</b>	6,045
As restated	<b>(1,094,607)</b>	1,815,373
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>1,551,487</b>	(2,240,313)
<b>DEFICIT FROM ELECTION CAMPAIGN (<i>Schedule 1</i>)</b>	<b>-</b>	(669,667)
<b>NET ASSETS (LIABILITIES) – END OF YEAR</b>	<b>\$ 456,880</b>	\$ (1,094,607)

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**UNITED CONSERVATIVE PARTY OF ALBERTA**

**Statements of Cash Flows**

**Years Ended December 31, 2020 and 2019**

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	<b>2020</b>	2019 (Restated Note 12)
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	<b>\$ 1,551,487</b>	\$ (2,240,313)
Deficit from election campaign	-	(669,667)
Item not affecting cash:		
Amortization of property and equipment	<b>22,310</b>	24,392
	<b>1,573,797</b>	(2,885,588)
Changes in non-cash working capital:		
Accounts receivable	<b>(193,579)</b>	652,741
Prepaid expenses	<b>(5,009)</b>	21,658
Due to/from related parties	-	10,176
Accounts payable and accrued liabilities	<b>(280,847)</b>	(279,218)
	<b>1,094,362</b>	(2,480,231)
<b>INVESTING ACTIVITY</b>		
Purchase of property and equipment	-	(11,216)
<b>FINANCING ACTIVITY</b>		
Proceeds from loan payable	<b>40,000</b>	-
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND BANK INDEBTEDNESS</b>	<b>1,134,362</b>	(2,491,447)
<b>(BANK INDEBTEDNESS) CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR</b>	<b>(876,048)</b>	1,615,399
<b>CASH AND CASH EQUIVALENTS (BANK INDEBTEDNESS) – END OF YEAR</b>	<b>\$ 258,314</b>	\$ (876,048)

# UNITED CONSERVATIVE PARTY OF ALBERTA

## Notes to Financial Statements

December 31, 2020 and 2019

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### 1. NATURE OF OPERATIONS

The United Conservative Party of Alberta (the "Association") was incorporated provincially under the Societies Act of Alberta on July 27, 2017. The Association is a registered not-for-profit organization and is exempt from the payment of income taxes under the Income Tax Act. As a political party, the Association may issue official contribution receipts to its contributors.

Effective January 1, 2020, the Association was merged with the Progressive Conservative Association of Alberta and the Wildrose Political Association (see *Note 9(b)*).

### 2. RECENT DEVELOPMENTS

During the year there was a global outbreak of a novel coronavirus identified as "COVID-19". On March 11, 2020, the World Health Organization declared a global pandemic. COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility. Governments and central banks including Canadian federal, provincial, territorial and municipal governments have responded with significant monetary and fiscal interventions designed to stabilize economic conditions.

The rapidly evolving event, including health and safety conditions, economic environment and resulting government measures, creates a high level of uncertainty and risk that may have a significant impact on the Association's activities, results of operations and financial condition. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. As such it is not possible to estimate the length and severity of these developments and the impact on the financial results and condition of the Association and its operations in future periods.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The United Conservative Party of Alberta is registered as a political party under the *Election Finances and Contributions Disclosure Act – Alberta*.

As a not-for-profit organization, the Association is exempt from income tax under the *Income Tax Act – Canada*.

These financial statements have been prepared to comply with the financial reporting provisions of the *Election Finances and Contributions Disclosure Act – Alberta* (the "Act"). Accordingly, they have been prepared using Canadian accounting standards for not-for-profit organizations (ASNPO) except where those standards conflict with the requirements of the Act. The only significant requirement of the Act which conflicts with Canadian accounting standards for not-for-profit organizations is the treatment of Election Period Revenues and Expenses, the accounting for which has been described below.

# UNITED CONSERVATIVE PARTY OF ALBERTA

## Notes to Financial Statements

December 31, 2020 and 2019

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

The following is a summary of the significant accounting policies used in the preparation of these financial statements:

#### Election period revenues and expenses

Under the *Election Finances and Contributions Disclosure Act – Alberta*, all receipts and disbursements during a campaign period (as defined by the Act) are considered to be separate and apart from the normal operations of the Association and are required to be reported in a separate statement of receipts and disbursements. These receipts and disbursements are not limited to those receipts and disbursements directly related to the campaign itself, but also include receipts and disbursements incurred relating to the normal operations of the Association during campaign periods (“Time Driven Approach”). Any surplus or deficit arising from an election or by-election campaign period is applied directly to the unrestricted net assets in the statement of changes in net assets.

This treatment differs from Canadian accounting standards for not-for-profit organizations, in that the full amount of receipts and disbursements incurred during the year are not disclosed in the Statements of Revenues and Expenditures.

In 2020, there were no election or by-election campaign periods. In 2019, there was a Provincial Government Election campaign period from February 1, 2019 to June 16, 2019 (Schedule 1).

The changes to the *Election Finances and Contributions Disclosure Act – Alberta* requiring campaign period activity to be reported using the “Time Driven Approach” became effective January 1, 2015.

#### Cash and cash equivalents

Cash and cash equivalents includes cash on hand, funds held on deposit in the Association's bank accounts and lines of credit. The Association considers all investments with maturities of three months or less, or that are cashable at any time without penalty, to be cash equivalents. Amounts drawn against the Association's line of credit are shown within bank indebtedness on the balance sheet.

#### Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization. Property and equipment is amortized over its estimated useful life at the following rates and methods:

Computer equipment	55%	declining balance method
Leasehold improvements	20%	straight line method

The Association regularly reviews its property and equipment to eliminate obsolete items.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

# UNITED CONSERVATIVE PARTY OF ALBERTA

## Notes to Financial Statements

December 31, 2020 and 2019

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

#### Revenue recognition

The Association 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, including the contributed portion of revenue from fundraising events, are recognized as revenue when received or receivable. Donated goods are recognized as revenue in the period in which the goods are received. These donations are valued at fair market value. Contributed services are not recognized in the Association's financial statements due to the difficulty in determining their fair value.

Membership fees, including amounts received for membership periods of greater than one year, are recognized as revenue when payment is received or receivable.

Fundraising event revenue received or receivable, including the non-contribution portion of revenue from fundraising events, is recognized at the time the event occurs.

Transfers from Constituency Associations and Candidates are recognized as revenue when they are received.

Investment revenue is recognized on an accrual basis as earned. Other revenue, including cost-sharing recoveries, is recognized when payment is received or receivable.

Amounts are considered receivable only when the amount to be received can be reasonably estimated and collection can be reasonably assured.

#### Fund accounting

The Association follows the deferral method of accounting for contributions.

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations and the provisions of the *Election Finances and Contributions Disclosure Act – Alberta* 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.

#### Government assistance

The Association uses the income approach to account for grants and government assistance received. The income approach requires that the grants and government assistance be credited to the Statement of Revenues and Expenditures as a direct increase in revenue or reduction in expense.

**UNITED CONSERVATIVE PARTY OF ALBERTA**

**Notes to Financial Statements**

**December 31, 2020 and 2019**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

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. The Association's financial instruments include cash and cash equivalents, accounts receivable, bank indebtedness, accounts payable and accrued liabilities and loan payable.

4. CASH AND CASH EQUIVALENTS (BANK INDEBTEDNESS)

	<u>2020</u>	2019 (Restated Note 12)
Cash at bank, on hand and lines of credit	<b>\$ 258,314</b>	<b>\$ (876,048)</b>

The Association has a line of credit with a \$1,000,000 limit. The line bears interest at prime + 1.25% per annum and is repayable on demand. The line is covered under a general security agreement.

5. PROPERTY AND EQUIPMENT

	<u>Cost</u>	<u>2020 Accumulated amortization</u>	<u>Net book value</u>
Computer equipment	\$ 8,544	\$ 7,151	\$ 1,393
Leasehold improvements	103,038	47,441	55,597
	<b>\$ 111,582</b>	<b>\$ 54,592</b>	<b>\$ 56,990</b>

  

	<u>Cost</u>	<u>2019 Accumulated amortization</u>	<u>Net book value</u>
Computer equipment	\$ 8,544	\$ 5,448	\$ 3,096
Leasehold improvements	103,038	26,834	76,204
	<b>\$ 111,582</b>	<b>\$ 32,282</b>	<b>\$ 79,300</b>

# UNITED CONSERVATIVE PARTY OF ALBERTA

## Notes to Financial Statements

December 31, 2020 and 2019

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### 6. COMMITMENTS

#### Lease commitments

The Association is committed under three premises leases which expire in November 2021, February 2023, and July 2023, and an office equipment lease which expires in June 2022. The Association's total estimated lease obligations under these leases over the next five years and in aggregate are as follows:

2021	\$ 156,004
2022	118,088
2023	<u>43,925</u>
	<u>\$ 318,017</u>

The Association has entered into a sublease agreement to offset certain of the above lease obligations up to November 2021. The Association's total estimated recovery under this sub-lease agreement over the next year and in aggregate is as follows:

2021	<u>\$ (13,200)</u>
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### 7. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis provides information about the Association's risk exposure and concentration as of December 31, 2020:

#### **(a) Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk with respect to its cash and cash equivalents. The Association limits its exposure related to this risk by ensuring these financial assets are placed with financial institutions with high credit ratings.

The Association is also exposed to credit risk related to its accounts receivable, which are mainly comprised of receivables for contributions from a payment processing service provider. The Association's policy to mitigate credit risk associated with these receivables is to perform credit valuations and creating an allowance for doubtful accounts when applicable. The Association has not experienced any collection issues and has determined no provision for bad debts is necessary at December 31, 2020 (2019 - \$nil).

# UNITED CONSERVATIVE PARTY OF ALBERTA

## Notes to Financial Statements

December 31, 2020 and 2019

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### 7. FINANCIAL INSTRUMENTS (continued)

#### **(b) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association's borrowing arrangements are concentrated with a single Canadian Chartered Bank. The Association requires the continued support of its creditors, donors and members in order to be able to fulfill its obligations on a timely basis.

It is management's opinion that the Association is not exposed to significant market, currency or other price risks arising from its financial instruments.

### 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<b>2020</b>	2019 (Restated Note 12)
Accounts payable	<b>\$ 146,830</b>	\$ 382,699
Accrued liabilities	<b>139,276</b>	184,253
	<b>\$ 286,106</b>	\$ 566,952

### 9. RELATED PARTY TRANSACTIONS

- (a) During prior year, the Association entered into transactions with the following related parties:

Wildrose Political Association  
Progressive Conservative Association of Alberta

Transactions with related parties are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties. There were no transactions with related parties in either fiscal 2020 or 2019 other than the merger.

- (b) Merger with the Progressive Conservative Association of Alberta and the Wildrose Political Association:

The Association was merged with the Progressive Conservative Association of Alberta and the Wildrose Political Association with an effective date of January 1, 2020. The merger has been accounted for in accordance with the provisions of the *Election Finances and Contributions Disclosure Act – Alberta*.

# UNITED CONSERVATIVE PARTY OF ALBERTA

## Notes to Financial Statements

December 31, 2020 and 2019

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### 9. RELATED PARTY TRANSACTIONS (continued)

- (b) Merger with the Progressive Conservative Association of Alberta and the Wildrose Political Association (continued):

As part of the merger, the Association received the following net transfers from the two predecessor parties on December 31, 2019:

*Progressive Conservative Association of Alberta*

	<u>2019</u>
Cash	\$ 107,057
Prepaid Expenses	7,675
Accounts payable and accrued liabilities	<u>(27,023)</u>
Net transfer	<u>\$ 87,709</u>

*Wildrose Political Association*

	<u>2019</u>
Cash	\$ 51,261
Prepaid Expenses	2,733
Accounts payable and accrued liabilities	<u>(7,875)</u>
Net transfer	<u>\$ 46,119</u>

The net assets of the predecessor parties have been transferred to the Association resulting in a total transfer from parties of \$133,828 being included in other items in the Statements of Revenues and Expenditures.

### 10. LOAN PAYABLE

The Association received the Canada Emergency Business Account (CEBA) loan from the Government of Canada in the amount of \$40,000, which bears interest at 0% per annum until December 31, 2022. Interest will accrue at 5% per annum commencing on January 1, 2023. The loan matures on December 31, 2025. If the loan is repaid at or before the December 31, 2022 then \$10,000 of the loan balance will be forgiven.



# UNITED CONSERVATIVE PARTY OF ALBERTA

## Notes to Financial Statements

December 31, 2020 and 2019

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### 11. GOVERNMENT SUBSIDIES

During the year, the Association applied for and received the Canada Emergency Wage Subsidy (CEWS). This subsidy of \$151,445 (2019 - \$nil) has been included in other fees and income on the statement of revenues and expenditures.

During the year, the Association applied for and received the Temporary Wage Subsidy (TWS) through reduced payroll remittances. This subsidy of \$11,448 (2019 - \$nil) has been included in other fees and income on the statement of revenues and expenditures.

### 12. PRIOR PERIOD ADJUSTMENTS

The Association has restated the prior period financial statements at the request of Elections Alberta for over recorded and returned Transfers to Constituency Associations netting to \$22,882. In order to correctly report prior year revenues, expenses and net assets, the following adjustment was made:

	As previously stated	Adjustment	As Restated
Transfers to Constituency Associations	\$ 173,465	\$ (20,770)	\$152,695
Excess of expenditures over revenues	(2,261,083)	20,770	(2,240,313)
Election campaign revenues and expense – Transfers Issued (Schedule 1)	314,437	(2,112)	312,325
Election campaign revenues and expense – Deficit (Schedule 1)	(671,779)	2,112	(669,667)

The restatement also resulted in the Association adjusting bank indebtedness of \$8,152 and accounts payable of \$14,730, which affects the opening net assets in 2020. In order to correctly report opening balance of net assets, the following adjustment was made:

	As previously stated	Restated	Net change
Bank indebtedness	\$ 884,200	\$ 876,048	\$ 8,152
Accounts payable	581,682	566,952	14,730
Opening net assets	\$(1,117,489)	(1,094,607)	22,882

At the request of Elections Alberta, the Association has restated the 2018 financial statements for under recorded and returned donations. The restatement resulted in the Association accruing liabilities of \$14,262 and receivables of \$20,307 at December 31, 2018, which affected the opening net assets in 2019 in the amount of \$6,045. In order to correctly report opening balance of net assets, the following adjustment was made:

	As previously stated	Restated	Net change
Opening net assets	1,809,328	1,815,373	6,045

**UNITED CONSERVATIVE PARTY OF ALBERTA**  
**Schedule to Financial Statements**  
**December 31, 2020 and 2019**

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**Schedule of election campaign revenues and expenses**

**Schedule 1**

	Election campaign period from February 1, 2019 to June 16, 2019 <u>(Restated Note 12)</u>
<b>REVENUES</b>	
Contributions greater than \$250	\$ 2,160,798
Contributions of \$250 and less	1,420,054
Events	79,645
Transfers Received	227,518
Other Income	<u>1,568</u>
	<u>3,889,583</u>
<b>EXPENSES</b>	
Transfers issued	312,325
Expenses related to campaign	<u>4,246,925</u>
	<u>4,559,250</u>
<b>DEFICIT</b>	<u>\$ (669,667)</u>