

THE MANITOBA LIBERAL PARTY
Financial Statements
Year Ended December 31, 2020

THE MANITOBA LIBERAL PARTY
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Year Ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Manitoba Liberal Party

Opinion

We have audited the financial statements of The Manitoba Liberal Party (the organization), which comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenditures, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

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 organization in accordance with 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 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 ASNPO, 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

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Independent Auditor's Report to the Members of The Manitoba Liberal Party *(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 organization'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 organization'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 organization 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.



Winnipeg, MB
April 30, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS

THE MANITOBA LIBERAL PARTY
Statement of Financial Position
December 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 130,186	\$ 476
Accounts receivable	2,874	8,270
Prepaid expenses	1,284	873
	\$ 134,344	\$ 9,619
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 5,233	\$ 6,531
Due to provincial constituencies	23,792	16,783
Constituency fund	1,203	1,203
	30,228	24,517
NET ASSETS	104,116	(14,898)
	\$ 134,344	\$ 9,619

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See notes to financial statements

THE MANITOBA LIBERAL PARTY
Statement of Revenues and Expenditures
Year Ended December 31, 2020

	2020	2019
REVENUES		
Annual general meeting	\$ 5,120	\$ 15,438
Contributions - Central Party	129,297	175,135
Contributions - Constituency/candidates	4,105	91,121
Election rebates/allowances	74,909	-
Fundraising events	474	10,385
Memberships	28,139	58,600
Nomination deposits	-	2,330
Candidate service package	-	12,450
Seminars	300	-
Canada Emergency Wage Subsidy	25,596	-
	<u>267,940</u>	<u>365,459</u>
EXPENSES		
Advertising and promotion	-	67
Annual general meeting	3,812	11,210
Data base license	15,750	15,750
Election expense	51	170,559
Fundraising events	2,094	11,267
Insurance	3,014	3,042
Interest and bank charges	6,082	10,225
Leaders direct expense	2,232	179
Meals and entertainment	88	58
Office administration	3,383	3,816
Professional fees - other	3,000	3,550
Rental	27,000	25,200
Returned contribution	500	45
Salaries and wages	53,226	50,633
Scholarship	1,500	1,500
Telephone and utilities	7,224	5,032
Travel and meetings	661	6,157
	<u>129,617</u>	<u>318,290</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>138,323</u>	<u>47,169</u>
OTHER INCOME		
Transfer from(to) candidates - net	(9,220)	(84,137)
Transfer from(to) constituencies - net	(10,089)	(10,864)
	<u>(19,309)</u>	<u>(95,001)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 119,014</u>	<u>\$ (47,832)</u>

See notes to financial statements

THE MANITOBA LIBERAL PARTY
Statement of Changes in Net Assets
Year Ended December 31, 2020

	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ (14,898)	\$ 32,934
EXCESS OF REVENUES OVER EXPENSES	119,014	(47,832)
NET ASSETS - END OF YEAR	\$ 104,116	\$ (14,898)

See notes to financial statements

THE MANITOBA LIBERAL PARTY
Statement of Cash Flows
Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	<u>\$ 119,014</u>	<u>\$ (47,832)</u>
Changes in non-cash working capital:		
Accounts receivable	5,396	(8,270)
Accounts payable	(1,298)	(3,545)
Prepaid expenses	(411)	49
Due to provincial constituencies	7,009	7,759
Constituency fund	<u>-</u>	<u>(1,052)</u>
	<u>10,696</u>	<u>(5,059)</u>
INCREASE (DECREASE) IN CASH FLOW	129,710	(52,891)
Cash - beginning of year	<u>476</u>	<u>53,367</u>
CASH - END OF YEAR	<u>\$ 130,186</u>	<u>\$ 476</u>

See notes to financial statements

THE MANITOBA LIBERAL PARTY
Notes to Financial Statements
Year Ended December 31, 2020

1. PURPOSE OF THE ORGANIZATION

The Party is an association of provincial Liberals who advocate the application of the Liberal philosophies, principles and policies to public issues and governance in the Province of Manitoba. The purpose of the Party is to promote the election of Liberal candidates to the Manitoba Legislature. The Party is a registered political party under the Act. The Party is exempt from corporate income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

As a result of changes to the Elections Finances Act (the "Act"), The Liberal Party in Manitoba was required to restructure its operations. Previously, The Liberal Party in Manitoba maintained responsibility and carried out both Federal and Provincial activities. Effective January 1, 2001, the Act requires a separation of these activities. As a result officials of The Liberal Party in Manitoba created a Steering Committee of Division and on September 8, 2001 agreed to establish The Liberal Party of Canada (Manitoba) to assume Federal representation and activities effective January 1, 2001. Provincial responsibilities and activities remained with The Liberal Party in Manitoba. The name of The Liberal Party in Manitoba was amended to The Manitoba Liberal Party (the "Party") on December 2, 2001.

These financial statements reflect only the assets, liabilities, revenues and expenses of the Party. They do not reflect account balances and transactions related to The Liberal Party of Canada (Manitba).

In addition these financial statements do not reflect account balances and transactions related to various provincial constituencies.

Revenue recognition

The Manitoba Liberal 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

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THE MANITOBA LIBERAL PARTY
Notes to Financial Statements
Year Ended December 31, 2020

2. 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.

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.

Economic Dependence

The Party derives a substantial portion of its revenues from donations. Should these revenues significantly decrease, management is of the opinion that the Party's continued operations would be doubtful.
