

ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA (AAEVPC)

**FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2006**

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David Libman, MBA
Chartered Accountant

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Chartered Accountant

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AUDITOR'S REPORT

To the chief agent of the
ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA (AAEVPC)

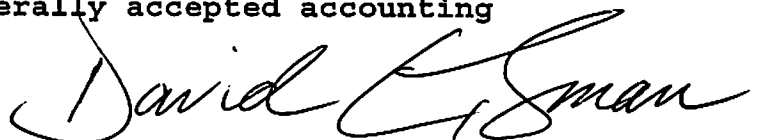
I have audited the statement of financial position of the ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA (AAEVPC) as at December 31, 2006 and the statements of revenues and expenditures and accumulated net assets for the year then ended. These financial statements are the responsibility of the party's chief agent. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many non-profit organizations, AAEVPC derives revenue from social activities, 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 party and I was not able to determine whether any adjustments might be required to revenues, excess of revenues over expenditures, assets and accumulated net assets.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the receipts referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA (AAEVPC) as at December 31, 2006 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Vaughan, Ontario, Canada
June 05, 2007



Chartered Accountant
Licensed Public Accountant

ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA (AAEVPC)

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2006

	<u>2006</u> \$
ASSETS	
Cash	38,871
Accounts receivable	1,450
	<u>40,321</u> =====
LIABILITIES	
Accounts payable and accrued liabilities	8,927
ACCUMULATED NET ASSETS	31,394
	<u>40,321</u> =====

Approved on behalf of the party



 Stephen D. Best, chief agent

See accompanying notes to the financial statements.

David Libman, MBA
Chartered Accountant

ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA (AAEVPC)

STATEMENT OF REVENUES AND EXPENDITURES
YEAR ENDED DECEMBER 31, 2006

	<u>2006</u>
	\$
REVENUES	
Donations	<u>283,736</u>
EXPENDITURES	
Advertising	3,565
Bank service charges and interest	4,995
Fundraising activities	113,509
Office expenses	38,807
Professional services	39,599
Research	8,208
Salaries and benefits	59,416
Travel	1,071
Other	<u>5,747</u>
	<u>274,917</u>
EXCESS OF REVENUES OVER EXPENDITURES	8,819
ACCUMULATED NET ASSETS, beginning of year	22,575
ACCUMULATED NET ASSETS, end of year	<u>31,394</u>
	=====

See accompanying notes to the financial statements.

David Libman, MBA
Chartered Accountant

ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA (AAEVPC)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2006

1. Nature of the organization

These financial statements pertain to an unincorporated political party. The statement of financial position and the statement of revenues and expenditures do not include all of the assets, liabilities, revenues and expenditures of the members. No income tax provision has been made in these financial statements because the AAEVPC is not liable for income taxes on the excess of revenues over expenditures.

2. Significant accounting policies

a) Revenue recognition

Income is recorded as it is received and deposited into the bank account.

b) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information become savailable in the future.

c) Property and equipment

Furniture, computers, office equipment and other capital assets are recorded at cost and written off in the year of acquisition.

d) Financial instruments

It is the chief agent's opinion that AAEVPC is not exposed to significant interest rate and credit risks arising from its financial instruments. Financial instruments carrying values approximate their fair values. AAEVPC's financial instruments consist of cash. The cash is invested in interest bearing accounts insured by a Canadian chartered bank.

David Libman, MBA
Chartered Accountant

ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA (AAEVPC)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2006

3. Statement of cash flows

A statement of cash flows has not been presented in these financial statements because it would not add any additional meaningful information.

4. Contributed services and materials

Because of the difficulty in determining the fair value of volunteers' services, contributed services are not recognized in the financial statements. Contributed materials are also not recognized in the financial statements.

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Chartered Accountant

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Auditor's Report on Registered Party Financial Transactions Return Pursuant to Section 424 of the *Canada Elections Act*

To Mr. Stephen Best, Chief Agent for the Animal Alliance Environment Voters Party of Canada;

In accordance with the *Canada Elections Act* an audit of the Registered Party's Financial Transactions Returns is required for the fiscal year which ended December 31, 2006.

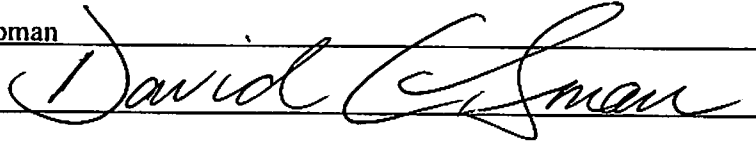
I have audited the Financial Transactions Return of the Animal Alliance Environment Voters Party of Canada, prepared in accordance with the accounting requirements of Sections 415 through 435 of the *Canada Elections Act* and with guidance from Elections Canada's *Guide to Registered Associations' Financial Statements*. The audit was done for the fiscal period ending December 31, 2006 and in accordance with generally accepted accounting principles under paragraph 424(2)(f) and (g) of the Act.

This financial information is your responsibility as Chief Agent for the Animal Alliance Environment Voters Party of Canada. My responsibility is to express an opinion on this financial information based on my audit. Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards, which require that I plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by the financial agent, as well as evaluating the overall presentation of the financial information.

The Act does not, however, require me to report, nor was it practicable for me to determine, that the accounting records include all transactions relating to the party. Due to the inherent nature of the transactions of registered political parties, the completeness of contributions and other revenue and expenses is not susceptible to satisfactory audit verification. Accordingly, my verification of these amounts was limited to the amounts recorded in the party's accounting records.

In my opinion, the Financial Transactions Return of the Animal Alliance Environment Voters Party of Canada presents fairly, in all material respects, the information contained in the financial records on which it is based in accordance with the accounting requirements of the *Canada Elections Act*.

Name of Auditor: David Libman

Signature of Auditor: 

City: Vaughan, Ontario

Date: June 5, 2007