



**Suntharalingam
Professional Corporation**
Chartered Accountant and Business Advisor

June 4, 2013

Independent Auditor's Report

To the Chief Agent for the
Animal Alliance Environment Voters Party of Canada

I have audited the accompanying Registered party Financial Transactions Return (the "Return") of the Animal Alliance Environment Voters Party of Canada as at December 31, 2012 and for the year then ended. The financial information in the Return has been prepared by the Chief Agent of the Animal Alliance Environment Voters Party of Canada based on the financial reporting provisions of Section 424 of the Canada Elections Act and in the prescribed form issued by Elections Canada.

The Chief Agent's Responsibility for the Return

The Chief Agent is responsible for the preparation of the Return in accordance with financial reporting provisions of Section 424 of the Canada Elections Act and in the prescribed form issued by Elections Canada and for such internal control as the Chief Agent determines is necessary to enable the preparation of a Return that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the Return based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Return is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Return. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Return, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Return 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the client agent, as well as evaluating the overall presentation of the Return.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Authorized to practice public accounting by The Institute of Chartered Accountants of Ontario.

Basis of Qualified Opinion

In common with many not-for-profit organizations, the Animal Alliance Environment Voters Party of Canada derives a substantial portion of its revenue from donations and contributions, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of revenue from this source was limited to accounting for the amounts recorded in the books of the Animal Alliance Environment Voters Party of Canada and I was not able to determine where any adjustment might be necessary to the amount of donations and contributions reported.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the Return of the Animal Alliance Environment Voters Party of Canada for the year ending December 31, 2012 is prepared, in all material respects, in accordance with the financial reporting provisions of Section 424 of the Canada Elections Act and in the prescribed form issued by Elections Canada.

Basis of Accounting and Restriction on Use

I draw your attention to the Note to the Return which describes the basis of accounting. The Return is prepared to assist the chief agent of the Animal Alliance Environment Voters Party of Canada to meet the requirements of the Canada Elections Act. As a result, the Return may not be suitable for another purpose. My report is intended solely for the chief agent of the Animal Alliance Environment Voters Party of Canada and the chief electoral officer, and should not be used by parties other than the chief agent and the chief electoral officer.

Report on the Other Legal and Regulatory Requirements

As required by Subsection 426 (1) of the Canada Elections Act, in my opinion, the Return presents the information contained in the financial records on which it is based.



Krishan Suntharalingam
Chartered Accountant
Chartered Professional Accountant

Animal Alliance Environment Voters Party of Canada

Notes to Financial Statements

December 31, 2012

Political party financial transactions return (the "return") has been prepared in accordance with the financial reporting provisions of Section 424 of the Canada Elections Act and in the prescribed form issued by Elections Canada.

The Return is prepared to assist the chief agent to meet the requirements of the Canada Elections Act.

The Return is intended solely for the use of the chief agent and the Chief Electoral Officer. Accordingly, readers are cautioned that the Return may not be suitable for another purpose. The Canada Elections Act requires that the Return be made available for public inspection.

The return is derived from the completed financial statements of the Animal Alliance Environment Voters Party of Canada as at December 31, 2012 and is filed with Elections Canada – Chief Electoral Officer.

ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA

Financial Statements

Year Ended December 31, 2012

ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA
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Year Ended December 31, 2012

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INDEPENDENT AUDITOR'S REPORT

To the Chief Agent and Directors for the Animal Alliance Environment Voters Party of Canada

I have audited the accompanying financial statements of Animal Alliance Environment Voters Party of Canada, which comprise the statement of financial position as at December 31, 2012 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Authorized to practice public accounting by The Institute of Chartered Accountants of Ontario.

Independent Auditor's Report to the Chief Agent and Directors of the Animal Alliance Environment Voters Party of Canada (continued)

Basis for Qualified Opinion

In common with many charitable organizations, the organization derives revenue from contributions, 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 organization. Therefore, I was not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses and cash flows from operations for the year ended December 31, 2012, current assets and net assets as at January 1, 2012 and December 31, 2012.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the basis of qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Animal Alliance Environment Voters Party of Canada as at December 31, 2012 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.

Comparative Information

Without modifying my opinion, I draw attention to Note 8 to the financial statements which describes that Animal Alliance Environment Voters Party of Canada adopted Canadian accounting standards for not-for-profit organizations on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at December 31, 2011 and January 1, 2011 and the statements of operations, changes in net assets and cash flows for the year ended December 31, 2011 and related disclosures. I was not engaged to report on the restated comparative information, and as such, it is unaudited.

Toronto, Ontario
June 4, 2013

 CA, CPA
CHARTERED PROFESSIONAL ACCOUNTANT
CHARTERED ACCOUNTANT

ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA
Statement of Financial Position
December 31, 2012

	2012	2011
ASSETS		
CURRENT		
Cash	\$ 73,173	\$ 60,556
Accounts receivable (Note 4)	4,935	2,895
Investments (Note 5)	995	995
	\$ 79,103	\$ 64,446
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 5,093	\$ 153
NET ASSETS - UNRESTRICTED	74,010	64,293
	\$ 79,103	\$ 64,446

Approved on behalf of the Organization's Executive committee:


 _____ Chief Agent

 _____ Leader

See accompanying notes to financial statements

ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA
Statement of Changes in Net Assets
Year Ended December 31, 2012

	<u>2012</u>	<u>2011</u>
NET ASSETS - UNRESTRICTED, BEGINNING OF YEAR	\$ 64,293	\$ 67,216
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>9,717</u>	<u>(2,923)</u>
NET ASSETS - UNRESTRICTED, END OF YEAR	<u>\$ 74,010</u>	<u>\$ 64,293</u>

See accompanying notes to financial statements

ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA

Statement of Operations

Year Ended December 31, 2012

	2012	2011
REVENUE		
Political donations	\$ 263,438	\$ 288,351
Investment income	46	43
	<u>263,484</u>	<u>288,394</u>
EXPENSES		
Salaries and benefits	110,231	110,665
Professional fees	62,290	65,287
Fundraising activities	32,053	35,763
Office expenses	31,174	40,296
Travel	8,982	4,564
Bank charges	7,794	7,975
Rent	1,243	6,215
Election related expense	-	19,149
Refunds	-	900
Penalty	-	477
Postage and delivery	-	26
	<u>253,767</u>	<u>291,317</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 9,717</u>	<u>\$ (2,923)</u>

See accompanying notes to financial statements

ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA
Statement of Cash Flows
Year Ended December 31, 2012

	2012	2011
OPERATING ACTIVITIES		
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 9,717	\$ (2,923)
Changes in non-cash working capital:		
Accounts receivable	(2,040)	595
Accounts payable and accrued liabilities	4,940	1,344
	<u>2,900</u>	<u>1,939</u>
INCREASE (DECREASE) IN CASH FLOW	12,617	(984)
CASH - BEGINNING OF YEAR	<u>60,556</u>	<u>61,540</u>
CASH - END OF YEAR	\$ 73,173	\$ 60,556

See accompanying notes to financial statements

ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA

Notes to Financial Statements

Year Ended December 31, 2012

1. PURPOSE OF THE ORGANIZATION

The Animal Alliance Environment Voters Party of Canada (the "Organization") is a not-for-profit political organization. The organization is a registered official political party under the Elections Canada Act. The organization participates in federal elections and is active in a wide range of extra parliamentary activities across Canada on a consistent and ongoing basis. The organization is a not for profit organization under the Income Tax Act (Canada) and as such, is exempt for income taxes, provided certain requirements of the Income Tax Act are met.

2. BASIS OF PRESENTATION

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash is defined as cash on hand, cash on deposit, and short-term deposits with maturity dates of less than 90 days, net of cheques issued and outstanding at the reporting date.

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 at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the valuation allowances for accounts receivable. Actual results could differ from management's best estimates as additional information becomes available in the future.

Contributed services

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

Revenue recognition

Unrestricted donations to the Animal Alliance Environment Voters Party of Canada are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Investment income is recognized as revenue of the related fund when earned.

Financial instruments policy

The organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments that are measured at fair value. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Unless otherwise disclosed, the organization has minimal exposure to credit and interest rate risk.

ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA

**Notes to Financial Statements
Year Ended December 31, 2012**

4. ACCOUNTS RECEIVABLE

	<u>2012</u>	<u>2011</u>
Donations receivable	<u>\$ 4,935</u>	<u>\$ 2,895</u>

The organization has \$Nil (2011 - \$Nil) allowance for doubtful accounts.

5. INVESTMENTS

Investments consist of marketable securities with Scotia Bank and measured at fair value.

6. CAPITAL DISCLOSURE

The organization's capital is made up of net assets. The organization manages its capital structure by monitoring its cash flows to maintain a satisfactory level of capital.

7. RELATED PARTY TRANSACTIONS

The organization pays shared costs such as overhead expense, office, marketing and administration fees to an organization, which is related by virtue of certain common Board of Directors. These transactions were made in the normal course of business and have been recorded at fair market value amounts, which the amount of consideration established and agreed to by the related parties.

ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA
Notes to Financial Statements
Year Ended December 31, 2012

8. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

The organization has elected to apply the standards in Part III of the CICA Accounting Handbook for not-for-profit organizations in accordance with Canadian generally accepted accounting principles. These financial statements are the first financial statements for which the entity has applied Canadian accounting standards for not-for-profit organizations (ASNPO).

The financial statements for the year ended December 31, 2012 were prepared in accordance with the accounting principles and provisions set out in First Time Adoption, Section 1501 for first time adopters of ASNPO. The application of adopting this new financial reporting framework had no impact on the previously reported financial position as at January 1, 2011 and December 31, 2011 or to previously reported the statement of operations or statement of changes in net assets for the year-ended December 31, 2011. Consequently a reconciliation of previously reported excess of revenue over expenses in the statement of operations and net assets as reported using accounting standard for not-for-profit organizations was not prepared. As the comparative information was not the subject of an audit engagement report under ASNPO, it is neither audited nor reviewed. The opening statement of financial position as at January 1, 2011 as follows:

ASSETS

Current

Cash	\$ 61,540
Accounts receivable	3,490
Investments	995
	<u>\$ 66,025</u>

LIABILITIES

Current

Accounts payable and accrued liabilities	<u>\$ 20,413</u>
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NET ASSETS

Net assets	45,612
	<u>\$ 66,025</u>

Name: Animal Alliance Environment Voters Party of Canada

Event: 2012-12-31

<u>Expense category</u>	<u>Amount Spent</u>	<u>Budget</u>	<u>Variance</u>
Advertising - Radio	\$0.00	\$0.00	\$0.00
Advertising - TV	\$0.00	\$0.00	\$0.00
Advertising - Other (signs, brochures, ads, etc.)	\$0.00	\$0.00	\$0.00
Bank charges and interest	\$7,794.00	\$7,794.00	\$0.00
Depreciation and amortization	\$0.00	\$0.00	\$0.00
Donations and contributions	\$0.00	\$0.00	\$0.00
Fundraising activities	\$32,053.00	\$32,053.00	\$0.00
Office expenses (insurance, supplies, subscriptions, dues, rent, utilities, maintenance etc.)	\$32,417.00	\$32,417.00	\$0.00
Polling	\$0.00	\$0.00	\$0.00
Professional services	\$62,290.00	\$62,290.00	\$0.00
Research	\$0.00	\$0.00	\$0.00
Salaries and benefits	\$110,231.00	\$110,231.00	\$0.00
Travel and hospitality	\$8,982.00	\$8,982.00	\$0.00
Transfers	\$0.00	\$0.00	\$0.00
Other (Bad debts, conventions, etc.)	\$0.00	\$0.00	\$0.00
Polling and research	\$0.00	\$0.00	\$0.00
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Total:	\$253,767.00	\$253,767.00	\$0.00