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INDEPENDENT AUDITOR'S REPORT

To: Heather Karl, Chief Agent for the Canadian Action Party of Canada

To: The Chief Electoral Officer for Elections Canada

Report on the Return

I have audited the accompanying Registered Party Financial Transactions Return (the "Return") of the Canadian Action Party of Canada for the year ended December 31, 2015. This return has been prepared by the Chief Agent of the Canadian Action Party based on the financial reporting provisions of Section 432(1) 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 the financial reporting provisions of Section 432(1) of the *Canada Elections Act* and in the prescribed form issued by Elections Canada and for such internal control as the Chief Agent determines necessary to enable the preparation of a Return 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 of 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 judgment, including the assessment of the risks and material misstatements of the Return, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 chief 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 of my opinion.

Basis for qualified opinion

The *Canada Elections Act* does not require me to report, nor was it practical to determine, that the accounting records include all transactions relating to the Canadian Action Party of Canada for the year ended December 31, 2015. Accordingly, my verification of the expenses was limited to the financial transactions recorded in the Canadian Action Party of Canada's accounting record.

Report on other legal and regulatory requirements

As required by subsection 435(1) of the *Canada Elections Act*, in my opinion, the Return presents the information contained in the financial records on which it is based.

A handwritten signature in blue ink, appearing to read "Gary Rosen". The signature is fluid and cursive, with the first name "Gary" and the last name "Rosen" clearly distinguishable.

PRACTITIONER

Ottawa, Ontario

February 13, 2017

CAP/PAC Balance Sheet 2015

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This document was exported from Numbers '08. Each table was converted to an Excel worksheet.

Numbers Sheet Name	Numbers Table Name	Excel Worksheet Name
Balance Sheet	Assets-1	<u>Balance Sheet - Assets-1</u>
	Liabilities and Equity-1	<u>Balance Sheet - Liabilities and</u>
	"All Drawings from the Sheet"	<u>Balance Sheet - Drawings</u>
Income Statement	Income	<u>Income Statement - Income</u>
Cash Flows	Cash	<u>Cash Flows - Cash</u>

Assets

Current Assets	
Cash	2,537.14
Accounts Receivable	25.00
Total Current Assets	2,562.14
Fixed Assets	
Loan to EDA	600.00
HP Computer	100.00
Total Net Fixed Assets	700.00
Total Assets	3,262.14

Liabilities and Shareholders' Equity

Current Liabilities	
Accounts Payable	149.33
Total Liabilities	149.33
Shareholders' Equity	
Retained Earnings	3,112.81
Total Shareholders' Equity	3,112.81
Total Liabilities and Equity	3,262.14

CAP/PAC INCOME AND EXPENSES

2015

Fiscal Year End 12/31

Donations and Contributions	4,796.03
Interest Income	2.95
Other Income	510.00
Total Revenue	5,308.98
Expenses	
Advertising - Radio	0.00
Advertising - TV	0.00
Advertising - Other (signs, brochures, ads, etc.)	6,887.60
Bank charges and interest	180.00
PayPal charges	114.95
Depreciation and amortization	50.00
Donations and Contributions	300.00
Fundraising activities	25.00
Office expenses (insurance, supplies, subscriptions and dues, rent, utilities, maintenance, etc.)	821.48
Polling	0.00
Professional services	
Voter contact services	0.00
Research	0.00
Salaries and benefits	0.00
Travel and hospitality	0.00
Transfers	0.00
Other (bad debts, conventions, etc.) (attach supporting schedule)	0.00
Total Expenses	8,379.03
Net Income	-3,070.05

Statement of Cash

US-

Fiscal Year End 12/31 (in Thousands)	2008	2007	2006
Cash Flow from Operating Activities			
Net Income			
Adjustments			
Depreciation Expense			
Amortization Expense			
Gain on Sale of Equipment			
Increase in Accounts Receivable			
Decrease in Unearned Rent Revenue			
Decrease in Inventories			
Increase in Accounts Payable			
Increase in Prepaid Expenses			
Increase in Income Taxes Payable			
Net Cash Provided by Operating Activities	\$0	\$0	\$0
Cash Flow from Investing Activities			
Purchase of Available for Sale Securities			
Sale of Equipment			
Purchase of Buildings			
Net Cash Used in Investing Activities	\$0	\$0	\$0
Cash Flow from Financing Activities			
Repayment of Debts			
Issuance of Debts			
Payment of Cash Dividends			
Issuance of Common Stock			
Repurchase of Common Stock			
Net Cash Used in Financing Activities	\$0	\$0	\$0
Net Increase/Decrease in Cash and Equivalents			
Cash and Equivalents, Beginning of Year			
Cash and Equivalents, End of Year	\$0	\$0	\$0