

ANIMAL PROTECTION PARTY OF CANADA
Financial Statements
Year Ended December 31, 2017

ANIMAL PROTECTION PARTY OF CANADA
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Year Ended December 31, 2017

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

INDEPENDENT AUDITOR'S REPORT

To the Chief Agent and Officers for the Animal Protection Party of Canada

I have audited the accompanying financial statements of Animal Protection Party of Canada, which comprise the statement of financial position as at December 31, 2017 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 Chartered Professional Accountants of Ontario.

Independent Auditor's Report to the Chief Agent and Officers of the Animal Protection Party of Canada
(continued)

Basis for Qualified Opinion

In common with many not-for-profit 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 donations, excess of revenue over expenses and cash flows from operations for the year ended December 31, 2017, and current assets and net assets as at January 1, 2017 and December 31, 2017.

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 Protection Party of Canada as at December 31, 2017 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.

Toronto, Ontario
June 20, 2018



CHARTERED PROFESSIONAL ACCOUNTANT
CHARTERED ACCOUNTANT

ANIMAL PROTECTION PARTY OF CANADA
Statement of Financial Position
December 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 205,993	\$ 175,903
Accounts receivable (Note 4)	5,895	4,675
Term deposit (Note 5.)	4,000	4,000
Investments (Note 6)	1,623	1,495
Prepaid expenses and deposits	-	97
	\$ 217,511	\$ 186,170
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 8,194	\$ 9,041
NET ASSETS - UNRESTRICTED	209,317	177,129
	\$ 217,511	\$ 186,170

Approved on behalf of the Organization's Executive committee:

 _____ Chief Agent

 _____ Leader

See accompanying notes to financial statements

ANIMAL PROTECTION PARTY OF CANADA
Statement of Changes in Net Assets
Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>
NET ASSETS - UNRESTRICTED, BEGINNING OF YEAR	\$ 177,129	\$ 142,896
Excess of revenue over expenses	<u>32,188</u>	<u>34,233</u>
NET ASSETS - UNRESTRICTED, END OF YEAR	<u>\$ 209,317</u>	<u>\$ 177,129</u>

See accompanying notes to financial statements

ANIMAL PROTECTION PARTY OF CANADA

Statement of Operations

Year Ended December 31, 2017

	2017	2016
REVENUE		
Political donations	\$ 246,446	\$ 259,422
Unrealized gain on investments	127	376
Investment income	97	108
Election Canada deposits	-	8,000
	<u>246,670</u>	<u>267,906</u>
EXPENSES		
Salaries and benefits	66,747	45,127
Professional fees	46,625	75,604
Office expenses	45,837	49,999
Fundraising activities	36,922	34,108
Travel	11,767	18,315
Bank charges	6,551	6,414
Repayment of over-contribution of donation	33	145
Election related expense	-	3,961
	<u>214,482</u>	<u>233,673</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 32,188</u>	<u>\$ 34,233</u>

See accompanying notes to financial statements

ANIMAL PROTECTION PARTY OF CANADA
Statement of Cash Flows
Year Ended December 31, 2017

	2017	2016
OPERATING ACTIVITIES		
EXCESS OF REVENUE OVER EXPENSES	\$ 32,188	\$ 34,233
Changes in non-cash working capital:		
Accounts receivable	(1,220)	(626)
Accounts payable and accrued liabilities	(848)	(472)
Prepaid expenses and deposits	97	5,175
Change in fair value of marketable securities	(127)	(375)
	<u>(2,098)</u>	<u>3,702</u>
INCREASE IN CASH FLOW	30,090	37,935
CASH - BEGINNING OF YEAR	<u>175,903</u>	<u>137,968</u>
CASH - END OF YEAR	\$ 205,993	\$ 175,903

See accompanying notes to financial statements

ANIMAL PROTECTION PARTY OF CANADA

Notes to Financial Statements

Year Ended December 31, 2017

1. PURPOSE OF THE ORGANIZATION

The Animal Protection Party of Canada (the "Organization") is a not-for-profit political organization. The organization is a registered official political party under the Canada Elections Act. The organization nominates, runs and supports its candidates in federal elections and by-elections and is active in a wide range of extra parliamentary activities across Canada on a consistent basis. The organization is a not for profit organization under the Income Tax Act (Canada) and as such, is exempt from 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 accounting standards for not-for-profit organizations 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 Protection 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.

Financial instruments policy

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in actively traded marketable securities that are measured at fair value. Financial assets measured at amortized cost include cash, accounts receivable and term deposits. Financial assets measured at fair value consist of investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

ANIMAL PROTECTION PARTY OF CANADA
Notes to Financial Statements
Year Ended December 31, 2017

4. ACCOUNTS RECEIVABLE

	<u>2017</u>	<u>2016</u>
Donations receivable	\$ 5,895	\$ 4,675

5. TERM DEPOSIT

The term deposit consists of a guaranteed investment certificate (GIC). This deposit earns interest at 1.42% per annum and matures on April 7, 2018. The term deposit is recorded at amortized cost.

6. INVESTMENTS

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

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 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.

8. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2017.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization's cash and term deposit are exposed to credit risk. To mitigate the risk, such as investments are held with major financial institutions with investment grade credit ratings.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its donors being sufficient to settle its accounts payable.

Other price risk

The organization is exposed to other price risk on its investments because of fluctuations in market prices.