



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

## INDEPENDENT AUDITOR'S REPORT

To the Chief Agent of 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, 2011** and the statements of operations, changes net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting standards 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 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 judgement, 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 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.

### *Basis for Qualified Opinion*

In common with many similar organizations, the organization derives revenue from donations, the completeness of which not susceptible to satisfactory audit verification. Accordingly, my verification of this revenue was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to revenue, the excess (deficiency) of revenue over expense, assets and net assets.

### *Qualified Opinion*

In my opinion, except for the possible effects of the matter disclosed in the basis for qualified opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at **December 31, 2011** and results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting standards.

Toronto, Ontario  
June 21, 2012

*K. Suntharalingam, CA*  
Chartered Accountant

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



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

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

Mr. Stephen D. Best, Chief Agent  
221 Broadview Avenue, Suite 101  
Toronto, Ontario, M4M 2G3

To 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, 2011.

We 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 Election's Canada's *Guide to Registered Associations' Financial Statements*. The audit was done for the fiscal period ending December 31, 2011 and in accordance with the Canadian 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. Our responsibility is to express an opinion on this financial information based on our audit. Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards, which require that we 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 us 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, our verification of these amounts was limited to the amounts recorded in the party's accounting records.

In our 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*.

Sincerely,

Krishan Suntharalingam, CA

Toronto, Ontario  
June 21, 2012

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

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**ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

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**ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA**  
**Statement of Financial Position**  
**as at December 31, 2011**

	2011	2010
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<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 60,556	\$ 61,540
Accounts receivable	2,895	3,490
Investments (Note 2(e))	995	995
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	\$ 64,446	\$ 66,025
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<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 21,757	\$ 20,413
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<b>NET ASSETS</b>		
<b>Net assets - Unrestricted</b>	42,689	45,612
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	\$ 64,446	\$ 66,025
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Approved on behalf of the Organization's Executive committee:

 _____	Chief Agent	 _____	Leader
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See accompanying notes to financial statements.

**ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA**  
**Statement of Changes in Net Assets**  
**for the year ended December 31, 2011**

	2011	2010
Net assets, Beginning of year	\$ 45,612	\$ 39,908
Excess (deficiency) of revenue over expense	(2,923)	5,704
Net assets, End of year	\$ 42,689	\$ 45,612

See accompanying notes to financial statements.

**ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA**

**Statement of Operations  
for the year ended December 31, 2011**

	2011	2010
<b>REVENUE</b>		
Political donations	\$ 288,351	\$ 295,460
Dividend income	43	22
	<b>288,394</b>	<b>295,482</b>
<b>Expenses</b>		
Salaries and benefits	110,665	108,088
Professional fees	65,287	51,522
Office expense	40,296	34,158
Fundraising activities	35,763	46,424
Election related expense	19,149	-
Bank charges	7,975	8,473
Rent	6,215	16,639
Travel	4,564	16,243
Refunds	900	-
Penalty	477	45
Postage and delivery	26	1,668
Advertising	-	3,512
Research	-	3,006
	<b>291,317</b>	<b>289,778</b>
<b>Excess (deficiency) of revenue over expense</b>	<b>\$ (2,923)</b>	<b>\$ 5,704</b>

See accompanying notes to financial statements.

## ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA

Statement of Cash Flows  
for the year ended December 31, 2011

	2011	2010
<b>Operating activities</b>		
<b>Excess (deficiency) of revenue over expense</b>	\$ (2,923)	\$ 5,704
Net change in working capital items	\$ 1,939	\$ (9,764)
	<u>(984)</u>	<u>(4,060)</u>
<b>Net increase (decrease) in cash during the year</b>	<b>(984)</b>	<b>(4,060)</b>
<b>Cash Position, beginning of year</b>	<b>61,540</b>	<b>65,600</b>
<b>Cash Position, end of year</b>	<b>\$ 60,556</b>	<b>\$ 61,540</b>

See accompanying notes to financial statements.



**ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA**  
**Notes to Financial Statements**  
**December 31, 2011**

**1. Nature of operations**

The Animal Alliance Environment Voters Party of Canada (the "Organization") is a not-for-profit political organization. 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. Significant Accounting Policies**

**(a) General**

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

**(b) Revenue**

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.

Interest and dividend income on investments is recorded on an accrual basis.

**(c) 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.

**(d) Use of estimates**

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(e) Financial instrument**

Financial assets and financial liabilities are initially recognized at fair value and their



**ANIMAL ALLIANCE ENVIRONMENT VOTERS PARTY OF CANADA**  
**Notes to Financial Statements**  
**December 31, 2011**

subsequent measurement is dependent on their classification as described below. Their classification depends on the purposes for which the financial instruments were acquired and issued, their characteristics, and the organization's designation of such instruments. The organization determines the estimated fair value of its financial instruments based on valuation methodologies it believes, appropriate. The estimated fair value amounts can be materially affected by the use of different assumptions or methodologies.

Financial assets measured at amortized cost include cash and accounts receivable. Financial assets classified as held for trading are measured on the balance sheet at fair value at the balance sheet date. Unrealized gains or losses are recognized in the statement of operations in the period in which they occur. 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.

**3. 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.

**4. Related party transactions**

The organization pays shared costs such as overhead expense, office, marketing and administration fees to a related organization. These transaction were made in the normal course of business and have been recorded at the exchange amounts, which the amount of consideration established and agreed to by the related parties.

Name: Animal Alliance Environment Voters Party of Canada  
Event: 2011-12-31

<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.)	\$19,149.00	\$19,149.00	\$0.00
Bank charges and interest	\$7,975.00	\$7,975.00	\$0.00
Depreciation and amortization	\$0.00	\$0.00	\$0.00
Donations and contributions	\$0.00	\$0.00	\$0.00
Fundraising activities	\$36,689.00	\$36,689.00	\$0.00
Office expenses (insurance, supplies, subscriptions, dues, rent, utilities, maintenance etc.)	\$46,511.00	\$46,511.00	\$0.00
Polling	\$0.00	\$0.00	\$0.00
Professional services	\$65,287.00	\$65,287.00	\$0.00
Research	\$0.00	\$0.00	\$0.00
Salaries and benefits	\$110,665.00	\$110,665.00	\$0.00
Travel and hospitality	\$4,564.00	\$4,564.00	\$0.00
Transfers	\$0.00	\$0.00	\$0.00
Other (Bad debts, conventions, etc.)	\$954.00	\$477.00	(\$477.00)
Polling and research	\$0.00	\$0.00	\$0.00
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Total:	\$291,794.00	\$291,317.00	(\$477.00)