



**Suntharalingam
Professional Corporation**
Chartered Accountants and Advisors

June 10, 2017

Independent Auditor's Report

To the Chief Agent for the
Animal Protection Party of Canada

I have audited the accompanying Registered party Financial Transactions Return (the "Return") of the Animal Protection Party of Canada as at December 31, 2016 and for the year then ended. The financial information in the Return has been prepared by the Chief Agent of the Animal Protection Party of Canada 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 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 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 Protection 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 Protection 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 Protection Party of Canada for the year ending December 31, 2016 is prepared, in all material respects, 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.

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 Protection 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 Protection 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 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.



Krishan Suntharalingam
Chartered Accountant
Chartered Professional Accountant



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, 2016 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 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 (deficiency) of revenue over expenses and cash flows from operations for the year ended December 31, 2016, and current assets and net assets as at January 1, 2016 and December 31, 2016.

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, 2016 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 9, 2017

SAC

CHARTERED PROFESSIONAL ACCOUNTANT
CHARTERED ACCOUNTANT

ANIMAL PROTECTION PARTY OF CANADA
Statement of Financial Position
December 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 175,903	\$ 137,968
Accounts receivable (Note 4)	4,675	4,050
Prepaid expenses and deposits	97	5,272
Term deposit (Note 5.)	4,000	4,000
Investments (Note 6)	1,495	1,120
	\$ 186,170	\$ 152,410
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 9,041	\$ 9,514
NET ASSETS - UNRESTRICTED	177,129	142,896
	\$ 186,170	\$ 152,410

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, 2016

	2016	2015
NET ASSETS - UNRESTRICTED, BEGINNING OF YEAR	\$ 142,896	\$ 156,335
Excess (deficiency) of revenue over expenses	<u>34,233</u>	<u>(13,439)</u>
NET ASSETS - UNRESTRICTED, END OF YEAR	<u>\$ 177,129</u>	<u>\$ 142,896</u>

See accompanying notes to financial statements

ANIMAL PROTECTION PARTY OF CANADA
Statement of Operations
Year Ended December 31, 2016

	2016	2015
REVENUE		
Political donations	\$ 259,422	\$ 259,956
Investment income	108	54
Unrealized gain (loss) on investments	376	(207)
Election Canada deposits	8,000	-
	<u>267,906</u>	<u>259,803</u>
EXPENSES		
Professional fees	75,604	38,996
Office expenses	49,999	48,780
Salaries and benefits	45,127	53,489
Fundraising activities	34,108	36,211
Travel	18,315	8,342
Bank charges	6,414	6,499
Election related expense	3,961	80,925
Repayment of over-contribution of donation	145	-
	<u>233,673</u>	<u>273,242</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 34,233	\$ (13,439)

See accompanying notes to financial statements

ANIMAL PROTECTION PARTY OF CANADA
Statement of Cash Flows
Year Ended December 31, 2016

	2016	2015
OPERATING ACTIVITIES		
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 34,233	\$ (13,439)
Changes in non-cash working capital:		
Accounts receivable	(625)	(451)
Accounts payable and accrued liabilities	(473)	3,225
Prepaid expenses and deposits	5,175	(5,272)
Change in fair value of marketable securities	(375)	206
	<u>3,702</u>	<u>(2,292)</u>
Cash flow from (used by) operating activities	<u>37,935</u>	<u>(15,731)</u>
INVESTING ACTIVITY		
Term deposit	-	(4,000)
INCREASE (DECREASE) IN CASH FLOW	37,935	(19,731)
CASH - BEGINNING OF YEAR	<u>137,968</u>	<u>157,699</u>
CASH - END OF YEAR	\$ 175,903	\$ 137,968

See accompanying notes to financial statements

ANIMAL PROTECTION PARTY OF CANADA

Notes to Financial Statements

Year Ended December 31, 2016

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 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 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, 2016

4. ACCOUNTS RECEIVABLE

	2016	2015
Donations receivable	\$ 4,675	\$ 4,050

5. TERM DEPOSIT

The term deposit consists of a guaranteed investment certificate (GIC). This deposit earns interest at 1.25% per annum and matures on July 4, 2017. 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, 2016.

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.

ANIMAL PROTECTION PARTY OF CANADA
Financial Statements
Year Ended December 31, 2016

ANIMAL PROTECTION PARTY OF CANADA
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Year Ended December 31, 2016

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