



Suntharalingam Professional Corporation

Chartered Accountant and Business Advisor

Authorized to practice public accounting by The Chartered Professional Accountants of Ontario

INDEPENDENT AUDITOR'S REPORT

To the Members of Animal Protection Party of Canada

Qualified Opinion

I have audited the financial statements of Animal Protection Party of Canada (the Organization), which comprise the statement of financial position as at December 31, 2022, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2022, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations, 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 revenues over expenses, and cash flows for the years ended December 31, 2022 and 2021, and current assets and net assets as at January 1 and December 31 for both the 2022 and 2021 years. My audit opinion on the financial statements for the year ended December 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with those requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

(continues)

Independent Auditor's Report to the Members of Animal Protection Party of Canada (continued)

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

SPC

Toronto, Ontario
June 23, 2023

LICENSED PUBLIC ACCOUNTANT
CHARTERED PROFESSIONAL ACCOUNTANT
CHARTERED ACCOUNTANT



Suntharalingam Professional Corporation

Chartered Accountant and Business Advisor

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Independent Auditor's Report

To the Chief Agent for the
Animal Protection Party of Canada

Report on the Audit of the Financial Return

Qualified Opinion

I have audited the accompanying Registered Party Financial Transactions Return (the "Return") of the Animal Protection Party of Canada for the year ending December 31, 2022. 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 of the *Canada Elections Act* and in the prescribed form issued by Elections Canada.

In my opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion section of my report, the Return of the Animal Protection Party of Canada for the year ending December 31, 2022, is prepared, in all material respects, in accordance with the financial reporting provisions of Section 432 of the *Canada Elections Act* and in the prescribed form issued by Elections Canada.

Basis for Qualified Opinion

In common with organizations of this type, the Animal Protection Party of Canada derives revenue from contributions, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Animal Protection Party of Canada and I was not able to determine whether any adjustments might be necessary to the amount of contributions, excess of revenue over expenditures for the year and net assets reported.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Return* section of my report. I am independent of the Animal Protection Party of Canada in accordance with the ethical requirements that are relevant to my audit of the Return in Canada, and I have fulfilled my other ethical responsibilities in accordance with those requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Use

Without modifying my opinion, 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.

Responsibilities of the Chief Agent and Those Charged with Governance for the Return

The Chief Agent is responsible for the preparation of the Return in accordance with the financial reporting provisions of Section 432 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 the Return that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Animal Protection Party of Canada's financial reporting process.

Auditor's Responsibilities for the Audit of the Return

My objectives are to obtain reasonable assurance about whether the Return as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Return.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the Return, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Agent.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

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

SPC

Krishan Suntharalingam
Chartered Accountant
Chartered Professional Accountant
Licensed Public Accountant
June 23, 2023

Animal Protection Party of Canada
Note to the Registered Party Financial Transactions Return
December 31, 2022

The Registered Party Financial Transactions Return (the "Return") has been prepared in accordance with the financial reporting provisions of Section 432 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 Elections 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.

ANIMAL PROTECTION PARTY OF CANADA
Financial Statements
Year Ended December 31, 2022

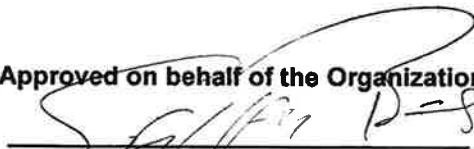
ANIMAL PROTECTION PARTY OF CANADA
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Year Ended December 31, 2022


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ANIMAL PROTECTION PARTY OF CANADA
Statement of Financial Position
December 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 215,594	\$ 234,199
Marketable securities (Note 5)	1,327	1,791
Accounts receivable (Note 4)	11,804	9,023
Prepaid expense	17,284	-
	<u>\$ 246,009</u>	<u>\$ 245,013</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 7.)	\$ 17,494	\$ 11,916
NET ASSETS - UNRESTRICTED	<u>228,515</u>	<u>233,097</u>
	<u>\$ 246,009</u>	<u>\$ 245,013</u>

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, 2022

	<u>2022</u>	<u>2021</u>
NET ASSETS - UNRESTRICTED, BEGINNING OF YEAR	\$ 233,097	\$ 242,847
Deficiency of revenues over expenses	<u>(4,582)</u>	<u>(9,750)</u>
NET ASSETS - UNRESTRICTED, END OF YEAR	<u>\$ 228,515</u>	<u>\$ 233,097</u>

See accompanying notes to financial statements

ANIMAL PROTECTION PARTY OF CANADA

Statement of Operations

Year Ended December 31, 2022

	2022	2021
REVENUES		
Political donations	\$ 256,843	\$ 273,727
Other income	135	-
Investment income	81	72
	<u>257,059</u>	<u>273,799</u>
EXPENSES		
Salaries and benefits	72,292	56,972
Fundraising activities	55,916	74,052
Professional fees	39,170	55,374
Rent	29,535	27,026
Donation	21,020	10,000
Office expense	14,961	13,122
Consulting fees	9,972	2,486
Insurance	9,032	7,167
Bank charges	5,631	5,776
Travel	2,206	3,436
Postage and delivery	928	-
Unrealized (gain) loss on marketable securities	464	(415)
Subscription expense	404	256
Repayment of over-contribution of donation	110	921
Election related expense	-	27,376
	<u>261,641</u>	<u>283,549</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (4,582)</u>	<u>\$ (9,750)</u>

See accompanying notes to financial statements

ANIMAL PROTECTION PARTY OF CANADA
Statement of Cash Flows
Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (4,582)	\$ (9,750)
Changes in non-cash working capital:		
Accounts receivable	(2,781)	1,262
Accounts payable and accrued liabilities	5,578	(1,636)
Prepaid expenses and deposits	(17,284)	3,220
Change in fair value of marketable securities	545	(415)
	<u>(13,942)</u>	<u>2,431</u>
Cash flow used by operating activities	<u>(18,524)</u>	<u>(7,319)</u>
INVESTING ACTIVITY		
Purchase of marketable securities	<u>(81)</u>	<u>-</u>
DECREASE IN CASH FLOW	(18,605)	(7,319)
CASH - BEGINNING OF YEAR	<u>234,199</u>	<u>241,518</u>
CASH - END OF YEAR	<u>\$ 215,594</u>	<u>\$ 234,199</u>

See accompanying notes to financial statements

ANIMAL PROTECTION PARTY OF CANADA

Notes to Financial Statements

Year Ended December 31, 2022

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 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

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, and accounts receivable. Financial assets measured at fair value consist of marketable securities. 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, 2022

4. ACCOUNTS RECEIVABLE

	<u>2022</u>	<u>2021</u>
Donations receivable	<u>\$ 11,804</u>	<u>\$ 9,023</u>

5. MARKETABLE SECURITIES

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

6. 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 operations and have been recorded at fair market value amounts, which the amount of consideration established and agreed to by the related parties. Due to related party balance at December 31, 2022 - \$Nil (2021 - \$Nil).

7. GOVERNMENT REMITTANCES PAYABLE OTHER THAN INCOME TAX

The accounts payable and accrued liabilities include government remittances (other than income taxes) include payroll taxes. The following government remittances are included in accounts payable and accrued liabilities at year end:

	<u>2022</u>	<u>2021</u>
Employee deductions payable	<u>\$ 1,634</u>	<u>\$ 914</u>

8. LEASE COMMITMENTS

The organization has a lease with respect to its premises on a month-to-month basis.

9. 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, 2022.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization's cash is 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.

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ANIMAL PROTECTION PARTY OF CANADA

Notes to Financial Statements

Year Ended December 31, 2022

9. FINANCIAL INSTRUMENTS *(continued)*

Other price risk

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

10. SIGNIFICANT EVENT

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

Impacts to December 31, 2022 have been accounted for in these financial statements to the extent known. Further impacts on the organization and its operations are too uncertain to be estimated at this time and will be accounted for when they are known and can be assessed.