

GREEN PARTY OF CANADA FUND
FINANCIAL STATEMENTS
DECEMBER 31, 2022



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INDEPENDENT AUDITOR'S REPORT

To the Directors of
Green Party of Canada Fund

Qualified Opinion

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

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund 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 Fund derives revenue from contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the Fund. Therefore, we were not able to determine whether any adjustments might be necessary to contribution revenue, excess (deficiency) of revenues over expenses, and cash flows from operations for the years ended December 31, 2022 and 2021.

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

Other Matter

The financial statements for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 29, 2022.

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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 Fund'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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund 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.

We 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 we identify during our audit.



Boyer & Boyer, CPA
Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
June 28, 2023

GREEN PARTY OF CANADA FUND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

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| | 2022 | 2021 |
|--|-------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash (Note 4) | \$ 555,357 | \$ 860,531 |
| Accounts receivable | 9,963 | 663,329 |
| Prepaid expenses | 27,566 | 60,847 |
| | <u>592,886</u> | <u>1,584,707</u> |
| Capital assets (Note 5) | <u>8,268</u> | <u>24,321</u> |
| | <u>\$ 601,154</u> | <u>\$ 1,609,028</u> |
| Liabilities | | |
| Current liabilities | | |
| Demand loan (Note 6) | \$ - | \$ 750,000 |
| Accounts payable (Note 7) | 184,011 | 444,487 |
| | <u>184,011</u> | <u>1,194,487</u> |
| Net assets | | |
| Internally restricted - Invested in capital assets | 8,268 | 24,321 |
| Unrestricted | <u>408,875</u> | <u>390,220</u> |
| | <u>417,143</u> | <u>414,541</u> |
| | <u>\$ 601,154</u> | <u>\$ 1,609,028</u> |

Signed for the Board,

Jaime Senda, Director, President and Council Representative

John Will, Director and President

GREEN PARTY OF CANADA FUND**STATEMENT OF OPERATIONS****YEAR ENDED DECEMBER 31, 2022**

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| | 2022 | 2021 |
|--|------------------|---------------------|
| Income | | |
| Contributions | \$ 2,209,413 | \$ 3,525,877 |
| Transfers | 83,833 | 1,389 |
| Other | 46,313 | 43,596 |
| Election rebate - Fund | - | 614,889 |
| Government assistance | - | 367,100 |
| | 2,339,559 | 4,552,851 |
| Administrative expenses | | |
| Wages and benefits | 838,245 | 1,865,005 |
| Professional fees | 648,059 | 919,185 |
| Office and general | 283,768 | 386,397 |
| Transfers | 225,659 | 580,923 |
| Occupancy cost | 99,191 | 82,449 |
| Interest and bank charges | 90,982 | 113,129 |
| Travel & promotion | 76,134 | 28,827 |
| Other events and meetings | 30,231 | 204 |
| Fundraising activities | 23,550 | 15,698 |
| Amortization | 16,053 | 31,992 |
| Advertising | 5,085 | 35,782 |
| Pre-election and election expenses (Note 10) | - | 1,216,168 |
| | 2,336,957 | 5,275,759 |
| Excess (deficiency) of revenues over expenses | \$ 2,602 | \$ (722,908) |

GREEN PARTY OF CANADA FUND

CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2022

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| | Invested in capital assets | Unrestricted | 2022 Total | 2021 Total |
|---|---|---------------------|-----------------------|-----------------------|
| Balance, beginning of year | \$ 24,321 | \$ 390,220 | \$ 414,541 | \$ 1,137,449 |
| Excess (deficiency) of revenues over expenses | - | 2,602 | 2,602 | (722,908) |
| Amortization of capital assets | (16,053) | 16,053 | - | - |
| Balance, end of year | \$ 8,268 | \$ 408,875 | \$ 417,143 | \$ 414,541 |

GREEN PARTY OF CANADA FUND**STATEMENT OF CASH FLOWS****YEAR ENDED DECEMBER 31, 2022**

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| | 2022 | 2021 |
|---|-------------------|-------------------|
| Operating activities | | |
| Excess (deficiency) of revenues over expenses | \$ 2,602 | \$ (722,908) |
| Non-cash item: | | |
| Amortization of capital assets | 16,053 | 31,992 |
| | 18,655 | (690,916) |
| Net change in non-cash items related to operating activities: | | |
| Accounts receivable | 653,366 | (222,622) |
| Prepaid expenses | 33,281 | (27,703) |
| Accounts payable | (260,476) | (14,707) |
| | 444,826 | (955,948) |
| Investing activity | | |
| Acquisition of capital assets | - | (4,614) |
| Financing activity | | |
| Demand loan received (paid) | (750,000) | 750,000 |
| Decrease in cash and cash equivalents | (305,174) | (210,562) |
| Cash and cash equivalents, beginning of year | 860,531 | 1,071,093 |
| Cash and cash equivalents, end of year | \$ 555,357 | \$ 860,531 |

Cash and cash equivalents consist of cash.

1. Activities of the Fund

The Green Party of Canada is a Registered Political Party as defined by the Canada Elections Act. It has appointed the Green Party of Canada Fund to act as its Chief Agent in connection with the receipt of contributions and payment of expenses and all other financial transactions of the Party as required by the Canada Elections Act. The Green Party of Canada Fund is exempt from income taxes.

2. Significant accounting policies

The Fund applies the Canadian accounting standards for not-for-profit organizations.

Electoral District Associations

Under the Canada Elections Act, local Electoral District Associations (EDAs) are registered separately with Elections Canada and must file separate financial statements with Elections Canada. Accordingly, these financial statements exclude the operations of EDAs.

Revenue recognition

The Green Party of Canada Fund follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received and in the same year in which the related tax receipt is issued.

Contributions and participant fees for conventions and annual general meetings are recognized once the event occurs.

Election rebates are recognized in the year of the election expenditure when the amount is determinable and collection assured. The Fund's claim for election rebates is based upon management's interpretation of the applicable regulations in the Canada Elections Act. Election rebates from Candidates are recorded when the amount can be reasonably estimated and when collection is reasonably assured. These amounts are subject to review and acceptance by Elections Canada prior to collection.

Leadership Contestant fees are recognized in the year of the election, when the amount is determinable and collection assured.

All other revenue is recognized when received or receivable, if the amount can be reasonably estimated and if collection is reasonably assured.

2. Significant accounting policies (continued)

Capital assets

Capital assets are accounted for at cost. Contributed tangible capital assets are recognized at fair value at the date of contributions. Amortization is calculated on their respective estimated useful life using the straight-line method at the following rates and over the following periods:

| | |
|------------------------|---------|
| Furniture and fixtures | 5 years |
| Computer and equipment | 3 years |

Contributed materials and services

The Green Party of Canada Fund would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the difficulty of compiling and valuing these hours, contributed services are not recognized in the financial statements.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates. The critical estimates relate to the collectibility of accounts receivable, the useful lives of capital assets subject to amortization and the amount of accrued liabilities.

Financial instruments

Initial measurement

The Fund initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Fund is in the capacity of management, are initially measured at cost.

Subsequent measurement

The Fund subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets measured at amortized cost using the straight-line method include cash, trade and other receivables and notes receivable.

3. Financial instruments

Financial risks

The significant risks arising from financial instruments to which the Fund is exposed as at December 31, 2022 are detailed below.

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Fund by failing to discharge an obligation. The Fund's credit risk is mainly related to accounts receivable.

The Fund provides credit to its clients in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for contingent credit losses which once they materialize, are consistent with management's forecasts.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Fund is exposed to this risk mainly in respect of its operating loan and accounts payable.

4. Cash amount held as reserve

Cash balance includes \$158,124 (\$300,000 in 2021) that is held in a separate bank account. This new account was opened in 2021 for the purpose of having a separated portion of The Fund's cash set aside as a reserve.

5. Capital assets

| | 2022 | | 2021 | |
|------------------------|------------|--------------------------|----------------|----------------|
| | Cost | Accumulated amortization | Net book value | Net book value |
| Furniture and fixtures | \$ 58,892 | \$ 53,283 | \$ 5,609 | \$ 8,136 |
| Computer and equipment | 76,709 | 74,050 | 2,659 | 16,185 |
| | \$ 135,601 | \$ 127,333 | \$ 8,268 | \$ 24,321 |

6. Operating loans

In 2021, the Fund had a demand loan of \$750,000 bearing interest at bank prime plus 1.5% and secured by a general security agreement that had to be repaid in full no later than December 31, 2022. This loan was fully repaid in 2022.

The Fund has an additional credit facility available of up to \$200,000, which would bear interest at bank prime plus 2% if drawn upon and is secured by a general security agreement. No balance is outstanding at December 31, 2022.

7. Accounts payable

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Accounts payable and accrued liabilities | \$ 148,795 | \$ 422,143 |
| Deregistered riding account funds | 26,011 | 15,064 |
| Amount payable in respect of government remittances | 9,205 | 7,280 |
| | <u>\$ 184,011</u> | <u>\$ 444,487</u> |

8. Contractual obligation

The commitment of the Fund under lease agreements aggregates to \$23,097. The instalments over the next year are the following:

| | |
|------|-----------|
| 2023 | \$ 23,097 |
|------|-----------|

9. Contingent liability

The Fund might be named as the defendant in a legal action claim. Legal counsel to the Fund is unable to assess the Fund's potential liability, if any, resulting from this action. Any settlement will be reflected as a charge to income in the year of settlement. No provision for possible loss has been included in these financial statements.

10. Pre-election and election expenses

| | 2022 | 2021 |
|--|-------------|---------------------|
| Salaries and wages | \$ - | \$ 401,206 |
| Advertising - online | - | 311,533 |
| Provincial services and subcontractors | - | 231,070 |
| Advertising - other | - | 59,190 |
| Advertising - print media | - | 57,974 |
| Leader's tour | - | 42,003 |
| National office expenses | - | 41,670 |
| Other | - | 36,991 |
| Election surveys and research | - | 23,165 |
| Travel (other than leader's tour) | - | 11,366 |
| | <u>\$ -</u> | <u>\$ 1,216,168</u> |