

**FINANCIAL STATEMENTS**  
**For**  
**GREEN PARTY OF CANADA FUND**  
**For year ended**  
**DECEMBER 31, 2021**

**INDEPENDENT AUDITOR'S REPORT**

To the members 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, 2021, 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 possible 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, 2021 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, 2021 and 2020, current assets as at December 31, 2021 and 2020, and net assets as at January 1 and December 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

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 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.

*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.

Welch LLP

Chartered Professional Accountants  
Licensed Public Accountants

Ottawa, Ontario  
June 29, 2022.

**GREEN PARTY OF CANADA FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash (note 10)	\$ 860,531	\$ 1,071,093
Accounts receivable (note 4)	663,329	440,707
Prepaid expenses	<u>60,847</u>	<u>33,144</u>
	1,584,707	1,544,944
<b>TANGIBLE CAPITAL ASSETS</b> (note 5)	<u>24,321</u>	<u>51,699</u>
	<u>\$ 1,609,028</u>	<u>\$ 1,596,643</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities (note 6)	\$ 444,487	\$ 459,194
Demand loan (note 7)	<u>750,000</u>	<u>-</u>
	1,194,487	459,194
<b>CONTINGENT LIABILITY</b> (note 11)	<u>-</u>	<u>-</u>
	<u>1,194,487</u>	<u>459,194</u>
<b>NET ASSETS</b>		
Unrestricted	390,220	1,085,750
Internally restricted - invested in tangible capital assets	<u>24,321</u>	<u>51,699</u>
	<u>414,541</u>	<u>1,137,449</u>
	<u>\$ 1,609,028</u>	<u>\$ 1,596,643</u>

Approved on behalf of the Fund:

CORRINA SERDA  
..... Co-President and Director

JOHN WILLSON  
..... Co-President and Director

TOM BRYANT  
..... Acting Treasurer and Director

(See accompanying notes)

**GREEN PARTY OF CANADA FUND**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>
<b>REVENUE</b>		
Contributions	\$ 3,525,877	\$ 4,319,780
Transfers	1,389	5,963
Other	43,596	28,366
Election rebate - Fund	614,889	-
Government assistance (note 4)	367,100	601,001
Election rebate - Candidates	-	135,861
Leadership Contestant fees	-	200,000
	<u>4,552,851</u>	<u>5,290,971</u>
<b>EXPENDITURES</b>		
Wages and benefits	1,865,005	2,108,052
Transfers	580,923	1,164,469
Office and general	386,397	399,906
Professional fees	919,185	377,376
Interest and bank charges	113,129	168,672
Occupancy costs	82,449	106,388
Travel and promotion	28,827	49,595
Advertising	35,782	37,971
Amortization	31,992	41,164
Fundraising activities	15,698	11,432
Convention expenses	-	5,000
Other events and meetings	204	2,531
Pre-election and election expenses (per schedule)	1,216,168	-
	<u>5,275,759</u>	<u>4,472,556</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ (722,908)</u>	<u>\$ 818,415</u>

(See accompanying notes)

**GREEN PARTY OF CANADA FUND**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2021**

	2021			2020
	Unrestricted	Invested in tangible capital assets	Total	Total
Balance, beginning of year	\$ 1,085,750	\$ 51,699	\$ 1,137,449	\$ 319,034
Excess (deficiency) of revenue over expenditures	(722,908)	-	(722,908)	818,415
Amortization of tangible capital assets	31,992	(31,992)	-	-
Acquisition of tangible capital assets	(4,614)	4,614	-	-
Balance, end of year	<u>\$ 390,220</u>	<u>\$ 24,321</u>	<u>\$ 414,541</u>	<u>\$ 1,137,449</u>

(See accompanying notes)

**GREEN PARTY OF CANADA FUND**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenditures	\$ (722,908)	\$ 818,415
Adjustment for non-cash items:		
Amortization	<u>31,992</u>	<u>41,164</u>
	(690,916)	859,579
Changes in non-cash working capital balances:		
Accounts receivable	(222,622)	845,655
Prepaid expenses	(27,703)	330
Accounts payable and accrued liabilities	<u>(14,707)</u>	<u>163,492</u>
	<u>(955,948)</u>	<u>1,869,056</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	<u>(4,614)</u>	<u>(18,342)</u>
<b>FINANCING ACTIVITIES</b>		
Operating loan advances received (payments made)	<u>750,000</u>	<u>(1,500,000)</u>
<b>INCREASE (DECREASE) IN CASH</b>	(210,562)	350,714
<b>CASH AT BEGINNING OF YEAR</b>	<u>1,071,093</u>	<u>720,379</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 860,531</u>	<u>\$ 1,071,093</u>

(See accompanying notes)

**GREEN PARTY OF CANADA FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**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 (the "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**

*Basis of presentation*

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

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.

*Tangible capital assets*

Tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. The Green Party of Canada Fund provides for amortization using the following methods at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

Computer equipment	3 years
Furniture and fixtures	5 years
Computer software	1 year
Leasehold improvements	term of lease

**GREEN PARTY OF CANADA FUND**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED DECEMBER 31, 2021**

**2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.**

*Contributed 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.

*Financial instruments*

All financial assets and liabilities are initially recognized at fair value. Cash is subsequently measured at fair value while all other financial instruments are subsequently measured at cost or amortized cost.

*Use of estimates*

The preparation of financial statements in conformity 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 and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Areas of significant estimates include determining the useful lives of tangible capital assets, determining the collectibility of accounts receivable and the amount of accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the year in which they become known.

**3. FINANCIAL INSTRUMENTS**

The Fund is exposed to and manages various financial risks. The Fund's main financial risk exposures and its financial risk management policies are as follows:

*Credit risk*

The Fund is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Fund's maximum exposure credit risk represents the sum of the carrying value of its cash and accounts receivable. The Fund's cash is deposited with a Canadian Chartered bank and, as a result, management believes the risk of loss of this item to be remote. Accounts receivable balances are managed and analyzed on an ongoing basis and, accordingly, exposure to bad debts is not considered significant.

*Liquidity risk*

Liquidity risk is the risk that the Fund cannot meet a demand for cash or fund its obligations as they become due. The Fund meets its liquidity requirements by establishing budgets and cash estimates to ensure it has the funds necessary to fulfill its obligations.

**GREEN PARTY OF CANADA FUND**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED DECEMBER 31, 2021**

**3. FINANCIAL INSTRUMENTS - Cont'd.**

*Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk, and other price risk.

i) *Currency risk*

Currency risk refers to the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate due to changes in foreign exchange rates. The Fund's financial instruments are all denominated in Canadian dollars and it transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

ii) *Interest rate risk*

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the financial instruments will fluctuate due to changes in market interest rates.

Interest rate risk is not considered significant as the Fund does not have any interest bearing liabilities.

iii) *Other price risk*

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. Since the Fund does not hold any publicly traded investments, it is not exposed to significant other price risk.

*Changes in risk*

There have been no significant changes in the Fund's risk exposures from the prior year.

**4. GOVERNMENT ASSISTANCE**

In March of 2020, the Government of Canada announced that they would be providing emergency funding in response to measures various organizations were required to take regarding the spread of the COVID-19 pandemic.

The amount of subsidies attributable to the Fund's December 31, 2021 fiscal year are reported below:

	<u>2021</u>	<u>2020</u>
Government contributions receivable included in accounts receivable - beginning of year	\$ 216,512	\$ -
Canada Emergency Wage Subsidy (CEWS) program	367,100	576,001
Canada Temporary Wage Subsidy (TWS) program	<u>-</u>	<u>25,000</u>
Total government subsidies	367,100	601,001
Amounts received during the year	<u>(583,612)</u>	<u>384,489</u>
Government contributions receivable included in accounts receivable - end of year	<u>\$ -</u>	<u>\$ 216,512</u>

**GREEN PARTY OF CANADA FUND**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED DECEMBER 31, 2021**

**5. TANGIBLE CAPITAL ASSETS**

Tangible capital assets consist of the following:

	<u>2021</u>			<u>2020</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Computer equipment	\$ 76,709	\$ 60,524	\$ 16,185	\$ 32,919
Furniture and fixtures	58,892	50,756	8,136	11,141
Leasehold improvements	<u>45,834</u>	<u>45,834</u>	<u>-</u>	<u>7,639</u>
	<u>\$ 181,435</u>	<u>\$ 157,114</u>	<u>\$ 24,321</u>	<u>\$ 51,699</u>

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consist of the following:

	<u>2021</u>	<u>2020</u>
Accounts payable and accrued liabilities	\$ 422,143	\$ 451,228
Amount payable in respect of government remittances	7,280	-
Deregistered riding account funds	<u>15,064</u>	<u>7,966</u>
	<u>\$ 444,487</u>	<u>\$ 459,194</u>

**7. OPERATING LOANS**

The Fund had a demand reducing loan of up to \$1,500,000, which bears interest at bank prime plus 1.5% and was secured by a general security agreement. Of which \$750,000 was drawn upon during the year which is fully repayable within 12 months of the 2021 election date.

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, 2021.

**8. COMMITMENTS**

The Green Party of Canada Fund is committed under the terms of various operating leases and other agreements with various expiration dates for the rental of premises and equipment. All agreements are for a period of one year or less, the annual payment for 2022 related to these commitments will be \$90,832.

**GREEN PARTY OF CANADA FUND**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED DECEMBER 31, 2021**

**9. COVID-19**

In mid-March of 2020, the Government of Canada instituted emergency measures in response to the public health concerns originating from the spread of COVID-19. Those measures included travel restrictions and physical distancing requirements which included a call to avoid crowded places and non-essential gatherings. Except where noted above, the financial impact on the Fund and results has not been significant and based on the experience to date and it is expected to remain the same.

A degree of uncertainty persists surrounding the full economic impact of the situation. The unpredictable nature of the spread of the virus makes it difficult to determine the length of time that the Fund's operations may be impacted.

**10. CASH AMOUNT HELD AS RESERVE**

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

**11. CONTINGENT LIABILITY**

The Fund has been 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.

**GREEN PARTY OF CANADA FUND**  
**SCHEDULE OF PRE-ELECTION AND ELECTION EXPENSES**  
**YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>
Salaries and wages	\$ 401,206	\$ -
Advertising - other	59,190	-
Advertising - online	311,533	-
Advertising - print media	57,974	-
National office expenses	41,670	-
Professional services and sub-contractors	231,070	-
Leader's tour	42,003	-
Election surveys and research	23,165	-
Other	36,991	-
Travel (other than leader's tour)	<u>11,366</u>	<u>-</u>
	<u>\$ 1,216,168</u>	<u>\$ -</u>