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**AUDITOR'S REPORT ON THE FINANCIAL TRANSACTIONS RETURN**  
To the Chief Electoral Officer, Elections Canada


At the request of the Green Party of Canada, I have audited the Financial Transactions Return prepared in accordance with Sections 424(2)(a), (b), (c), (f)(i) and (ii), (h), (i), (j) and (k) of the Canada Elections Act (the "Act") for the year ended December 31, 2004. This financial information is the responsibility of the management of the Green Party of Canada. My responsibility with Section 426(1) of the Act, is to express an opinion on this financial information based on my audit.

Except as explained in the following paragraph I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 management, as well as evaluating the overall presentation of the financial information.

In common with many not-for-profit organizations, the Party derives a substantial portion of its revenue from contributions, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of these revenues were limited to the amounts receipted by the Party and I was not able to determine whether any adjustments might be necessary to the amount of contributions reported.

In my opinion, except for the effect of adjustment, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the contributions mentioned in the preceding paragraph, this financial information presents fairly, in all material respects, the contributions received and financial information required to be reported under the Act for the year ended December 31, 2004 in accordance with the provisions of Sections 424(2)(a), (b), (c), (f)(i) and (ii), (h), (i), (j) and (k) of the Act.

Richmond Hill, Ontario  
September 27, 2005

  
CHARTERED ACCOUNTANT

***GREEN PARTY OF CANADA***

***AUDITED FINANCIAL STATEMENTS***

***DECEMBER 31, 2004***



GREEN PARTY OF CANADA

DECEMBER 31, 2004

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**AUDITOR'S REPORT**

(Pursuant to Section 424 of the Canada Elections Act)

To The Chief Agent of the Green Party of Canada

I have audited the balance sheet of Green Party Of Canada as at December 31, 2004 and the statements of revenue and expenses and cash flows for the year then ended. These financial statements are the responsibility of the Green Party of Canada. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation.

In common with other political parties, the Green Party of Canada derives revenue from contributions and incur expenses, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of revenue from contributions and expenses was limited to the amounts recorded in the books of the Party and I was not able to determine whether any adjustments might be necessary to contributions, expenses, excess of revenue (expenses) for the year, assets and net assets(liabilities).

In my opinion, except for the effect of adjustment, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of contributions and expenses mentioned in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Party as at December 31, 2004 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Richmond Hill, Ontario  
September 27, 2005

*Nara Manickam*  
CHARTERED ACCOUNTANT



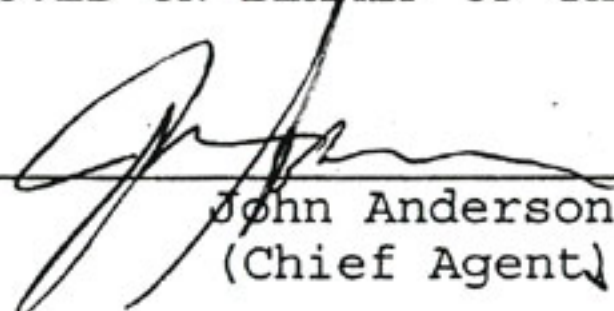
GREEN PARTY OF CANADA

BALANCE SHEET

AS AT DECEMBER 31, 2004

	ASSETS	
	<u>2004</u>	<u>2003</u>
CURRENT ASSETS		
Cash	\$ 8,365	\$ 102,217
Accounts receivable	590,099	122,761
Advances and deposits	104,000	10,200
Prepayment	<u>4,510</u>	<u>400</u>
	<u>706,974</u>	<u>235,578</u>
FIXED ASSET		
Computer equipment	1,666	-
Less: Accumulated depreciation	<u>(500)</u>	<u>-</u>
	<u>1,166</u>	<u>-</u>
	<u>\$ 708,140</u>	<u>\$ 235,578</u>

APPROVED ON BEHALF OF THE BOARD

  
\_\_\_\_\_  
John Anderson  
(Chief Agent)

\_\_\_\_\_  
James Harris  
(Leader)

The accompanying notes are an integral  
part of these financial statements.

GREEN PARTY OF CANADA  
BALANCE SHEET

AS AT DECEMBER 31, 2004

LIABILITIES

	<u>2004</u>	<u>2003</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 87,465	\$ 5,468
Loans Payable (Note 3)	<u>509,954</u>	<u>23,326</u>
	<u>597,419</u>	<u>28,794</u>
NET ASSETS		
Unrestricted	109,555	206,784
Invested in capital asset	<u>1,166</u>	<u>-</u>
	<u>110,721</u>	<u>206,784</u>
	<u>\$ 708,140</u>	<u>\$ 235,578</u>

The accompanying notes are an integral  
part of these financial statements.

GREEN PARTY OF CANADA

STATEMENT OF REVENUE AND EXPENSES  
AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>2004</u>	<u>2003</u>
<b>REVENUE</b>		
Government subsidy	\$ 523,693	\$ -
Contributions received	351,031	296,773
Election rebates	298,908	-
Transfer	300	-
Other	<u>6,294</u>	<u>-</u>
	<u>1,180,226</u>	<u>296,773</u>
<b>TRANSFERS</b>	<u>(47,175)</u>	<u>(1,700)</u>
Contributions retained by individual riding associations	<u>-</u>	<u>(47,380)</u>
<b>REVENUE RETAINED BY PARTY</b>	<u>1,133,051</u>	<u>247,693</u>
<b>EXPENSES (Page 4)</b>	<u>1,229,114</u>	<u>77,102</u>
<b>(EXPENSES OVER REVENUE) REVENUE OVER EXPENSES FOR THE YEAR</b>	(96,063)	170,591
<b>UNRESTRICTED OPENING NET ASSETS</b>	<u>206,784</u>	<u>36,193</u>
<b>CLOSING NET ASSETS</b>	<u>\$ 110,721</u>	<u>\$ 206,784</u>

The accompanying notes are an integral part of these financial statements.



GREEN PARTY OF CANADA

EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>2004</u>	<u>2003</u>
Salaries and related cost	\$ 539,494	\$ 10,211
Advertising - other	192,852	800
- Radio	15,551	-
- TV	10,017	-
Office expenses	153,301	21,318
Professional fees	95,390	4,906
Travel and hospitality	77,131	3,947
Printing, postage and newsletter	52,115	19,539
Other	44,680	-
Polling	30,818	-
Bank charges and interest	17,265	2,073
Prior years' riding associations and candidates expenses assumed in the current year by head office	-	14,308
Amortization	<u>500</u>	<u>-</u>
	<u>\$ 1,229,114</u>	<u>\$ 77,102</u>

The accompanying notes are an integral part of these financial statements.



GREEN PARTY OF CANADA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>2004</u>	<u>2003</u>
Cash flows from (used in)		
Operating activities		
Excess of revenue (expenses) for the year	\$ (96,063)	\$ 170,591
Items not affecting cash:		
Depreciation	500	-
Net change in non-cash working capital items	<u>(483,251)</u>	<u>(118,018)</u>
	<u>(578,814)</u>	<u>52,573</u>
Investing activities		
Purchase of capital asset	<u>(1,666)</u>	<u>-</u>
Financing activities		
Loans received	<u>486,628</u>	<u>23,326</u>
Net change in cash for the year	(93,852)	75,899
Cash - beginning of the year	<u>102,217</u>	<u>26,318</u>
Cash - End of the year	<u>\$ 8,365</u>	<u>\$ 102,217</u>

The accompanying notes are an integral part of these financial statements.

**GREEN PARTY OF CANADA**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2004**

**1. ACTIVITIES OF THE PARTY**

The Green Party of Canada is a Registered Political Party as defined by the Canada Elections Act.

Under the Elections Canada Act, local constituency associations, known as Electoral District Associations, are registered separately with Elections Canada and must file separate financial statements with Elections Canada. Accordingly, these financial statements exclude the operations of the Electoral District Associations.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

**Estimates**

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

**Revenue**

Contribution revenue is recognized in the year for which a tax receipt is issued. Other revenue is recognized on an accrual basis.

**Expense**

Expenses are recognized on an accrual basis.

**Capital Asset**

Capital asset has been recorded at cost and depreciated using the straight-line method at an annual rate of 30%.



GREEN PARTY OF CANADA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2004

3. LOANS PAYABLE

The loans are from:

Wayne Crooks	-	\$439,754	(a)
Bill Wilson	-	30,000	(b)
Walter zu Erpen	-	10,000	(b)
Dean Christie	-	10,000	(c)
Susan Stratton	-	10,000	(c)
Roy Ball	-	5,100	(d)
Darla Drader	-	<u>5,100</u>	(d)

Total		<u>\$509,954</u>	
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a. 5% interest per annum with option to repay entire loan at anytime without penalty.

b. Interest free for first 12 months and thereafter at 5% interest per annum with principal repayable within one year.

c. 5% interest per annum with loan repayable within one year.

d. Interest free loan with amount repayable within one year.

4. COMPARATIVE FIGURES

Comparative figures have been re-classified to conform with current year's presentation.