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CHARTERED ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

Drew Dorweiler
Chief Agent
The Libertarian Party of Canada
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I have audited the balance sheet of The Libertarian Party of Canada as at December 31, 2006 and the statements of revenue and expenses, net assets, and financial transactions return for the year then ended. The financial transactions return and related financial statements are the responsibility of the Party. My responsibility is to express an opinion on the financial transactions return and related financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards and Section 424 of the Canada Elections Act. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial transactions return is 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 management, as well as evaluating the overall financial statement presentation.

As is the case with other political parties, The Libertarian Party of Canada derives most of its revenue in the form of 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 Party and I was not able to determine whether any adjustments might be necessary to donation revenues, excess of expenses over revenues, assets and net assets.

In my opinion, subject to the above limitation, the financial transactions return presents fairly, in all material respects, the financial position of the Party as at December 31, 2006 in accordance with Canadian generally accepted accounting principles and Section 424 of the Canada Elections Act.


Chartered Accountant

Montreal, Quebec
July 31, 2007

**The Libertarian Party of Canada
Statement of Assets and Liabilities and Surplus
As at December 31, 2006**

Assets

Cash	\$ 3,981
Deposits in transit	<u>1,717</u>
Total Assets	<u>5,698</u>

Liabilities

Accrued professional fees	385
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Surplus

Opening surplus	4,265
Net income	<u>1,048</u>
Ending surplus	<u>5,313</u>

<u>Total liabilities and Party Surplus</u>	<u>\$ 5,698</u>
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**The Libertarian Party of Canada
Deposits and Withdrawal Analysis
For the Fiscal Year Ended December 31, 2006**

	<u>Deposits</u>	<u>Withdrawal</u>	<u>Cheque</u>
3/28/2006	\$ 2,525		
4/3/2006		20 Returned cheque	
4/3/2006		60 Returned cheque	
4/18/2006		140 Mailbox	99
4/24/2006		374 \$258.75 Marty Gobin Campaign - Prints \$115 Alan Mercer Campaign - Prints	101
5/2/2006		118 \$53.50 Internet news release -Election candidates \$64.20 Internet news release -Libetarian	102
5/3/2006		98 Signs Paolo Fabrizio Campaign	103
7/5/2006	551	McIntosh	
7/10/2006		254 $229.95+17.6+5.75+0.98 = 254$ stamps + room accoi	104
8/24/2006		309 \$249.95 Dinner meeting cost Feb 26, 2006 + websit	100
9/1/2006		450 2005 audit - Francis Trudeau	105
9/28/2006	2,820		
11/2/2006		2,608 \$2,001.98 Envelopes, membership cards, letterhear \$605.98 Stamps	107
11/6/2006	1,067		
11/20/2006		1,060 Advertising - Western Standard	106
Total	\$ 6,963	\$ 5,490	

Subsequent deposits

3/22/2007	\$ 1,717 *
	<u>\$ 8,680</u>

Cash reconcillation

Beginning balance	\$ 2,777
Deposits	6,963
Withdrawals	- 5,490
Bank charges	- 269
Cash ending	<u>\$ 3,981</u>

* \$317 belongs to 2006

Schedule 2

**The Libertarian Party of Canada
Statement of Party Revenues and Expenses
For the Fiscal Year Ended December 31, 2006**

Revenues**Contributions**

Contribution received	\$ 6,557
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Expenses

Advertising Other	4,257
Mailbox fees	140
Website maintenance	59
BOD meeting	250
Professional fees	385
Bad debt	149
Banking charges	269
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	5,509
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Net income

	<hr/> \$ 1,048 <hr/>
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**The Libertarian Party of Canada
Bank Charges Analysis
For the Fiscal Year Ended December 31, 2006**

Bank fees + Visa fees

January	\$ 20
February	20
March	22
April	30
May	20
June	20
July	20
August	20
September	21
October	20
November	36
December	<u>20</u>
	<u>\$ 269</u>