

PARTI MARIJUANA / MARIJUANA PARTY

Financial Statements as at December 31, 2006

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PARTI MARIJUANA / MARIJUANA PARTY
Statement of Operations and Changes in Net Assets
for the year ended December 31, 2006

| | <u>2006</u> | <u>2005</u> |
|---|-----------------|-------------------|
| REVENUES | | |
| Contributions greater than \$200 | \$ 5,405 | \$ 2,375 |
| Contributions \$200 or less | 100 | 30 |
| Non-monetary contributions | - | - |
| Transfers | 55 | - |
| Interest | - | - |
| | <u>5,560</u> | <u>2,405</u> |
| EXPENSES | | |
| Professional services | 750 | 600 |
| Advertising - Other (signs, brochures, ads, etc.) | 624 | 711 |
| Interest | 180 | 270 |
| Office expenses | - | 130 |
| Telephone | - | 210 |
| Bank charges | 85 | 89 |
| | <u>1,639</u> | <u>2,010</u> |
| Excess (deficiency) of revenues over expenses | 3,921 | 395 |
| Net assets, beginning of year | <u>(2,269)</u> | <u>(2,665)</u> |
| Net assets, end of year | <u>\$ 1,652</u> | <u>\$ (2,269)</u> |

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

PARTI MARIJUANA / MARIJUANA PARTY**Statement of Cash Flows**

for the year ended December 31, 2006

| | <u>2006</u> | <u>2005</u> |
|---|------------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Excess (deficiency) of revenues over expenses | \$ 3,921 | \$ 395 |
| Changes in working capital | | |
| Accounts Receivable | - | 356 |
| Accounts Payable | <u>(350)</u> | <u>(1,513)</u> |
| | 3,572 | (761) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Loan from member | <u>(2,000)</u> | <u>(1,000)</u> |
| Decrease (increase) in cash | 1,572 | (1,761) |
| Cash, beginning of year | <u>108</u> | <u>1,869</u> |
| Cash, end of year | <u><u>\$ 1,680</u></u> | <u><u>\$ 108</u></u> |

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

PARTI MARIJUANA / MARIJUANA PARTY**Statement of Financial Position**

as at December 31, 2006

| | <u>2006</u> | <u>2005</u> |
|---------------------|-----------------|----------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 1,680 | \$ 108 |
| Accounts Receivable | - | - |
| | <u>\$ 1,680</u> | <u>\$ 108</u> |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts Payable | \$ 28 | \$ 377 |
| Loan, 9% - Note 3 | - | 2,000 |
| | 28 | 2,377 |
| NET ASSETS | <u>1,652</u> | <u>(2,269)</u> |
| | <u>\$ 1,680</u> | <u>\$ 108</u> |

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

PARTI MARIJUANA / MARIJUANA PARTY**Notes to Financial Statements**

December 31, 2006

1 PURPOSE OF THE ORGANIZATION

The party was officially registered as a political party on November 6, 2000 and has as its objective the legalization of marijuana and the legalization of a revolution.

2 SIGNIFICANT ACCOUNTING POLICIES**Accounting estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires the chief agent to make estimates that affect the reported amounts of assets and liabilities as at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period. These estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Revenue recognition

Monetary contributions are recognized on a cash basis. Non-monetary contributions are recognized at their fair market value when goods or services are received.

Contributed services

The functioning of the party depends, in a large part, on the volunteer work of members. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

3 LOAN, 9%

During the year, the outstanding loan became a political contribution. The amount of \$2,180 (loan plus interest) has been included in Revenues.

Gary A. Rozon
Certified Management Accountant


Auditors' Report

To: Jan Redekop, Chief Agent Marijuana Party

I have audited the Balance Sheet, Statement of Revenue and Expenses and the Financial Transactions Return as at December 31, 2006 in accordance with sections 424 to 434 of the Canada Elections Act. These financial statements are the responsibility of the Party's management. My responsibility is to express an opinion on this Financial Transaction Return based on my audit.

I conducted the audit in accordance with Canadian Generally Accepted Auditing Standards and Section 424 to 434 of the Canada Elections Act. 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 statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement preparation.

In my opinion, the financial transaction return present fairly, in all material respects, the financial position of the Party as at December 31, 2006 and the results of its operations, changes in fund balances and cash flows for the period then ended in accordance with Canadian Generally Accepted Accounting Principles and Sections 424 to 434 of the Canada Elections Act.


Ottawa, Ontario
June 13, 2007