

**Auditors' Report on Registered Party's Return Respecting
Financial Transactions Pursuant to the *Canada Elections Act***

To Macdonald-Cartier PC Fund, Chief Agent for Progressive Canadian Party,

In accordance with Section 426.(1) of the *Canada Elections Act*, which requires an audit of the Financial Transactions Returns of registered parties, we have audited the Financial Transactions Return of the **Progressive Canadian Party**, prepared in accordance with the accounting requirements of Sections 415 through 435.05 of the *Canada Elections Act* and the Elections Canada's *Registered Party Handbook*, for the fiscal period from January 1, 2006 to December 31, 2006, including the Statement of Assets and Liabilities and the Statements of Surplus (Deficit) and Revenue and Expenses as set out in Part 4 of the Return, prepared in accordance with Canadian generally accepted accounting principles as required by Section 424.2(f) and (g) of the *Act*. This financial information is your responsibility as Chief Agent for the party. Our responsibility is to express an opinion on this financial information based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards, which require that we 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 Chief Agent, as well as evaluating the overall presentation of the financial information. The *Act* does not, however, require us to report, nor was it practicable for us to determine, that the accounting records include all transactions relating to the Organization.

Due to the inherent nature of the transactions of registered parties, the completeness of contributions and other revenue and expenses is not susceptible to satisfactory audit verification. Accordingly, our verification of these amounts was limited to the amounts recorded in the Organization's accounting records.

In our opinion, the Financial Transactions Return of **Progressive Canadian Party** presents fairly, in all material respects, the information contained in the financial records on which it is based in accordance with the accounting requirements of the *Canada Elections Act* and the Elections Canada's *Registered Party Handbook*. Also in our opinion, the Statement of Assets and Liabilities and the Statements of Surplus (Deficit) and Revenue and Expenses set out in Part 4 of the Return, present fairly, in all material respects, the financial position of the Organization as at December 31, 2006 and its revenue and expenses for the fiscal period then ended in accordance with Canadian generally accepted accounting principles.



**Markham, Canada
July 23, 2007**

**Chartered Accountants
Licensed Public Accountants**

PROGRESSIVE CANADIAN PARTY OF CANADA
STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31,	2006	2005
ASSETS		
Current		
Cash	\$ 1,617	\$ 7,542
Prepaid expenses and deposits	-	4,138
	\$ 1,617	\$ 11,680
LIABILITIES		
Current		
Notes payable	\$ -	\$ 5,000
Accounts payable and accrued liabilities	1,200	2,404
Deferred revenue	50	70
	1,250	7,474
NET ASSETS		
Surplus (deficit)	367	4,206
	\$ 1,617	\$ 9,206

ON BEHALF OF THE PARTY:

Director

Director

PROGRESSIVE CANADIAN PARTY OF CANADA
STATEMENT OF SURPLUS (DEFICIT)

FOR THE YEAR ENDED DECEMBER 31	2006	2005
BALANCE, BEGINNING OF YEAR	\$ 4,207	\$ 50
EXCESS OF REVENUE OVER EXPENSES		
(EXPENSES OVER REVENUE)	(3,840)	4,157
BALANCE, END OF YEAR	\$ 367	\$ 4,207

PROGRESSIVE CANADIAN PARTY OF CANADA
STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED DECEMBER 31

2006

2005

REVENUE

Contributions	\$	17,199	\$	20,592
Membership fees		925		2,565
Fundraising		805		-
Conferences fees		450		-
Transfers received from candidates (note 2)		926		-
Sales		-		70

20,305

23,227

EXPENSES

Advertising and promotion	781	251
Bank charges	1,696	1,314
Fundraising expenses	529	-
Office expenses	2,887	3,776
Professional services	6,938	6,340
Telephone	3,982	4,733
Transfers to candidates (note 2)	4,603	-
Travel and hospitality	2,729	2,656

24,145

19,070

TOTAL EXPENSES

EXCESS OF REVENUE OVER EXPENSES

(EXPENSES OVER REVENUE)

\$ (3,840) \$ 4,157

PROGRESSIVE CANADIAN PARTY OF CANADA
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2006

1. OPERATION

The Organization is a political organization registered under the Canada Elections Act on May 29, 2004. The purpose of the organization is to participate in public affairs by endorsing one or more of its members as candidates and supporting their election.

2. RELATED PARTY TRANSACTIONS

The Progressive Canadian Party of Canada (Party) is a related party to Mr. Mark Abramowitz, Mr. F. Norman Dundas, Mr. Asif Hossain, Mr. James Love, Mr. Brian Marlatt, Mr. Rod Morley, Ms. Tracy G Parsons, and Mr. Brad Thompson, as candidates representing the Party in Federal Election held on January 23, 2006 and Mr. Steve Hunter, as candidate representing the Party in Federal By-Election held on November 27, 2006.

During the year:

Transfers from Mark Abramowitz to the Party	\$ 355
Transfers from F. Norman Dundas to the Party	1
Transfers from Asif Hossain to the Party	49
Transfers from James Love to the Party	32
Transfers from Brian Marlatt to the Party	34
Transfers from Rod Morley to the Party	40
Transfers from Tracy G Parsons to the Party	232
Transfers from Brad Thompson to the Party	184
	<u>\$ 927</u>
Transfers to Mark Abramowitz from the Party	\$ 474
Transfers to Dorian Baxter from the Party	135
Transfers to Fayaz Choudhary from the Party	169
Transfers to Asif Hossain from the Party	24
Transfers to Steve Hunter from the Party	1,215
Transfers to James Love from the Party	252
Transfers to Tracy G Parsons from the Party	1,535
Transfers to Dale Swirsky from the Party	650
Transfers to Brad Thompson from the Party	150
	<u>\$ 4,604</u>