

**COMMUNIST PARTY OF CANADA**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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**Suntharalingam & Associates**  
**Chartered Accountants**

**AUDITOR'S REPORT**

To David Rigby, Chief Agent and to the Central Executive Committee of  
**COMMUNIST PARTY OF CANADA**

We have audited the balance sheet of **COMMUNIST PARTY OF CANADA** as at **December 31, 2003** and the statements of operations, cash flows, net assets, political party trust fund return and political financial transactions return derived from the completed financial statements for the year then ended. These financial statements are the responsibility of the Organization's central executive committee. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements, political party trust fund return and political party financial transactions return are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, political trust fund return and political party financial transactions return. An audit also includes assessing the accounting principles used and significant estimates made by central executive committee, as well as evaluating the overall financial statement, political trust fund return and political party financial transactions return presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at **December 31, 2003** and the results of its operations, cash flows, net assets, political party trust return and political party financial transactions return for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario  
June 8, 2004

*Suntharalingam & Associates*

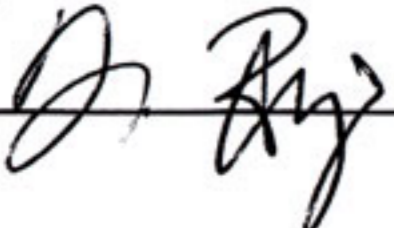
Chartered Accountants

**COMMUNIST PARTY OF CANADA**

**Balance Sheet  
as at December 31, 2003**

	<u>2003</u>	<u>2002</u>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 8,205	\$ 1,317
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 17,901	\$ 9,793
Taxes payable	2,898	-
	<u>20,799</u>	<u>9,793</u>
<b>NET ASSETS</b>		
<b>Net assets</b>	<u>(12,594)</u>	<u>(8,476)</u>
	<u>\$ 8,205</u>	<u>\$ 1,317</u>

Approved on behalf of the Organization's Central Executive committee:

 \_\_\_\_\_ Director

\_\_\_\_\_ Director

See accompanying notes to financial statements.

**COMMUNIST PARTY OF CANADA**  
**Statement of Net Assets**  
**for the year ended December 31, 2003**

	<u>2003</u>	<u>2002</u>
<b>Net assets, Beginning of year</b>	<b>\$ (8,476)</b>	<b>\$ 1,441</b>
<b>Excess of (expense) over revenue</b>	<b>(4,118)</b>	<b>(9,917)</b>
<b>Net assets, End of year</b>	<b><u>\$ (12,594)</u></b>	<b><u>\$ (8,476)</u></b>

See accompanying notes to financial statements.

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COMMUNIST PARTY OF CANADA

**COMMUNIST PARTY OF CANADA**  
**Statement of Operations**  
**for the year ended December 31, 2003**

	2003	2002
<b>Revenue</b>		
Political donations	\$ 95,918	\$ 102,026
<b>Expenses</b>		
Subsidies to various regions	62,253	45,044
Salaries and benefits	9,474	32,107
Press subsidy	5,250	300
Professional fees	4,415	5,077
Printing and literature	3,791	5,603
Telephone and communication	3,054	2,519
Office expense	2,978	4,433
Travel	2,367	2,247
Postage and delivery	2,059	4,003
Provision for Convention Fund	1,676	5,378
Rent and utilities	1,669	5,232
34th Convention - Year 2004	818	-
General and administrative	232	-
	<b>100,036</b>	<b>111,943</b>
<b>Excess (expenses) over revenue</b>	<b>\$ (4,118)</b>	<b>\$ (9,917)</b>

See accompanying notes to financial statements.

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 COMMUNIST PARTY OF CANADA

**COMMUNIST PARTY OF CANADA**  
**Statement of Cash Flows**  
**for the year ended December 31, 2003**

	<u>2003</u>	<u>2002</u>
<b>Operating activities</b>		
<b>Excess (expenses) over revenue</b>	<b>\$ (4,118)</b>	<b>\$ (9,917)</b>
<b>Add items not affecting cash</b>		
Net change in working capital items	<u>11,006</u>	<u>1,574</u>
	<u><b>6,888</b></u>	<u><b>(8,343)</b></u>
<b>Net (decrease) in cash during the year</b>	<b>6,888</b>	<b>(8,343)</b>
<b>Cash Position, beginning of year</b>	<u>1,317</u>	<u>9,660</u>
<b>Cash Position, end of year</b>	<u><b>\$ 8,205</b></u>	<u><b>\$ 1,317</b></u>

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See accompanying notes to financial statements.

**COMMUNIST PARTY OF CANADA**  
**Notes to Financial Statements**  
**December 31, 2003**

**1. Nature of operations**

The Communist Party of Canada (the "Organization") is a not-for-profit political organization. The Communist Party of Canada strives to unite within its ranks all those who defend and advance the interests of the working class in Canada and who aspire for a socialist future. The organization participates in federal elections and is active in a wide range of extra parliamentary activities across Canada on a consistent and ongoing basis.

**2. Significant Accounting Policies**

**(a) General**

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

**(b) Revenue**

Donations to the Communist Party of Canada are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**(c) Contributed services**

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

**(d) Use of estimates**

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

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**COMMUNIST PARTY OF CANADA**  
**Notes to Financial Statements**  
**December 31, 2003**

**3. Political party returns**

Political party trust fund return and political party financial transactions return are derived from the completed financial statements of the Communist Party of Canada as December 31, 2003 and are filed with Elections Canada - Chief Electoral Officer.

**4. Fair value of financial assets and financial liabilities**

The fair value of the Organization's accounts payable and accrued liabilities approximate their carrying amounts.

**5. Comparative figures**

The comparative figures have been extracted from the prior year's financial statements audited by another chartered accountant and have been restated to conform with the current presentation.

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COMMUNIST PARTY OF CANADA  
CHIEF ELECTORAL OFFICER