

PARTI MARIJUANA / MARIJUANA PARTY

Financial Statements as at December 31, 2005

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PARTI MARIJUANA / MARIJUANA PARTY**Statement of Operations and Changes in Net Assets**

for the year ended December 31, 2005

	2005	2004
REVENUES		
Contributions greater than \$200	\$ 2,375	\$ 7,710
Contributions \$200 or less	30	226
Non-monetary contributions	-	2,710
Transfers	-	297
Interest	-	64
	<u>2,405</u>	<u>11,007</u>
EXPENSES		
Advertising - Other (signs, brochures, ads, etc.)	711	1,190
Professional services	600	3,043
Interest	270	270
Office expenses	130	558
Telephone	210	489
Bank charges	89	120
Election expenses	-	11,371
Study grant	-	3,325
Representation	-	535
Miscellaneous	-	461
Office furnishings	-	265
Political activities	-	160
	<u>2,010</u>	<u>21,787</u>
Excess (deficiency) of revenues over expenses	395	(10,780)
Net assets, beginning of year	(2,665)	8,115
Net assets, end of year	<u>\$ (2,269)</u>	<u>\$ (2,665)</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, 2005

	<u>2005</u>	<u>2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 395	\$ (10,780)
Changes in working capital		
Accounts Receivable	356	6,704
Accounts Payable	<u>(1,513)</u>	<u>(960)</u>
	(761)	(5,036)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan from member	<u>(1,000)</u>	<u>-</u>
Decrease (increase) in cash	(1,761)	(5,036)
Cash, beginning of year	<u>1,869</u>	<u>6,905</u>
Cash, end of year	<u><u>\$ 108</u></u>	<u><u>\$ 1,869</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, 2005

	<u>2005</u>	<u>2004</u>
ASSETS		
Current assets		
Cash	\$ 108	\$ 1,869
Accounts Receivable	-	356
	<u>\$ 108</u>	<u>\$ 2,225</u>
LIABILITIES		
Current liabilities		
Accounts Payable	\$ 377	\$ 1,890
Loan, 9%	2,000	3,000
	2,377	4,890
NET ASSETS	<u>(2,269)</u>	<u>(2,665)</u>
	<u>\$ 108</u>	<u>\$ 2,225</u>

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

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

December 31, 2005

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.

Auditor's Report

To the Chief Agent of the Marijuana Party

I have audited the party's financial transactions return with respect to the year ended December 31, 2005. This return is the responsibility of the party's Chief Agent. My responsibility is to express an opinion on the return based on my audit.

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 transactions return is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial transactions return. An audit also includes assessing the accounting principles used and significant estimates made by the Chief Agent.

In my opinion the return presents fairly, in all material respects, and in accordance with generally accepted accounting principles the information contained in the financial records on which the return is based. Based on my examination, it also appears that proper accounting records have been kept by the registered party.

A handwritten signature in cursive script that reads "Gary Royon CMA".

Certified Management Accountant
Ottawa, Ontario
August 10, 2006