

PROGRESSIVE CANADIAN PARTY
STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31,	2005	2004
ASSETS		
Current		
Cash	\$ 7,542	\$ 1,579
Prepaid expenses and deposits	4,138	682
	\$ 11,680	\$ 2,261
LIABILITIES		
Current		
Notes payable (note 2)	\$ 5,000	\$ -
Accounts payable and accrued liabilities	2,404	2,212
Deferred revenue	70	-
	\$ 7,474	\$ 2,212
NET ASSETS		
Surplus	4,206	49
	\$ 11,680	\$ 2,261

ON BEHALF OF THE PARTY:

Director

Director

PROGRESSIVE CANADIAN PARTY

STATEMENT OF SURPLUS

(With comparatives from the period from May 29, 2004 to December 31, 2004)

FOR THE YEAR ENDED DECEMBER 31,	2005	2004
BALANCE, BEGINNING OF YEAR	\$ 49	\$ -
EXCESS OF REVENUE OVER EXPENSES	4,157	49
BALANCE, END OF YEAR	\$ 4,206	\$ 49

PROGRESSIVE CANADIAN PARTY
STATEMENT OF REVENUE AND EXPENSES

(With comparatives from the period from May 29, 2004 to December 31, 2004)

FOR THE YEAR ENDED DECEMBER 31,	2005	2004
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REVENUE		
Contributions	\$ 20,592	\$ 4,375
Membership fees	2,565	-
Sales	70	-
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	23,227	4,375
EXPENSES		
Advertising and promotion	251	-
Bank charges	1,314	7
Office expenses	3,776	1,319
Professional services	6,340	619
Telephone	4,733	-
Transfers	-	2,381
Travel and hospitality	2,656	-
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TOTAL EXPENSES	19,070	4,326
EXCESS OF REVENUE OVER EXPENSES	\$ 4,157	\$ 49
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**PROGRESSIVE CANADIAN PARTY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2005

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. NOTES PAYABLE

Notes payable are repayable in partial payments or in whole including interest calculated at a rate of 6% to be calculated monthly, unsecured, and payable no later than June 30, 2006.

**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, 2005 to December 31, 2005, including the Statement of Assets and Liabilities and the Statement of Revenue and Expenses 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 Statement of 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, 2005 and its revenue and expenses for the fiscal period then ended in accordance with Canadian generally accepted accounting principles.

Further, we report that the amounts shown in the Statement of Revenue and Expenses set out in Part 4 of the Financial Transactions Return for total revenues and total expenses are **\$23,227.00** and **\$19,069.84** respectively.

Markham, Canada
July 17, 2006



Chartered Accountants