



Tel: 905-513-7773 Fax: 905-513-7775  
3100 Steeles Avenue East, Suite 902,  
Markham, Ontario, Canada L3R 8T3  
Email: [service@chimseto.ca](mailto:service@chimseto.ca) [www.chimseto.ca](http://www.chimseto.ca)

**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**,

Section 426 of the *Canada Elections Act* 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 435.02 of the *Canada Elections Act* and the Elections Canada's *Guide to Registered Party Handbook*, for the year ended **December 31, 2008**, including the Statement of Assets and Liabilities and the Statements of Surplus (Deficit) and Revenue and Expenses ("the financial statements") set out in Part 4 of the Financial Transactions 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 in the Return. 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 in the Return.

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 Party's accounting records. Further, the *Act* does not require us to report that the accounting records include all transactions relating to the Party.

In our opinion, except for the adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of contributions and other revenues and expenses referred to in the preceding paragraph:

- a. 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 *Guide to Registered Party Handbook*, and
- b. Statement of Assets and Liabilities and Statements of Surplus (Deficit) and the Statement of Revenue and Expenses set out in Part 4 of the Financial Transactions Return present fairly, in all material respects, the financial position of the Party as at December 31, 2008 and its revenue and expenses for the fiscal period then ended in accordance with Canadian generally accepted accounting principles.

Markham, Canada  
August 27, 2009

*Chim & Seto LLP*  
Chartered Accountants  
Licensed Public Accountants

**PROGRESSIVE CANADIAN PARTY**  
**STATEMENT OF ASSETS AND LIABILITIES**

<b>AS AT DECEMBER 31,</b>	<b>2008</b>	<b>2007</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 1,792	\$ 2,602
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 7,469	\$ 1,500
Deferred revenue	25	-
Current portion of loan payable (note 5)	310	-
	<b>7,804</b>	<b>1,500</b>
<b>Long term</b>		
Loan payable (note 5)	808	-
	<b>8,612</b>	<b>1,500</b>
<b>NET ASSETS</b>		
<b>Surplus (deficit)</b>	<b>(6,820)</b>	<b>1,102</b>
	<b>\$ 1,792</b>	<b>\$ 2,602</b>

**ON BEHALF OF THE PARTY:**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Director**

**PROGRESSIVE CANADIAN PARTY  
STATEMENT OF SURPLUS (DEFICIT)**

<b>FOR THE YEAR ENDED DECEMBER 31</b>	<b>2008</b>	<b>2007</b>
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$ 1,102</b>	<b>\$ 367</b>
<b>EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)</b>	<b>(7,922)</b>	<b>735</b>
<b>BALANCE, END OF YEAR</b>	<b>\$ (6,820)</b>	<b>\$ 1,102</b>

**PROGRESSIVE CANADIAN PARTY**  
**STATEMENT OF REVENUE AND EXPENSES**

<b>FOR THE YEAR ENDED DECEMBER 31</b>	<b>2008</b>	<b>2007</b>
<b>REVENUE</b>		
Contributions	\$ 5,030	\$ 6,388
Membership fees	460	2,375
Conferences fees	-	180
	<b>5,490</b>	<b>8,943</b>
<b>EXPENSES</b>		
Advertising and promotion	1,135	127
Bank charges and interest	1,552	1,411
Management fees	5,947	-
Office expenses	1,542	439
Professional fee	2,023	3,090
Telephone	13	2,417
Transfers (note 6)	1,200	-
Travel and hospitality	-	724
<b>TOTAL EXPENSES</b>	<b>13,412</b>	<b>8,208</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>		
<b>(EXPENSES OVER REVENUE)</b>	<b>\$ (7,922)</b>	<b>\$ 735</b>

**PROGRESSIVE CANADIAN PARTY  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**

---

**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. CHANGE IN ACCOUNTING POLICY**

On January 1, 2008, the Organization retroactively adopted, without restatement of prior periods, CICA Handbook section 3861, "Financial Instruments – Disclosure and Presentation", and Section 3855 "Financial Instruments – Recognition and Measurement". These new Handbook Sections provide comprehensive requirements for the recognition and measurement of financial instruments.

Under these new standards, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair market value or, in limited circumstances, at cost or amortized cost.

In accordance with the provisions of these new standards, the Organization did not need to make any adjustments to its financial statements.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**Revenue Recognition**

All revenues are recognized when received by the Chief Agent for the Party.

**Use of Estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they became known. Actual results could differ from those estimates.

**PROGRESSIVE CANADIAN PARTY  
NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**

---

**4. FINANCIAL INSTRUMENTS**

The Organization utilizes various financial instruments. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The Organization classifies each financial instrument into the following categories: held for trading financial assets, held for trading financial liabilities, loans and receivables, and other financial liabilities. All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instrument is based on their classification. Gains and losses on held for trading financial assets and financial liabilities are accounted for at amortized cost with related expenses charged to interest income or interest expenses.

Cash and equivalents are classified as held for trading financial assets. Accounts payable and accrued liabilities are classified as other financial liabilities.

**5. LOAN PAYABLE**

**2008**

The original loan with principal of \$1,135 at 9.50% interest per annum,  
repayable principal and interest of \$62 per quarter, maturing February 1, 2013. **\$ 1,118**

Less: Current portion **310**

Long term portion **\$ 808**

Principal repayments and interest on loan payable due in each of the next five years are as follows:

Year ending -	December 31, 2009	\$ 310
	December 31, 2010	248
	December 31, 2011	248
	December 31, 2012	248
	December 31, 2013	62

**6. RELATED PARTY TRANSACTIONS**

The Organization is a related party to Newmarket-Aurora P.C. Party Association.

(a) During the year-

Transfers from Party to Association	\$ 1,200
-------------------------------------	----------

**7. CASH FLOW STATEMENT**

A cash flow statement has not been prepared because it would not provide any additional useful information in understanding the cash flows for the year.