

Gary Rozon, CMA Inc

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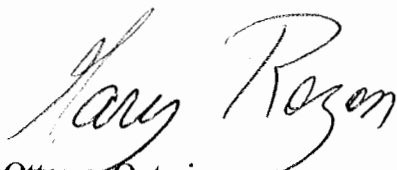
Auditor's Report

To: Psam Frank, Chief Agent, Canadian Action Party

I have audited the Balance Sheet, Statement of Revenue and Expenses and the Financial Transactions Return as at **December 31, 2010** in accordance with sections 424 to 434 of the Canada Elections Act. These financial statements are the responsibility of the Party's management. My responsibility is to express an opinion on this Financial Transaction Return based on my audit.

I conducted the audit in accordance with Canadian Generally Accepted Auditing Standards and Section 424 to 434 of the Canada Elections Act. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement preparation.

In my opinion, the financial transaction return present fairly, in all material respects, the financial position of the Party as at **December 31, 2010** and the results of its operations, changes in fund balances and cash flows for the period then ended in accordance with Canadian Generally Accepted Accounting Principles and Sections 424 to 434 of the Canada Elections Act.



Ottawa, Ontario
July 29, 2011

Canadian Action Party Comparative Balance Sheet 2009/10			
Revenue	2009	2010	Difference
Donation/Membership	\$ 10,635.00	\$ 15,671.99	\$ 5,036.99
Convention Fees			
Candidate Surplus	\$ -	\$ 1,146.16	\$ 1,146.16
Other (Detail Below)			
Net Revenue	\$ 10,635.00	\$ 16,818.15	\$ 6,183.15
Expenses			
Wages & Benefits			
Repair/Maintainance			
Convention Fees			
Communications			
Office and Administration		\$ -	
Interest/Bank Charges		\$ 11.00	
Audit/Bookkeeping Fees			
Election Expenses			
PayPal Fees		\$ 68.25	
Advertising			
Transfer of Funds			
Travel			
Total Expenses		\$ 79.25	
NET INCOME		\$ 4,330.75	
CURRENT ASSETS			
Vancity Credit Union	\$ -	\$ 10,539.03	\$ 10,539.03
PayPal	\$ 1,478.45	\$ 3,615.00	\$ 2,136.55
Victory Credit Union	\$ 958.09	\$ 77.22	-\$ 880.87
Due from Candidates	\$ 1,146.16	\$ -	-\$ 1,146.16
Petty Cash		\$ -	
Total Assets	\$ 3,582.70	\$ 14,231.25	\$ 10,648.55

**CANADIAN ACTION PARTY/PARTI ACTION CANADIENNE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

1. ORGANIZATION

The organization is a registered political party under the Canada Elections Act. It is currently led by Christopher Porter.

2 SIGNIFICANT ACCOUNTING POLICIES

On January 1, 2008, the Party adopted and implemented section 1506 "Accounting Changes" of the Canadian Institute of Chartered Accountants (CICA) Handbook.

Contributions

Contributions are recorded at fair market value and are recognized in the year of receipt.

Contributed Materials and Services

Contributed materials and services, except volunteer labour, are recorded at fair value. Except where required by the Canada Elections Act, the value of labour is not recorded in the financial statements.

Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the 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. Actual results could differ from these estimates.

3. FINANCIAL INSTRUMENTS

Financial instruments recognized in the balance sheet consist of cash and accounts payable and accrued liabilities. It is management's opinion that the Party is not exposed to significant interest, credit or exchange risks arising from these financial instruments.