



INDEPENDENT AUDITOR'S REPORT

To **Macdonald-Cartier PC Fund**, Chief Agent for **Progressive Canadian Party** for submission to the Chief Electoral Officer of Canada in accordance with section 426 of the *Canada Elections Act*.

Report on the Return

We have audited the accompanying Financial Transactions Return (the "Return") of the **Progressive Canadian Party** which comprises the Statement of Assets and Liabilities as at December 31, 2013, Statement of Deficit, Statement of Revenues and Expenses, Statement of Cash Flows and the Statement of Contributions Received, Statement of Directed Contributions Received and Transferred to a Leadership Contestant, Statement of Contributions Received – Details of Operating Loans, Statement of Contributions Received - Contributions Returned to Donors or Otherwise Dealt with in Accordance with the Act, Statement of Transfers Received, Summary of Contributions, Loans and Transfers Received, Statement of Election Expenses for a By-election, Statement of Transfers to a Candidate, an Electoral District Association, a Leadership Contestant or a Nomination Contestant, Statement of Unpaid Claims for the fiscal year ended December 31, 2013.

This Return has been prepared by the Chief Agent of the party based on the financial reporting provisions of Section 424 of the *Canada Elections Act* and in the prescribed form issued by Elections Canada.

The Chief Agent's Responsibility for the Return

The Chief Agent of the party is responsible for the preparation of the Return in accordance with the financial reporting provisions of Section 424 of the *Canada Elections Act* and in the prescribed form issued by Elections Canada and for such internal control as the Chief Agent determines is necessary to enable the preparation of a Return that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Return based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance whether the Return is free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Return. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Return, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of the Return in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.

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- page 2 -

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Agent, as well as evaluating the overall presentation of the Return. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Due to the inherent nature of the transactions of the registered party, the completeness of contributions and other revenue and expenses is not susceptible of satisfactory audit verification.

Secondly, supporting records for deposits were not maintained and we were unable to verify the validity of revenues by any alternative satisfactory audit procedures.

Accordingly, our verification of these amounts was limited to the amounts recorded in the registered party's accounting records and we were not able to determine whether any adjustments might be necessary to revenues, expenses, assets, liabilities and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the Financial Transactions Return of the **Progressive Canadian Party** for the fiscal year ended December 31, 2013 is prepared, in all material respects, in accordance with the financial reporting provisions of Section 424 of the *Canada Elections Act* and in the prescribed form issued by Elections Canada.

Basis of Accounting and Restriction on Use

Without modifying our qualified opinion, we draw attention to Note 1 to the Return, which describes the basis of accounting. The Return is prepared to assist the Chief Agent of the registered party to meet the requirements of the *Canada Elections Act*. As a result, the Return may not be suitable for another purpose. Our report is intended solely for the Chief Agent and the Chief Electoral Officer, and should not be used by parties other than the Chief Agent or the Chief Electoral Officer.

Report on other Legal and Regulatory Requirements

As required by Subsection 426 of the *Canada Elections Act*, in our opinion, the Return presents the information contained in the financial records on which it is based.

IMPACT CPAs LLP

IMPACT CPAs LLP
Richmond Hill, Canada
August 29, 2014

Chartered Accountants
Licensed Public Accountants
Chartered Professional Accountants

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

AS AT DECEMBER 31,	2013	2012
ASSETS		
Current		
Cash	\$ 727	\$ 1,813
Accounts receivable	1,000	-
	\$ 1,727	\$ 1,813
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 5,308	\$ 8,754
Loans payable	18,344	10,864
	23,652	19,618
NET ASSETS		
Balance, beginning of year	(17,805)	(15,493)
Excess of expenses over revenues	(4,120)	(2,312)
	(21,925)	(17,805)
	\$ 1,727	\$ 1,813

ON BEHALF OF THE PARTY:


Director SINCLAIR M. STEVENS

Director

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

FOR THE YEAR ENDED DECEMBER 31	2013	2012
REVENUES		
Contributions	\$ 4,345	\$ 5,481
Membership fee	1,612	-
Transfers in	-	994
Other income	2,747	380
	8,704	6,855
EXPENSES		
Bank charges and interest	3,042	2,535
Office expenses	3,446	1,927
Professional fee	5,398	3,400
Transfers out	938	1,305
	12,824	9,167
EXCESS OF EXPENSES OVER REVENUES	\$ (4,120)	\$ (2,312)

**PROGRESSIVE CANADIAN PARTY
NOTES TO FINANCIAL TRANSACTIONS RETURN**

DECEMBER 31, 2013

OPERATION

The **Progressive Canadian Party** (“Party”) is a political organization registered under the Canada Elections Act on March 29, 2004. The purpose of the Party is to participate in public affairs by endorsing one or more of its members as candidates and supporting their election.

1 BASIS OF ACCOUNTING

The Financial Transactions Return has been prepared in accordance with the financial reporting provisions of Section 426 of the Canada Elections Act and in the prescribed form issued by Elections Canada.

The Return is prepared to assist the Chief Agent to meet the requirements of the Canada Elections Act. The Return is intended solely for the use of the Chief Agent and the Chief Electoral Officer. Accordingly, readers are cautioned that the Return may not be suitable for another purpose. The Canada Elections Act requires that the Return be made available for public inspection.

Financial reporting provisions of Subsections 424(2)(f) and (g) of the Canada Elections Act require that the Statement of Assets and Liabilities and the Statement of Revenues and Expenses be prepared in accordance with generally accepted accounting principles. Elections Canada has interpreted generally accepted accounting principles as being the recognition and measurement requirements in CPA Canada Handbook – Accounting – Part III – “Accounting standards for not-for-profit organizations” specifically related to the statements in Part 4 of the Financial Transactions Return, but not the presentation principles, i.e., the obligation to present all the financial statements and note disclosures required by generally accepted accounting principles for a complete set of financial statements. The Chief Agent has prepared the Statement of Assets and Liabilities and the Statement of Revenues and Expenses in accordance with the recognition and measurement requirements in CPA Canada Handbook – Accounting – Part III – “Accounting standards for not-for-profit organizations”.