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## INDEPENDENT AUDITOR'S REPORT

To **Allen C. Gullon**, 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, 2014, Statement of Deficit, Statement of Revenues and Expenses 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, 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 and Statement of Unpaid Claims for the fiscal year ended December 31, 2014.

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.

Page 1 of 2

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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, 2014 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  
July 27, 2015

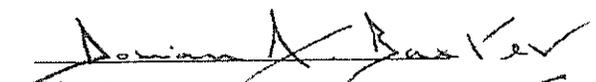
Chartered Accountants  
Licensed Public Accountants  
Chartered Professional Accountants

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

<b>AS AT DECEMBER 31,</b>	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 5,232	\$ 727
Accounts receivable	-	1,000
	<b>5,232</b>	<b>1,727</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 3,945	\$ 5,308
Loans payable	<b>28,359</b>	18,344
	<b>32,304</b>	<b>23,652</b>
<b>NET ASSETS</b>		
<b>Deficit</b>	<b>(27,072)</b>	<b>(21,925)</b>
	<b>\$ 5,232</b>	<b>\$ 1,727</b>

**ON BEHALF OF THE PARTY:**

  
Director

  
Director

**PROGRESSIVE CANADIAN PARTY  
STATEMENT OF DEFICIT**

<b>FOR THE YEAR ENDED DECEMBER 31,</b>	<b>2014</b>	<b>2013</b>
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$ (21,925)</b>	<b>\$ (17,805)</b>
<b>EXCESS OF EXPENSES OVER REVENUES</b>	<b>(5,147)</b>	<b>(4,120)</b>
<b>BALANCE, END OF YEAR</b>	<b>\$ (27,072)</b>	<b>\$ (21,925)</b>

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

<b>FOR THE YEAR ENDED DECEMBER 31,</b>	<b>2014</b>	<b>2013</b>
<b>REVENUES</b>		
Contributions	\$ 6,610	\$ 4,345
Membership fee	642	1,612
Other income	-	2,747
	<b>7,252</b>	<b>8,704</b>
<b>EXPENSES</b>		
Bank charges and interest	2,973	3,042
Office expenses	607	3,446
Professional fee	7,819	5,398
Transfers out	1,000	938
	<b>12,399</b>	<b>12,824</b>
<b>EXCESS OF EXPENSES OVER REVENUES</b>	<b>\$ (5,147)</b>	<b>\$ (4,120)</b>