

INDEPENDENT AUDITORS' REPORT

To **Allen C. Gullon**, Chief Agent of the **Progressive Canadian Party** for submission to the Chief Electoral Officer of Canada in accordance with subsection 438(1) of the *Canada Elections Act*.

Report on the Return

We have audited the Registered Party Return in Respect of General Election Expenses (the "Return") of the **Progressive Canadian Party** relating to the general election held on October 19, 2015. The Return was prepared by the Chief Agent of the **Progressive Canadian Party** based on the provisions of section 437 of the *Canada Elections Act* and the accounting guidelines issued by Elections Canada, title "Guideline for the External Audit of Registered Party Return in Respect of General Elections Expenses: and dated February 2016.

The Chief Agent's Responsibility for the Return

The Chief Agent is responsible for the preparation and the fair presentation of the Return in accordance with the financial provisions of section 437 of the *Canada Elections Act* and guideline issued by Elections Canada, and for such internal control that is determines necessary to enable the preparation of a Return that is free from material misstatement, whether due to fraud or error.

Auditors' 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 financial information in the Return is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial information 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 control. 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 financial information. 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 registered political parties, the completeness of general election expenses is not susceptible of satisfactory audit verification. 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 general election expenses.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, the Registered Party Return in Respect of General Election Expenses of the **Progressive Canadian Party** presents fairly, in all material respects, in accordance with the provisions of sections 437 of the *Canada Elections Act* and the guidelines issued by Elections Canada, title "Guideline for the External Audit of Registered Party Return in Respect of General Elections Expenses: and dated February 2016..

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to the first section in our auditors' report, which describes the basis of accounting. The Return is prepared to assist the Chief Agent to meet the requirements of the *Canada Elections Act* and the guidelines issued by Elections Canada, title "Guideline for the External Audit of Registered Party Return in Respect of General Elections Expenses: and dated February 2016. 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 of Canada, and should not be used by parties other than the Chief Agent and the Chief Electoral Officer.

Report on Other Legal and Regulatory Requirements

We additionally declare that the total election expenses amount of \$2,421, as shown in the financial statements of the **Progressive Canadian Party** for the general election of October 19, 2015, is below the limit of \$1,348,602 determined by Elections Canada.

IMPACT CPAs LLP

IMPACT CPAs LLP
Richmond Hill, Canada
June 27, 2016

Chartered Accountants
Licensed Public Accountants
Chartered Professional Accountants

INDEPENDENT AUDITORS' REPORT

To **Allen C. Gullon**, Chief Agent of the **Progressive Canadian Party** for submission to the Chief Electoral Officer of Canada in accordance with subsection 438(1) of the *Canada Elections Act*.

We have audited **Progressive Canadian Party** for compliance as at October 19, 2015, with the criteria established by the applicable requirements of Division 1 (General Financial Provisions) and Division 2 (Political Parties) of Part 18 (Financial Administration) of the *Canada Elections Act*, as per subsection 4385(1) of the *Act* ("the legal provision") and the interpretation of such requirements as set out in "Appendix 1 – Applicable Requirements of the *Canada Election Act*" of the guideline of the External Audit of a Registered Party Return in Respect of General Election Expenses. Compliance with the criteria established by the legal provisions is the responsibility of the registered political party's management. Our responsibility is to express an opinion on this compliance based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the **Progressive Canadian Party** complied with the criteria established by the legal provisions referred to above. Such an audit includes examining, on a test basis, evidence supporting compliance; evaluating the overall compliance with these criteria; and, where applicable, assessing the accounting principles used and significant estimates made by management.

Due to the inherent nature of the transactions of registered political parties, the completeness of general election expenses is not susceptible of satisfactory audit verification. 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 general election expenses.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had I been able to satisfy ourselves concerning the completeness of general expenses referred to in the preceding paragraph, as at October 19, 2015, **Progressive Canadian Party** is in compliance, in all material respects, with the criteria established by the applicable requirements of Division 1 (General Financial Provisions) and Division 2 (Political Parties) of Part 18 (Financial Administration) of the *Canada Elections Act*, as per subsection 438(1) of the *Act* and the interpretation of such requirements as set out in "Appendix 1 – Applicable Requirements of the *Canada Election Act*" of the guideline of the External Audit of a Registered Party Return in Respect of General Election Expenses.

IMPACT CPAs LLP

IMPACT CPAs LLP
Richmond Hill, Canada
June 27, 2016

Chartered Accountants
Licensed Public Accountants
Chartered Professional Accountants