

Christian Heritage Party of Canada
Financial Statements
As at December 31, 2006

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AUDITOR'S REPORT

To the Chief Agent of the
Christian Heritage Party of Canada,

I have audited the balance sheet of the Christian Heritage Party of Canada as at December 31, 2006 and the statements of operations, net assets, cash flows and Financial Transactions Return derived from the completed financial statements for the year then ended. These financial statements are the responsibility of the management of the Christian Heritage Party of Canada. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards and Section 424-426 of the Canada Elections Act. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the Financial Transactions Return are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Board of Directors, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the Christian Heritage Party derives a substantial portion of its revenue from contributions, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of revenue from this source was limited to accounting for the amounts recorded in the books of the Party and I was not able to determine whether any adjustment might be necessary to the amount of contributions reported. Furthermore as the Party has minimum control over the activities of the individual riding associations, only assets, liabilities and expenses of the head office and the provincial divisions have been reflected in the financial statements. As such I was not able to determine whether any adjustments might be necessary to revenue, expenses, excess of revenue over expenses, assets and net assets (liabilities).

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the contributions referred to in the preceding paragraph, these financial statements presents fairly, in all material respects, the financial position of the Christian Heritage Party as at December 31, 2006 and the statement of operations, net assets, cash flows and Financial Transactions Return for the year then ended in accordance with Canadian generally accepted accounting principles and Section 424 of the Canada Elections Act.

Nancy Fraser, CGA

Nancy Fraser, CGA,

Certified General Accountant

Gatineau, Quebec

June 15, 2007

Christian Heritage Party of Canada
Statement of Operations
Year ended December 31, 2006

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	2006	2005
REVENUES		
Donations	198 574 \$	194 450 \$
Special project donations	-	24 930
Transfer from province and ridings	35 210	30 013
Membership	15 705	29 295
Other	4 934	1 816
	<hr/>	<hr/>
	254 423	280 504
EXPENSES		
Salaries and fringe benefits	119 678	116 004
Casual help	828	1 180
National Board Meeting	16 331	18 932
Electoral Campaign	53 031	12 788
Distribution to ridings	580	4 607
Travelling	7 037	10 194
Advertising and promotion	18 534	7 213
Website	2 658	371
Rent	10 113	9 970
Office supplies and printing	5 456	4 606
Stamps and couriers	9 891	9 046
Telecommunications	7 007	7 620
Professionnal fees	7 200	-
Accounting and Legal	9 807	4 982
Interest and bank charges	1 151	327
Interest on long-term debt	-	1 100
	<hr/>	<hr/>
	269 302	208 940
EXCESS OF REVENUES OVER EXPENSES	<hr/>	<hr/>
	(14 879) \$	71 564 \$

Christian Heritage Party of Canada
Statement of Changes in Net Assets (Deficiency)
Year ended December 31, 2006

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	Invested in capital assets	Unrestricted	Total 2006	Total 2005
Opening Balance	21 964 \$	37 625 \$	59 589 \$	(11 975) \$
Excess of revenues over expenses	-	(14 879)	(14 879)	71 564
CLOSING BALANCE	21 964 \$	22 746 \$	44 710 \$	59 589 \$

Christian Heritage Party of Canada


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Balance Sheet

Year ended December 31, 2006

	2006	2005
ASSETS		
CURRENT ASSETS		
Cash	38 124 \$	70 561 \$
Receivables	21 744	22 173
Prepaid Expenses	375	9 556
TOTAL ASSETS	60 243	102 290
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	867	7 610
Due to Ridings	10 523	10 523
Wages and Deductions at source payable	4 143	8 568
	15 533	26 701
LONG-TERM LIABILITIES (note 3)	-	16 000
TOTAL LIABILITIES	15 533	42 701
NET ASSETS (DEFICIENCY)		
Invested in capital assets	21 964	21 964
Unrestricted	22 746	37 625
TOTAL NET ASSETS (DEFICIENCY)	44 710	59 589
TOTAL LIABILITIES AND NET ASSETS (DEFICIENCY)	60 243 \$	102 290 \$

On behalf of the Board :




_____ (NANCY FRASER)

, Executive Director

, Treasurer

Christian Heritage Party of Canada
Statement of Cash Flows
Year ended December 31, 2006

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		2006	2005
OPERATING ACTIVITIES			
Excess of Revenues over Expenses		(14 879) \$	71 564 \$
Net changes in non-cash working capital	Note C	(1 558)	(6 267)
Cash flows from operating activities		(16 437)	65 297
FINANCING ACTIVITIES			
Provincial Divisions opening balance			(2 792)
Repayment of long-term debt		(16 000)	(7 640)
Cash flows from financing activities		(16 000)	(10 432)
Increase (Decrease) in Cash and Cash Equivalent		(32 437)	54 865
- Cash and Cash Equivalent at Beginning	Note A	70 561	15 696
Cash and Cash Equivalent at end	Note A	38 124 \$	70 561 \$

Christian Heritage Party of Canada

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Statement of Cash Flows**Year ended December 31, 2006**

	2006	2005
A - Cash and cash equivalent consist of cash on hand, balances with bank accounts.	38 124 \$	70 561 \$
B - Net change in non-cash working capital :		
Receivables	429 \$	(2 363) \$
Prepaid Expenses	9 181	(8 098)
Accounts Payable	(6 743)	4 379
Wages and Deductions at source payable	(4 425)	(185)
	(1 558) \$	(6 267) \$

Note 1 NATURE OF ACTIVITIES

The Christian Heritage Party of Canada was registered as an official political party in May of 1986 under the Elections Canada Act.

In 2005, The Christian Heritage Party of Canada registered the following provincial divisions

- Christian Heritage Party Ontario Council
- Manitoba Council of the Christian Heritage Party
- Alberta Council of the Christian Heritage Party
- BC Council of the Christian Heritage Party

Note 2 SIGNIFICANT ACCOUNTING POLICIES

ACCRUAL BASIS OF ACCOUNTING

These financial statements were prepared using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measureable ; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay. All donations dated up to December 31 are included as revenue.

DONATED SERVICES

Since the Christian Heritage Party could not pay for the numerous services provided by volunteers through current operations, these services are not accounted for in the financial statements.

CAPITAL ASSETS HELD BY SMALL ORGANIZATIONS

Purchases of capital assets are charged to expenses for the year when the assets are acquired. During the year, no amount was expended for assets. Since the inception of the Christian Heritage Party of Canada, 21 964 \$ of capital expenditures have been applied against equity. The main categories of capital assets held by the Christian Heritage Party are the following :

	<u>Useful life</u>
Furniture and fixtures	10
Computer software	3
Computer equipment	3
Library	5

Note 3 LONG-TERM LIABILITIES

	2006	2005
Notes payable to individual party members, 10 % interest. Principal and interest are due and payable 2 years from date of issue. Total aggregate amount due April 2000 is 121,000 \$. The notes have also been guaranteed by consenting signatures who are members of the party.	-	11 000 \$
Guarantors	-	5 000
	- \$	16 000 \$

Note 4 OPERATIONS BETWEEN RELATED PARTIES

The Party received funds from and for the CHP Brampton. The CHP Brampton is not registered. The funds are deposited in a special bank account. The total amount received as at December 31, 2006 is 10 398.46 \$. That sum will be distributed to CHP Brampton when they get registered.

Note 5 COMPARISON OF FINANCIAL STATEMENTS

For comparison purposes, some of the preceding year's accounts have been reclassified to conform with the current year's accounts.

Note 6 FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, accounts receivable, accounts payable, private member loans, and long-term debt. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate and credit risks arising from these financial instruments.