

**Christian Heritage Party of Canada**  
Financial Statements  
Period from May 28 to December 31, 2004

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*Nancy Fraser, CGA*

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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, 2004 and the statements of operations, deficit, cash flows and Financial Transactions Return derived from the completed financial statements for the period from May 28, 2004 to December 31, 2004. 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. 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 disclosure 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 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, 2005 and the statement of operations, deficit, cash flows and Financial Transactions Return for the period from May 28, 2004 to December 31, 2004 in accordance with Canadian generally accepted accounting principles.

*Nancy Fraser, CGA*  
Nancy Fraser, CGA.  
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Gatineau, Quebec  
July 5, 2005

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**Christian Heritage Party of Canada**  
Statement of Operations  
Period from May 28 to December 31, 2004

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**REVENUES**

Donations	129 996 \$
Special project donations	410
Rebates from province and ridings	4 820
Membership	6 080
Other	827
	<hr/>
	142 133

**EXPENSES**

Salaries and fringe benefits	74 634
Casual help	436
Professional fees	3 210
Rent	3 960
Interest and bank charges	146
Interest on long-term debt	196
Office supplies and printing	2 277
Stamps and couriers	4 809
National Board Meeting	6 226
Telecommunications	6 234
Advertising and promotion	3 075
Website	1 488
Travelling	3 927
Electoral Campaign	36 864
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TOTAL OF EXPENSES

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147 482

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**EXCESS OF REVENUES OVER EXPENSES**

**(5 349) \$**  

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# Christian Heritage Party of Canada

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## Statement of Deficit

Period from May 28 to December 31, 2004

	<u>Invested in capital assets</u>	<u>Unrestricted</u>	<u>Total</u>
Opening Balance	21 964 \$	(32 798) \$	(10 834) \$
Excess of revenues over expenses	-	(5 349)	(5 349)
Investments in capital assets	-	-	-
<b>CLOSING BALANCE</b>	<b>21 964 \$</b>	<b>(38 147) \$</b>	<b>(16 183) \$</b>



**Christian Heritage Party of Canada**

Balance Sheet

As at December 31, 2004

**ASSETS**

CURRENT ASSETS

Cash	15 696 \$
Receivables	19 810
Prepaid Expenses	1 458

TOTAL ASSETS

**36 964**

**LIABILITIES**

CURRENT LIABILITIES

Accounts Payable	13 754
Wages and Deductions at source payable	8 753

**22 507**

LONG-TERM LIABILITIES (note 3)

**30 640**

TOTAL LIABILITIES

**53 147**

**NET DEFICIENCY**

Invested in capital assets	21 964
Unrestricted	(38 147)

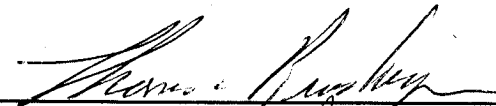
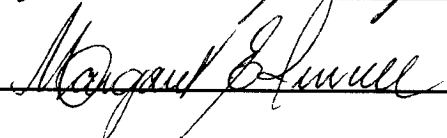
**(16 183)**

TOTAL DEFICIENCY

TOTAL LIABILITIES AND NET DEFICIENCY

**36 964 \$**

On behalf of the Board :

  
\_\_\_\_\_  
  
\_\_\_\_\_

, Chairperson

, Secretary



**Christian Heritage Party of Canada**  
 Statement of Cash Flows  
 Period from May 28 to December 31, 2004

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**OPERATING ACTIVITIES**

Net income		(5 349) \$
Net changes in non-cash working capital	Note C	<u>(1 120)</u>
Cash flows from operating activities		<b>(6 469)</b>

**FINANCING ACTIVITIES**

Increase in long-term debt		-
Repayment of long-term debt		<u>(4 714)</u>
Cash flows from financing activities		<u><b>(4 714)</b></u>
Increase (Decrease) in Cash and Cash Equivalent		(11 183)
Cash and Cash Equivalent at Beginning	Note A	<u>26 879</u>
Cash and Cash Equivalent at end	Note A	<u><b>15 696 \$</b></u>



**Christian Heritage Party of Canada**  
 Statement of Cash Flows  
 Period from May 28 to December 31, 2004

A - Cash and cash equivalent consist of cash on hand, balances with bank accounts.	<u>15 696 \$</u>
 B - Interest paid on long term debt	
Interest paid	<u>2 806 \$</u>
 C - Net change in non-cash working capital :	
Receivables	(14 613) \$
Prepaid Expenses	(1 230)
Accounts Payable	10 936
Wages and Deductions at source payable	<u>3 787</u>
	<u>(1 120) \$</u>



**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.

**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 measurable ; 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**

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.

	21 140 \$
Guarantors	<u>9 500</u>
	<u><u>30 640 \$</u></u>

**Note 4 GOING CONCERN**

In accordance with section 370 of the Canada Elections Act, The Christian Heritage Party had at least one candidate whose nomination has been confirmed for the June 28, 2004 general election and therefore became a registered political party as of May 28, 2004.

**Note 5 FINANCIAL INSTRUMENTS**

The organization's financial instruments consist of cash, 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.