

**CHRISTIAN HERITAGE PARTY
OF CANADA
FINANCIAL STATEMENTS
DECEMBER 31, 2008**

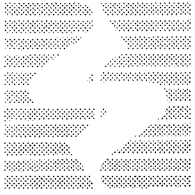


Henry Salomons, B.A., C.A.
Chartered Accountant

**CHRISTIAN HERITAGE PARTY OF CANADA
FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2008**

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Chartered Accountant

AUDIT REPORT

To the Chief Agent for the Christian Heritage Party of Canada:

I have audited the statement of financial position of The Christian Heritage Party of Canada as at December 31, 2008 and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Party's management. 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 disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with organizations of this type, the Party derives revenue from contributions, the completeness of which was not susceptible to satisfactory audit verification. Accordingly, our verification of revenues from contributions is limited to the amounts recorded in the records of the Party and we were not able to determine whether any adjustments might be necessary to contributions, excess of expenses over revenue for the year, assets and net assets.

In my opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of contributions and election and other expenses referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Party as at December 31, 2008 and the results of its operations and the cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BEAMSVILLE, Canada
July 27, 2009

HENRY SALOMONS, B.A., C.A.
CHARTERED ACCOUNTANT
LICENSED PUBLIC ACCOUNTANT #13867

CHRISTIAN HERITAGE PARTY OF CANADA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2008

| | 2008 | 2007 |
|--|----------------|---------------|
| | \$ | \$ |
| <u>ASSETS</u> | | |
| Current assets | | |
| Cash | 93,142 | 27,268 |
| Amounts receivable | 33,983 | 41,367 |
| | 127,125 | 68,635 |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 21,539 | 5,370 |
| Due to ridings (Note 3) | 10,523 | 10,523 |
| Payroll liabilities | 2,346 | 5,644 |
| | 34,408 | 21,537 |
| Net assets | | |
| Invested in capital assets (Note 2) | 27,231 | 25,636 |
| Unrestricted | 65,486 | 21,462 |
| | 92,717 | 47,098 |
| | 127,125 | 68,635 |

Signed on behalf of the Board:

_____ **Executive Director**

_____ **Treasurer**

CHRISTIAN HERITAGE PARTY OF CANADA
STATEMENT OF OPERATIONS
AS AT DECEMBER 31, 2008

| | 2008 | 2007 |
|---|----------------|----------------|
| | \$ | \$ |
| Revenues | | |
| Convention | 65,113 | - |
| Donations | 269,569 | 213,530 |
| Product sales and sundry | 3,246 | 4,380 |
| Memberships | 32,635 | 17,145 |
| Transfers from provinces and ridings | 54,766 | 34,205 |
| | 425,329 | 269,260 |
| Expenses | | |
| Advertising and promotion - Television | 7,113 | - |
| - Radio | 2,533 | - |
| - Other | 48,273 | 29,094 |
| Convention Expense | 65,307 | - |
| Distribution to ridings | 4,597 | 120 |
| Electoral campaign | 21,224 | 16,456 |
| Interest and bank charges | 5,274 | 1,594 |
| National board meetings | 13,522 | 21,431 |
| Office expenses | 21,861 | 18,731 |
| Professional fees | 34,095 | 16,595 |
| Rent | 9,692 | 10,070 |
| Salaries and benefits | 125,228 | 130,679 |
| Telecommunications | 8,321 | 10,440 |
| Travel | 11,069 | 9,397 |
| Website | 1,601 | 2,265 |
| | 379,710 | 266,872 |
| Excess of revenues over expenses | 45,619 | 2,388 |

CHRISTIAN HERITAGE PARTY OF CANADA
STATEMENT OF CHANGES IN NET ASSETS
AS AT DECEMBER 31, 2008

| | Invested in capital assets \$ | Unrestricted \$ | Total 2008 \$ | Total 2007 \$ |
|-------------------------------------|-------------------------------------|--------------------|---------------------|---------------------|
| Opening balance | 25,636 | 21,462 | 47,098 | 44,710 |
| Excess of revenues over expenses | 1,595 | 44,024 | 45,619 | 2,388 |
| Closing balance | 27,231 | 65,486 | 92,717 | 47,098 |



CHRISTIAN HERITAGE PARTY OF CANADA
STATEMENT OF CASH FLOWS
AS AT DECEMBER 31, 2008

| | 2008 | 2007 |
|--|---------------|-----------------|
| | \$ | \$ |
| Operating Activities | | |
| Excess of revenues over expenses | 45,619 | 2,388 |
| Changes in non-cash working capital: | | |
| Amounts receivable | 7,384 | (19,623) |
| Prepaid expenses | - | 375 |
| Accounts payable and accrued liabilities | 16,169 | 4,503 |
| Payroll liabilities | (3,298) | 1,501 |
| | 65,874 | (10,856) |
| Cash flows from operating activities | 65,874 | (10,856) |
| Increase (decrease) in cash during the year | 65,874 | (10,856) |
| Cash, beginning of year | 27,268 | 38,124 |
| Cash, end of year | 93,142 | 27,268 |



CHRISTIAN HERITAGE PARTY OF CANADA

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2008

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

The financial activities of these divisions are included in these financial statements.

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 in revenue.

Capital Assets

Capital assets are recorded at cost and are amortized over their estimated lives using the straight-line basis at the following annual rates:

| | |
|--------------------------------|-------|
| Furniture & fixtures | 10.0% |
| Computer hardware and software | 33.3% |
| Library | 20.0% |



CHRISTIAN HERITAGE PARTY OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
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Financial Instruments

The organization's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities, due to ridings and payroll liabilities. 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.

Volunteer Time Goods and Services

Volunteer time goods and services, except volunteer labour, are recorded at fair value. Except where required by the Canada Elections Act, the value of volunteer labour is not recorded in the financial statements, as the value is not easily determinable.

Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting periods. Actual results could differ from these estimates.

3. Related Party Transactions

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, 2008 is \$10,523. That sum will be distributed to CHP Brampton upon registration.

4. 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.

The comparative audited financial statements have been audited by another auditor.



CHRISTIAN HERITAGE PARTY OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2008

5. Contingency

The Party has been in disagreement with one of its previous website providers over outstanding amounts of \$2,890. Once a resolution has been made, the Party does not believe that these matters will have material adverse effect on its financial position or its results of operations. No amounts have been accrued in these statements.

