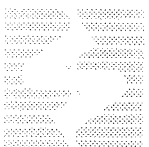


**CHRISTIAN HERITAGE PARTY
OF CANADA
COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2010**

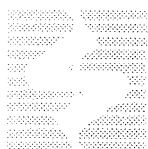


Henry Salomons, B.A., C.A.
Chartered Accountant

CHRISTIAN HERITAGE PARTY OF CANADA
COMBINED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Christian Heritage Party of Canada:

I have audited the accompanying combined financial statements of the Christian Heritage Party of Canada (the "Fund"), which comprise the combined statement of financial position as at December 31, 2010 and the combined statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Party derives revenue from contributions, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of revenue from contributions is limited to the amounts recorded in the books of the Party and I am not able to determine where any adjustment might be necessary to the amount of contributions, excess (deficiency) of revenues over expenses for the year, assets and net assets.

Qualified Opinion

In my opinion, except for the effect of the matter described in the basis for qualified opinion paragraph, these combined financial statements present fairly, in all material respects, the financial position of the Party as at December 31, 2010 and the results of its combined operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BEAMSVILLE, Canada
June 18, 2011

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



**INDEPENDENT AUDIT REPORT ON REGISTERED PARTY
FINANCIAL TRANSACTIONS RETURN**

To the Chief Electoral Officer, Elections Canada:

I have audited the accompanying Registered Party Financial Transaction Return of the Christian Heritage Party of Canada as at December 31, 2010 and for the year then ended. The financial information in the Transaction Return has been prepared by management based on the financial reporting provisions of Sections 424(2)(a), (b), (c), (f), (g), (h), (h.1), (h.2), (i), (j), and 404.3(2) of the Canada Elections Act (the "Act").

Management's responsibility for the financial statements

Management is responsible for the fair presentation of this financial information in accordance with the financial reporting provisions of Sections 424(2)(a), (b), (c), (f), (g), (h), (h.1), (h.2), (i), (j), and 404.3(2) of the Act, and for such internal control as management determines is necessary to enable the preparation of the Transaction Return that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

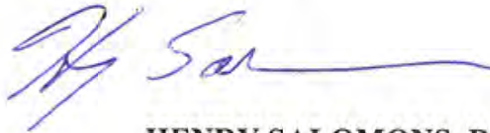
Basis for Qualified Opinion

In common with many not-for-profit organizations, the Christian Heritage Party of Canada derives revenue from contributions, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of revenue from contributions is limited to the amounts recorded in the books of the Party and I am not able to determine where any adjustment might be necessary to the amount of contributions reported.

Qualified Opinion

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the Registered Party Financial Transaction Return of the Christian Heritage Party of Cnaada presents fairly, in all material respects, the financial information required to be reported under the Act for the year ended December 31, 2010 in accordance with the provisions of Sections 424(2)(a), (b), (c), (f), (g), (h), (h.1), (h.2), (i), (j), and 404.3(2) of the Act.

BEAMSVILLE, Canada
June 18, 2011



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





CHRISTIAN HERITAGE PARTY OF CANADA
COMBINED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010

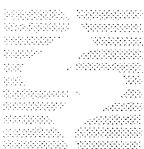
	2010	2009
	\$	\$
<u>ASSETS</u>		
Current assets		
Cash	59,748	64,878
Amounts receivable	18,543	17,712
Prepaid rent	375	375
	<u>78,666</u>	<u>82,965</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued liabilities	10,115	7,311
Due to ridings (Note 3)	10,523	10,523
Government remittances payable	4,165	3,102
	<u>24,803</u>	<u>20,936</u>
 Net assets		
Invested in capital assets (Note 2)	-	-
Unrestricted	53,863	62,029
	<u>53,863</u>	<u>62,029</u>
	<u>78,666</u>	<u>82,965</u>

The attached notes to the financial statements are an integral part of these statements

Signed on behalf of the Board:

 _____ **Executive Director**

 _____ **Treasurer**

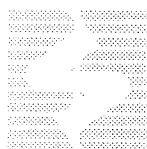


Henry Salomons, B.A., C.A.
Chartered Accountant

CHRISTIAN HERITAGE PARTY OF CANADA
COMBINED STATEMENT OF OPERATIONS
AS AT DECEMBER 31, 2010

	2010	2009
	\$	\$
Revenues		
Contributions	318,991	278,988
Product sales and sundry	26,974	22,254
Memberships	28,225	22,115
Transfers from provinces and ridings	25,271	29,181
	<u>399,461</u>	<u>352,538</u>
Expenses		
Advertising and promotion	61,092	92,608
Distribution to ridings	25	2,561
Electoral campaign	-	13,519
Insurance	1,728	1,944
Interest and bank charges	6,185	4,603
National board meetings	27,235	30,265
Office expenses	28,766	26,944
Professional fees	5,420	31,440
Rent	13,994	9,704
Salaries and benefits	222,583	147,444
Telecommunications	9,719	6,356
Travel	17,219	12,642
Website	13,661	3,196
	<u>407,627</u>	<u>383,226</u>
Excess (deficiency) of revenues over expenses	<u><u>(8,166)</u></u>	<u><u>(30,688)</u></u>

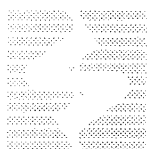
The attached notes to the financial statements are an integral part of these statements



CHRISTIAN HERITAGE PARTY OF CANADA
COMBINED STATEMENT OF CHANGES IN NET ASSETS
AS AT DECEMBER 31, 2010

	Unrestricted \$	Total 2010 \$	Total 2009 \$
Opening balance	62,029	62,029	92,717
Excess of revenues over expenses	(8,166)	(8,166)	(30,688)
Closing balance	53,863	53,863	62,029

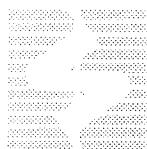
The attached notes to the financial statements are an integral part of these statements



CHRISTIAN HERITAGE PARTY OF CANADA
COMBINED STATEMENT OF CASH FLOWS
AS AT DECEMBER 31, 2010

	2010 \$	2009 \$
Operating Activities		
Excess (deficiency) of revenues over expenses	(8,166)	(30,688)
Changes in non-cash working capital:		
Amounts receivable	(831)	16,271
Prepaid expenses	-	(375)
Accounts payable and accrued liabilities	2,804	(14,228)
Government remittances payable	1,063	756
	<u>(5,130)</u>	<u>(28,264)</u>
Cash flows from operating activities	<u>(5,130)</u>	<u>(28,264)</u>
Decrease in cash during the year	(5,130)	(28,264)
Cash, beginning of year	64,878	93,142
Cash, end of year	<u>59,748</u>	<u>64,878</u>

The attached notes to the financial statements are an integral part of these statements



CHRISTIAN HERITAGE PARTY OF CANADA

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2010

2. Significant Accounting Policies (continued)

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 that are considered material, 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%

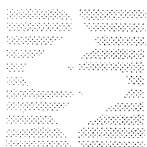
The Party has fully amortized capital assets totalling \$29,104 (2009 - \$28,826).

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.



CHRISTIAN HERITAGE PARTY OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010

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, 2010 is \$10,523.

4. Comparative Figures

Certain of the comparative figures have been reclassified to conform to the presentation of the current year's financial statements.

