

**CHRISTIAN HERITAGE PARTY OF CANADA
COMBINED FINANCIAL STATEMENTS**

DECEMBER 31, 2015



**Henry Salomons, CPA
Professional Corporation**

Chartered Professional Accountant

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CHRISTIAN HERITAGE PARTY OF CANADA
COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Chief Electoral Officer, Elections Canada:

Report on the Return

We have audited the accompanying Registered Party Financial Transactions Return (the "Return") of the Christian Heritage Party of Canada (the "Party") for the year ending December 31, 2015. The financial information in the Return has been prepared by the Chief Agent of the Party based on the financial reporting provisions of Section 432 of the Canada Elections Act and in the prescribed form issued by Elections Canada.

Chief Agent's Responsibility for the Return

The Chief Agent is responsible for the preparation of the Return in accordance with the financial reporting provisions of Section 432 of the Canada Elections Act and in the prescribed form issued by Elections Canada, and for such internal control as the Chief Agent determines is necessary to enable the preparation of the Return that is free from material misstatement, whether due to fraud or error.

Auditor's 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 an audit to obtain reasonable assurance about whether the Return is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Return. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Return, 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 Return 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 Return.

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

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, our verification of revenues from contributions was limited to the amounts recorded in the records of the Party and we were not able to determine whether any adjustment might be necessary to the amount of contributions, excess of revenue over expenditures for the year and net assets reported.

Qualified Opinion

In our 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 Canada for the year ending December 31, 2015 is prepared, in all material respects, in accordance with the financial reporting provisions of Section 432 of the Canada Elections Act and in the prescribed form issued by Elections Canada.

Basis of Accounting and Restriction of Use

We draw your attention to the Note to the return which describes the basis of accounting. The Return is prepared to assist the Chief Agent of the Party to meet the requirements of the Canada elections Act. As a result, the Return may not be suitable for another purpose. Our report is intended solely for the Chief Agent of the Party and the Chief Electoral Officer, and should not be used by parties other than the Chief Agent and the Chief Electoral Officer.

Report on Other Legal and Regulatory Requirements

As required by Subsection 435(1) of the Canada Elections Act, in our opinion, the Return presents the information contained in the financial records on which it is based.

BEAMSVILLE, Canada
August 2, 2016



**HENRY SALOMONS, CPA
PROFESSIONAL CORPORATION
LICENSED PUBLIC ACCOUNTANT**



Henry Salomons, CPA
Professional Corporation

Chartered Professional Accountant



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Christian Heritage Party of Canada (the "Party"), which comprise the statement of financial position as at December 31, 2015, and the statement 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 financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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

Our responsibility is to express an opinion on these financial statements 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 about whether the financial statements are 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 statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization'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 organization's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

In common with many not-for-profit organizations, the Party derives revenue from contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenue from contributions is limited to the amount recorded in the records of the Party and we were not able to determine where any adjustment might be necessary to the amount of contributions, excess of revenues over expenditures for the year, and net assets.

Qualified Opinion

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Party as at December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

BEAMSVILLE, Canada
August 2, 2016



HENRY SALOMONS, CPA
PROFESSIONAL CORPORATION
LICENSED PUBLIC ACCOUNTANT



Henry Salomons, CPA
Professional Corporation


Chartered Professional Accountant

CHRISTIAN HERITAGE PARTY OF CANADA
COMBINED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

	2015	2014
	\$	\$
<u>ASSETS</u>		
Current assets		
Cash	38,829	46,223
Amounts receivable	-	25
Inventory	3,034	3,226
	<u>41,863</u>	<u>49,474</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued liabilities	6,933	16,386
Due to ridings (note 4)	10,523	10,523
Government remittances payable	4,270	3,245
	<u>21,726</u>	<u>30,154</u>
 Net assets		
Unrestricted	<u>20,137</u>	<u>19,320</u>
	<u>41,863</u>	<u>49,474</u>

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

Signed on behalf of the Board:

 Treasurer
 RONALD BENELL

CHRISTIAN HERITAGE PARTY OF CANADA
COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
	\$	\$
Revenues		
Contributions non-directed (note 6)	303,502	308,896
Contributions to leader contestant	-	200
Transfers from EDA's	26,685	15,425
Transfers from candidates	7,471	10,117
Memberships	10,005	15,450
Other revenues	5,185	27,633
	<u>352,848</u>	<u>377,721</u>
Expenses		
Pre-election and election expenses (note 8)	81,274	-
Advertising - radio/tv	-	500
Advertising - other	8,336	30,802
Bank charges and interest	5,708	6,953
By-election expenses	-	-
Depreciation	-	-
Donations and contributions	-	-
Fundraising activities	4,096	7,250
Office expenses	25,934	39,806
Polling	-	-
Professional fees	5,136	7,006
Research	100	-
Salaries and benefits	147,286	176,437
Travel and hospitality	24,430	21,429
Transfers to EDA's	4,281	6,076
Transfers to candidates	12,870	1,150
Other expenses (schedule 1)	32,580	70,467
	<u>352,031</u>	<u>367,876</u>
Excess of revenues over expenses	<u>817</u>	<u>9,845</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
FOR THE YEAR ENDED DECEMBER 31, 2015

	Unrestricted \$	Total 2015 \$	Total 2014 \$
Net assets, beginning of year	19,320	19,320	9,475
Excess of revenues over expenses	<u>817</u>	<u>817</u>	<u>9,845</u>
Net assets, end of year	<u><u>20,137</u></u>	<u><u>20,137</u></u>	<u><u>19,320</u></u>

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



CHRISTIAN HERITAGE PARTY OF CANADA
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 \$	2014 \$
Cash derived from (applied to):		
Operating activities		
Excess of revenues over expenses	817	9,845
Changes in non-cash working capital:		
Amounts receivable	25	(25)
Inventory change	192	12
Accounts payable and accrued liabilities	(9,453)	4,641
Government remittances payable	1,025	(737)
	<u>(8,211)</u>	<u>3,891</u>
Net increase (decrease) in cash	(7,394)	13,736
Cash, beginning of year	46,223	32,487
Cash, end of year	<u>38,829</u>	<u>46,223</u>

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

CHRISTIAN HERITAGE PARTY OF CANADA
SCHEDULE 1: OTHER EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
	\$	\$
Other Expenses		
Conventions	1,407	44,390
National board meetings and events	7,932	416
Promotional items	2,283	13
Update publication and distribution	21,168	25,022
Miscellaneous	(210)	626
	<u>32,580</u>	<u>70,467</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

DECEMBER 31, 2015

1. Nature of Activities

The Christian Heritage Party of Canada (the "Party") is a Registered Political Party as defined by the Canada Elections Act (the "Act"). The Party is exempt from income taxes.

In 2005, the Party registered the following provincial divisions:

Christian Heritage Party Ontario Council
Manitoba Council of the Christian Heritage Party
Alberta Council of the Christian Heritage Party
B.C. Council of the Christian Heritage Party

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

2. Statement of Compliance with Canadian Accounting Standards

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

3. Significant Accounting Policies

Financial Instruments

The Party's financial instruments include cash, amounts receivable, accounts payable and accrued liabilities, due to ridings and due to government agencies.

Financial assets and liabilities are initially recognized at fair value. Subsequently all financial instruments are measured at amortized cost, except for cash which is measured at fair value.

Related party transactions in the normal course of business are measured in Canadian dollars.

Interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in other revenue.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting year. Significant estimates include the allowance for doubtful accounts, and accrued liabilities. Actual results could differ from these estimates.

CHRISTIAN HERITAGE PARTY OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

3. Significant Accounting Policies, Continued

Revenue Recognition

The Party follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized in the year to which it relates.

Membership revenue is recognized in the year to which it relates.

All other revenue is recognized when received or receivable, if the amount can be reasonably estimated and collected is reasonably assured.

Volunteer Time, Goods and Services

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

4. 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, 2015 is \$10,523 (2014 - \$10,523).

5. Fair Value

The fair value of cash, amounts receivable, accounts payable, accrued liabilities, and due to government agencies approximate their carrying value due to their short-term nature.

It is management's opinion that the Party is not exposed to significant credit, liquidity, or market risk arising from these instruments.

6. Contributions

There were 44 contributions (2014 - 92) to the party, where the donor had an "Advantage Received" as defined by the Canada Revenue Agency. These donors received either a book or calendar with a value between \$15 and \$25 which was deducted from the contribution. A total amount of \$805 (2014 - 1,340) was deducted and included in Other Revenue as "Sales-Advantage Received."

7. Contingencies and Commitments

The Party is not involved with any claims or lawsuits. The Party is not committed to any leases or other agreements.

CHRISTIAN HERITAGE PARTY OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

8. Pre-Election and Election Expense Schedule

	2015	2014
	\$	\$
Advertising - radio and television	3,980	-
Advertising - other	8,871	-
Voter contact calling services	1,861	-
National office	14,685	-
Salaries and benefits	40,684	-
Other miscellaneous expenses	11,193	-
Total Expenses	<u><u>81,274</u></u>	<u><u>-</u></u>

These expenses were incurred during the general election period of August 2, 2015 to October 19, 2015. These expenses have been reported separately to Elections Canada.