

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

**DECEMBER 31, 2017**



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Professional Corporation**

Chartered Professional Accountant

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**CHRISTIAN HERITAGE PARTY OF CANADA  
COMBINED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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## 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, 2017, 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 Option paragraph, these financial statements present fairly, in all material respects, the financial position of the Party as at December 31, 2017, 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  
July 30, 2018**

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



**CHRISTIAN HERITAGE PARTY OF CANADA**  
**COMBINED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2017**

	2017	2016
	\$	\$
<b><u>ASSETS</u></b>		
<b>Current assets</b>		
Cash	68,701	95,182
Inventory	215	2,106
	<u>68,916</u>	<u>97,288</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	5,874	4,564
Due to riding (note 4)	10,523	10,523
Government remittances payable	4,282	4,254
	<u>20,679</u>	<u>19,341</u>
<b>Net assets</b>		
Unrestricted	<u>48,237</u>	<u>77,947</u>
	<u>68,916</u>	<u>97,288</u>

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

Signed on behalf of the Board:

\_\_\_\_\_ Treasurer



**CHRISTIAN HERITAGE PARTY OF CANADA**  
**COMBINED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
	\$	\$
<b>Revenues</b>		
Contributions non-directed (note 6)	343,144	323,157
Contributions to leader contestant	-	-
Transfers from EDA's	21,480	33,222
Transfers from candidates	2,916	6,432
Memberships	10,370	9,875
Other revenues (schedule 1)	27,349	4,690
	<u>405,259</u>	<u>377,376</u>
<b>Expenses</b>		
Pre-election and election expenses	-	-
Advertising - radio/tv	-	-
Advertising - other	14,928	10,721
Bank charges and interest	6,956	7,458
By-election expenses	-	-
Depreciation	-	-
Donations and contributions	-	-
Fundraising activities	3,218	3,484
Office expenses	37,488	41,718
Polling	-	-
Professional fees	38,224	4,859
Research	-	-
Salaries and benefits	199,094	188,872
Travel and hospitality	24,943	22,942
Transfers to EDA's	3,078	2,178
Transfers to candidates	21,850	3,570
Other expenses (schedule 1)	85,190	33,764
	<u>434,969</u>	<u>319,566</u>
<b>Excess (deficiency) of revenues over expenses</b>	<u><b>(29,710)</b></u>	<u><b>57,810</b></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, 2017**

	Unrestricted \$	Total 2017 \$	Total 2016 \$
Net assets, beginning of year	77,947	77,947	20,137
Excess (deficiency) of revenues over expenses	<u>(29,710)</u>	<u>(29,710)</u>	<u>57,810</u>
Net assets, end of year	<u><u>48,237</u></u>	<u><u>48,237</u></u>	<u><u>77,947</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, 2017**

	2017	2016
	\$	\$
<b>Cash derived from (applied to):</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenues over expenses	(29,710)	57,810
Changes in non-cash working capital:		
Inventory	1,891	928
Accounts payable and accrued liabilities	1,310	(2,369)
Government remittances payable	28	(16)
	<u>3,229</u>	<u>(1,457)</u>
<b>Net increase (decrease) in cash</b>	<b>(26,481)</b>	<b>56,353</b>
<b>Cash, beginning of year</b>	<b>95,182</b>	<b>38,829</b>
<b>Cash, end of year</b>	<b><u>68,701</u></b>	<b><u>95,182</u></b>

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





**CHRISTIAN HERITAGE PARTY OF CANADA**  
**SCHEDULE 1: OTHER INCOME AND EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
	\$	\$
<b>Other Income</b>		
Advertising	-	210
Convention - tangible benefit	25,090	3,325
Promotional items	235	790
Miscellaneous	2,024	365
	<u>27,349</u>	<u>4,690</u>
	2017	2016
	\$	\$
<b>Other Expenses</b>		
Conventions	44,017	1,050
National board meetings and events	4,047	6,061
Promotional items	2,415	1,371
Update publication and distribution	31,786	24,874
Miscellaneous	2,925	408
	<u>85,190</u>	<u>33,764</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

### FOR THE YEAR ENDED DECEMBER 31, 2017

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#### 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 incorporated on September 28, 2016 under the Canadian Not-for-profit Corporations Act (the "NFP Act") and 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, 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**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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**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, 2017 is \$10,523 (2016 - \$10,523).

**5. Fair Value**

The fair value of cash, 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 16 contributions (2016 - 76) to the Party, where the donor had an "Advantage Received" as defined by the Canada Revenue Agency. These donors received a promotional book(s) with a value of \$15 each, which was deducted from the donors' contributions. A total amount of \$235 (2016 - \$790) was included in Other Revenue as "Sales-Advantage Received."



**CHRISTIAN HERITAGE PARTY OF CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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**7. Contingencies and Commitments**

On September 28, 2016, the Party's legal representatives served the City of Hamilton with Notices of Application for Judicial Review and Constitutional Question. The Party has set aside funds to cover legal fees not reimbursed and does not believe that the outcome of either of these filings will significantly impact its operations.

As at December 31, 2017, the legal Judicial Review and Constitutional Question was ongoing. It is expected that a ruling will be rendered in 2018.

The Party is not committed to any leases or other agreements.

**8. Short-term loans payable**

The Party received short-term interest free loans totalling \$0 (2016 - \$5,500) during the year. Loans are received from individuals who are not in the business of lending money. Any forgone interest on the loans, even at a high rate of 10% per annum, would be a non-monetary contribution less than \$200, and therefore deemed to be nil.





## 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, 2017. 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, 2017 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  
July 30, 2018

HENRY SALOMONS, CPA  
PROFESSIONAL CORPORATION  
LICENSED PUBLIC ACCOUNTANT



Henry Salomons, CPA  
Professional Corporation

Chartered Professional Accountant

**CHRISTIAN HERITAGE PARTY OF CANADA**  
**NOTE TO THE REGISTERED PARTY FINANCIAL TRANSACTION RETURN**  
**DECEMBER 31, 2017**

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The Registered Financial Transactions Return has been prepared in accordance with the financial reporting provisions of Section 432 of Canada Elections Act and in the prescribed form issued by Elections Canada.

The Return is prepared to assist the chief Agent to meet the requirements of the Canada elections Act. The Return is intended solely for the use of the Chief Agent and the Chief Electoral Officer. Accordingly, readers are cautioned that the Return may not be suitable for another purpose. The Canada Elections Act requires that the Return be made available for public inspection.



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