



## 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") as at December 31, 2013 and for the year then ended. The financial information in the Return has been prepared by the Chief Agent of the Party based on the financial reporting provisions of Section 424 of the Canada Elections Act (the "Act") and in the prescribed form issued by Elections Canada.

#### *The Chief Agent's Responsibility for the Financial Information*

The Chief Agent is responsible for the preparation of this financial information in accordance with the financial reporting provisions of Section 424 of the 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 financial information 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 information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. 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 information 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 information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

## INDEPENDENT AUDITOR'S REPORT (Continued)

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Party derives a substantial portion of its revenue from contributions, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of revenue from this source was limited to accounting for the amounts recorded in the books of the Party and we were not able to determine where any adjustment might be necessary to the amount of contributions 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 ended December 31, 2013 is prepared, in all material respects, in accordance with the financial reporting provisions of Section 424 of the Canada Elections Act and in the prescribed form issued by Elections Canada.

### **Report on Other Legal and Regulatory Requirements**

As required by Subsection 426(1) of the Act, in our opinion, the Return presents the information contained in the financial records on which it is based.



**BEAMSVILLE, Canada**  
**June 26, 2014**

**HENRY SALOMONS, CPA**  
**PROFESSIONAL CORPORATION**

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

**DECEMBER 31, 2013**

**CHRISTIAN HERITAGE PARTY OF CANADA  
COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

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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 combined statement of financial position as at December 31, 2013, and the combined 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 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 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 in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

## INDEPENDENT AUDITOR'S REPORT (Continued)

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Party derives a substantial portion of its revenue from contributions, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of revenue from this source was limited to accounting for the amounts recorded in the books of the Party and we were not able to determine where any adjustment might be necessary to contribution revenue, excess revenue over expenses, assets or net assets.

### *Qualified Opinion*

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions 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, 2013, 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  
June 26, 2014



HENRY SALOMONS, CPA  
PROFESSIONAL CORPORATION



Henry Salomons, CPA  
Professional Corporation

Chartered Professional Accountant

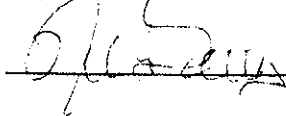
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**CHRISTIAN HERITAGE PARTY OF CANADA  
 COMBINED STATEMENT OF FINANCIAL POSITION  
 AS AT DECEMBER 31, 2013**

	2013	2012
	\$	\$
<b><u>ASSETS</u></b>		
<b>Current assets</b>		
Cash	32,487	59,954
Amounts receivable	-	1,445
Inventory	<u>3,238</u>	<u>3,285</u>
	<u><u>35,725</u></u>	<u><u>64,684</u></u>
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	11,745	20,952
Due to ridings (note 4)	10,523	10,523
Government remittances payable	<u>3,982</u>	<u>3,698</u>
	<u><u>26,250</u></u>	<u><u>35,173</u></u>
 <b>Net assets</b>		
Unrestricted	<u>9,475</u>	<u>29,511</u>
	<u><u>35,725</u></u>	<u><u>64,684</u></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, 2013**

	2013	2012
	\$	\$
<b>Revenues</b>		
Contributions non-directed (note 8)	269,063	284,320
Transfers from EDA's	16,030	27,291
Transfers from candidates	87	591
Memberships	10,030	11,035
Other revenues (note 6)	1,065	26,068
	<u>296,275</u>	<u>349,305</u>
<b>Expenses</b>		
Advertising - radio	-	1,291
Advertising - tv	-	-
Advertising - other	14,611	20,481
Bank charges and interest	5,366	6,642
Depreciation	-	-
Donations and contributions	-	-
Fundraising activities	7,646	-
Office expenses	47,144	31,001
Polling	-	-
Professional fees	18,071	8,878
Research	-	-
Salaries and benefits	185,696	182,973
Travel and hospitality	7,130	7,888
Transfers to EDA's	4,618	-
Transfers to candidates	-	200
Other expenses (schedule 1)	26,029	83,657
	<u>316,311</u>	<u>343,011</u>
<b>Excess (deficiency) of revenues over expenses</b>	<u>(20,036)</u>	<u>6,294</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, 2013**

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	Unrestricted \$	Total 2013 \$	Total 2012 \$
Net assets, beginning of year	29,511	29,511	23,217
Excess (deficiency) of revenues over expenses	<u>(20,036)</u>	<u>(20,036)</u>	<u>6,294</u>
Net assets, end of year	<u><u>9,475</u></u>	<u><u>9,475</u></u>	<u><u>29,511</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, 2013**

	2013	2012
	\$	\$
<b>Cash derived from (applied to):</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenues over expenses	(20,036)	6,294
Changes in non-cash working capital:		
Amounts receivable	1,445	1,051
Prepaid rent	-	375
Inventory change	47	526
Accounts payable and accrued liabilities	(9,207)	7,118
Government remittances payable	284	299
<b>Net increase (decrease) in cash</b>	<u>(27,467)</u>	<u>15,663</u>
<b>Cash, beginning of year</b>	<u>59,954</u>	<u>44,291</u>
<b>Cash, end of year</b>	<u><u>32,487</u></u>	<u><u>59,954</u></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, 2013**

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	2013	2012
	\$	\$
<b>Other Expenses</b>		
Bad debts	40	1,096
Conventions	350	44,181
National board meetings and events	7,843	10,217
Promotional items	46	527
Training	-	510
Update publication and distribution	17,608	26,333
Miscellaneous	142	794
	<u>26,029</u>	<u>83,657</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, 2013**

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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 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.



**CHRISTIAN HERITAGE PARTY OF CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2013**

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**3. Significant Accounting Policies, Continued**

*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.

*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, 2013 is \$10,523 (2012 - \$10,523).

**5. Comparative Figures**

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



**CHRISTIAN HERITAGE PARTY OF CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2013**

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**6. Over Revenues**

Other revenues include advertising in magazines to members up to October 2012, when Elections Canada disallowed members-only advertising.

**7. 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.

**8. Contributions**

There were no contributions made to the Party with an "Advantage Received" by the donor, as defined by the Canada Revenue Agency.

**9. Contingencies and Commitments**

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

