



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, 2014 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, 2014 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 29, 2015



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



Henry Salomons, CPA
Professional Corporation

Chartered Professional Accountant

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

DECEMBER 31, 2014



Henry Salomons, CPA
Professional Corporation

Chartered Professional Accountant

www.henrycpa.ca

**CHRISTIAN HERITAGE PARTY OF CANADA
COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2014**

<u>INDEX</u>	<u>Page</u>
Independent auditor's report	1 - 2
Combined statement of financial position	3
Combined statement of operations	4
Combined statement of changes in net assets	5
Combined statement of cash flows	6
Schedule 1: other expenses	7
Notes to the financial statements	8 - 9



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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, 2014, 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, 2014, 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 29, 2015



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, 2014**

	2014 \$	2013 \$
<u>ASSETS</u>		
Current assets		
Cash	46,223	32,487
Amounts receivable	25	-
Inventory	<u>3,226</u>	<u>3,238</u>
	<u>49,474</u>	<u>35,725</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued liabilities	16,386	11,745
Due to ridings (note 4)	10,523	10,523
Government remittances payable	<u>3,245</u>	<u>3,982</u>
	<u>30,154</u>	<u>26,250</u>
 Net assets		
Unrestricted	<u>19,320</u>	<u>9,475</u>
	<u>49,474</u>	<u>35,725</u>

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

Signed on behalf of the Board:

_____ Treasurer



Henry Salomons, CPA
Professional Corporation

Chartered Professional Accountant

**CHRISTIAN HERITAGE PARTY OF CANADA
COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	2014	2013
	\$	\$
Revenues		
Contributions non-directed (note 6)	308,896	269,063
Contributions to leader contestant	200	-
Contributions as operating loans	-	-
Transfers from EDA's	15,425	16,030
Transfers from candidates	10,117	87
Memberships	15,450	10,030
Other revenues	27,633	1,065
	<u>377,721</u>	<u>296,275</u>
Expenses		
Advertising - radio	500	-
Advertising - tv	-	-
Advertising - other	30,802	14,611
Bank charges and interest	6,953	5,366
By-election expenses	-	-
Depreciation	-	-
Donations and contributions	-	-
Fundraising activities	7,250	7,646
Office expenses	39,806	47,144
Polling	-	-
Professional fees	7,006	18,071
Research	-	-
Salaries and benefits	176,437	185,696
Travel and hospitality	21,429	7,130
Transfers to EDA's	6,076	4,618
Transfers to candidates	1,150	-
Other expenses (schedule 1)	70,467	26,029
	<u>367,876</u>	<u>316,311</u>
Excess (deficiency) of revenues over expenses	<u>9,845</u>	<u>(20,036)</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, 2014**

	Unrestricted \$	Total 2014 \$	Total 2013 \$
Net assets, beginning of year	9,475	9,475	29,511
Excess (deficiency) of revenues over expenses	<u>9,845</u>	<u>9,845</u>	<u>(20,036)</u>
Net assets, end of year	<u><u>19,320</u></u>	<u><u>19,320</u></u>	<u><u>9,475</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, 2014**

	2014	2013
	\$	\$
Cash derived from (applied to):		
Operating activities		
Excess (deficiency) of revenues over expenses	9,845	(20,036)
Changes in non-cash working capital:		
Amounts receivable	(25)	1,445
Inventory change	12	47
Accounts payable and accrued liabilities	4,641	(9,207)
Government remittances payable	(737)	284
	<u>3,891</u>	<u>(7,431)</u>
Net increase (decrease) in cash	13,736	(27,467)
Cash, beginning of year	<u>32,487</u>	<u>59,954</u>
Cash, end of year	<u><u>46,223</u></u>	<u><u>32,487</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, 2014

	2014	2013
	\$	\$
Other Expenses		
Bad debts	-	40
Conventions	44,390	350
National board meetings and events	416	7,843
Promotional items	13	46
Training	-	-
Update publication and distribution	25,022	17,608
Miscellaneous	626	142
	<u>70,467</u>	<u>26,029</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, 2014

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

AS AT DECEMBER 31, 2014

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, 2014 is \$10,523 (2012 - \$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 92 contributions (2013 - 0) 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 \$15.00 and \$25.00 which was deducted from the contribution. A total amount of \$1,340.00 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.