



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, 2016. 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, 2016 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 25, 2017



HENRY SALOMONS, CPA
PROFESSIONAL CORPORATION
LICENSED PUBLIC ACCOUNTANT

CHRISTIAN HERITAGE PARTY OF CANADA
NOTE TO THE REGISTERED PARTY FINANCIAL TRANSACTION RETURN
DECEMBER 31, 2016

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.

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

DECEMBER 31, 2016

**CHRISTIAN HERITAGE PARTY OF CANADA
COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

<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 - 10



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, 2016, 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, 2016, 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 25, 2017

HENRY SALOMONS, CPA
PROFESSIONAL CORPORATION
LICENSED PUBLIC ACCOUNTANT

**CHRISTIAN HERITAGE PARTY OF CANADA
COMBINED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016**

	2016 \$	2015 \$
<u>ASSETS</u>		
Current assets		
Cash	95,182	38,829
Inventory	<u>2,106</u>	<u>3,034</u>
	<u>97,288</u>	<u>41,863</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued liabilities	4,564	6,933
Due to ridings (note 4)	10,523	10,523
Government remittances payable	<u>4,254</u>	<u>4,270</u>
	<u>19,341</u>	<u>21,726</u>
 Net assets		
Unrestricted	<u>77,947</u>	<u>20,137</u>
	<u>97,288</u>	<u>41,863</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, 2016

	2016	2015
	\$	\$
Revenues		
Contributions non-directed (note 6)	323,157	303,502
Contributions to leader contestant	-	-
Transfers from EDA's	33,222	26,685
Transfers from candidates	6,432	7,471
Memberships	9,875	10,005
Other revenues	4,690	5,185
	<u>377,376</u>	<u>352,848</u>
Expenses		
Pre-election and election expenses (note 8)	-	81,274
Advertising - radio/tv	-	-
Advertising - other	10,721	8,336
Bank charges and interest	7,458	5,708
By-election expenses	-	-
Depreciation	-	-
Donations and contributions	-	-
Fundraising activities	3,484	4,096
Office expenses	41,718	25,934
Polling	-	-
Professional fees	4,859	5,136
Research	-	100
Salaries and benefits	188,872	147,286
Travel and hospitality	22,942	24,430
Transfers to EDA's	2,178	4,281
Transfers to candidates	3,570	12,870
Other expenses (schedule 1)	33,764	32,580
	<u>319,566</u>	<u>352,031</u>
Excess of revenues over expenses	<u><u>57,810</u></u>	<u><u>817</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
 FOR THE YEAR ENDED DECEMBER 31, 2016**

	Unrestricted \$	Total 2016 \$	Total 2015 \$
Net assets, beginning of year	20,137	20,137	19,320
Excess of revenues over expenses	<u>57,810</u>	<u>57,810</u>	<u>817</u>
Net assets, end of year	<u><u>77,947</u></u>	<u><u>77,947</u></u>	<u><u>20,137</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, 2016

	2016	2015
	\$	\$
Cash derived from (applied to):		
Operating activities		
Excess of revenues over expenses	57,810	817
Changes in non-cash working capital:		
Amounts receivable	-	25
Inventory	928	192
Accounts payable and accrued liabilities	(2,369)	(9,453)
Government remittances payable	(16)	1,025
	<u>(1,457)</u>	<u>(8,211)</u>
Net increase (decrease) in cash	56,353	(7,394)
Cash, beginning of year	38,829	46,223
Cash, end of year	<u>95,182</u>	<u>38,829</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, 2016

	2016	2015
	\$	\$
Other Expenses		
Conventions	1,050	1,407
National board meetings and events	6,061	7,932
Promotional items	1,371	2,283
Update publication and distribution	24,874	21,168
Miscellaneous	408	(210)
	<u>33,764</u>	<u>32,580</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, 2016

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, 2016

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, 2016 is \$10,523 (2015 - \$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 76 contributions (2015 - 44) 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 \$10 each, which was deducted from the donors' contributions. A total amount of \$790 (2015 - \$805) 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, 2016

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.

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

8. Pre-Election and Election Expense Schedule

	2016	2015
	\$	\$
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>	<u>81,274</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.

9. Short-term loans payable

The Party received two short-term interest free loans totaling \$5,500 (2015 - nil) during the year. The loans were received from individuals who were not in the business of lending money. The forgone interest on each loan, even at a high rate of 10% per annum, was less than \$200, so the non-monetary contribution was deemed to be nil. Both loans were repaid before December 31, 2016.