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## INDEPENDENT AUDITOR'S REPORT

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To the Chief Agent of the Christian Heritage Party of Canada

### Qualified Opinion

We have audited the the accompanying *Registered Party Return in Respect of Canada Elections Act* (the "Return") for the Christian Heritage Party of Canada (the "Party") relating to the year ending December 31, 2019. The Return was prepared by the Chief Agent of the Christian Heritage Party of Canada based on the provisions of section 432(1) of the *Canada Elections Act* and the prescribed form issued by Elections Canada and in compliance with the Canadian auditing standards (CAS).

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, the Return of the Christian Heritage Party of Canada, relating to the annual transactions for the year ended December 31, 2019, was prepared, in all material respects, in accordance with the reporting provisions of section 432(1) of the *Canada Elections Act* and the prescribed form issued by Elections Canada.

### Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to the Notes to the Return, which describes the basis of accounting. The Return is prepared to assist the Chief Agent in meeting the requirements of the *Canada Elections Act* and the prescribed form issued by Elections Canada. As a result, the Return may not be suitable for another purpose. Our report is intended solely for the Chief Agent of the Christian Heritage Party of Canada and the Chief Electoral Officer, and should not be used by parties other than the Chief Agent or the Chief Electoral Officer.

### Report on Other Legal and Regulatory Requirements

We additionally declare that as required by subsection 435(1) of the *Canada Elections Act*, in our opinion, the return presents the financial information recorded in the registered party's accounting records on which it is based.

### Basis for Qualified Opinion

Due to the inherent nature of the transactions of registered political parties, the completeness of donations and contributions received is not susceptible of satisfactory audit verification. Accordingly, our verification of these amounts were limited to the amounts recorded in the registered party's accounting records and we were not able to determine whether any adjustments might be necessary to donations and contributions reported.



We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section of our report. We are independent of the Party in accordance with the ethical requirements that are relevant to our audit of the financial statement in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### **The Chief Agent's Responsibility for the Election Expenses Return**

The Chief Agent is responsible for the preparation and fair presentation of the Return in accordance with the financial provisions of section 432(1) of the *Canada Elections Act* and the prescribed form issued by Elections Canada, and for such internal control as management determines is necessary to enable the preparation of a Return that is free from material misstatement, whether due to fraud or error.

In preparing the Return, the Chief Agent is responsible for assessing the Party's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Party or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Party's financial reporting process.

### **Auditor's Responsibilities**

Our objectives are to obtain reasonable assurance about whether the Return as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Return, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Party's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Party's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw



attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Party to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Vine and Partners LLP*

Hamilton, Ontario  
July 30, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS





**Christian Heritage Party of Canada**  
**Note to the Registered Party Financial Transactions Return**  
**December 31, 2019**

The Registered Party Financial Transactions Return (the “Return”) has been prepared in accordance with the financial reporting provision of Section 432 of the *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**  
**Year Ended December 31, 2019**





**CHRISTIAN HERITAGE PARTY OF CANADA**  
**Index to Financial Statements**  
**Year Ended December 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

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To the Board of Directors of Christian Heritage Party of Canada

### *Qualified Opinion*

We have audited the financial statements of Christian Heritage Party of Canada (the Party), which comprise the statement of financial position as at December 31, 2019, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Party as at December 31, 2019, 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.

### *Basis for Qualified Opinion*

In common with many charitable organizations, the Party derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Party and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Party in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.



Independent Auditor's Report to the Board of Directors of Christian Heritage Party of Canada (continued)

In preparing the financial statements, management is responsible for assessing the Party's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Party or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Party's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Party's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Party's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Party to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Vine and Partners LLP*

Hamilton, Ontario  
July 30, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS





**CHRISTIAN HERITAGE PARTY OF CANADA**  
**Combined Statement of Financial Position**  
**December 31, 2019**

	2019	2018
<b>ASSETS</b>		
CURRENT		
Cash	\$ 79,629	\$ 53,707
Accounts receivable	55	43,049
Inventory	215	215
	<u>\$ 79,899</u>	<u>\$ 96,971</u>
<b>LIABILITIES</b>		
CURRENT		
Accounts payable and accrued liabilities	\$ 7,745	\$ 7,792
Government remittances payable	4,423	4,254
	<u>12,168</u>	<u>12,046</u>
<b>NET ASSETS</b>		
Unrestricted fund	<u>67,731</u>	<u>84,925</u>
	<u>\$ 79,899</u>	<u>\$ 96,971</u>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_  
*Director*

\_\_\_\_\_  
*Director*

See Accompanying Notes to the Financial Statements





**CHRISTIAN HERITAGE PARTY OF CANADA**  
**Combined Statement of Changes in Net Assets**  
**Year Ended December 31, 2019**

	2019	2018
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 84,925</b>	\$ 48,201
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<b>(17,194)</b>	26,201
ADJUSTMENT TO NET ASSETS	-	10,523
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 67,731</b>	\$ 84,925





**CHRISTIAN HERITAGE PARTY OF CANADA**  
**Combined Statement of Operations**  
**Year Ended December 31, 2019**

	2019	2018
<b>REVENUES</b>		
Contributions non-directed ( <i>Note 4</i> )	\$ 376,605	\$ 334,782
Contributions to leadership contestants	-	-
Contributions received as operating loans	-	-
Memberships	13,141	11,616
Transfers from EDAs	16,397	24,009
Transfers from candidates	1,528	2,466
Other revenues	4,300	3,595
	<b>411,971</b>	<b>376,468</b>
<b>EXPENSES</b>		
Advertising - radio	5,163	1,200
Advertising - TV	8,232	-
Advertising - other	42,290	20,041
Bank charges and interest	7,300	6,821
By-election expenses	-	-
Depreciation and amortization	-	-
Donations and contributions	-	-
Fundraising activities	4,812	-
Office expenses	59,234	44,509
Polling	-	-
Professional fees	6,780	1,521
Research	-	-
Transfers to EDAs	870	1,040
Transfers to candidates	6,457	-
Travel and hospitality	22,801	27,991
Unpaid claims	-	-
Voter contact services	1,337	-
Other expenses ( <i>Schedule 1</i> )	44,017	38,901
Salaries and benefits	219,872	208,243
	<b>429,165</b>	<b>350,267</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (17,194)</b>	<b>\$ 26,201</b>





**CHRISTIAN HERITAGE PARTY OF CANADA**  
**Combined Statement of Cash Flows**  
**Year Ended December 31, 2019**

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ (17,194)	\$ 26,201
Item not affecting cash:		
Due to riding adjustment	-	10,523
	<u>(17,194)</u>	<u>36,724</u>
Changes in non-cash working capital:		
Accounts receivable	42,994	(43,049)
Accounts payable and accrued liabilities	(47)	1,883
Government remittances payable	169	(28)
	<u>43,116</u>	<u>(41,194)</u>
Cash flow from (used by) operating activities	<u>25,922</u>	<u>(4,470)</u>
<b>FINANCING ACTIVITY</b>		
Advances to ridings	-	(10,523)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>25,922</b>	<b>(14,993)</b>
Cash - beginning of year	<u>53,707</u>	<u>68,700</u>
<b>CASH - END OF YEAR</b>	<u><b>\$ 79,629</b></u>	<u><b>\$ 53,707</b></u>





**CHRISTIAN HERITAGE PARTY OF CANADA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

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**1. NATURE OF ACTIVITIES**

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 29, 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  
CHP Manitoba Council  
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.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and within the framework of the following significant accounting policies:

Financial instruments policy

*Measurement of financial instruments*

The Party initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Party subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and government remittances payable.

*Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. Reversals are recognized in net income.

*Transaction costs*

The Party recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

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**CHRISTIAN HERITAGE PARTY OF CANADA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Revenue recognition

Christian Heritage Party of Canada 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 as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. 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 collection is reasonably assured.

Volunteer 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.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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**3. FINANCIAL INSTRUMENTS**

The Party is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Party's risk exposure and concentration as at December 31, 2019.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments which potentially subject the Party to concentrations of credit risk consist principally of accounts receivable. The Party performs ongoing credit evaluations and historically any credit losses have been within management's expectations. No allowances for doubtful accounts have been recognized as at December 31, 2019 and December 31, 2018.

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**4. CONTRIBUTIONS**

There were 82 contributions (2018 - Nil) 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 \$20 each, which was deducted from the donors' contributions. A total amount of \$1,640 (2018 - Nil) was included in Other Revenue as "Sales-Advantage Received".

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CHRISTIAN HERITAGE PARTY OF CANADA

Other expenses

(Schedule 1)

Year Ended December 31, 2019

	2019	2018
<b>EXPENSES</b>		
Education and training	\$ 273	\$ -
Election readiness	3,409	-
Meetings - national board	2,147	4,006
Meetings - other	5,275	3,659
Promotional items	2,929	2,001
Update publication and distribution	29,830	29,059
Miscellaneous	154	176
	<b>\$ 44,017</b>	<b>\$ 38,901</b>

