

Notice to Reader

The following schedules, provided to Elections Newfoundland and Labrador by the political parties and/or candidates, are enclosed '**As Filed**' and have not yet been reviewed for accuracy or completeness. Once reviewed, any amendments will be reflected in Elections Newfoundland and Labrador's official financial report.



**PROGRESSIVE CONSERVATIVE ASSOCIATION OF
NEWFOUNDLAND AND LABRADOR INCORPORATED**

Financial Statements

Year Ended December 31, 2022



HARRIS RYAN


**PROGRESSIVE CONSERVATIVE ASSOCIATION OF NEWFOUNDLAND AND LABRADOR
INCORPORATED**

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Year Ended December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of Progressive Conservative Association of Newfoundland and Labrador Incorporated

Qualified Opinion

We have audited the financial statements of Progressive Conservative Association of Newfoundland and Labrador Incorporated (the association), which comprise the statement of financial position as at December 31, 2022, and the statements of changes in net debt, revenues and expenditures 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 association as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Basis for Qualified Opinion

In common with many not-for-profit organizations, the association derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the association. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2022, current assets and net assets as at December 31, 2022. Our audit opinion on the financial statements for the year ended December 31, 2021 was modified accordingly because of the possible effects of this limitation of scope.

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 association in accordance with 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 these 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 ASNPO, 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.

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

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

(continues)

Independent Auditor's Report to the Members of Progressive Conservative Association of Newfoundland and Labrador Incorporated (*continued*)

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 association'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 association'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 association 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.



St. John's, Newfoundland and Labrador
March 14, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

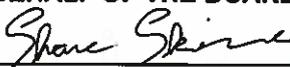
**PROGRESSIVE CONSERVATIVE ASSOCIATION OF NEWFOUNDLAND AND LABRADOR
INCORPORATED**

Statement of Financial Position

December 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 8,434	\$ 339
Accounts receivable	17,038	9,289
	\$ 25,472	\$ 9,628
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 10,893	\$ 12,062
Held in trust (Note 4)	48,396	55,501
Operating loan (Note 5)	80,000	80,500
	139,289	148,063
NET ASSETS	(113,817)	(138,435)
	\$ 25,472	\$ 9,628

ON BEHALF OF THE BOARD



Director



Director

See notes to financial statements

**PROGRESSIVE CONSERVATIVE ASSOCIATION OF NEWFOUNDLAND AND LABRADOR
INCORPORATED**

Statement of Changes in Net Debt

Year Ended December 31, 2022

	2022	2021
NET DEBT - BEGINNING OF YEAR	\$ (138,435)	\$ (179,080)
EXCESS OF REVENUES OVER EXPENSES	24,618	40,645
NET DEBT - END OF YEAR	\$ (113,817)	\$ (138,435)

**PROGRESSIVE CONSERVATIVE ASSOCIATION OF NEWFOUNDLAND AND LABRADOR
INCORPORATED**

Statement of Revenues and Expenditures

Year Ended December 31, 2022

	2022	2021
REVENUES		
Transfers received	\$ 40,025	\$ -
Contributions	33,875	6,696
Fundraising	33,699	19,415
Other revenue	150	6,265
Government campaign subsidy	-	50,396
Statement of General Election Revenues and Expenditures (Schedule 1)	-	721,100
	107,749	803,872
EXPENSES		
Transfers paid out	40,125	43,243
Fundraising	14,291	4,607
Professional fees	8,269	19,433
Advertising and promotion	6,912	9,077
Interest on short term debt	4,216	3,398
Interest and bank charges	3,441	5,722
Rent	2,070	2,070
Meetings - travel/accommodations	1,864	3,604
Office supplies and postage	1,287	1,674
Communications	656	948
Statement of General Election Revenues and Expenditures (Schedule 1)	-	669,451
	83,131	763,227
EXCESS OF REVENUES OVER EXPENSES	\$ 24,618	\$ 40,645

**PROGRESSIVE CONSERVATIVE ASSOCIATION OF NEWFOUNDLAND AND LABRADOR
INCORPORATED**

Statement of Cash Flows

Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 24,618	\$ 40,645
Changes in non-cash working capital:		
Accounts receivable	(7,749)	65,784
Accounts payable	(1,169)	(63,315)
Deferred income	-	(5,000)
Held in trust	(7,105)	42,094
	(16,023)	39,563
Cash flow from operating activities	8,595	80,208
FINANCING ACTIVITY		
Operating loan	(500)	(79,500)
INCREASE IN CASH FLOW	8,095	708
Cash (deficiency) - beginning of year	339	(369)
CASH - END OF YEAR	\$ 8,434	\$ 339

See notes to financial statements

PROGRESSIVE CONSERVATIVE ASSOCIATION OF NEWFOUNDLAND AND LABRADOR INCORPORATED

Notes to Financial Statements

Year Ended December 31, 2022

1. PURPOSE OF THE ASSOCIATION

The Progressive Conservative Association of Newfoundland and Labrador Inc (the "Association") is a political party continued under the Elections Act, (1991) SNL, c.E-3.1. The purpose, aims and objectives of the Progressive Conservative Association of Newfoundland and Labrador Inc are:

- a) to form the Government of the Province of Newfoundland and Labrador and to provide good government to the people of the province;
 - b) to foster interest in Government and in the political process in the Province and in Canada;
 - c) to provide a forum for the membership and supporters to participate in political discussion and to advise with respect to Progressive Conservative policy;
 - d) to promote democracy and advance core values and policies of the Party;
 - e) to cooperate with the Federal Conservative Party of Canada on matters of mutual interest.
-

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).

Revenue recognition

The Association 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.

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.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

**PROGRESSIVE CONSERVATIVE ASSOCIATION OF NEWFOUNDLAND AND LABRADOR
INCORPORATED**

Notes to Financial Statements

Year Ended December 31, 2022

3. RELATED PARTY TRANSACTIONS

During the year, the Association transfers funds to and receives funds from the Progressive Conservative District Associations to assist with their operations. These transfers are recorded at the exchange amount established and agreed upon by the related parties.

4. HELD IN TRUST

The Association collects and holds funds on behalf of Progressive Conservative district associations throughout the Province of Newfoundland and Labrador. These funds are held until such a time that the District requires the funds.

5. OPERATING LOAN

The association has a credit facility with TD Bank, which includes an approved operating line that can be drawn upon to a maximum of \$150,000, which bears interest at prime plus 1.5% and is secured by a General Security Agreement. At the statement of financial position date, the amount owing, which is due on demand, was \$80,000 (2021: \$80,500).

6. FINANCIAL INSTRUMENTS

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The association is exposed to credit risk through pledges from contributors. The Association believes that its credit risk is not significant.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The association is exposed to this risk mainly in respect of its receipt of funds from its donors and other related sources, short-term debt, and accounts payable.

7. INCOME TAX STATUS

The Association is a not-for-profit organization and is exempt from corporate taxes under subsection 149(1)(l) of the Income Tax Act of Canada.

**PROGRESSIVE CONSERVATIVE ASSOCIATION OF NEWFOUNDLAND AND LABRADOR
INCORPORATED**

Statement of General Election Revenues and Expenditures

(Schedule 1)

Year Ended December 31, 2022

	2022	2021
RECEIPTS		
Contributions	\$ -	\$ 696,350
Transfers received	-	24,750
	-	721,100
EXPENDITURES		
Advertising and promotion	-	413,047
Polling and research	-	95,537
Communications	-	54,377
Travel	-	28,059
Transfers to districts	-	26,190
Professional fees	-	15,954
Rental	-	15,625
Office	-	13,511
General election	-	5,558
Website	-	785
Interest and bank charges	-	627
Insurance	-	181
	-	669,451
EXCESS OF RECEIPTS OVER EXPENDITURES	\$ -	\$ 51,649

Name of Registered Political Party

Progressive Conservative Party of Newfoundland & Labrador

Period Ended

December 31, 2022

This financial report includes the following forms and attachments:

Audited Financial Statements for the Period	Attachment
Schedule of Loans and Other Borrowings	Form PR-2
Summary of Transfers Received and Transfers Paid Out	Form PR-3
Schedule of Transfers Received	Form PR-3 (A)
Schedule of Transfers Paid Out	Form PR-3 (B)
Receipt Reconciliation	Form PR-4
Summary of Fundraising	Form PR-5
Fundraising Activity Reports	Form PR-5 (AR)
Summary of Donations	Form PR-6
Reconciliation of Reported Contributions	Form PR-7
Schedule of Contributors	Attachment

I, Michael Ellsworth, the Chief Financial Officer of the Party, declare that:

- a) I am authorized to act on behalf of the above named Party;
- b) this report and appropriate forms have been prepared in accordance with the *Elections Act*; and
- c) to the best of my knowledge, information and belief, all the information contained in this report is complete and accurate.



Signature of Chief Financial Officer

3-31-2023

Date

Name of Registered Political Party

Progressive Conservative Party of Newfoundland & Labrador

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Of

Name of Lender

TD Canada Trust

Address of Lender

140 Water Street, 7th Floor, St. John's NL A1C 6H6

Original Amount of Loan 150,000.00

Loan Balance At End of Period 80,000.00

Terms and Conditions of Borrowing

Interest bearing at the bank's prime rate + 1.5% per annum

Name of Guarantor	Address	Amount Guaranteed	Payment By Guarantor in Year? Y / N
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>



SUMMARY OF TRANSFERS RECEIVED AND PAID OUT

FORM
PR-3

Name of Registered Political Party

Progressive Conservative Party of Newfoundland & Labrador

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TOTAL TRANSFERS RECEIVED (SUM OF FORMS PR-3(A))	<input type="text" value="40,025.00"/>
TOTAL TRANSFERS PAID OUT (SUM OF FORMS PR-3(B))	<input type="text" value="40,125.00"/>

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Progressive Conservative Party of Newfoundland & Labrador

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DATE	SOURCE OF TRANSFER	AMOUNT
9-30-2022	Stephenville Port Au Port District Association	40,025.00
	TOTAL TRANSFERS (THIS PAGE)	40,025.00
	TOTAL TRANSFERS (CARRIED FORWARD)	

Name of Registered Political Party

Progressive Conservative Party of Newfoundland & Labrador

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SUMMARY OF RECEIPTS USED DURING PERIOD

Current Block of Receipts In Use As Approved by Chief Electoral Officer to

Opening Receipt Number

Closing Receipt Number

Total Receipts Used

Void Receipts

Total Receipts Issued

SUMMARY OF VOIDED RECEIPTS

Receipt Number(s)	Comments
<input type="text"/>	<input type="text"/>

PLEASE NOTE

All three (3) copies (white, green, and pink) of cancelled or voided receipts must be returned to the Chief Electoral Office. A written explanation should be provided if receipts have been lost or destroyed.

Candidates in elections are required to return all copies of unused receipts. Political parties may hold unused receipts for issue in the next or subsequent reporting periods.

Name of Registered Political Party

Progressive Conservative Party of Newfoundland & Labrador

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SUMMARY OF FUNDRAISING REVENUES

Number of fundraising functions held

Total gross fundraising income reported on Activity Reports
(sum of boxes **A** on all **PR-5(AR)** forms)

A

Total Contributions of Goods and Services reported on Activity Reports
(sum of boxes **B** on all **PR-5(AR)** forms)

B

Total other revenue reported on Activity Reports
(sum of boxes **C** on all **PR-5(AR)** forms)

C

Total Fundraising Revenue (**A + B + C**)

D

SUMMARY OF CONTRIBUTIONS AND DEEMED EXPENSES

Total Contributions from Fundraising Activities

(sum of boxes **L** on all **PR-5(AR)** forms)

E

Total Deemed Expenses on Activity Reports

(sum of boxes **M** on all **PR-5(AR)** forms)

F

Sum of Contributions and Deemed Expenses

G

A schedule of all contributions to the Party is required as an attachment to this return. The schedule of contributions should include the name and address of the contributor, and the contribution amount with respect to contributions that either individually or in aggregate exceed \$100.

Included in this schedule should be an estimate of the value of any goods or services donated to the Party. These should be marked on the schedule as 'Goods and Services' or noted such that they can be distinguished from monetary contributions.

Name of Registered Political Party

Progressive Conservative Party of Newfoundland & Labrador

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DESCRIPTION OF FUNDRAISING EVENT

Annual Golf Tournament

EVENT DATE

September 13, 2022

Calculation of Event Revenues

Event Revenue From Admissions	<input type="text" value="33750"/>	A
Contributions of Good and Services	<input type="text"/>	B
Other Event Revenue	<input type="text"/>	C
Total Event Revenue	<input type="text" value="33750"/>	D

Description of Other Event Revenues

Calculation of Contribution Portion of Admission Charge

Admission Charge Per Ticket	<input type="text" value="625.00"/>	E	<input type="text"/>	E						
Calculated Contribution Per Ticket	<input type="text" value="575.00"/>	F	<input type="text" value="-"/>	F						
Calculated Deemed Expense Per Ticket	<input type="text" value="50.00"/>	G	<input type="text" value="-"/>	G						
Tickets Sold Per Admission Charge	<input type="text" value="54"/>	H	<input type="text"/>	H						
Calculated Contribution for Event	<input type="text" value="31,050.00"/>	I	<input type="text" value="-"/>	I						
Calculated Deemed Expense for Event	<input type="text" value="2,700.00"/>	J	<input type="text" value="-"/>	J						
Total Admissions Revenue (sum of Line E x Line H)									<input type="text" value="33,750.00"/>	K
Total Contribution Portion of Event (sum of Line I)									<input type="text" value="31,050.00"/>	L
Total Deemed Expense of Event (sum of Line J)									<input type="text" value="2,700.00"/>	M

Contribution Portion of Fund Raising Income

If the Admission Charge (**E**) is \$50 or less, the Calculated Contribution (**F**) of the Admission Charge is nil.

If the Admission Charge (**E**) is between \$50.01 - \$100.00, the Calculated Contribution (**F**) is 1/2 of the Admission Charge, and the Calculated Deemed Expense (**G**) is 1/2 the Admission Charge.

If the Admission Charge (**E**) is greater than \$100, the Calculated Contribution (**F**) is the Admission Charge less \$50, and the Calculated Deemed Expense (**G**) is \$50.

Name of Registered Political Party

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Progressive Conservative Party of Newfoundland & Labrador

Of

SUMMARY OF DONATIONS

Total Individual Donations in Excess of \$100	<input type="text" value="15235"/>	A
Total Individual Donations of \$100 or less	<input type="text" value="1140"/>	B
Total Donations before other items (line A + line B)	<input type="text" value="16,375"/>	C
Donations of Goods and Services	<input type="text"/>	D
Less amounts returned or payable to the contributor	<input type="text"/>	E
Less amounts paid or payable to the Chief Electoral Officer	<input type="text"/>	F
Total Donations (line C + line D - line E - line F)	<input type="text" value="16,375"/>	G

A schedule of all contributions to the Party is required as an attachment to this return. The schedule of contributions should include the name and address of the contributor, and the contribution amount with respect to contributions that either individually or in aggregate exceed \$100.

Included in this schedule should be an estimate of the value of any goods or services donated to the Party. These should be marked on the schedule as 'Goods and Services' or noted such that they can be distinguished from monetary contributions.

A separate schedule is required if for any reason any contributions in the year have been returned to the contributor, or if any contributions are payable to the Chief Electoral Officer. This schedule should indicate the name, address, contribution amount, and reason that the contribution has been returned to the contributor, or is payable to the Chief Electoral Officer.

Name of Registered Political Party

Progressive Conservative Party of Newfoundland & Labrador

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SUMMARY OF CONTRIBUTIONS FROM FUNDRAISING AND DONATIONS

Total Contributions from Fundraising Activities (box E on form PR-5)	31050	A
Contributions of Goods and Services from Fundraising Activities (box B on form PR-5)	0	B
Donations before other items (box C on form PR-6)	16,375	C
Donations of Goods and Services (box D on form PR-6)		D
Subtotal (line A + line B + line C + line D)	47,425	E

RECONCILIATION OF REPORTED CONTRIBUTIONS

Subtotal from line E	47,425	E
Less Total Individual Donations or Contributions of \$100 or less	1140	F
Less amounts returned or payable to the contributor		G
Less amounts paid or payable to the Chief Electoral Officer		H
Total Individual Donations or Contributions greater than \$100 (line E - line F - line G - line H)	46,285	I
Reported Total Individual Contributions greater than \$100 (refer to attached Schedule of Contributors)	40,100	J
Variance (line I - line J)	6,185	K

Reconciliation of variance

Fair value of goods & services received by those registered in the golf tournament fundraiser.