

## 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.

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

**Financial Statements**

**Year Ended December 31, 2017**

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**HARRIS RYAN**





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

**Financial Statements**

**Year Ended December 31, 2017**

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

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**Year Ended December 31, 2017**

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# HARRIS RYAN

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Progressive Conservative Association of Newfoundland and Labrador Incorporated, which comprise the statement of financial position as at December 31, 2017 and the statements of revenues and expenditures, changes in net assets and cash flow 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 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, Progressive Conservative Association of Newfoundland and Labrador Incorporated derives revenue from 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 Progressive Conservative Association of Newfoundland and Labrador Incorporated. 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, 2017, current assets and net assets as at December 31, 2017.

### Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Progressive Conservative Association of Newfoundland and Labrador Incorporated as at December 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

St. John's, Newfoundland and Labrador  
April 25, 2018

  
CHARTERED PROFESSIONAL ACCOUNTANTS

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

**Statement of Financial Position**

**December 31, 2017**

	2017	2016
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 355	\$ -
Accounts receivable	17,175	10,200
	<b>17,530</b>	10,200
PROPERTY, PLANT AND EQUIPMENT <i>(Net of accumulated amortization)</i>	-	10,268
	<b>\$ 17,530</b>	<b>\$ 20,468</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Bank indebtedness	\$ -	\$ 889
Accounts payable	19,999	14,999
Operating loan <i>(Note 3)</i>	5,000	18,000
Employee deductions payable	-	1,228
	<b>24,999</b>	<b>35,116</b>
NET ASSETS	<b>(7,469)</b>	<b>(14,648)</b>
	<b>\$ 17,530</b>	<b>\$ 20,468</b>

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Treasurer

See notes to financial statements

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

**Statement of Changes in Net Assets**

**Year Ended December 31, 2017**

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	<b>2017</b>	<b>2016</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ (14,648)</b>	<b>\$ (67,106)</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>7,179</b>	<b>52,458</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ (7,469)</b>	<b>\$ (14,648)</b>

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

**Statement of Revenues and Expenditures**

**Year Ended December 31, 2017**

	2017	2016
<b>REVENUES</b>		
Contributions	\$ 40,845	\$ 8,376
Fundraising	56,137	69,661
By-election surplus	-	65,670
Election transfers	-	17,300
Nomination fees	10,000	-
Miscellaneous receipts	-	6,823
Corporate campaign	2,500	-
	<b>109,482</b>	<b>167,830</b>
<b>EXPENDITURES</b>		
Meetings - travel / accommodations	16,410	8,316
Fundraising	22,253	12,555
Transfers paid out	12,442	16,000
Utilities	9,773	10,485
General election	9,465	14,783
Advertising and promotion	7,691	2,442
Professional fees	6,299	11,308
Rent	4,830	7,062
Bad debts	2,822	1,715
Interest and bank charges	2,617	3,854
Amortization	2,354	2,562
Office supplies and postage	1,953	4,167
District fundraising transfer	1,890	-
Business taxes, licenses and memberships	591	1,000
By - elections	-	1,000
Wages and benefits	-	18,123
	<b>101,390</b>	<b>115,372</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS</b>	<b>8,092</b>	<b>52,458</b>
<b>OTHER INCOME (EXPENSES)</b>	<b>(913)</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 7,179</b>	<b>\$ 52,458</b>

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

**Statement of Cash Flow**

**Year Ended December 31, 2017**

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	\$ 7,179	\$ 52,458
Items not affecting cash:		
Amortization of property, plant and equipment	2,354	2,562
Gains (losses) on disposal of assets	913	-
	<b>10,446</b>	<b>55,020</b>
Changes in non-cash working capital:		
Accounts receivable	(6,975)	(8,485)
Accounts payable	5,000	(2,803)
Prepaid expenses	-	3,136
Employee deductions payable	(1,228)	1,228
	<b>(3,203)</b>	<b>(6,924)</b>
Cash flow from operating activities	<b>7,243</b>	<b>48,096</b>
<b>INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment	7,001	(11,689)
<b>FINANCING ACTIVITY</b>		
Operating loan	(13,000)	13,000
<b>INCREASE IN CASH FLOW</b>	<b>1,244</b>	<b>49,407</b>
Deficiency - beginning of year	(889)	(50,296)
<b>CASH (DEFICIENCY) - END OF YEAR</b>	<b>\$ 355</b>	<b>\$ (889)</b>

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

**Notes to Financial Statements  
Year Ended December 31, 2017**

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**1. INCORPORATION AND ORGANIZATION**

On March 21, 1991, the Progressive Conservative Association of Newfoundland and Labrador Incorporated ("the Association") was incorporated under the Corporations Act of the Province of Newfoundland and Labrador. The liability of members is limited.

The Association was formed to foster the interest in Government in general and in particular the politics of Canada and Newfoundland and Labrador, promote and advance the principles and policies of the Progressive Conservative Party, assist in the election of Progressive Conservative Candidates in the House of Assembly and to the House of Commons and to secure, maintain, and adequately fund a viable organization of the Progressive Conservative Party throughout all Districts of the Province.

On October 1, 1993, the Association became a registered political party under Part III of the Elections Act, 1991 in the Province, and operates its business at all times in such a manner as to qualify as a registered political party under the Elections Act.

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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).

Property, plant and equipment

Property, plant & equipment are stated at cost less accumulated amortization. Property, plant & equipment are amortized over their estimated useful lives at the following rates and methods:

Office equipment	20%	declining balance method
Computer software	100%	declining balance method
Computer equipment	50%	declining balance method

The Association regularly reviews its property, plant & equipment to eliminate obsolete items.

Revenue recognition

Contributions from all sources, are recognized as revenue when earned 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.

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

**Notes to Financial Statements  
Year Ended December 31, 2017**

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

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.

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3. OPERATING LOAN

The Association has a short term bank operating line of credit to a maximum of \$100,000. The revolving operating facility is repayable on demand and bears interest at prime plus 1.50%. The Association has provided a General Security Agreement. The line of credit has a balance payable of \$5,000 as at December 31, 2017 (2016 - \$18,000)

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4. FINANCIAL INSTRUMENTS

The Association 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 Association's risk exposure and concentration as of December 31, 2017.

*(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.

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant other price risks arising from these financial instruments.

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5. 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.

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6. COMPARATIVE FIGURES

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

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Name of Registered Political Party

Progressive Conservatcve Party

Period Ended

31-Dec-17

This financial report includes the following forms and attachments:

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

I, Jerry Rice, 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 Box]

Signature of Chief Financial Officer

20-Mar-18

Date

Name of Registered Political Party

Progressive Conservative Party

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Name of Lender

TD Bank

Address of Lender

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

Original Amount of Loan \_\_\_\_\_

Loan Balance At End of Period \_\_\_\_\_

Terms and Conditions of Borrowing

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"/>

Name of Registered Political Party

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TOTAL TRANSFERS RECEIVED (SUM OF FORMS **PR-3(A)**)

TOTAL TRANSFERS PAID OUT (SUM OF FORMS **PR-3(B)**)











Name of Registered Political Party

**Progressive Conservative Party**

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**SUMMARY OF FUNDRAISING REVENUES**

Number of fundraising functions held	<input type="text" value="1"/>	
Total gross fundraising income reported on Activity Reports (sum of boxes <b>A</b> on all <b>PR-5(AR)</b> forms)	<input type="text" value="105970.5"/>	<b>A</b>
Total Contributions of Goods and Services reported on Activity Reports (sum of boxes <b>B</b> on all <b>PR-5(AR)</b> forms)	<input type="text" value="0"/>	<b>B</b>
Total other revenue reported on Activity Reports (sum of boxes <b>C</b> on all <b>PR-5(AR)</b> forms)	<input type="text" value="-"/>	<b>C</b>
Total Fundraising Revenue ( <b>A + B + C</b> )	<input type="text" value="105,971"/>	<b>D</b>

**SUMMARY OF CONTRIBUTIONS AND DEEMED EXPENSES**

Total Contributions from Fundraising Activities	(sum of boxes <b>L</b> on all <b>PR-5(AR)</b> forms)	<input type="text" value="105970.5"/>	<b>E</b>
Total Deemed Expenses on Activity Reports	(sum of boxes <b>M</b> on all <b>PR-5(AR)</b> forms)	<input type="text" value="28448.22"/>	<b>F</b>
Sum of Contributions and Deemed Expenses		<input type="text"/>	<b>G</b>

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

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DESCRIPTION OF FUNDRAISING EVENT

2017 Golf Tournament

EVENT DATE

**Calculation of Event Revenues**

Event Revenue From Admissions	56750	A
Contributions of Good and Services	0	B
Other Event Revenue	1500	C
<b>Total Event Revenue</b>	<b>58250</b>	<b>D</b>

Description of Other Event Revenues

Meal tickets and hole sponsorship.

**Calculation of Contribution Portion of Admission Charge**

Admission Charge Per Ticket	2,000.00	E	\$400.00	E	1000	E		E		E
Calculated Contribution Per Ticket	1,750.00	F	350.00	F	875.00	F	-	F	-	F
Calculated Deemed Expense Per Ticket	250.00	G	50.00	G	125.00	G	-	G	-	G
Tickets Sold Per Admission Charge	27	H	\$4.00	H	1	H		H		H
Calculated Contribution for Event	47,250.00	I	1,600.00	I	875.00	I	-	I	-	I
Calculated Deemed Expense for Event	6,750.00	J	1,400.00	J	125.00	J	-	J	-	J
							Total Admissions Revenue (sum of Line E x Line H)	56,600.00	K	
							Total Contribution Portion of Event (sum of Line I)	49,725.00	L	
							Total Deemed Expense of Event (sum of Line J)	8,275.00	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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**SUMMARY OF DONATIONS**

Total Individual Donations in Excess of \$100	<input type="text" value="45"/>	<input type="text" value="A"/>
Total Individual Donations of \$100 or less	<input type="text" value="52"/>	<input type="text" value="B"/>
Total Donations before other items (line A + line B)	<input type="text" value="97"/>	<input type="text" value="C"/>
Donations of Goods and Services	<input type="text" value="-"/>	<input type="text" value="D"/>
Less amounts returned or payable to the contributor	<input type="text" value="-"/>	<input type="text" value="E"/>
Less amounts paid or payable to the Chief Electoral Officer	<input type="text" value="-"/>	<input type="text" value="F"/>
Total Donations (line C + line D - line E - line F)	<input type="text" value="97"/>	<input type="text" value="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

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**SUMMARY OF CONTRIBUTIONS FROM FUNDRAISING AND DONATIONS**

Total Contributions from Fundraising Activities (box E on form PR-5)	105970.5	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)	-	#
Donations of Goods and Services (box D on form PR-6)	-	D
Subtotal (line A + line B + line C + line D)	105,971	E

**RECONCILIATION OF REPORTED CONTRIBUTIONS**

Subtotal from line E	105,971	E
Less Total Individual Donations or Contributions of \$100 or less	1535	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)	104,436	I
Reported Total Individual Contributions greater than \$100 (refer to attached Schedule of Contributors)	94,625	J
Variance (line I - line J)	9,811	K

**Reconciliation of variance**

\$9811 Fees for various no receiptable events.