



COPY

JUN 22 2006

BY REGISTERED MAIL

Voice of Hope of Canada
425-1 Street SW, 12th Floor
Calgary, Alberta T2P 3L8

Attention: Mr. David Ryan

BN: 88959 7142 RR0001

File #: 0853614

**SUBJECT: Notice of Intent to Revoke
Voice of Hope Canada**

Dear Mr. Ryan:

I am writing further to our letter dated January 30, 2006 (copy enclosed), in which you were invited to submit representations to us as to why the Minister of National Revenue should not revoke the registration of Voice of Hope Canada (hereinafter, the "Charity") in accordance with subsection 168(1) of the *Income Tax Act* (hereinafter, the "Act"). As of this date, we still have not received any response to our letter.

Consequently, I wish to advise you that, pursuant to the authority granted to the Minister in subsection 168(1) of the Act, and delegated to me, I propose to revoke the registration of Voice of Hope Canada. By virtue of subsection 168(2) of the Act, the revocation will be effective on the date of publication in the *Canada Gazette* of the following notice:

Notice is hereby given, pursuant to paragraphs 168(1)(e) of the Income Tax Act, that I propose to revoke the registration of the organization listed below and that the revocation of registration is effective on the date of publication of this notice.

File Number	Business Number	Name
0853614	88959 7142RR0001	Voice of Hope Canada Calgary, Alberta

Should you wish to appeal this Notice of Intention to Revoke the Charity's registration in accordance with subsection 168(4) of the Act, you are advised to file a Notice of Objection within 90 days from the mailing of this letter. This notice is a written statement that sets out the reasons for the objection and all the relevant facts. The Notice of Objection should be sent to:

.../2

Tax and Charities Appeals Directorate
Appeals Branch
Canada Revenue Agency
25 Nicholas Street
Ottawa, ON K1A 0L5

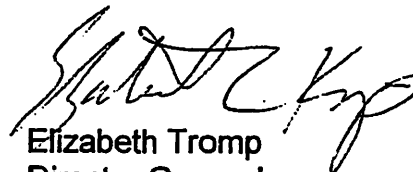
Consequences of a Revocation

As of the date of revocation of the registration of Voice of Hope Canada, which is the date upon which the above-noted notice is published in the *Canada Gazette*, Voice of Hope Canada will no longer be exempt from Part I Tax as a registered charity and will no longer be permitted to issue official donation receipts.

Additionally, the Charity may be subject to tax pursuant to Part V, section 188 of the Act. By virtue of section 188 of the Act, Voice of Hope Canada will be required to pay a tax within one year from the date of the Notice of Intention to Revoke the Charity's registration. This revocation tax is calculated on prescribed form T-2046 "*Tax Return Where Registration of a Charity is Revoked*". The return must be filed and the tax must be paid on or before the day that is one year from the date of the Notice of Intention to Revoke a Charity's Registration. For your reference, I have attached a copy of the relevant provisions of the Act (Appendix "A") concerning revocation of registration and the tax applicable to revoked charities as well as appeals against revocation. Form T-2046 along with the related Guide RC-4424, "*Completing the Tax Return Where Registration of a Charity is Revoked*", are also attached for your information.

I wish to advise you that pursuant to subsection 150(1) of the Act, a return of income for each taxation year in the case of a corporation (other than a corporation that was a registered charity throughout the year) shall without notice or demand therefore, be filed with the Minister in prescribed form containing prescribed information.

Yours sincerely,



Elizabeth Tromp
Director General
Charities Directorate

Attachments:

Our letter dated January 30, 2006
Appendix "A", Relevant provisions of the Act
Form T-2046, "*Tax Return Where Registration of a Charity is Revoked*
Guide RC-4424, "*Completing the Tax Return Where Registration of a Charity is Revoked*", are



Your file Votre référence

Our file Notre référence

BY REGISTERED MAIL

January 30, 2006

VOICE OF HOPE
425-1 Street SW, 12th Floor
Calgary, AB T2P 3L8

Attention: David Ryan

Dear Mr. Ryan:

Re: Charity Audit
BN: 88959 7142 RR 0001
Audit Period: 2002-01-01 to 2002-12-31

This letter is further to our letter dated December 20, 2005, regarding the operations of the charity Voice Of Hope (the "Charity"), and the compliance regarding the maintenance of its books and records. The audit related to the operations of the Charity for its fiscal period ended December 31, 2002.

The review has raised concerns about the Charity's compliance with certain provisions of the *Income Tax Act* (the "*Act*"). For a registered charity to retain its registration, it must comply with the provisions of the *Act*. If a particular registered charity does not comply with these provisions, the Minister may revoke that charity's registration in the manner described in subsection 168(2) of the *Act*. The balance of this letter describes the Canada Revenue Agency's concerns.

Books and Records

Under paragraph 168(1)(e) of the *Act*, the Minister may by registered mail, give notice to a registered charity that he proposes to revoke its registration because it fails to comply with or contravenes any of sections 230 to 231.5 of the *Act* for maintaining inadequate books and records.

The Charity has not maintained its books and records adequately for audit purposes. The books and records were not available during the audit to account for the funds received, nor were the supporting documentation to substantiate the expenditures.

- After the initial interview on Jan 31, 2005, a list of queries was given to the representative, Mr. David Ryan, on February 1, 2005. The information was to be obtained from the directors, in particular from [REDACTED] who was not available for the interview.
- On February 8, 2005, the representative was contacted to find if any further information was available. He responded on February 23, 2005 by email stating that he had contacted the bank in Montreal and would get the information within 6 weeks.
- On April 4, 2005, [REDACTED] was contacted by email to enquire about the status. He responded on April 22, 2005, and stated that the bank records should be with Mr. Ryan.
- Obtained only a single bank statement from Mr. Ryan on April 25, 2005 who stated that this was the only record received by him.
- On August 05, 2005, an email message was sent to [REDACTED] asking him to confirm his email address so that he could be contacted. No response has been received as of January 30, 2006.
- Between the months of May and November 2005, the representative was contacted numerous times, but no progress was made in obtaining the records.
- On December 20, 2005, a letter was sent to the Charity stating that if the books and records were not provided within 30 days, the registration of the Charity may be revoked. No response was provided as of January 30, 2006.

The *Act* requires that under subsection 230(2) that registered charities must maintain adequate books and records of account at a single address in Canada that is registered with the *Agency*. This provision is intended to enable a charity to accurately provide the *Agency* with the information required by the *Act* as well as to enable the *Agency* to verify the accuracy of reported information through an audit and to determine whether there are any grounds for the revocation of the Charity's registration.

Conclusion

For the reason indicated above, it appears to us that there are grounds for revocation of the Charity's status as a registered charity.

The consequences to a registered charity of losing its registration include:

1. The loss of its tax exempt status as a registered charity which means that the Charity would become a taxable entity under Part I of the *Income Tax Act* unless, in the opinion of the Director of the applicable Tax Services Office, it qualifies as a non-profit organisation as described in paragraph 149(1)(l) of the *Act*;
2. Loss of the right to issue official donation receipts for income tax purposes which means that gifts made to the Charity would not be allowable as a tax credit to individual donors as provided at subsection 118.1(3) of the *Act* or as a deduction allowable to corporate donors under paragraph 110.1(1)(a) of the *Act*; and
3. The possibility of a tax payable under Part V, subsection 188(1) of the *Act*.

For your reference, we have attached a copy of the relevant provisions of the *Act* concerning revocation of registration and the tax applicable to revoked charities as well as appeals against revocation.

If you do not agree with the facts outlined above, or if you wish to present any reasons why the Minister of National Revenue should not revoke the registration of Voice Of Hope in accordance with subsection 168(2) of the *Act*, you are invited to submit your representations within 30 days from the date of this letter. Subsequent to this date, the Director General of the Charities Directorate will decide whether or not to proceed with the issuance of a Notice of intention to revoke registration of the Charity in the manner described in section 168 of the *Act*.

If you appoint a third party to represent you in this matter, please send us a written authorization naming that individual and explicitly authorizing that individual to discuss the Charity's file with us.

If you require further information, clarification, or assistance, please write to the address given below.

Yours truly,



PH Shane Menen, B.Comm, CGA
Auditor
Verification & Enforcement Division
Edmonton Tax Services Office

Telephone: (780) 495 - 7316
Fax: (780) 495 - 4243
Address: 9700 Jasper Avenue
Edmonton AB T5J 4C8

Toll free: 1-800-267-2384 (Charities)
Internet: www.ccra-adrc.gc.ca