



COPY

JUL 06 2006

BY REGISTERED MAIL

The Wabuno Wildlife Trust
250 Dundas Street West, Suite 401
Toronto, Ontario M5T 2Z5

Attention: Mr. Don Sangster

BN: 86774 7883 RR 0001
File #: 3006412

**SUBJECT: Notice of Intention to Revoke
The Wabuno Wildlife Trust**

Dear Mr. Sangster:

I am writing to you further to our letters dated January 20, 2006 and June 1, 2005 (copies attached) in which you were invited to submit representations to us as to why the Minister of National Revenue should not revoke the registration of The Wabuno Wildlife Trust (hereinafter, the "Organization") in accordance with subsection 168(1) of the *Income Tax Act* (hereinafter, the "Act").

As we have not received a response to our letters, I wish to advise you that for the reasons outlined in our letter of January 20, 2006, and 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 The Wabuno Wildlife Trust. 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)(b) and 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
3006412	86774 7883 RR0001	The Wabuno Wildlife Trust Toronto, Ontario

Should you wish to appeal this notice of intention to revoke the Organization'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 of the relevant facts. This 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

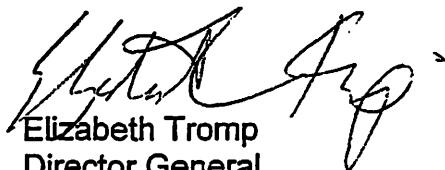
Consequences of a Revocation

As of the date of revocation of the registration of the Organization, which is the date upon which the above-noted notice is published in the *Canada Gazette*, the Organization 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, by virtue of section 188 of the Act, the Organization 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.

Furthermore, 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

Enclosures:

- Administrative Fairness Letters dated January 20, 2006 and June 1, 2005
- Appendix "A" – Relevant provisions of the *Income Tax Act*
- Form T-2046, "*Tax Return Where Registration of a Charity is Revoked*"
- Form RC-4424 – *Completing the Tax Return Where Registration of a Charity is Revoked*



Canada Customs
and Revenue Agency

Agence des douanes
et du revenu du Canada

REGISTERED LETTER

January 20, 2006

The Waubuno Wildlife Trust
250 Dundas Street West, Suite 401
Toronto Ontario M5T 2Z5

Your file / Votre référence

Our file / Notre référence
867747883

Attention: Don Sangster

Dear Sir:

Re: Registered Charity Audit – For the Years 2002 & 2003

This letter is to inform you that since you did not respond to our letter dated June 1, 2005, nor to our previous letter of November 12, 2004 we are of the opinion to proceed with the revocation of the charitable status of the Waubuno Wildlife Trust.

As stated in our letter of June 1, 2005, the Wabuno Wildlife Trust's (the Trust) lack of response has raised concerns about the Trust'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 the 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 (the "CRA's") concerns.

Books and Records

The *Act* requires every registered charity to maintain adequate records and books of account at an address in Canada recorded with the Minister. The purpose of this requirement is to enable the charity to accurately provide CRA with the information required by the *Act* as well as enable CRA to verify the accuracy of reported information through the conducting of audits.

Section 230(2) specifically requires a registered charity to keep:

Canada

- (a) information in such a form as will enable the Minister to determine whether there are any grounds for the revocation of its registration under this *Act*;
- (b) a duplicate of each receipt containing prescribed information for a donation received by it; and
- (c) other information in such form as will enable the Minister to verify the donations to it for which a deduction or tax credit is available under this *Act*.

Section 230(4) of the *Act* requires such books and records to be maintained for prescribed periods. Duplicate official donation receipts must be retained for two years after the last day of the calendar year to which they relate, and all other books and records, including supporting documentation must be retained until the expiration of six years from the date of the last taxation year to which the records and books relate.

Since the Trust failed to respond to our requests to examine its books and records, we assume that the Trust did not maintain such books of account and that there is no record retention to support bank transactions, donation receipts and expenditures. As a result, we are unable to verify the accounting of receipts and the charitable nature of expenditures as reported by the Trust. We also could not determine if official donation receipts issued were in accordance with the requirements of the *Act*.

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 if fails to comply with or contravenes any of sections 230 to 231.5 of the *Act* dealing with books and records.

Conclusion

For each of the reasons 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 are again attaching a copy of the relevant provisions of the *Income Tax 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 The Waubuno Wildlife Trust 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 Waubuno Wildlife Trust 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 Trust's file with us.

If you require further information, clarification, or assistance, please contact the undersigned at Canada Revenue Agency at the address or telephone number noted below.

Yours truly,

H. Keen
Verification and Enforcement Division

Telephone: (416) 410-1752
Fax: (416) 954-6015
Address: 1 Front Street West, Suite 100
Toronto ON M5J 2X6
Internet: www.cra.gc.ca
CC: Ronald Haller, CMA
Accounting and Income Tax Services
4 King Street West, Suite 1320
Toronto, Ontario. M5H 1B6

Enclosure



Canada Customs
and Revenue Agency

Agence des douanes
et du revenu du Canada

REGISTERED MAIL

June 1, 2005

The Wabuno Wildlife Trust
250 Dundas Street West, Suite 401
Toronto Ontario M5T 2Z5

Your file / Votre référence

Our file / Notre référence
867747883

Attention: Don Sangster

Dear Sir:

Re: Registered Charity Audit

This letter is further to our request to audit the books and records of the Wabuno Wildlife Trust (the "Trust"). Refer our letter dated November 12, 2004. Since that time we have made several follow-up verbal requests for the trust to provide us with the books of account for the 2002 and 2003 fiscal periods.

The trust's lack of response has raised concerns about its 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 the 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 (the "CRA's") concerns.

Books and Records

The *Act* requires every registered charity to maintain adequate records and books of account at an address in Canada recorded with the Minister. The purpose of this requirement is to enable the charity to accurately provide CRA with the information required by the *Act* as well as enable CRA to verify the accuracy of reported information through the conducting of audits.

Section 230(2) specifically requires a registered charity to keep:

Canada

- (a) information in such a form as will enable the Minister to determine whether there are any grounds for the revocation of its registration under this *Act*;
- (b) a duplicate of each receipt containing prescribed information for a donation received by it; and
- (c) other information in such form as will enable the Minister to verify the donations to it for which a deduction or tax credit is available under this *Act*.

Section 230(4) of the *Act* requires such books and records to be maintained for prescribed periods. Duplicate official donation receipts must be retained for two years after the last day of the calendar year to which they relate, and all other books and records, including supporting documentation must be retained until the expiration of six years from the date of the last taxation year to which the records and books relate.

The trust's behaviour has led us to believe that it did not maintain such books of account and that there is no record retention in support of bank transactions and expenditures. As a result, we are unable to confirm the accounting of receipts and the charitable nature of expenditures as reported by the Trust.

As a result of this lack of books and records we could not, therefore, determine if official donation receipts were issued in accordance with the requirements of the *Act*.

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 if fails to comply with or contravenes any of sections 230 to 231.5 of the *Act* dealing with books and records.

Conclusion

For each of the reasons 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 *Income Tax 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 The Wabuno Wildlife Trust 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 Trust's file with us.

If you require further information, clarification, or assistance, please contact the undersigned at Canada Revenue Agency at the address or telephone number noted below.

Yours truly,



H. Keen
Verification and Enforcement Division

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Enclosure