

INDEPENDENT AUDITOR'S REPORT

To the Financial Officer of The Progressive Conservative Party of Manitoba:

Qualified Opinion

We have audited the accompanying Form 921 – Statement of Income, Transfers and Election Expenses of a Registered Political Party for a Campaign Period of The Progressive Conservative Party of Manitoba (the Party), which comprise the Statement of Income, Expenses and Transfers, and Schedule 1 - Expenses, Schedule 2 – Transfers From Constituency Associations and Nominated Candidates and Schedule 3 – Transfers to Constituency Associations and Nominated Candidates for the campaign period from May 20, 2024 to August 19, 2024 relating to the by-election held on June 18, 2024 and a note describing the basis of accounting (the "Statement").

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying Form 921 - Statement of Income, Transfers and Election Expenses of a Registered Political Party for a Campaign Period for The Progressive Conservative Party of Manitoba for the campaign period of May 20, 2024 to August 19, 2024 relating to the by-election held on June 18, 2024 is prepared, in all material respects, in accordance with the financial reporting provisions of *The Election Financing Act of Manitoba*.

Basis for Qualified Opinion

Due to the nature of the types of transactions inherent in any political party, the completeness of income and expenses is not susceptible of satisfactory audit verification. Accordingly, verification of these revenues and expenses was limited to the amounts recorded in the records of the Party. Therefore, we were not able to determine whether any adjustments might be necessary to campaign period income, election expenses and transfers, and the election surplus (deficit).

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 Statement* 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the Statement, which describes the basis of accounting. The Statement is prepared to assist the Party to meet the requirements of Elections Manitoba. As a result, the Statement may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Financial Officer and Those Charged with Governance for the Statement

The Financial Officer is responsible for the preparation and fair presentation of the Statement in accordance with *The Election Financing Act* of Manitoba, and for such internal control as the Financial Officer 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 Statement, the Financial Officer is responsible for assessing the Party'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 the Financial Agent 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 Statement

Our objectives are to obtain reasonable assurance about whether the Statement 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 *The Election Financing Act of Manitoba*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, 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 the Financial Agent.
- Conclude on the appropriateness of the Financial Agent'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 Statement 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 Statement, including the disclosures, and whether the Statement represents 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.

Scarrow & Donald LLP

Chartered Professional Accountants
October 11, 2024
Winnipeg, Canada

The Progressive Conservative Party of Manitoba
Note to Form 921 - Statement of Income, Transfers and Election Expenses of a Registered Political
Party for a Campaign Period
for the Campaign Period from May 20, 2024 to August 19, 2024

1. Basis of accounting

The Form 921 – Statement of Income, Transfers and Election Expenses of a Registered Political Party for a Campaign Period of The Progressive Conservative Party of Manitoba (the Party), which comprise the Statement of Income, Expenses and Transfers, and Schedule 1 - Expenses, Schedule 2 – Transfers From Constituency Associations and Nominated Candidates and Schedule 3 – Transfers to Constituency Associations and Nominated Candidates (the "Statement"), is prepared to comply with the financial reporting provisions of *The Election Financing Act of Manitoba* and the accounting guidelines as issued by Elections Manitoba.

The statement is filed with Elections Manitoba in accordance with the *Election Financing Act* of the Province of Manitoba. The statement is intended solely for the use of the financial officer and the party. Accordingly, the statement may not be suitable for another purpose.

OCT 17 2024

ELECTIONS MANITOBA

921

Statement of Income, Transfers and
Election Expenses of a Registered
Political Party for a Campaign Period



To be filed within 4 months after the end of election day.

For the campaign period:

DATE

May 20, 2024

TO

DATE

August 19, 2024

Political
Party

NAME

The Progressive Conservative Party of Manitoba

Auditor

NAME OF AUDITOR

Scarrow & Donald LLP

NAME OF PUBLIC ACCOUNTANT TO WHOM INQUIRY MAY BE DIRECTED (if different than above)

K. G. Findlay, FCPA, FCA

DECLARATION

I, the undersigned, financial officer hereby file the Statement of Income, Transfers and Election Expenses of a Registered Political Party for a Campaign Period along with an Auditor's Report from a qualified auditor. I declare that to the best of my knowledge and belief the information contained herein is complete, true and correct and in compliance with *The Election Financing Act*.

Signature of financial officer

Date (mm/dd/yyyy)

Statement of Income, Expenses and Transfers

Campaign Period Income

300 Contributions (monetary)	\$ 109,284	← To Form 920, line 635
305 Contributions (non-monetary)		← To Form 920, line 635
310 Transfers from constituency associations		← From line 700
320 Transfers from nominated candidates	83,013	← From line 710
330 Fundraising	12,592	
350 Investment income		
Other income (provide details)		
360 Elections Manitoba reimbursement	178,244	

390 Total income (total of lines 300 to 360)

line 390 \$ 383,133

Election Expenses and Transfers

400 Election expenses	\$ 48,345	← From line 595
410 Transfers to constituency associations	17,612	← From line 720
420 Transfers to nominated candidates	2,169	← From line 730

430 Total expenses and transfers (total of line 400 to 420)

line 430 \$ 68,126

440 Election surplus/ (deficit) (line 390 minus line 430)

line 440 \$ 315,007

↗
To Form 920, line 265

Schedule 1 – Expenses (INCLUDING NON-MONETARY CONTRIBUTIONS)

500 Advertising	<u>3,885</u>		
505 Posters, pamphlets, promotional	<u>7,271</u>		
510 Depreciation			
515 Fundraising			
520 Furniture and equipment rental			
525 Honoraria/salaries			
530 Interest and bank charges			
535 Legal and audit fees			
540 Meeting space			
545 Office occupancy (rent, utilities)			
550 Office supplies and postage			
555 Polling (opinion surveys/market research)	<u>11,025</u>		
560 Signs and structural support			
565 Transportation, accommodation and food			
570 Telephone			
Other (provide details)			
580 Database support services	<u>10,789</u>		
585 Consulting services	<u>15,375</u>		
595 Total election expenses (total of line 500 to 585)		line 595	\$ <u>48,345</u> ← To line 400
597 Less non-monetary expenses		line 597	\$ _____
599 Total election expenses eligible for reimbursement		line 599	\$ <u>48,345</u>

Schedule 2 – Transfers From Constituency Associations and Nominated Candidates

Complete only if transfers were received in the campaign period from any constituency association or nominated candidate of the registered political party.

A. From constituency associations

Name of constituency association (attach list if necessary)	\$ Total of transfers from each constituency association
None	
Total transfers from constituency associations	Line 700 \$ nil

1. List attached? Yes _____ No ☒

↑
To line 310

B. From nominated candidates

Name of nominated candidate (attach list if necessary)	\$ Total of transfers from each nominated candidate
see list	83,013
Total Transfers from nominated candidates	Line 710 \$ 83,013

Additional pages attached? Yes ☒ No _____

↑
To line 320

The Progressive Conservative Party of Manitoba
Form 921 - Schedule 2B Transfers from Nominated Candidates

Alana Vannahme	5,763
Andrew Micklefield	5,171
Andrew Smith	5,218
Audrey Gordon	5,856
Carrie Hiebert	821
James Teitsma	6,545
Janice Morley-Lecomte	4,866
Jeff Bereza	1,649
Jeff Wharton	4,595
Joshua Okello	1,434
Kelvin Goertzen	2,093
Kevin Klein	3,583
Konrad Narth	1,700
Lauren Stone	5,695
Len Isleifson	4,321
Richard Perchotte	5,100
Rochelle Squires	4,485
Sheilah Restall	2,872
Tim Diack	3,956
Titi Tijani	4,084
Wayne Ewasko	3,206

83,013

Schedule 3 – Transfers to Constituency Associations and Nominated Candidates

The following information must be reported for any transfers sent during the campaign period by the registered political party to any constituency association or nominated candidate of the registered political party.

A. To constituency associations

Name of constituency association (attach list if necessary)	\$ Total of transfers to each constituency association
Brandon East PC Association	6,529
Kirkfield Park PC Association	3,583
Seine River PC Association	7,500
Total amount of transfers to constituency associations	Line 720 \$ 17,612

1. List attached? Yes _____ No ☒

↑
To line 410

B. To nominated candidates

Name of nominated candidate (attach list if necessary)	\$ Total of transfers to each nominated candidate
Wayne Ewasko	2,169
Total amount of transfers to nominated candidates	Line 730 \$ 2,169

1. List attached? Yes _____ No ☒

↑
To line 420