

FEB 03 2012

ELECTIONS MANITOBA

SCARROW & DONALD LLP
CHARTERED ACCOUNTANTS
100 - Five Donald Street
Winnipeg, Manitoba R3L 2T4
Business: (204) 982-9800
Fax: (204) 474-2886
www.scarrowdonald.mb.ca

January 31, 2012

INDEPENDENT AUDITORS' REPORT

To Ken Lee, Official Agent for John Zasitko, and John Zasitko, the Candidate:

We have audited the accompanying Form 922, Candidate's Financial Statements and Supporting Schedules, which comprises the Statement of Assets, Liabilities and Surplus as at February 6, 2011, Statement of Income, Expenses and Transfers for the Candidacy of John Zasitko for the Candidacy Period from April 29, 2010 to February 6, 2011 relating to the election held on October 4, 2011 in the Electoral Division Interlake and a note describing the basis of accounting (the statements). The statements have been prepared by the Official Agent based on the financial reporting provisions of the Elections Finances Act as issued by Elections Manitoba.

Official Agent's Responsibility for the Statements

The Official Agent is responsible for the preparation of the statements in accordance with the financial reporting provisions of the Elections Finances Act as issued by Elections Manitoba, and for such internal control as the Official Agent determines is necessary to enable the preparation of the statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the 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 the Official Agent, as well as evaluating the overall presentation of the 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

Due to the nature of the types of transactions inherent in any election campaign, the completeness of contribution income and donations in kind income and expenses is not susceptible of satisfactory audit verification. Accordingly, our testing of contribution income and donations in kind income and expenses was limited to the amounts recorded in the candidate's election campaign records and we were not able to determine whether any adjustments might be necessary to assets, liabilities, income, expenses, and the campaign period surplus/deficit.

Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, Form 922, Candidate's Financial Statements and Supporting Schedules for John Zasitko for the candidacy period of April 29, 2010 to February 6, 2011 relating to the election held on October 4, 2011 in the Electoral Division Interlake are prepared, in all material respects, in accordance with the financial reporting provisions of the Elections Finances Act as issued by Elections Manitoba.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the statements, which describes the basis of accounting. The statements are prepared to comply with the financial reporting provisions of the Elections Finances Act as issued by Elections Manitoba. The statements are filed with Elections Manitoba in accordance with the Elections Finances Act. As a result, the statements may not be suitable for another purpose.



Chartered Accountants
Winnipeg, Canada

For this communication, together with the work done to prepare this communication and for the opinions we have formed, if any, we accept and assume responsibility only to the addressee of this communication, as specified in our letter of engagement.

**Notes to the Candidate's Financial Statements and Supporting Schedules – Form 922
for the Candidacy Period from April 29, 2010 to February 6, 2011**

1. Basis of accounting

The Candidate's Financial Statements and Supporting Schedules – Form 922, are prepared to comply with the financial reporting provisions of the *Elections Finances Act* as issued by Elections Manitoba. Income, expenses and transfers have been accounted for using the rules and regulations found within the Act. The statements are filed with Elections Manitoba in accordance with the Elections Finances Act. As a result, the statements may not be suitable for another purpose.

922

**Candidate's Financial Statements
and Supporting Schedules**



(To be filed within 4 months after Election Day.
Complete the form in ink.)

RECEIVED
FEB 03 2012
ELECTIONS MANITOBA

For the Candidacy Period

Date APRIL 29, 2010

To Date FEB 6, 2011

Candidate

Name	<u>JOHN ZASITKO</u>
Electoral Division	<u>INTERLAKE</u>
Endorsing Political Party (If applicable)	<u>PROGRESSIVE CONSERVATIVE PARTY OF MB.</u>

Official Agent

Name	<u>KEN LEE</u>
------	----------------

Auditor

Name of Auditor	<u>SCARROW DONALD</u>
Name of Public Accountant to Whom Inquiry May be Directed (if different than above)	<u>KEITH FINDLAY</u>

Declaration

I, the undersigned Official Agent, hereby file a completed Form 922 – *Candidate's Financial Statements and Supporting Schedules* – 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 Elections Finances Act*.

Ken Lee
Signature of Official Agent

Jan 23, 2012
Date

Statement of Assets, Liabilities and Surplus as at the End of the Candidacy Period

Assets

100 Cash
 110 Accounts receivable
 120 Inventory*
 Other assets (provide details)
 130 _____
 140 _____

\$ _____

150 Total Assets (total of line 100 to 140)

line 150

\$ NIL

Liabilities and Surplus

200 Accounts payable
 210 Overdraft/ Line of Credit**
 220 Loans**
 Other liabilities (provide details)
 230 _____
 240 _____
 250 Candidacy Period Surplus/(Deficit)

\$ _____

← From line 840

← From line 440

Lines 150 and 290 must be the same.

290 Total Liabilities and Surplus (total of line 200 to 250)

\$ NIL

* Inventory as of the end of the candidacy period would include items purchased but not used (i.e. expensed). Inventory should also be taken as of 8 p.m. on Election Day in order to exclude the value from the amount reported as election expenses.

** A written copy of each loan agreement must be filed separately if there was a loan, line of credit, or bank overdraft in existence at any time to the candidate during the candidacy period.

Statement of Income, Expenses and Transfers for the Candidacy Period

Income and Transfers

300	Contributions	\$ _____	← From line 630, column C
310	Transfers from endorsing political party	_____	← From line 720
320	Transfers from candidate's constituency association	_____	← From line 760
330	Fund raising	_____	
	Other Income (provide details)	_____	
340	_____	_____	
350	_____	_____	
390	Total Income and Transfers (total of line 300 to 350)	line 390	\$ <u>NIL</u>

Expenses and Transfers

400	Election expenses	\$ _____	← From line 595
410	Non – election expenses	_____	← From line 590, column D
415	Transfer of money to endorsing political party	_____	
420	Transfer of goods and services to endorsing political party	_____	
430	Total Expenses and Transfers (total of line 400 to 420)	line 430	\$ <u>NIL</u>
440	Total Period Surplus/ (Deficit) (line 390 minus line 430)	line 440	\$ <u><u>NIL</u></u>

To line 250

Schedule 1 – Candidacy Period Expenses Including Donations in Kind

Election Expenses used in Election period			D Non-Election Expenses in Candidacy Period	E Total Expenses (columns A plus B plus C plus D)
A Cash/Credit	B Donation in Kind	C Goods and Services Used and Received Through Transfers		
500	Advertising - Media			
505	Posters, pamphlets, promotional			
510	Audit fee (amount in excess of subsidy)			
515	Disability			From schedule 7, line 850
520	Child Care			From schedule 8, line 860
525	Fund Raising			
530	Furniture and equipment rental			
535	Honoraria/Salaries			
540	Interest and basic charges			
545	Office Occupancy (rent, utilities)			
550	Office supplies and postage			
555	Personal			
560	Polling			
565	Signs/structural support			
570	Telephone			
575	Transportation, accommodation and food			
	Other (provide details)			
580	_____			
585	_____			
590	Total (total of line 500 to 585)			
595	Total election expenses (Total of line 590 column A, B and C)			

Provide the amount of bank charges and loan interest incurred from the close of polls to 4 months after Election Day. (Not required if candidate did not qualify for reimbursement)

Loan interest line 597 \$ _____

Bank Charges line 599 \$ _____

Schedule 3 – Transfers from Endorsing Political Party

(Complete only if the candidate's campaign received transfers from the candidate's endorsing political party)

A. Total value of all **cash transfers** received during the candidacy period from the candidate's endorsing political party: line 700 \$ _____

B. Total value of all **transfers of goods or services** during the candidacy period from the candidate's endorsing political party: line 710 \$ _____

C. Total transfers from candidate's endorsing political party: (total of line 700 to 710) line 720 \$ _____

D. If you entered an amount on line 710, report the value of goods or services that were used in the election period: line 730 \$ _____

← To line 310

Schedule 4 – Transfers from Candidate’s Constituency Association

(Complete only if the candidate’s campaign received transfers from the candidate’s constituency association.)

A. Total value of all **cash transfers** received during the candidacy period from the candidate’s constituency association: line 740 \$ _____

B. Total value of all **transfers of goods or services** during the candidacy period from the candidate’s constituency association: line 750 \$ _____

C. Total transfers from candidate’s constituency association: line 760 \$ _____

(total of line 740 to 750)

← To line 320

D. If you entered an amount on line 750, disclose the value of goods or services that were used during the election period: line 770 \$ _____

If the aggregate value of transfers, as calculated on line 760 is \$250 or more, provide the following information:

E. Were there contributions of \$250 or more to the constituency association endorsing the candidate during the candidacy period?

_____ No (no further information is required)

_____ Yes (complete the schedule below)

Name and address of Contributors of \$250 or more to the Constituency Association (attach list if necessary)	\$ Aggregate Value of Contribution

List attached?

Yes _____

No _____

