

## INDEPENDENT AUDITORS' REPORT

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To Matt Falk, Official Agent for John Falk, and John Falk, 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 June 20, 2016, Statement of Income, Expenses and Transfers for the Candidacy of John Falk for the candidacy period from February 22, 2016, to June 20, 2016, relating to the election held on April 19, 2016 in the Electoral Division of Morris 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 Election Financing Act* of 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 Election Financing Act* of 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 and 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 verification 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.

*Thornton & Co.*

**INDEPENDENT AUDITORS' REPORT – *continued***

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*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 Falk for the candidacy period of February 22, 2016 to June 20, 2016, relating to the election held on April 19, 2016 in the Electoral Division of Morris are prepared in all material respects, in accordance with the financial reporting provisions of *The Election Financing Act* of 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 Election Financing Act* of Manitoba. The Statements are filed with Elections Manitoba in accordance with *The Election Financing Act* of Manitoba. As a result, the Statements may not be suitable for another purpose.

*Thornton & Co.*

CHARTERED PROFESSIONAL ACCOUNTANTS

**Winnipeg, Manitoba**  
August 3, 2016

*Thornton & Co.*

**Manitoba Liberal Party**  
**Electoral Division of Morris**  
**Note to Form 922, Candidate's Financial Statements**  
February 22, 2016 to June 20, 2016

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**1. Basis of accounting**

Form 922, Candidate's Financial Statements (the Statements) have been prepared in accordance with the financial reporting provisions of *The Election Financing Act* of Manitoba and the accounting guidelines issued by Elections Manitoba.

The Statements are prepared to assist the Official Agent and the candidate to meet the requirements of *The Election Financing Act* of Manitoba. The Statements are intended solely for the use of the Official Agent, the candidate and the Chief Electoral Officer. Accordingly, readers are cautioned that the Statements may not be suitable for another purpose. *The Election Financing Act* of Manitoba requires that the Statements be made available for public inspection.

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# Candidate's Financial Statements and Supporting Schedules



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

### For the Candidacy Period

Date February 22, 2016

To

Date June 20, 2016

### Candidate

Name
Falk, John
Electoral Division
Morris
Endorsing Registered Party (If applicable)
Liberal

### Official Agent

Name
Matt Falk

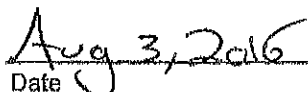
### Auditor

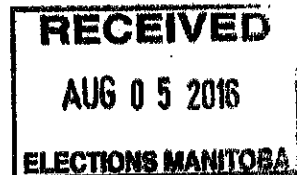
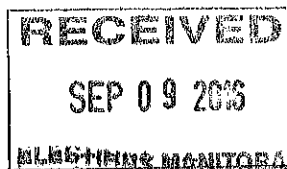
Name of Auditor
Thornton & Co
Name of Professional Accountant to Whom Inquiry May be Directed (if different than above)
Darlene Proctor

### 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 Election Financing Act*.

  
Signature of Official Agent

  
Date



**Statement of Assets, Liabilities and Surplus (Deficit) as at the End of the Candidacy Period**

**Assets**

100 Cash	\$	<u>(240.37)</u>
110 Accounts receivable		_____
115 Inventory*		_____
Other assets (provide details)		_____
130 _____		_____
135 _____		_____

**190 Total Assets** (total of line 100 to 135) line 190 \$ (240.37)

**Liabilities and Surplus**

200 Accounts payable	\$	<u>6,644.74</u>	← <b>From line 840</b>
205 Overdraft/ Line of Credit **		_____	
220 Loans **		_____	
Other liabilities (provide details)		_____	
230 _____		_____	
240 _____		_____	
275 Candidacy Period Surplus/(Deficit)		<u>(6,885.11)</u>	← <b>From line 440</b>

Lines 190 and 290 must be the same.

**290 Total Liabilities and Surplus** (total of line 200 to 275) line 290 \$ (240.37)

\* 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 8pm 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.

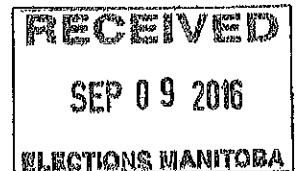
# Statement of Income, Expenses and Transfers for the Candidacy Period

## Income and Transfers

300 Contributions	\$ 2,540.00	←	From line 630, column C
310 Transfers from candidate's constituency association		←	From line 760
320 Transfers from endorsing registered party	375.74	←	From line 720
330 Fundraising			
Other Income (provide details)			
360			
<b>390 Total Income and Transfers</b> (total of line 300 to 360)		line 390	\$ <u>2,915.74</u>

## Expenses and Transfers

400 Election expenses	\$ 8,091.73	←	From line 595
405 Non - election expenses	1,709.12	←	From line 590, column D
415 Transfer of money to endorsing registered part			
420 Transfer of property and services to endorsing registered party			
<b>430 Total Expenses and Transfers</b> (total of line 400 to 420)		line 430	\$ <u>9,800.85</u>
<b>440 Total Period Surplus/(Deficit)</b> (line 390 minus line 430)		line 440	\$ <u>(6,885.11)</u>
			To line 275



**Schedule 1 - Candidacy Period Expenses (including non-monetary expenses)**

	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 Non-monetary	C Property and Services Used and Received Through Transfers		
500 Advertising - media	318.14			184.18	502.32
505 Posters, pamphlets, promotional	1,782.11		3.24		1,785.35
511 Disability					
512 Child care					
515 Fundraising					
520 Furniture and equipment rental	241.53			21.47	263.00
525 Honoraria/salaries					
530 Interest and bank charges				19.43	19.43
535 Audit fee (amount in excess of subsidy)					
545 Office occupancy (rent, utilities)					
550 Office supplies and postage	1,440.64			64.69	1,505.33
555 Polling (opinion surveys, market research)					
560 Signs/structural support	1,880.32				1,880.32
565 Transportation, accomodation and food	2,075.75			1,419.35	3,495.10
570 Telephone					
575 Personal					
Other (provide details)					
580 Website			350.00		350.00
585					
590 Total (total of line 500 to 585)	7,738.49		353.24	1,709.12	9,800.85

From schedule 7, line 880

From schedule 8, line 880

595 Total election expenses  
(Total of line 590 column A, B and C)

8,091.73

← To line 400

↑ To line 405

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

Loan Interest line 597 \$ \_\_\_\_\_  
Bank Charges line 598 \$ \_\_\_\_\_

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Additional pages attached? Yes \_\_\_\_\_ No  X

**Schedule 2 - Contributions to a Candidate (including non-monetary contributions)**

**A. Contributions Summary**

		A	B	C (A plus B)
	Aggregate Contributions of:	Cash	Non-monetary contributions	Total of all Contributions
600	\$250 or more	1,800.00		1,800.00
610	Less than \$250	740.00		740.00
630	<b>Total</b>	<b>\$ 2,540.00</b>	<b>\$</b>	<b>\$ 2,540.00</b>

← **To line 300**

**B. Contributions of \$250 or More**

*[Complete part B only if the aggregate value of the contributions (cash and non-monetary) from any individual normally resident in Manitoba was \$250 or more.]*

Name of Contributor (alphabetical order)	\$ Aggregate Value of Contribution
Baudry, Richard	500.00
Fast, Annette	300.00
Leonard, Claude	400.00
Read, Brian	300.00
Redekopp, Henry	300.00



### Schedule 3 - Transfers from Endorsing Registered Party

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

- |    |  |          |    |               |               |
|----|--|----------|----|---------------|---------------|
| A. | Total value of all <u>cash transfers</u> received during the candidacy period from the candidate's endorsing registered party:           | line 700 | \$ | <u>22.50</u>  |               |
| B. | Total value of all <u>transfers of property or services</u> during the candidacy period from the candidate's endorsing registered party: | line 710 | \$ | <u>353.24</u> |               |
| C. | Total transfers from candidate's endorsing registered party:<br>(total of line 700 to 710)   | line 720 | \$ | <u>375.74</u> | ← To line 320 |
| D. | If you entered an amount on line 710, report the value of property or services that were <u>used</u> in the election period:             | line 730 | \$ | <u>353.24</u> |               |

List attached?

Yes \_\_\_\_\_

No  X

## 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 property or services during the candidacy period from the candidate's constituency association: line 750 \$ \_\_\_\_\_

C. Total transfers from candidate's constituency association: (total of line 740 to 750) line 760 \$ \_\_\_\_\_

← To line 310

D. If you entered an amount on line 750, disclose the value of property 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 of Contributors of \$250 or more to the Constituency Association (attach list if necessary)	\$ Aggregate Value of Contribution

## Schedule 5 - Reconciliation of Income Tax Receipts

(Complete only if the candidate was registered to issue income tax receipts - i.e. Form 911 was filed with Elections Manitoba)

Total number of income tax receipts received from Elections Manitoba line 780 50

Total number of income tax receipts returned to Elections Manitoba:

Issued to Contributors line 790 11 ← Return Elections  
Manitoba copies only.

Voided or cancelled line 800            ← Return all three  
copies.

Unused line 810 39 ← Return all three  
copies.

Total number of income tax receipts returned to Elections Manitoba line 820 50  
(total of line 790 to 810)

Total unreturned income tax receipts (line 780 minus line 820) line 830           

Please provide receipt numbers and an explanation for unreturned income tax receipts.

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## Schedule 6 - Accounts Payable

(Complete only if there are amounts owing to suppliers at the end of the candidacy period. Do not include loans payable.)

Name of Supplier	Description of Expense	\$ Amount
Bigway	Food / Supplies	161.70
Cartier Times	Advertisement	178.50
Chris Weibe	Vehicle Rental - enterprise	1,177.23
Creative Print - all	Signs	1,880.32
D+M Rental	Chair Rentals	113.00
Derksen Printers	Brochures	844.56
Glass Floor Media	You Tube Video	452.00
Group Edge business Solutions	Vehicle Rental - enterprise	1,158.18
Group Edge Business Solutions	Food/Supplies/ Transportation	355.43
Headingly Times	Advertisement	157.50
Niverville Citizen	Advertisement	166.32
Total accounts payable		line 840 \$ 6,644.74

To line 200

Candidate's Signiture

Date

## Schedule 7 - Candidate's Disability Expenses

(Complete only if reasonable\* expenses were incurred by a disabled candidate in relation to a candidate disability to enable the candidate to campaign in an election period)

\*Per section 115 of *The Election Financing Act*, reasonable expenses are those that are over and above the expenses normally incurred by the candidate.

List and describe the nature of the expenses incurred and the amounts claimed.

Description of Expense		\$ Value of expense incurred
Total disability expenses	line 850	\$

← To line 511, column D

\_\_\_\_\_  
Candidate's Signature

\_\_\_\_\_  
Date

## Schedule 8 - Candidate's Child Care Expenses

(Complete only if reasonable expenses\* were incurred by a candidate in relation to child care expenses to enable the candidate to campaign in an election period.)

\*Per section 115 of *The Election Financing Act*, reasonable expenses are those that are over and above the expenses normally incurred by the candidate.

List and describe the nature of the expenses incurred and the amounts claimed.

Description of Expense	\$ Value of expense Incurred
Total child care expenses	line 860 \$

← To line 512, column D

