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AUG 09 2016

ELECTIONS MANITOBA

INDEPENDENT AUDITORS' REPORT

To Cecilia Connelly, Official Agent for Jessica Karlsen, and Jessica Karlsen, 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 March 29, 2016, Statement of Income, Expenses and Transfers for the Candidacy of Jessica Karlsen for the candidacy period from March 24, 2016, to March 29, 2016, relating to the election held on April 19, 2016 in the Electoral Division of Agassiz 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*

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 Jessica Karlsen for the candidacy period of March 24, 2016 to March 29, 2016, relating to the election held on April 19, 2016 in the Electoral Division of Agassiz 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 7, 2016

Thornton & Co.

Manitoba Liberal Party
Electoral Division of Agassiz
Note to Form 922, Candidate's Financial Statements
March 24, 2016 to March 29, 2016

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 March 24 / 2016

To Date March 29 / 2016

Candidate

Name	<u>Jessica Karlsen</u>
Electoral Division	<u>Agassiz</u>
Endorsing Registered Party (If applicable)	<u>Manitoba Liberal Party</u>

Official Agent

Name	<u>Cécilia Connelly</u>
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Auditor

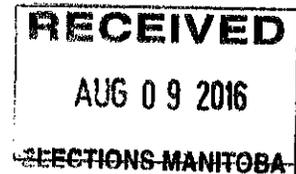
Name of Auditor	<u>Thornton + Company</u>
Name of Public Accountant to Whom Inquiry May be Directed (if different than above)	<u>Darlene Proctor</u>

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 Election Financing Act*.

C Connelly
Signature of Official Agent

August 5 / 2016
Date



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

Assets

100 Cash \$ _____
 110 Accounts receivable _____
 115 Inventory* _____
 Other assets (provide details)
 130 _____
 135 _____

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

line 190

\$ Nil

Liabilities and Surplus

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

← From line 840

← From line 440

↑
 Lines 190 and 290
 must be the same.
 ↓

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

line 290

\$ 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 candidate's constituency association	_____	← From line 760
320	Transfers from endorsing registered party	_____	← From line 720
330	Fundraising	_____	
	Other Income (provide details)		
360	_____	_____	
390	Total Income and Transfers (total of line 300 to 360)		line 390 \$ _____

Expenses and Transfers

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

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				
505 Posters, pamphlets, promotional				
511 Disability				
512 Child care				
515 Fundraising				
520 Furniture and equipment rental				
525 Honoraria/salaries				
530 Interest and bank charges				
535 Audit fee (amount in excess of subsidy)				
545 Office occupancy (rent, utilities)				
550 Office supplies and postage				
555 Polling (opinion surveys, market research)				
560 Signs/structural support				
565 Transportation, accommodation and food				
570 Telephone				
575 Personal				
Other (provide details)				
580 _____				
585 _____				
590 Total (total of line 500 to 585)				

From schedule 7,
line 850

From schedule 8,
line 860

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

nil

To line 400

To line 405

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 598 \$ _____

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 **cash transfers** received during the candidacy period from the candidate's endorsing registered party: line 700 \$ nil

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

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

← To line 320

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

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

List attached?

Yes

No

