

INDEPENDENT AUDITOR'S REPORT

To Travis Cline, official agent for Malcolm McKeller for submission to the Chief Electoral Officer of Manitoba in accordance with section 28(1) and 63(1) of the Elections Financing Act

REPORT ON THE RETURN

We have audited the accompanying Candidate's Electoral Campaign Return (the "Return") for the candidacy of Malcolm McKeller, a candidate at the election of a member to serve in the Legislative Assembly of Manitoba held on the 19th of April 2016, in the electoral district of Spruce Woods, which comprises Form 922 including Statement of Assets, Liabilities and Surplus (Deficit) as at the end of the candidacy period, Statement of Income, Expenses and Transfers for the Candidacy Period, Schedule 1 - Candidacy Period Expenses (Including non-monetary expenses), Schedule 2 - Contributions to a Candidate (including non-monetary contributions), Schedule 3 - Transfers from Endorsing Registered Party, Schedule 4 - Transfers from Candidates Constituency Association, Schedule 5 - Reconciliation of Income Tax Receipts, Schedule 6 - Accounts Payable, Schedule 7 - Candidates Disability Expenses, Schedule 8 - Candidates Child Care Expenses, Schedule 9 - Annual Advertising Expenses (outside the election period and to be completed for the year of a fixed date election) for the electoral campaign ending June 20th, 2016.

This Return has been prepared by the official agent for the candidate based on the financial reporting provisions of sections 28 of the Elections Financing Act and the accounting guidelines issued by Elections Manitoba.

The Official Agent's Responsibility for the Return

The official agent of the campaign is responsible for the preparation of the Return in accordance with the financial reporting provisions of section 63(1) of the Elections Financing Act and the accounting guidelines issued by Elections Manitoba and for such internal control as the official agent determines is necessary to enable the preparation of a Return that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Return 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 whether the Return is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Return. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Return, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the preparation of the Return 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 internal controls. 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 Return.

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 inherent nature of the transactions of electoral campaigns, the completeness of contributions, loan guarantees and other revenue and expenses is not susceptible of satisfactory audit verification. Accordingly, our verification of these amounts was limited to the amounts recorded in the campaign's accounting records and we were not able to determine whether any adjustments might be necessary to contributions and expenses.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, the Return of Malcolm McKeller is prepared, in all material respects, in accordance with the reporting provisions of Part 9 section 63 of the Elections Financing Act and the accounting guidelines issued by Elections Manitoba.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 1 to the Return, which describes the basis of accounting. The Return is prepared to assist the official agent to meet the requirements of the Manitoba Elections Act and the accounting guidelines issued by Elections Manitoba. As a result, the Return may not be suitable for another purpose. Our report is intended solely for the official agent, the candidate and the Chief Electoral Officer, and should not be used by parties other than the official agent, the candidate or the Chief Electoral Officer.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by section 28 of the Elections Financing Act, in our opinion, the Return presents the information contained in the financial records on which it is based.

As per section 29 of the Elections Financing Act, we have completed the attached Checklist for Audits and we found no exception.

Emphasis of Matter

Further, we report the candidate had a surplus of \$84.31 at the end of the election period. This amount should be paid to the CEO per section 63(4) of the Elections Financing Act.

Report on Other Legal and Regulatory Requirements

As required by Part 9 sections 28 and 29 of the Elections Financing Act, in our opinion, the Return presents the information contained in the financial records on which it is based.

MNP LLP

August 11, 2016

MNP LLP
1401 Princess Ave.
Brandon, MB
R7A 7L7

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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 Feb 22, 2016

To Date June 20, 2016

Candidate

Name	<u>Malcolm Reg McKellar</u>
Electoral Division	<u>Spruce Woods</u>
Endorsing Registered Party (If applicable)	<u>Manitoba Party</u>

Official Agent

Name	<u>Travis Cline</u>
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Auditor

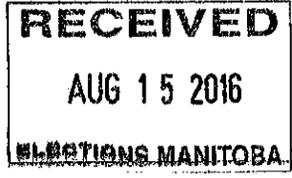
Name of Auditor	<u>MNP LLP</u>
Name of Public Accountant to Whom Inquiry May be Directed (if different than above)	

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*.

Travis Cline
Signature of Official Agent

Aug 10, 2016
Date



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

Assets

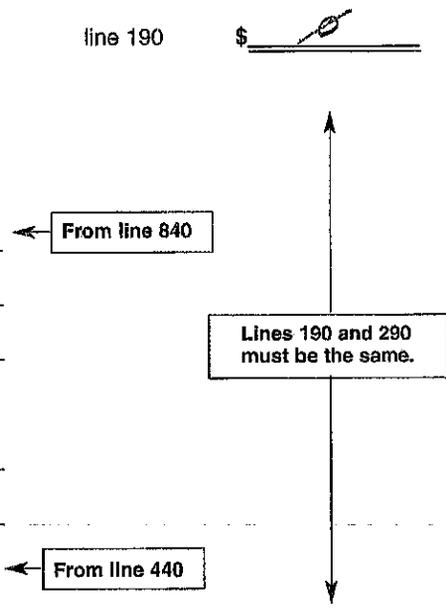
100	Cash	\$	
110	Accounts receivable		
115	Inventory*		
	Other assets (provide details)		
130			
135			

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

Liabilities and Surplus

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

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



* 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 \$ 4200 ← 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 \$ 4115.69 ← 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 \$ 4115.69

440 Total Period Surplus/ (Deficit) (line 390 minus line 430) line 440 \$ 84.31

To line 275

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

Election Expenses used in Election period				
A Cash/Credit	B Non-monetary	C Property and Services Used and Received Through Transfers	D Non-Election Expenses in Candidacy Period	E Total Expenses (columns A plus B plus C plus D)
500 Advertising - media	1672.24			
505 Posters, pamphlets, promotional				
511 Disability				From schedule 7, line 850
512 Child care				From schedule 8, line 860
515 Fundraising				
520 Furniture and equipment rental				
525 Honoraria/salaries				
530 Interest and bank charges	18.00			
535 Audit fee (amount in excess of subsidy)				
545 Office occupancy (rent, utilities)				
550 Office supplies and postage	1605.51			
555 Polling (opinion surveys, market research)				
560 Signs/structural support				
565 Transportation, accommodation and food	502.96			
570 Telephone	315.98			
575 Personal				
Other (provide details)				
580 _____				
585 _____				
590 Total (total of line 500 to 585)	4115.69			
595 Total election expenses (Total of line 590 column A, B and C)	4115.69	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 \$ 12.00

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

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

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

← 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 \$ _____

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: line 760 \$ _____
(total of line 740 to 750)

← 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 _____

Schedule 9 – Annual Advertising Expenses (outside the election period and to be completed for the year of a fixed date election)

(Complete the following schedule to calculate the amount of advertising expenses subject to the annual advertising limits.) s.58(2)

Advertising means advertising that promotes or opposes (directly or indirectly) a registered party, candidate, or leadership contestant. (s.115) For this part it includes promotional materials. (s. 57)

Total advertising expenses incurred during year _____ (outside the election period)

910 Endorsed candidate (from line 940) line 910 \$ _____

920 Individuals (from line 950) line 920 _____

930 **Total Annual advertising expenses outside election period** (total line 910 and 920) line 930 \$ _____

A. Advertising expenses incurred by the candidate outside the election period and in the year of a fixed date election.*

Details of Expense	\$ Amount
Total	line 940
	\$ _____

B. Advertising expenses incurred by an individual on the candidate's behalf with the candidate's knowledge and consent outside the election period and in the year of a fixed date election.*

Name of Individual	Address	\$ Amount
	Total	line 950
		\$ _____

* Attach separate list if necessary.