

## INDEPENDENT AUDITOR'S REPORT

To Travis Cline, official agent for Malcolm McKellar 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 McKellar, 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 McKellar 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**



RECEIVED

SEP 19 2016

ELECTIONS MANITOBA

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

For the Candidacy Period

Date Feb. 23, 2016

To

Date June 19, 2016

June 20, 2016 JB

Candidate

Name	Malcolm Reg McKellar
Electoral Division	Spruce Woods
Endorsing Registered Party (if applicable)	Manitoba Party

Official Agent

Name	TRAVIS B. CLINE
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Auditor

Name of Auditor	MNP LLP
Name of Public Accountant to Whom Inquiry May be Directed (if different than above)	Tyrl Froese, CPA, CA

**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 B. Cline  
Signature of Official Agent

Aug. 23, 2016  
Date

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

**Assets**

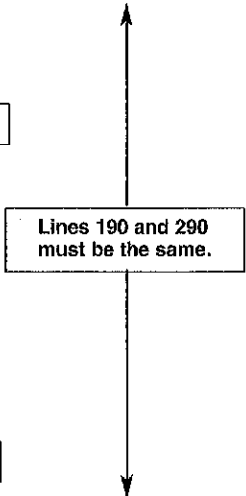
100 Cash \$ 84.31  
 110 Accounts receivable \_\_\_\_\_  
 115 Inventory\* \_\_\_\_\_  
 Other assets (provide details)  
 130 \_\_\_\_\_  
 135 \_\_\_\_\_

190 **Total Assets** (total of line 100 to 135) line 190 \$ 84.31

**Liabilities and Surplus**

200 Accounts payable \$ \_\_\_\_\_ ← From line 840  
 205 Overdraft/ Line of Credit\*\* \_\_\_\_\_  
 220 Loans\*\* \_\_\_\_\_  
 Other liabilities (provide details)  
 230 \_\_\_\_\_  
 240 \_\_\_\_\_  
 275 Candidacy Period Surplus/(Deficit) 84.31 ← From line 440

290 **Total Liabilities and Surplus** (total of line 200 to 275) line 290 \$ 84.31



\* 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	\$ <u>4200.00</u>	← 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	_____	_____	
<b>390</b>	<b>Total Income and Transfers</b> (total of line 300 to 360)		line 390 \$ _____

**Expenses and Transfers**

400	Election expenses	\$ <u>3614.69</u>	← From line 595
405	Non - election expenses	<u>501.00</u>	← From line 590, column D
415	Transfer of money to endorsing registered party	_____	
420	Transfer of property and services to endorsing registered party	_____	
<b>430</b>	<b>Total Expenses and Transfers</b> (total of line 400 to 420)		line 430 \$ <u>4115.69</u>
<b>440</b>	<b>Total Period Surplus/ (Deficit)</b> (line 390 minus line 430)		line 440 \$ <u>84.31</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	1343.59			329.65	1673.24
505 Posters, pamphlets, promotional					
511 Disability					
512 Child care					
515 Fundraising					
520 Furniture and equipment rental					
525 Honoraria/salaries					
530 Interest and bank charges	18.00				18.00
535 Audit fee (amount in excess of subsidy)					
545 Office occupancy (rent, utilities)					
550 Office supplies and postage	1605.51				1605.51
555 Polling (opinion surveys, market research)					
560 Signs/structural support					
565 Transportation, accommodation and food	502.96				502.96
570 Telephone	144.63			171.35	315.98
575 Personal					
Other (provide details)					
580 _____					
585 _____					
590 Total (total of line 500 to 585)	3614.69			561.00	4115.69

From schedule 7, line 850

From schedule 8, line 860

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

**3614.69**

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 \$ 18.00

**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	4200.00		4200.00
610	Less than \$250			
630	<b>Total</b>	<b>\$ 4200.00</b>	<b>\$</b>	<b>\$ 4200.00</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
Bach McKellar	3000.00
Malcolm McKellar	1200.00

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

### Schedule 3 – Transfers from Endorsing Registered Party

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*(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 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 25

Total number of income tax receipts returned to Elections Manitoba:

- |                          |          |          |   |  |
|--------------------------|----------|----------|---|--|
| • Issued to Contributors | line 790 | <u>3</u> | ← | Return Elections Manitoba copies only. |
|--------------------------|----------|----------|---|--|
  
- |                       |          |          |   |                          |
|-----------------------|----------|----------|---|--------------------------|
| • Voided or cancelled | line 800 | <u>3</u> | ← | Return all three copies. |
|-----------------------|----------|----------|---|--------------------------|
  
- |          |          |           |   |                          |
|----------|----------|-----------|---|--------------------------|
| • Unused | line 810 | <u>19</u> | ← | Return all three copies. |
|----------|----------|-----------|---|--------------------------|

Total number of income tax receipts returned to Elections Manitoba (total of line 790 to 810) line 820 25

Total unreturned income tax receipts (line 780 minus line 820) line 830 0

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
Total accounts payable	line 840	\$

↖ To line 200

## 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



