

Independent Auditors' Report

To Mike Watson
Official Agent Brian Pallister

We have audited Form 922, Candidate's Financial Statements and Supporting Schedules, prepared in accordance with the accounting requirements of *The Election Financing Act* of Manitoba and *Accounting Guide – Accounting For Purposes of The Election Financing Act* issued by the Chief Electoral Officer, for the candidacy of Brian Pallister for the candidacy period from January 12, 2015 to June 20, 2016 relating to the election held on April 19, 2016 in the Electoral Division of Fort Whyte.

Management's Responsibility for the Financial Statements

The Official Agent and the Candidate are responsible for the preparation and fair presentation of the financial statements in accordance with *The Election Financing Act* of Manitoba and the *Accounting Guide – Accounting For Purposes of the Election Financing Act*, and for such internal control they determine is necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial 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 financial 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 and Candidate, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion

Basis of 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 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.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, Form 922, Candidate's Financial Statements and Supporting Schedules for Bran Pallister are presented fairly, in all material respects, in accordance with the accounting requirements of *The Election Financing Act* of Manitoba and *Accounting Guide – Accounting For Purposes of The Election Financing Act* issued by the Chief Electoral Officer.

Winnipeg, Manitoba

August 18, 2016

MNP LLP
Chartered Accountants

922

**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 January 12, 2015

To

Date June 20, 2016

Candidate

Name
Pallister, Brian
Electoral Division
Fort Whyte
Endorsing Registered Party (If applicable)
PC Manitoba

Official Agent

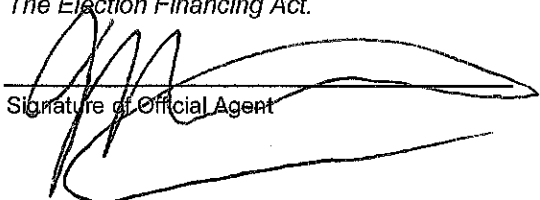
Name
Mike Watson

Auditor

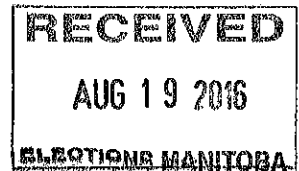
Name of Auditor
MNP LLP
Name of Professional Accountant to Whom Inquiry May be Directed (if different than above)
Ken Kustra

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

Aug. 18/16
Date



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

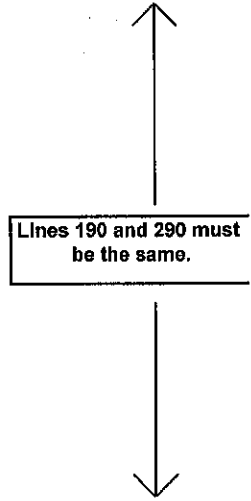
Assets

100 Cash	\$	<u>11,331.30</u>
110 Accounts receivable		_____
115 Inventory*		_____
Other assets (provide details)		_____
130 _____		_____
135 _____		_____

190 Total Assets (total of line 100 to 135) line 190 \$ 11,331.30

Liabilities and Surplus

200 Accounts payable	\$	<u>3,267.83</u>	← From line 840
205 Overdraft/ Line of Credit **		_____	
220 Loans **		_____	
Other liabilities (provide details)		_____	
230 _____		_____	
240 _____		_____	
275 Candidacy Period Surplus/(Deficit)		<u>8,063.47</u>	← From line 440



290 Total Liabilities and Surplus (total of line 200 to 275) line 290 \$ 11,331.30

* 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	\$ 16,000.00	←	From line 630, column C
310 Transfers from candidate's constituency association	10,000.00	←	From line 760
320 Transfers from endorsing registered party		←	From line 720
330 Fundraising			
Other Income (provide details)			
360 Paypal	.13		
390 Total Income and Transfers (total of line 300 to 360)		line 390	\$ 26,000.13

Expenses and Transfers

400 Election expenses	\$ 14,673.58	←	From line 595
405 Non - election expenses	3,263.08	←	From line 590, column D
415 Transfer of money to endorsing registered part			
420 Transfer of property and services to endorsing registered party			
430 Total Expenses and Transfers (total of line 400 to 420)		line 430	\$ 17,936.66
440 Total Period Surplus/(Deficit) (line 390 minus line 430)		line 440	\$ 8,063.47
			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	6,431.01			939.44	7,370.45
505 Posters, pamphlets, promotional	1,751.61			89.93	1,841.54
511 Disability					
512 Child care					
515 Fundraising					
520 Furniture and equipment rental					
525 Honoraria/salaries					
530 Interest and bank charges	28.57			95.93	124.50
535 Audit fee (amount in excess of subsidy)				1,130.00	1,130.00
545 Office occupancy (rent, utilities)	1,200.00				1,200.00
550 Office supplies and postage	1,583.10			157.78	1,740.88
555 Polling (opinion surveys, market research)	452.00				452.00
560 Signs/structural support	3,141.36				3,141.36
565 Transportation, accomodation and food					
570 Telephone	85.93				85.93
575 Personal Other (provide details)					
580 Campaign School				850.00	850.00
585					
590 Total (total of line 500 to 585)	14,673.58			3,263.08	17,936.66

From
schedule
7,
line 850

From
schedule
8,
line 860

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

14,673.58

← 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 \$ 95.93

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	13,250.00		13,250.00
610	Less than \$250	2,750.00		2,750.00
630	Total	\$ 16,000.00	\$	\$ 16,000.00

← 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
Bansal, Rajinder	500.00
Börger, Ralph	500.00
Brar, Balkar	1,250.00
Cfulse, Dennis	3,000.00
Gupta, Daya	500.00
Hansch, Norbert	3,000.00
Parrish, William	1,500.00
Zacharies, Chris	3,000.00

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: (total of line 700 to 710) line 720 \$ _____

← **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 \$ 10,000.00

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 \$ 10,000.00 ← **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 75

Total number of income tax receipts returned to Elections Manitoba:

- Issued to Contributors line 790 33 ← **Return Elections Manitoba copies only.**
- Voided or cancelled line 800 _____ ← **Return all three copies.**
- Unused line 810 42 ← **Return all three copies.**

Total number of income tax receipts returned to Elections Manitoba (total of line 790 to 810) line 820 75

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

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

Tot

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
CIBC	Bank Fees	45.00
Daves Quick Print	Drop Cards	785.35
MNP LLP	Audit Fees	1,130.00
PC Party of Manitoba	LIT Expense and Website Cost	329.05
Province of Manitoba	Cell Expense	85.93
The Indo Canadian Telegram	Advetising	892.50
	Total accounts payable	line 840 \$ 3,267.83

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

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

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 6161.01 (outside the election period)

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

920 Individuals (from line 950) line 920 _____

930 Total Annual advertising expenses
outside election period (total of line 910 to 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	\$ nil

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 \$ nil

Attach separate list if necessary.