

September 12, 2016

Independent Auditor's Report

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SEP 21 2016

ELECTIONS MANITOBA

To William Osachuk, official agent for Dennis Smook and Dennis Smook, 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 (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 Candidate's Constituency Association, Schedule 5 - Reconciliation of Income Tax Receipts, Schedule 6 - Accounts Payable, Schedule 7 - Candidate's Disability Expenses, Schedule 8 - Candidate's 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 candidacy period ending June 20, 2016 relating to the election held on April 19, 2016 in the Electoral Division of La Verendrye 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* as issued by the Province of Manitoba 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 statements in accordance with the financial reporting provisions of the *Election Financing Act* as issued by the Province of Manitoba 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 statement that is free from material misstatement, whether due to fraud or error.

Auditor's 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 whether the statements are free of 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 auditor's 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 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 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 inherent nature of the transactions of any election campaigns, the completeness of contributions, and other income, transfers and expenses is not susceptible of satisfactory audit verification. Accordingly, our verification of these amounts was limited to the amounts recorded in the election campaign's accounting records and we were not able to determine whether any adjustments might be necessary to income, expenses, transfers, total period surplus/(deficit), assets and liabilities.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, the Form 922 - Candidate's Financial Statements and Supporting Schedules is prepared, in all material respects, in accordance with the reporting provisions of the *Election Financing Act* as issued by the Province of Manitoba 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 statements, which describes the basis of accounting. The statements are prepared to assist the official agent to meet the requirements of the *Election Financing Act* as issued by the Province of Manitoba and the accounting guidelines issued by Elections Manitoba. As a result, the statements may not be suitable for another purpose. Our report is intended solely for the official agent and the candidate, and should not be used by parties other than the official agent and the candidate.

Our previous auditors' report dated August 10, 2016, has been withdrawn. The previous Form 922 was amended to increase adjust the amount reported on line 730 to \$381.09.



Chartered Professional Accountants
Winnipeg, Canada

**Notes to Form 922 - Candidate's Financial Statements and Supporting Schedules
for the Candidacy Period ending June 20, 2016**

The Candidate's Financial Statements and Supporting Schedules – Form 922, are prepared to comply with the financial reporting provisions of the *Elections Financing Act* as issued by the Province of Manitoba and the accounting guidelines as issued by Elections Manitoba.

The statements are filed with Elections Manitoba in accordance with the *Elections Financing Act* of the Province of Manitoba. The statements is intended solely for the use of the official agent and the candidate. Accordingly, the statements may not be suitable for another purpose.

922 Candidate's Financial Statements
and Supporting Schedules



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

RECEIVED
SEP 21 2016
ELECTIONS MANITOBA

For the Candidacy Period

Date February 04, 2015

To

Date June 20, 2016

Candidate

Name
Smook, Dennis
Electoral Division
La Verendrye
Endorsing Registered Party (If applicable)
PC Manitoba

Official Agent

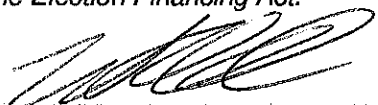
Name
William Osachuk

Auditor

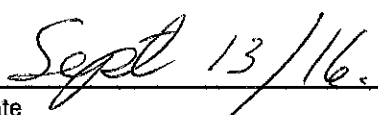
Name of Auditor
Scarrow & Donald LLP
Name of Professional Accountant to Whom Inquiry May be Directed (if different than above)
Keith Findlay, FCA

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>283.26</u>
110 Accounts receivable		_____
115 Inventory*		_____
Other assets (provide details)		_____
130 _____		_____
135 _____		_____

190 Total Assets (total of line 100 to 135) line 190 \$ 283.26

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)		<u>283.26</u> ← From line 440

Lines 190 and 290 must be the same.

290 Total Liabilities and Surplus (total of line 200 to 275) line 290 \$ 283.26

* 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	\$ 7,300.00	←	From line 630, column C
310 Transfers from candidate's constituency association	10,200.00	←	From line 760
320 Transfers from endorsing registered party	2,798.09	←	From line 720
330 Fundraising			
Other Income (provide details)			
360 Misc income	.07		
390 Total Income and Transfers (total of line 300 to 360)		line 390	\$ <u>20,298.16</u>

Expenses and Transfers

400 Election expenses	\$ 16,663.03	←	From line 595
405 Non - election expenses	3,351.87	←	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	\$ <u>20,014.90</u>
440 Total Period Surplus/(Deficit) (line 390 minus line 430)		line 440	\$ <u><u>283.26</u></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	2,241.17			483.53	2,724.70
505 Posters, pamphlets, promotional	2,436.77		292.69	165.00	2,894.46
511 Disability					
512 Child care					
515 Fundraising					
520 Furniture and equipment rental	2,556.35			342.10	2,898.45
525 Honoraria/salaries	1,700.00				1,700.00
530 Interest and bank charges	24.46				24.46
535 Audit fee (amount in excess of subsidy)					
545 Office occupancy (rent, utilities)	1,223.15			552.10	1,775.25
550 Office supplies and postage	256.39			78.95	335.34
555 Polling (opinion surveys, market research)					
560 Signs/structural support	4,023.69		88.40		4,112.09
565 Transportation, accomodation and food	1,364.39			494.35	1,858.74
570 Telephone	455.57			485.84	941.41
575 Personal					
Other (provide details)					
580 Campaign training				750.00	750.00
585					
590 Total (total of line 500 to 585)	16,281.94		381.09	3,351.87	20,014.90

From schedule 7, line 850

From schedule 8, line 860

595 Total election expenses (Total of line 590 column A, B and C) 16,663.03 ← 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 \$ _____

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	6,100.00		6,100.00
610	Less than \$250	1,200.00		1,200.00
630	Total	\$ 7,300.00	\$	\$ 7,300.00

← **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
Boileau, Felix	400.00
Boileau, Phyllis	400.00
Boileau, Rheal	400.00
Forsyth, Donald	400.00
Giesbrecht, John	400.00
Grenier, Claire	400.00
Nelson, Jim	400.00
Sikkenga, Harm	500.00
Smook, Larry	400.00
Vielfaure, Claude	2,000.00
Wiebe, Peter	400.00

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 | \$ 2,252.00 |
| B. | Total value of all transfers of property or services during the candidacy period from the candidate's endorsing registered party: | line 710 | \$ 546.09 |
| C. | Total transfers from candidate's endorsing registered party:
(total of line 700 to 710) | line 720 | \$ 2,798.09 |
| 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 | \$ 381.09 |
- ← To line 320

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 \$ 10,200.00
- 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: line 760 \$ 10,200.00 ← To line 310
(total of line 740 to 750)
- 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:

- | | | | |
|---|----------|-----------|---|
| <input checked="" type="radio"/> Issued to Contributors | line 790 | <u>22</u> | ← Return Elections Manitoba copies only. |
| <input checked="" type="radio"/> Voided or cancelled | line 800 | <u>3</u> | ← Return all three copies. |
| <input checked="" type="radio"/> Unused | line 810 | <u>25</u> | ← Return all three copies. |

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

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

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

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

Candidate's Signature

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

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	<u>2016</u>	(outside the election period)	
910 Endorsed candidates (from line 940)		line 910	\$ <u>648.53</u>
920 Individuals (from line 950)		line 920	<u> </u>
930 Total Annual advertising expenses			
outside election period (total of line 910 to 920)		line 930	\$ <u>648.53</u>

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

Details of Expense	\$ Amount
Clipper Publishing Corp	155.93
The Carillon	327.60
Website	165.00
Total	Line 940
	\$ 648.53

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.