

## INDEPENDENT AUDITOR'S REPORT

To the Financial Officer of The Progressive Conservative Party of Manitoba,

### *Qualified Opinion*

We have audited Form 921, Statement of Income, Transfers and Election Expenses of a Registered Political Party of a Campaign Period of The Progressive Conservative Party of Manitoba (the "Party"), which comprises the Statement of Income, Transfers and Election Expenses, and Schedule 1 – Election Expenses, Schedule 2 – Transfers from Constituency Associations and Nominated Candidates and Schedule 3 – Transfers to Constituency Associations and Nominated Candidates, for the campaign period from August 12, 2019 to November 12, 2019 relating to the election held on September 10, 2019 and a note describing the basis of accounting (the "Statement"). The Statement has been 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.

In our opinion, except for the possible effects of the matters described in the *Basis of Qualified Opinion* section of our report, the Form 921, Registered Political Party's Financial Statements and Supporting Schedules of The Progressive Conservative Party of Manitoba 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.

### *Basis for 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 Party'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 deficit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Form 921, Registered Political Party's Financial Statements and Supporting Schedules* section of our report. We are independent of the Party in accordance with the ethical requirements that are relevant to our audit of the financial statement in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### *Emphasis of Matter - Basis of Accounting*

We draw attention to Note 1 to the Form 921, Registered Political Party's Financial Statements and Supporting Schedules, which describes the basis of accounting. The Party's financial statements are prepared to assist the Party to meet the requirements of *The Election Financing Act* of Manitoba. As a result, the Form 921, Registered Political Party's Financial Statements and Supporting Schedules may not be suitable for another purpose.

*Responsibilities of Management and Those Charged with Governance for the Form 921, Registered Political Party's Financial Statements and Supporting Schedules*

The Financial Officer is responsible for the preparation and fair presentation of the Form 921, Registered Political Party's Financial Statements and Supporting Schedules 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 Form 921, Registered Political Party's Financial Statements and Supporting Schedules that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibilities for the Audit of the Form 921, Registered Political Party's Financial Statements and Supporting Schedules*

Our objectives are to obtain reasonable assurance about whether the Form 921, Registered Political Party's Financial Statements and Supporting Schedules as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Form 921, Registered Political Party's Financial Statements and Supporting Schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our qualified opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by the Party.
- Evaluate the overall presentation, structure and content of the Form 921, Registered Political Party's Financial Statements and Supporting Schedules, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants  
Winnipeg, Canada  
February 6, 2020

For this communication, together with the work done to prepare this communication and for the opinions we have formed, if any, we accept and assume responsibility only to the addressee of this communication, as specified in our letter of engagement.

**The Progressive Conservative Party of Manitoba**  
**Notes to Form 921 – Statement of Income, Transfers and Election Expenses of a Registered**  
**Political Party of a Campaign Period from August 12, 2019 to November 12, 2019 Relating to the**  
**Election Held on September 10, 2019**

Note 1:

The Registered Political Party's Financial Statements and Supporting Schedules – Form 921, are prepared to comply with the financial reporting provisions of the *Election Financing Act* as issued by the Province of Manitoba and the Accounting Guide – Accounting For Purposes of The Election Financing Act issued by the Chief Electoral Officer.

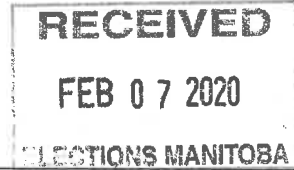
The statements are filed with Elections Manitoba in accordance with the *Election Financing Act* of the Province of Manitoba. The statements is intended solely for the use of the financial officer and the party. Accordingly, the statements may not be suitable for another purpose.

921

Statement of Income, Transfers and Election Expenses of a Registered Political Party for a Campaign Period



To be filed within 4 months after the end of election day.



For the campaign period:

DATE  
August 12, 2019

TO

DATE  
November 12, 2019

Political Party

NAME

The Progressive Conservative Party of Manitoba

Auditor

NAME OF AUDITOR

Scarrow & Donald LLP

NAME OF PUBLIC ACCOUNTANT TO WHOM INQUIRY MAY BE DIRECTED (if different than above)

K. G. Findlay, FCA

DECLARATION

I, the undersigned, financial officer hereby file the Statement of Income, Transfers and Election Expenses of a Registered Political Party for a Campaign Period 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 financial officer

02-06-2020

Date (mm/dd/yyyy)

# Statement of Income, Expenses and Transfers

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## Campaign Period Income

300 Contributions (monetary)	\$ 693,112	←	To Form 920, line 635
305 Contributions (non-monetary)	_____	←	To Form 920, line 635
310 Transfers from constituency associations	198,260	←	From line 700
320 Transfers from nominated candidates	131,974	←	From line 710
330 Fundraising	94,974		
350 Investment income	_____		
Other income (provide details)	_____		
360 _____	_____		

**390 Total income** (total of lines 300 to 360) line 390    \$ 1,118,320

## Election Expenses and Transfers

400 Election expenses	\$ 1,278,225	←	From line 595
410 Transfers to constituency associations	13,895	←	From line 720
420 Transfers to nominated candidates	228,841	←	From line 730

**430 Total expenses and transfers** (total of line 400 to 420) line 430    \$ 1,520,961

**440 Election surplus/ (deficit)** (line 390 minus line 430) line 440    \$ (402,641)

↖  
To Form 920, line 265

Schedule 1 – Expenses (INCLUDING NON-MONETARY CONTRIBUTIONS)

500 Advertising	<u>\$628,851</u>		
505 Posters, pamphlets, promotional	<u>45,606</u>		
510 Depreciation	<u>7,603</u>		
515 Fundraising	<u>70,806</u>		
520 Furniture and equipment rental	<u>8,160</u>		
525 Honoraria/salaries	<u>88,443</u>		
530 Interest and bank charges	<u>5,814</u>		
535 Legal and audit fees	<u>8,600</u>		
540 Meeting space	<u></u>		
545 Office occupancy (rent, utilities)	<u>8,118</u>		
550 Office supplies and postage	<u>67,669</u>		
555 Polling (opinion surveys/market research)	<u>162,768</u>		
560 Signs and structural support	<u>17,511</u>		
565 Transportation, accommodation and food	<u>85,049</u>		
570 Telephone	<u>7,020</u>		
Other (provide details)	<u></u>		
580 <u>Other professional service</u>	<u>66,207</u>		
585 <u></u>			
<b>595 Total election expenses</b> (total of line 500 to 585)	line 595 \$ <u>1,278,225</u>	←	To line 400
<b>597 Less non-monetary expenses</b>	line 597 \$ <u></u>		
<b>599 Total election expenses eligible for reimbursement</b>	line 599 \$ <u>1,278,225</u>		

## Schedule 2 – Transfers From Constituency Associations and Nominated Candidates

Complete only if transfers were received in the campaign period from any constituency association or nominated candidate of the registered political party.

### A. From constituency associations

Name of constituency association (attach list if necessary)	\$ Total of transfers from each constituency association
See list	198,260
<b>Total transfers from constituency associations</b>	<b>Line 700 \$ 198,260</b>

1. List attached? Yes  No

↑  
To line 310

### B. From nominated candidates

Name of nominated candidate (attach list if necessary)	\$ Total of transfers from each nominated candidate
Reginald Helwer	15,000
Robert Lagasse	6,000
Derek Johnson	5,700
Greg Nesbitt	7,000
Cathy Cox	21,471
Jon Reyes	1,803
Heather Stefanson	75,000
<b>Total Transfers from nominated candidates</b>	<b>Line 710 \$ 131,974</b>

Additional pages attached? Yes  No

↑  
To line 320

## Transfers From Constituency Associations

Agassiz	11,745
Arthur-Virden	47,951
Brandon West	20,500
Elmwood	1,610
Interlake-Gimli	10,074
Kildonan	21,047
La Verendrye	10,000
Lac du Bonnet	1,000
Midland	28,864
Morden-Winkler	6,477
Morris	8,097
Southdale	18,895
Spruce Woods	<u>12,000</u>
	198,260



## Schedule 3 – Transfers to Constituency Associations and Nominated Candidates

The following information must be reported for any transfers sent during the campaign period by the registered political party to any constituency association or nominated candidate of the registered political party.

### A. To constituency associations

Name of constituency association (attach list if necessary)	\$ Total of transfers to each constituency association
Lagimodiere	13,895
<b>Total amount of transfers to constituency associations</b>	<b>Line 720 \$ 13,895</b>

1. List attached?    Yes \_\_\_\_\_ No

↑  
To line 410

### B. To nominated candidates

Name of nominated candidate (attach list if necessary)	\$ Total of transfers to each nominated candidate
SEE LIST	228,841
<b>Total amount of transfers to nominated candidates</b>	<b>Line 730 \$ 228,841</b>

1. List attached?    Yes  No \_\_\_\_\_

↑  
To line 420

## Transfers to Candidates

Alan Lagimodiere	10,228
Amanjot Sandhu	750
Andrew Frank	4,610
Andrew Micklefield	10,360
Arnold Flett	5,806
Audrey Gordon	11,068
Blaine Pedersen	868
Blair Yakimoski	2,500
Brad Michaleski	3,360
Brian Pallister	668
Cliff Cullen	2,285
Colleen Mayer	15,589
Daljit Kainth	658
Edna Nabess	3,000
Jasmine Brar	4,677
Janice Morley-Lecomte	118
Jon Reyes	10,100
Kelly Bindle	24,400
Len Isleifson	34,428
Liz Hildebrand	521
Marsha Street	521
Mayra Dubon	7,656
Megan Hoskins	500
Michele Redmond	521
Nancy Cooke	15,400
Ray Larkin	521
Reg Helwer	2,285
Rochelle Squires	1,000
Ron Evans	1,309
Sarah Guillemard	17,980
Scott Fielding	19,200
Scott Johnston	5,036
Shannon Martin	6,000
Tara Fawcett	521
Theresa Wride	4,397

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228,841