

Independent Auditor's Report



To the Candidate of the Rick Kerr Regional & City Councillor Campaign:

Qualified Opinion

We have audited the Financial Statement – Auditor's Report Candidate - Form 4 (the "financial statement") of the Rick Kerr Regional & City Councillor Campaign (the "Campaign") for the campaign period June 11, 2022 to January 3, 2023.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statement is prepared, in all material respects, in accordance with the financial reporting provisions of Section 88.25 of the *Municipal Elections Act, 1996*.

Basis for Qualified Opinion

Due to the inherent nature of the transactions of municipal election campaigns, the completeness of the various categories of income and expenses is not susceptible to satisfactory audit verification. Accordingly, our verification of income and expenses was limited to the amounts recorded in the records of the candidate and we are unable to determine whether there may be adjustments to income and expenses and period surplus/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 financial statement* section of our report. We are independent of the Campaign 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 audit opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Use

The financial statement is prepared to assist the Campaign in complying with the financial reporting provisions of Section 88.25 of the *Municipal Elections Act, 1996*. As a result, the financial statement may not be suitable for another purpose. Our report is intended solely for the Campaign, the City of Oshawa, and the Ontario Ministry of Municipal Affairs and Housing. This report should not be distributed to or used by parties other than the Rick Kerr Political Campaign, the City of Oshawa, or the Ontario Ministry of Municipal Affairs and Housing. Our opinion is not modified in respect of this matter.

Responsibilities of the Candidate for the Financial Statement

The Candidate is responsible for the preparation of the financial statement in accordance with Section 88.25 of the *Municipal Elections Act, 1996*, and for such internal control as the Candidate determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are 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 financial statement, 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 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 Campaign's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Candidate.

We communicate with the Candidate 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.

MNP LLP

February 21, 2023

Oshawa Ontario

Chartered Professional Accountants

Licensed Public Accountants

MNP

Instructions

All candidates must complete Boxes A and B. Candidates who receive contributions or incur expenses must complete Boxes C, D, Schedule 1 and Schedule 2 as appropriate. Candidates who receive contributions or incur expenses in excess of \$10,000 must also attach an Auditor's Report.

All surplus funds (after any refund to the candidate or their spouse) shall be immediately paid to the clerk who is responsible for the conduct of the election.

For the campaign period from (day clerk received nomination)

YYYY	MM	DD
2 0 2 2	0 6	1 1

 to

YYYY	MM	DD
2 0 2 3	0 1	0 3

- Initial filing reflecting finances from start of campaign to December 31 (or 45 days after voting day in a by-election)
- Supplementary filing reflecting finances from start of campaign to end of extended campaign period

Box A: Name of Candidate and Office

Candidate's name as shown on the ballot		
Last Name or Single Name Kerr	Given Name(s) Richard Roger	
Office for Which the Candidate Sought Election Regional and City Councillor	Ward Name or Number (if any) Ward 4	
Municipality Oshawa, Ontario		
Spending Limit General \$30,483.85	Parties and Other Expressions of Appreciation \$3,048.39	Contribution Limit Contributions from Candidate and Spouse \$10,966.20

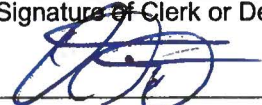
I did not accept any contributions or incur any expenses. (Complete Boxes A and B only)

Box B: Declaration

I, Richard Kerr, declare that to the best of my knowledge and belief that these financial statements and attached supporting schedules are true and correct.

Richard Kerr
Signature of Candidate

February 21, 2023
Date (yyyy/mm/dd)

Date Filed (yyyy/mm/dd) <u>2023/02/22</u>	Time Filed <u>1:07 pm</u>	Initial of Candidate or Agent (if filed in person) <u>RK.</u>	Signature of Clerk or Designate 
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Box C: Statement of Campaign Income and Expenses

LOAN

Name of bank or recognized lending institution	Amount borrowed \$
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INCOME

Total amount of all contributions (from line 1A in Schedule 1)	+	\$	22,946.20	
Revenue from items \$25 or less	+	\$		
Sign deposit refund	+	\$		
Revenue from fundraising events not deemed a contribution (from Part III of Schedule 2)	+	\$		
Interest earned by campaign bank account	+	\$		
Other (provide full details)				
1. _____	+	\$		
2. _____	+	\$		
3. _____	+	\$		
4. _____	+	\$		
5. _____	+	\$		
6. _____	+	\$		
Total Campaign Income (Do not include loan)				= \$ 22,946.20 C1

EXPENSES (Note: Include the value of contributions of goods and services)

1. Expenses subject to general spending limit

Inventory from previous campaign used in this campaign (list details in Table 2 of Schedule 1)		\$	1,830.89	
Advertising	+	\$	3,038.25	
Brochures/flyers	+	\$	11,218.35	
Signs (including sign deposit)	+	\$		
Meetings hosted	+	\$		
Office expenses incurred until voting day	+	\$		
Phone and/or internet expenses incurred until voting day	+	\$		
Salaries, benefits, honoraria, professional fees incurred until voting day	+	\$		
Bank charges incurred until voting day	+	\$		
Interest charged on loan until voting day	+	\$		
Other (provide full details)				
1. _____	+	\$		
2. _____	+	\$		
3. _____	+	\$		
4. _____	+	\$		
5. _____	+	\$		
6. _____	+	\$		
Total Expenses subject to general spending limit				= \$ 16,087.49 C2

2. Expenses subject to spending limit for parties and other expressions of appreciation

1. _____	+	\$	
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2.	_____	+ \$	_____
3.	_____	+ \$	_____
4.	_____	+ \$	_____
5.	_____	+ \$	_____
Total Expenses subject to spending limit for parties and other expressions of appreciation		= \$	C3

3. Expenses not subject to spending limits

Accounting and audit		+ \$	2,966.25
Cost of fundraising events/activities (list details in Part IV of Schedule 2)		+ \$	_____
Office expenses incurred after voting day		+ \$	_____
Phone and/or internet expenses incurred after voting day		+ \$	_____
Salaries, benefits, honoraria, professional fees incurred after voting day		+ \$	_____
Bank charges incurred after voting day		+ \$	_____
Interest charged on loan after voting day		+ \$	_____
Expenses related to recount		+ \$	_____
Expenses related to controverted election		+ \$	_____
Expenses related to compliance audit		+ \$	_____
Expenses related to candidate's disability (provide full details)			
1.	_____	+ \$	_____
2.	_____	+ \$	_____
3.	_____	+ \$	_____
4.	_____	+ \$	_____
5.	_____	+ \$	_____
Other (provide full details)			
1.	_____	+ \$	_____
2.	_____	+ \$	_____
3.	_____	+ \$	_____
4.	_____	+ \$	_____
5.	_____	+ \$	_____
Total Expenses not subject to spending limits		= \$	2,966.25 C4

Total Campaign Expenses (C2 + C3 + C4) = \$ **19,053.74 C5**

Box D: Calculation of Surplus or Deficit

Excess (deficiency) of income over expenses (Income minus Total Expenses) (C1 – C5)		+ \$	3,892.46	D1
If there is a surplus, deduct any refund of candidate's or spouse's contributions to the campaign		- \$	3,892.46	
Surplus (or deficit) for the campaign		= \$	_____	D2

If line D2 shows a surplus, the amount must be paid in trust, at the time the financial statements are filed, to the municipal clerk who is responsible for the conduct of the election.

Schedule 1 – Contributions

Part I – Summary of Contributions

Contributions in money from candidate and spouse	\$ 9,165.31
Contributions in goods and services from candidate and spouse (include value listed in Table 1 and Table 2)	+ \$ 1,830.89
Total value of contributions not exceeding \$100 per contributor • Include ticket revenue, contributions in money, goods and services where the total contribution from a contributor is \$100 or less (do not include contributions from candidate or spouse).	+ \$
Total value of contributions exceeding \$100 per contributor (from line 1B; list details in Table 3 and Table 4) • Include ticket revenue, contributions in money, goods and services where the total contribution from a contributor exceeds \$100 (do not include contributions from candidate or spouse).	+ \$ 11,950.00
Less: Ineligible contributions paid or payable to the contributor	- \$
Contributions paid or payable to the clerk, including contributions from anonymous sources exceeding \$25	- \$
Total Amount of Contributions (record under Income in Box C)	= \$ 22,946.20 1A

Part II – Contributions from candidate or spouse

Table 1: Contributions in goods or services

Description of Goods or Services	Date Received (yyyy/mm/dd)	Value (\$)
Total		

Additional information is listed on separate supplementary attachment, if completed manually.

Table 2: Inventory of campaign goods and materials from previous municipal campaign used in this campaign (Note: Value must be recorded as a contribution from the candidate and as an expense.)

Description	Date Acquired (yyyy/mm/dd)	Supplier	Quantity	Current Market Value (\$)
Campaign lawn signs	2018/09/07	Lakeshore Signs	325	1,730.89
Candidate photos	2018/09/01	Jonathan Van Bilsen		100.00
Total				1,830.89

Additional information is listed on separate supplementary attachment, if completed manually.

Part III – Contributions exceeding \$100 per contributor – individuals other than candidate or spouse

Table 3: Monetary contributions from individuals other than candidate or spouse

Name	Full Address	Date Received (yyyy/mm/dd)	Amount Received (\$)	Amount Returned to Contributor or Paid to Clerk (\$)
Kaliopi Papajani	44 Charles Street King City, ON L7B 1J7	2022/08/26	1,200.00	
Agathi Papajani	79 Norman Drive King City, ON L7B 1J2	2022/08/26	1,200.00	
Ala Lysyk - Smith	885 Beaufort Court Oshawa, ON L1G 7J7	2022/08/26	500.00	
Olena Lysyk	885 Beaufort Court Oshawa, ON L1G 7J7	2022/08/26	500.00	
Dr. George Lysyk	934 Snowbird Street Oshawa, ON L1J 8J8	2022/08/26	500.00	
Tania Lysyk	71 Southwood Street Oshawa, ON L1G 6L6	2022/08/26	500.00	
Ihor Lysyk	71 Southwood Street Oshawa, ON L1G 6L6	2022/08/26	500.00	
Ola Lysyk	65 Riverside Drive North Oshawa, ON L1G 6J4	2022/08/26	500.00	
Paul Lysyk	65 Riverside Drive North Oshawa, ON L1G 6J4	2022/08/26	500.00	
Anthony Lysyk	579 Flagstone Court Oshawa, ON L1K 2Z7	2022/08/26	500.00	
Natalie Lysyk	579 Flagstone Court Oshawa, ON L1K 2Z7	2022/08/26	500.00	
Orysia Lysyk	924 Snowbird Court Oshawa, ON L1J 8J9	2022/08/26	500.00	
Shani Bleeman	550 Coldstream Avenue Toronto, ON M6B 2K9	2022/09/12	1,200.00	
Lisa Veltri	1038 Pinetree Court Oshawa, ON L1K 1P4	2022/10/03	500.00	
Steven Libfeld	12 Kereven Street Toronto, ON M5M 4J8	2022/10/11	700.00	
Al Libfeld	1815 Ironstone Manor - Unit 1 Pickering, ON L1W 3W9	2022/10/17	700.00	
Ronakkumar Chaklasia	7 Langbourne Place North York, ON M3B 1A9	2022/10/18	1,200.00	

Name	Full Address	Date Received (yyyy/mm/dd)	Amount Received (\$)	Amount Returned to Contributor or Paid to Clerk (\$)
Michael Dominguez	14 Chatsworth Crescent Whitby, ON L1R 1H6	2022/10/19	250.00	
Total			11,950.00	

Additional information is listed on separate supplementary attachment, if completed manually.

**Table 4: Contributions in goods or services from individuals other than candidate or spouse
(Note: Must also be recorded as Expenses in Box C.)**

Name	Full Address	Description of Goods or Services	Date Received (yyyy/mm/dd)	Value (\$)
Total				

Additional information is listed on separate supplementary attachment, if completed manually.

**Total for Part III – Contributions exceeding \$100 per contributor
(Add totals from Table 3 and Table 4 and record the total in Part 1 – Summary of Contributions) \$ 11,950.00 1B**

Schedule 2 – Fundraising Events and Activities

Complete a separate schedule for each event or activity held.

Additional schedule(s) attached, if completed manually.

Fundraising Event/Activity 1

Description of fundraising event/activity _____

Date of event/activity (yyyy/mm/dd) _____

Part I – Ticket revenue

Admission charge (per person) \$ _____ 2A

(If there are a range of ticket prices, attach complete breakdown of all ticket sales)

Number of tickets sold _____ 2B

Total Part I (2A X 2B) (include in Part I of Schedule 1) = \$ _____

Part II – Other revenue deemed a contribution

Provide details (e.g., revenue from goods sold in excess of fair market value)

1.	_____	+ \$	_____
2.	_____	+ \$	_____
3.	_____	+ \$	_____
4.	_____	+ \$	_____
5.	_____	+ \$	_____

Total Part II (include in Part I of Schedule 1) = \$ _____

Part III – Other revenue not deemed a contribution

Provide details (e.g., contribution of \$25 or less; goods or services sold for \$25 or less)

1.	_____	+ \$	_____
2.	_____	+ \$	_____
3.	_____	+ \$	_____
4.	_____	+ \$	_____
5.	_____	+ \$	_____

Total Part III (include under Income in Box C) = \$ _____

Part IV – Expenses related to fundraising event or activity

Provide details

1.	_____	+ \$	_____
2.	_____	+ \$	_____
3.	_____	+ \$	_____
4.	_____	+ \$	_____
5.	_____	+ \$	_____

Total Part IV Expenses (include under Expenses in Box C) = \$ _____

Auditor's Report – Municipal Elections Act, 1996 (Section 88.25)

A candidate who has received contributions or incurred expenses in excess of \$10,000 must attach an auditor's report.

Professional Designation of Auditor
Chartered Professional Accountant

Municipality Oshawa	Date (yyyy/mm/dd) 2023/02/21
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Contact Information

Last Name or Single Name Lacroix	Given Name(s) Guy	Licence Number 3-31353
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Address

Suite/Unit Number 100	Street Number 850	Street Name Champlain Ave
Municipality Oshawa	Province Ontario	Postal Code L1J 8C3
Telephone Number 905-215-1054	Email Address Guy.Lacroix@mnp.ca	

The report must be done in accordance with generally accepted auditing standards and must:

- set out the scope of the examination
- provide an opinion as to the completeness and accuracy of the financial statement and whether it is free of material misstatement

Report is attached

Personal information, if any, collected on this form is obtained under the authority of sections 88.25 and 95 of the *Municipal Elections Act, 1996*. Under section 88 of the *Municipal Elections Act, 1996* (and despite anything in the *Municipal Freedom of Information and Protection of Privacy Act*) documents and materials filed with or prepared by the clerk or any other election official under the *Municipal Elections Act, 1996* are public records and, until their destruction, may be inspected by any person at the clerk's office at a time when the office is open. Campaign financial statements shall also be made available by the clerk in an electronic format free of charge upon request.