Report for the Council of
The Corporation of the City of Pickering

Municipal Election Compliance Audit of the
Campaign Finances of
Candidate Doug Dickerson

October 25, 2010
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF THE MUNICIPAL ELECTIONS ACT, 1996

To: Doug Dickerson;
The Council of the Corporation of the City of Pickering;
Debbie Shields, City Clerk;
Ian Cumming, Applicant;
Jolanta Duszak, Applicant;
David Steele, Applicant.

I have audited the election campaign finances of Doug Dickerson, candidate for City Councillor in Ward 2 in the election held on October 25, 2010, for compliance with the accounting and reporting requirements of sections 66 through 68, section 78 and section 79 of the Municipal Elections Act, 1996. Compliance with the criteria established by the Act is the responsibility of the candidate. My responsibility is to express an opinion on this compliance based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the candidate complied with the accounting and reporting requirements referred to above. Such an audit also includes examining, on a test basis, evidence supporting compliance, evaluating overall compliance with these criteria, and where applicable, assessing the accounting principles used and significant estimates made by the candidate.

Due to the inherent nature of the transactions of electoral campaigns, the completeness of contributions and other revenue and expenses is not susceptible to satisfactory audit verification. Accordingly, my verification of these amounts was limited to the amounts recorded in the campaign’s accounting records and I was not able to determine the full extent of any adjustments that might be necessary to contributions and other revenue, expenses, assets and liabilities.

I believe that the audit evidence that I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

The financial statement filed with the Clerk’s Office did not disclose the receipt or refund of certain contributions made, the receipt of ineligible contributions, or disclose inventories on hand at the beginning and end of the campaign period; omitted certain expenses; and included expenditures that are not expenses for purposes of the Act. My audit of the candidate’s records concludes that had the candidate accounted for these items in accordance with the requirements of the Act, reported total campaign expenses subject to the spending limit would exceed the permitted limit of $19,154 by $15,015, and the reported surplus for the campaign period would be $12,830.

In my opinion, because of the significance of the matters described above, the candidate did not comply with the accounting and reporting requirements of the Municipal Elections Act, 1996.

Chartered Accountant, Licensed Public Accountant

May 15, 2012
NOTES TO THE INDEPENDENT AUDITOR’S REPORT

Background to the Compliance Audit

This compliance audit was the result of applications made by three electors, Ian Cumming, Jolanta Duszak, and David Steele under section 81(1) of the Municipal Elections Act, 1996 (the “Act”) for a compliance audit of the election finances of Doug Dickerson. Justice P.L. Bellefontaine of the Ontario Court of Justice in his decision on appeal dated December 21, 2011 confirmed the decision of the Compliance Audit Committee of the City of Pickering that a compliance audit be conducted. William Molson, Chartered Accountant, with Bernard Nayman, Chartered Accountant, was retained to conduct a compliance audit.

Subsection 81(9) of the Act requires that the auditor “prepare a report outlining any apparent contravention by the candidate.” The scope of a compliance audit is not restricted to the matters referred to in the complaint(s). This report details our findings relating to Doug Dickerson's campaign finances. Our findings are set out below under the headings “Contributions”, “Expenses”, “Inventories”, and “Other matters”. All allegations raised by the applicants were included in the scope of the audit.

Because of the nature and extent of the apparent contraventions identified by the compliance audit, this report also includes appendices to assist the Committee in evaluating our findings. Appendix A provides a schedule showing “Box C: Statement of Campaign Period Income and Expenses” as filed, references the identified apparent contraventions of the Act, and shows what the return would have reported if these apparent errors had not been made. Appendix B provides an analysis of cumulative campaign revenue that supports our conclusions.

Methodology

Our audit procedures included the following: a review of the financial statement as filed with the Clerk’s Office; interviews and examination of documents and records provided by the applicants, the candidate's campaign manager Jo-Ann Kerr, Doug Dickerson, and other persons, such as suppliers, considered potentially to have information relevant to the audit; a review of the working paper files prepared by the accountant who prepared the original audit of the financial statements filed; documentation provided by the candidate and his campaign manager; direct inspection of inventories and other assets; and public information.

Because a compliance auditor appointed under the Act is in receipt of specific allegations and also has additional powers under the Public Inquiries Act, 2009, such as the authority to issue summons requiring personal attendance and the production of records, and these powers are not available to the initial auditor of a candidate’s financial statements, the compliance auditor may have access to more extensive information and thereby identify non-compliance not necessarily evident at the time of initial audit.

Appendix C provides a summary of the credentials of the audit team.

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Findings

Findings – Contributions

1. Amounts improperly refunded - $750 increase

A contribution of $750 received from the Carpet Corral and deposited to the campaign bank account on October 13, 2010 was returned to the contributor subsequent to polling day. The contribution was not reported in the financial statement. The Carpet Corral is a division of Dickerson Flooring Ltd. and is owned by the ex-spouse of the candidate.

Where a contribution has been made and accepted, and the contribution is from an eligible contributor who has contributed within statutory limits, it cannot be returned unless the conditions of section 79(6) are met. These conditions were not met.

This is an apparent contravention of the Act, and has an impact on the reported final surplus or deficit.

2. Amounts improperly accepted - $1,500 reduction

Contributions of $750 each from Rose Investments 1 LP and Viva Pickering Limited Partnership were accepted.

Section 70(3) of the Act does not allow contributions from partnerships. Sections 69(1)(m) and (n) require the candidate to return such contributions as soon as becoming aware of such ineligibility, or pay them to the clerk. Our understanding is that neither has been done.

This is an apparent contravention of the Act, and has an impact on the reported final surplus or deficit.

3. Contributed office expenses - $275 increase

The candidate contributed the use of campaign office space at his residence, as well as the use of a computer(s) and photocopier. This was not recorded in the financial statement filed.

Section 66(3) of the Act requires the inclusion in contributions of:

“The value of goods and services provided as a contribution is…
(b) if the contributor is not in the business of supplying these goods and services, the lowest amount a business providing similar goods or services charges the general public for them in the same market area at or about the same time.”

The candidate has estimated the “equivalent cost” of the campaign office space for a two-month period at $250, and the value of the use of the copier at $25. Our audit of the financial records indicates that there was relatively little activity prior to September; accordingly, the use of a two-month period including September and October appears to be supportable.

No value has been provided for the use of a computer; however, the summonses issued to Jo-Ann Kerr, who acted as campaign manager, and to the candidate, required the production of all papers and computer records relating to the candidacy, and the only document produced that apparently involved the use of a computer by the candidate or his campaign staff was a listing of sign locations by address; from which it is concluded that the value that might be assigned by the candidate to the contributed use of the computer is so small as to be immaterial.

2 Specifically, the contribution must be from the candidate or the candidate’s spouse, and the campaign must have a surplus.
The omission of these contributed goods and service is an apparent contravention of the Act.\textsuperscript{3} In combination with item 8 below, there is no net effect on the final surplus or deficit.

4. **Contributed inventory - \$963 increase**

The candidate contributed signs from a previous campaign. This was not recorded in the financial statement filed.

Section 66(3) (see above under Finding 3) requires that such contributed inventories be treated as a contribution, and that such contributed inventories be valued at current market value using the lowest amount a business providing similar goods or services charges the general public for them in the same market area at or about the same time.

A determination of the quantity of signs actually used during a campaign, and particularly the extent to which signs from a prior campaign may have been used, is in the absence of direct evidence (e.g. direct contemporaneous observation or photographic) an inherently difficult process. However, our audit observations do allow conclusions to be reached, and these are set out below under “Findings – Inventory”.

Based on the audit evidence, including statements by the candidate, our conclusion is that the campaign used 60 small signs from a prior campaign valued at $3.00 each for a total of $180, plus 43 large signs from a prior campaign valued at $18.21 each for a total of $782.85; for a combined total of $962.85. This is our best estimate and is consistent with available information including the assertions of the candidate. This amount is required to be included as a contribution and also as an expense subject to the limit.

This omission of these contributed goods and service is an apparent contravention of the Act. In combination with item 9 below, there is no net effect on the final surplus or deficit.

5. **Nomination fee contributed by candidate - \$100 increase**

The nomination fee was paid by the candidate, as is necessarily the case, but no amount was shown as a contribution.

Section 66(3) (above) requires the inclusion of the nomination fee paid by the candidate, as a contribution.

The omission of this contribution is an apparent contravention of the Act. In combination with item 7 below, there is no net effect on the final surplus or deficit.

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\textsuperscript{3} Where costs are directly incurred by third parties, the Act at section 66(1) provides that “[f]or the purposes of this Act, money, goods and services given to and accepted by or on behalf of a person for his or her election campaign are contributions.” As well, where a candidate acquires goods and services using his own funds for use in a campaign, this is considered to be a contribution.

In *Lyras v. Heaps* [2008] O.J. No 4243 Justice Lane concluded that that the decision by a Compliance Audit Committee not to require an audit of the cost of personal telephone numbers provided by a candidate and his son for negligible use during a campaign was reasonable. The *obiter* provides brief commentary, but the question of whether to interpret the Act so as to require the inclusion of the value of goods and services provided by a candidate where no additional costs have been incurred by the candidate in so doing was not addressed in that case.

William Molson CA
Bernard Nayman CA
Findings – Expenses

6. The limit on Total expenses subject to the spending limit has been exceeded

The total of such expenses as reported in the financial statement filed exceeds the spending limit of $19,154, regardless of whether the total is adjusted for the findings summarized in this report.

Section 76(4) of the Act prescribes that

“During the period that begins on the day a candidate is nominated under section 33 and ends on voting day, his or her expenses shall not exceed an amount calculated in accordance with the prescribed formula.”

This is an apparent contravention of the Act, using either the total reported or the adjusted total calculated in this report.

7. Nomination filing fee - $100 increase

Section 67(2) of the Act requires the nomination filing fee to be recorded as an expense subject to the limit, even though it is paid personally by the candidate. This was not recorded in the financial statement filed.

This is an apparent contravention of the Act, and has an impact on the total of expenses subject to the spending limit.

8. Office expenses - $275 increase

As discussed at Finding 3 above, the candidate contributed the use of campaign office space at his residence, as well as the use of a computer(s) and photocopier but did not record the value of these goods and services in the financial statement filed.

Where a candidate uses his own resources without incurring additional costs and these goods and services are neither specifically given to nor accepted by the candidate, section 67 of the Act provides:

“(1) For the purposes of this Act, costs incurred for goods or services by or on behalf of a person wholly or partly for use in his or her election campaign are expenses…
(2) Without restricting the generality of subsection (1), the following amounts are expenses…
2. The value of contributions of goods and services.”

This omission is an apparent contravention of the Act, and has an impact on the total of expenses subject to the spending limit.

9. Signs - $963 increase

The candidate’s return did not include the value of contributed inventories as an expense.

Section 67(2) 1 requires that “the replacement value of goods retained by the person from any previous election and used in the current election” be included in expenses.

The amount that should be included has been determined as discussed below under “Findings – Inventories”.

This omission is an apparent contravention of the Act, and has an impact on the total of expenses subject to the spending limit.
10. Salaries and benefits - $500 reallocation

$15,050 in payments were made to persons after the close of polls, including $13,550 paid to family members and relatives. In the financial statement filed, these have been included in Salaries and benefits/honoraria/professional fees, subject to the spending limit.

Section 67(1) provides that “[f]or the purposes of this Act, costs incurred for goods or services by or on behalf of a person wholly or partly for use in his or her election campaign are expenses.”

Interpretation provided by the Ontario Ministry of Municipal Affairs and Housing, which has responsibility for the administration of the Act, is that where salaries are paid to a person in respect of services provided before and after polling day, they are to be included in expenses subject to the spending limit.

A payment of $11,050 to Jo-Ann Kerr, the campaign manager and spouse of the candidate, on December 29, 2010 is identified on the cheque as being a “post election wage”. The candidate has subsequently to filing his financial statement expressed the view that these amounts were not subject to the limit because they were not expenses incurred for the purpose of being elected. Jo-Ann Kerr has stated that this payment “wasn’t a pay… [it] was an honorarium, I wasn’t expecting it… call it a treat.”

The candidate and the campaign manager have also stated that this payment was for services allegedly including data analysis and inputting information into a computer database. However, notwithstanding the absence of a statutory requirement that expenditures be reasonable, it is noted that computer records produced under summons included a listing of sign locations only, and that the candidate has attached no value to the use of computers.

A payment of $1,500 to Shannon Currie, the candidate’s step-daughter, on October 30, 2010, is identified on the cheque as being for “sign pick-up, sort, disposal, re-pack”.

A payment of $500 to Lucy Campise, a relative of the candidate, is identified on the cheque as being for “post election data preparation”.

A comprehensive survey of financial statements for 53 contemporaneous municipal contests in Ajax, Pickering, Whitby, Clarington, Oshawa, Port Perry and Uxbridge, not including Pickering Ward 2, indicates that 10 contests reported Salaries and benefits/honoraria/professional fees, at an average cost of $1,501. However, even though the total recorded in this category significantly exceeds available comparators, in the absence of a statutory requirement that such expenses be reasonable, we are unable to support a conclusion that the payment of $11,050 was wholly or in part a diversion of surplus otherwise payable to the Clerk.

The evidence is that Kerr and Currie provided services both before and after polling day. Our conclusion is that these amounts have been properly included in expenses subject to the spending limit.

We did not encounter evidence supporting a conclusion that the payment to Campise was in respect of a cost incurred prior to the close of polls, and accordingly have allowed a $500 reduction in expenses subject to the spending limit.

This misallocation is an apparent contravention of the Act, and reduces the calculated total of expenses subject to the spending limit.

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4 Transcript of interview with Jo-Ann Kerr Dickerson held February 24, 2012, page 2.
11. Voting day party/appreciation notices - $14,594 reduction

The total reported in this category included $14,594 of alcohol purchased from the LCBO and not returned for credit. These goods were not distributed in relationship to the campaign. The candidate indicates that 6 of 288 bottles of liquor purchased were given to the Italian Club and to the Rouge Valley Health System MRI fundraising efforts, and that he had retained the remaining alcohol.

Section 67(1) provides that “[f]or the purposes of this Act, costs incurred for goods or services by or on behalf of a person wholly or partly for use in his or her election campaign are expenses.” Section 67(2) provides in part that “without restricting the generality of subsection (1), the following amounts are expenses… [t]he cost of holding parties and making other expressions of appreciation after the close of voting.”

The alcohol was purchased using an Amex credit card, and payments were made from the campaign account to Amex to reimburse the cost to the cardholder. The first of two cheques issued to pay for the alcohol was for $5,000 and included the notation “Victory Party”. However, the cost of the victory party held at Zeera By the Bay, including a gratuity, was $1,500 including open bar liquor costs. The cost of postage for thank you letters was reported separately. A comprehensive survey of financial statements for 53 contemporaneous municipal contests in Ajax, Pickering, Whitby, Clarington, Oshawa, Port Perry and Uxbridge, not including Pickering Ward 2, indicates that 30 contests reported Victory party/appreciation notice costs, at an average cost of $959.

Based on the evidence, the $14,954 cost of the alcohol was not incurred for use wholly or in part in the candidate’s election campaign, to hold a party or to express appreciation and accordingly should not be included in campaign period expenses.

Inclusion of these costs in campaign period expenses is an apparent contravention of the Act, and reduces the final surplus otherwise potentially payable to the Clerk.

Findings – Inventories

A determination of the quantity of signs actually used during a campaign, and particularly the extent to which signs from a prior campaign may have been used, is in the absence of direct evidence (e.g. direct contemporaneous observation or photographic) an inherently difficult process. However, our audit observations do allow some conclusions to be reached.

The previous return filed for the 2006 campaign shows a closing inventory of 350 large signs valued at $2,450 (average value $7.00). In a March, 2011 email to the campaign auditor prior to the filing of the financial statement, the candidate states that he reused 60 small signs with a value of $180 (average value $3.00) from a previous campaign. In a subsequent affidavit to the court, the candidate states that he used 43 old signs with a value of $782.85 (average current value provided by the candidate $18.21). 5

Our count of election signs on hand in March 2012 identified approximately 420 signs, being 220 small signs and 200 large signs. Of these large signs, 100 were signs from a previous campaign. Accounting records reviewed include an October, 2010 invoice for the purchase of 100 large signs (average cost $17.09) and 300 small signs (average cost $3.53) from a person in the business of providing signs, and a quantity of sign supports (H-frames). We determined the current value of these inventories remaining at the end of the campaign to be $4,215.

5 Affidavit sworn June 1, 2011 provided to the Ontario Court of Justice, at paragraph 30.
Records provided included a listing of 383 sign locations used in Ward 2. A mapping of these locations against a ward street map indicates a general coverage of the ward, except for major roads (Bayly Street – 2 signs; Kingston Road – 3 signs; and Finch Avenue – 2 signs) where the candidate states that care was taken not to place signs in areas where it was not permitted to do so.

Based on the audit evidence, including statements by the candidate, our conclusion is that the campaign used 60 small signs from a prior campaign valued at $3.00 each for a total of $180, plus 43 large signs from a prior campaign valued at $18.21 each for a total of $782.85; for a combined total of $962.85. This is our best estimate and is consistent with available information including the assertions of the candidate. This amount is required to be included as a contribution and also as an expense subject to the limit.


The financial statement does not disclose the value of signs retained at the end of the campaign.

Section 78(1) of the Act requires a candidate to file a financial statement in the prescribed form, reflecting the candidate’s election campaign finances. The prescribed form requires the disclosure of the value of inventory of campaign goods and materials remaining at the end of the campaign.

The amount that should be included has been determined as discussed above under “Findings – Inventories”.

This omission is an apparent contravention of the Act. It does not affect total campaign expenses or the final surplus or deficit.

Findings – Other matters

13. Diversion of surplus

Total campaign revenue significantly exceeded the requirements of the campaign, which nonetheless reported a deficit.

Section 79 of the Act sets out the formula for determining whether a campaign has a surplus or deficit, and requires a candidate to pay any such surplus, less the amount of contributions returned to the candidate under section 79(6), to the clerk. Starting from the 2010 election, this amount is no longer returned to the candidate for use in a subsequent campaign; previously, it was.

The candidate has engaged in thirteen election campaigns since 1976 and by his own admission is experienced and knowledgeable about how to run a campaign, the cost of a campaign, and applicable legislation. The candidate handled the funds for the 2010 campaign and states that he used budgets.

By approximately September 20, 2010 revenue received by the campaign was sufficient to pay the $19,154 in campaign expenses subject to the spending limit, plus an additional $5,639 in expenses not subject to the limit.

However, a further $26,261 in contributions were accepted after that date, as set out in Appendix B. Under the Act, any surplus remaining in excess of contributions returnable to the candidate is required to be paid to the Clerk. The candidate has stated that he continued to accept contributions as he had “no idea… what position [he’d] be in following the election” and that he was not aware of, or did not recall, whether there was a point in time when it became apparent that the campaign was going to be paid for, and that he would not end up in debt. We find that these statements lack credibility.

The financial statement filed by the candidate reports a deficit of $1,014. Reported expenses included two items that account for $25,644, being payment for the purchase of $14,594 in alcohol which 15 months after the end of the campaign period remained in the candidate’s possession, and a payment of $11,050 to his spouse two days prior to the end of the campaign period. In the absence of these
two items, and without taking into account any other adjustments, the candidate would have had a calculated surplus of $24,630.

The Act may not specifically require that expenses be logically defensible or reasonable, and the payment of the $11,050 may qualify as an expense (Finding 10 above). However, the expenditure on alcohol appears not to be a campaign expense (Finding 11 above) and has the effect of diverting to the candidate a surplus otherwise payable to the clerk.

*   *   *   *   *   *

William Molson CA
Bernard Nayman CA
**APPENDIX A**

Box C: Statement of Campaign Period Income and Expenses (as Filed and as Adjusted)

<table>
<thead>
<tr>
<th>Description</th>
<th>Filed</th>
<th>Finding</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Candidate's Surplus from immediately preceding election</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>released by the clerk</td>
<td>10,593</td>
<td>10,593</td>
<td></td>
</tr>
<tr>
<td>Contributions from candidate/spouse</td>
<td>0</td>
<td>3,4</td>
<td>1,238</td>
</tr>
<tr>
<td>All other contributions</td>
<td>39,111</td>
<td>1,2</td>
<td>38,361</td>
</tr>
<tr>
<td>Other - nomination fee paid by candidate</td>
<td>0</td>
<td>5</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total Campaign Period Income</strong></td>
<td>49,704</td>
<td>50,292</td>
<td></td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses subject to spending limit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>5,622</td>
<td>5,622</td>
<td></td>
</tr>
<tr>
<td>Bank charges</td>
<td>143</td>
<td>143</td>
<td></td>
</tr>
<tr>
<td>Brochures</td>
<td>1,983</td>
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<tr>
<td>Meetings hosted</td>
<td>2,037</td>
<td>2,037</td>
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<tr>
<td>Nomination filing fee</td>
<td>0</td>
<td>7</td>
<td>100</td>
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<tr>
<td>Office expenses</td>
<td>0</td>
<td>8</td>
<td>275</td>
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<tr>
<td>Phone and/or Internet</td>
<td>1,523</td>
<td>1,523</td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits/honoraria/professional fees</td>
<td>19,050</td>
<td>10</td>
<td>18,550</td>
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<tr>
<td>Signs</td>
<td>2,973</td>
<td>9</td>
<td>3,936</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td>33,331</td>
<td>34,169</td>
<td></td>
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<tr>
<td>Expenses not subject to spending limit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounting and audit</td>
<td>1,100</td>
<td>1,100</td>
<td></td>
</tr>
<tr>
<td>Voting day party/appreciation notices</td>
<td>16,094</td>
<td>11</td>
<td>1,500</td>
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<tr>
<td>Other - Postage for thank you letters</td>
<td>193</td>
<td>193</td>
<td></td>
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<tr>
<td>Other - post-writ cleanup</td>
<td>0</td>
<td>10</td>
<td>500</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td>17,387</td>
<td>3,293</td>
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<tr>
<td><strong>Total Campaign Period Expenses</strong></td>
<td>50,718</td>
<td>37,462</td>
<td></td>
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<tr>
<td>Excess (Deficiency) of Income over Expenses</td>
<td>(1,014)</td>
<td>12,830</td>
<td></td>
</tr>
</tbody>
</table>
### APPENDIX B

**CUMULATIVE CAMPAIGN REVENUE**

<table>
<thead>
<tr>
<th>Date</th>
<th>Deposits per bank statement</th>
<th>Cumulative campaign revenue</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 19, 2010</td>
<td>10,593</td>
<td>10,593</td>
<td>Surplus from 2006 campaign</td>
</tr>
<tr>
<td>June 6, 2010</td>
<td>750</td>
<td>11,343</td>
<td></td>
</tr>
<tr>
<td>July 30, 2010</td>
<td>1,500</td>
<td>12,843</td>
<td></td>
</tr>
<tr>
<td>August 16, 2010</td>
<td>1,900</td>
<td>14,743</td>
<td></td>
</tr>
<tr>
<td>August 24, 2010</td>
<td>750</td>
<td>15,493</td>
<td></td>
</tr>
<tr>
<td>September 10, 2010</td>
<td>1,850</td>
<td>17,343</td>
<td></td>
</tr>
<tr>
<td>September 20, 2010</td>
<td>7,450</td>
<td>24,793</td>
<td></td>
</tr>
<tr>
<td>October 1, 2010</td>
<td>5,411</td>
<td>30,204</td>
<td></td>
</tr>
<tr>
<td>October 13, 2010</td>
<td>4,500</td>
<td>34,704</td>
<td></td>
</tr>
<tr>
<td>October 18, 2010</td>
<td>950</td>
<td>43,604</td>
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</tr>
<tr>
<td>October 20, 2010</td>
<td>2,000</td>
<td>45,604</td>
<td></td>
</tr>
<tr>
<td>October 22, 2010</td>
<td>2,950 (1)</td>
<td>48,554</td>
<td></td>
</tr>
<tr>
<td>November 4, 2010</td>
<td>1,850</td>
<td>50,404</td>
<td></td>
</tr>
<tr>
<td>December 15, 2010</td>
<td>650</td>
<td>51,054</td>
<td></td>
</tr>
</tbody>
</table>

Cheques issued and outstanding at September 30, 2010, and reasonably anticipated expenses:

- **Canada Pride Printing #58**: 2,382 Signs
- **SNAP Pickering #59**: 130 Advertising
- **J II IT #60**: 57 Web hosting
- **Dickson Printing**: 1,220 Brochures

Total: 3,789

- **Bell Canada**: 299 Post poll
- **Renaud Rutland**: 1,100 Audit fee
  - 1,500 Victory party
  - 1,500 General provision

Total: 4,399

(1) Bank deposit less $1,000 return of salary by campaign manager.

**Observations:**

By September 20, 2010 campaign revenue was sufficient to pay for $19,154 maximum expenses subject to the spending limit, plus a further provision for $5,639 in expenses not subject to the limit. A further $26,261 in contributions was accepted after that date.
APPENDIX C
AUDIT TEAM

William Molson CA

Will Molson is a licensed public accountant providing assurance and business advisory services primarily to not-for-profit organizations. His professional experience spans 25 years including 15 years in a large firm environment servicing small, medium and large domestic and international clients. He has significant experience in election audits, conducting government tax audits and managing tax appeals. He has audited in excess of 50 election and riding association returns and was a lead consultant for the 2011 revisions to the federal election audit guides published by the Canadian Institute of Chartered Accountants.

Will is a Chartered Accountant, Certified Public Accountant, and Certified Management Accountant, and holds a Master’s in Business Administration and a Certificate in Dispute Resolution (University of Toronto).

Will is a member of the Institute of Chartered Accountants of Ontario, Public Accounting Licensing Board (Chair); Canadian Institute of Chartered Accountants, Federal Elections Task Force Advisory Committee; Certified Management Accountants of Ontario, Review Committee; Institute of Corporate Directors; C.D. Howe Institute.

Bernard Nayman CA

Bernard Nayman has over 35 years experience auditing election returns at the federal, provincial and municipal level. During this time Bernard has been involved in the creation and amendment of election finances legislation at the federal and municipal levels.

Bernard is a member of the Federal Elections Task Force Advisory Committee of the Canadian Institute of Chartered Accountants. In 1986 he wrote the framework which provided for amendments to the Municipal Elections Act. Bernard was technical advisor to the 1990 Royal Commission on election finances (the Lortie Commission). In 2003 Bernard was elected chairman of the City of Toronto task force on election financing.

Bernard has audited in excess of 6,000 election and riding association returns.