

CHARTERED PROFESSIONAL ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT
ON FORM 947, LEADERSHIP CONTESTANT'S FINANCIAL STATEMENTS
AND SUPPORTING SCHEDULES**

To Gestur Kristjansson, Official Agent for Heather Stefanson,

Qualified Opinion

We have audited Form 947, Leadership Contestant'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 Leadership Contestant Heather Stefanson for the leadership contest period from August 23, 2021 to December 30, 2021 relating to the leadership vote held on October 30, 2021 for The Progressive Conservative Party of Manitoba.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the Form 947, Leadership Contestant's Financial Statements and Supporting Schedules for Heather Stefanson 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 leadership contest, the completeness of contributions and expenses is not susceptible of satisfactory audit verification. Accordingly, our verification of contributions and expenses was limited to the amounts recorded in the Leadership Contestant's records and we were not able to determine whether any adjustments might be necessary to assets, liabilities, income, expenses, and the leadership contest 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 Form 947, Leadership Contestant's Financial Statements and Supporting Schedules* section of our report. We are independent of the Leadership Contestant 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.

Responsibilities of Management and Those Charged with Governance for the Form 947, Leadership Contestant's Financial Statements and Supporting Schedules

The Official Agent and the Leadership Contestant are responsible for the preparation and fair presentation of the Form 947, Leadership Contestant'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 947, Leadership Contestant's Financial Statements and Supporting Schedules that is free from material misstatement, whether due to fraud or error.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the Form 947, Leadership Contestant's Financial Statements and Supporting Schedules, which describes the basis of accounting. The Leadership Contestant's financial statements are prepared to assist the Leadership Contestant Heather Stefanson to meet the requirements of *The Election Financing Act* of Manitoba. As a result, the Form 947, Leadership Contestant's Financial Statements and Supporting Schedules may not be suitable for another purpose.

Auditor's Responsibilities for the Audit of the Form 947, Leadership Contestant's Financial Statements and Supporting Schedules

Our objectives are to obtain reasonable assurance about whether the Form 947, Leadership Contestant'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 947, Leadership Contestant'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 Official Agent and Leadership Contestant.
- Evaluate the overall presentation, structure and content of the Form 947, Leadership Contestant'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.

Scarrow & Donald LLP

Chartered Professional Accountants
March 21, 2022
Winnipeg, Canada

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.

947

Leadership Contestant's Financial Statements and Supporting Schedules



To be filed within 30 days after the end of the Leadership Contest Period.

For the leadership contest period

DATE August 23, 2021	To	DATE December 30, 2021
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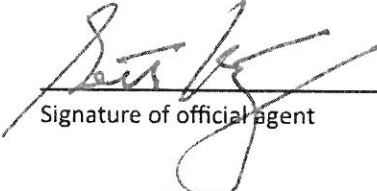
Leadership contestant	NAME Heather Stefanson
	REGISTERED PARTY The Progressive Conservative Party of Manitoba

Official agent	NAME Gestur Kristjansson
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Auditor	NAME OF AUDITOR Scarrow & Donald, Chartered Professional Accountants, LLP
	NAME OF PUBLIC ACCOUNTANT TO WHOM INQUIRY MAY BE DIRECTED (if different than above) K. Dean Austin, M.Acc., FCPA, FCA

DECLARATION

I, the undersigned Official Agent, hereby file a completed Form 947 – *Leadership Contestant'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

03/21/2022
Date (mm/dd/yyyy)

Statement of Assets, Liabilities and Surplus/(Deficit) as at the End of the Leadership Contest Period

Assets

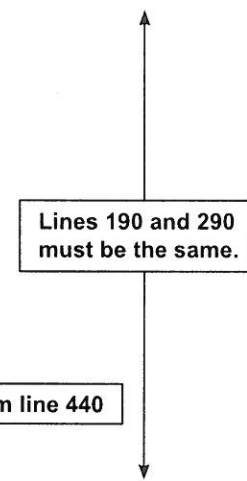
100	Cash	\$ 80,476.40	
110	Accounts receivable		
	Other assets (provide details)		
130	_____		
135	_____		

190 Total Assets (total of lines 100 to 135) \$ 80,476.40

Liabilities and Surplus/(Deficit)

200	Accounts payable	\$ 65,761.99	
205	Overdraft/Line of Credit*		
220	Loans*		
	Other liabilities (provide details)		
230	_____		
240	_____		
275	Leadership Contest Period Surplus/(Deficit)	\$ 14,714.41	

290 Total Liabilities and Surplus/(Deficit) (total of lines 200 to 275) \$ 80,476.40



← From line 440

* 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 leadership contestant during the leadership contest period.

Statement of Income and Expenses for the Leadership Contest Period

Income

300 Contributions	\$ 576,625.00	← From line 630, column C
330 Fundraising	_____	
Other income (provide details)	_____	
360 _____	_____	
390 Total Income (total of lines 300 to 360)	line 390 \$ 576,625.00	

Expenses

400 Expenses	From line 595, column C	line 400 \$ 561,910.59
440 Leadership Contest		
Period Surplus/(Deficit) (line 390 minus line 400)		line 440 \$ 14,714.41
	To line 275	

Schedule 1 – Leadership Contest Period Expenses (including non-monetary expenses)

Expenses (used in leadership contest period)

	A	B	C
	Cash/credit	Non-monetary	Total expenses (columns A plus B)
500 Advertising - media	96,598.22		96,598.22
505 Posters, pamphlets, promotional	33,748.38		33,748.38
511 Disability			
515 Fundraising	10,000.00		10,000.00
520 Furniture and equipment rental	5,144.53		5,144.53
525 Honoraria/salaries	119,693.64		119,693.64
530 Interest and bank charges	10,872.96		10,872.86
535 Audit fee (amount in excess of subsidy)	7,694.40		7,694.40
545 Office occupancy (rent, utilities)	21,815.09		21,815.09
550 Office supplies and postage	28,610.95		28,610.95
555 Polling (opinion surveys, market research)	84,754.99		84,754.99
560 Signs/structural support	25,737.01		25,737.01
565 Transportation, accommodation and food	62,700.64		62,700.64
570 Telephone	22,194.78		22,194.78
575 Personal			
Other (provide details)			
580 <u>PC Party of Manitoba</u>	25,000.00		25,000.00
585 <u>Website</u>	7,345.00		7,345.00
595 Total (total lines 500 to 585)	\$ 561,910.59	\$	\$ 561,910.59

To line 400

Contributions of \$250 or more

Last Name	First Name	Amount
Abas	Austin	\$ 2,000.00
Allen	Chase	\$ 3,000.00
Anderson	Chad	\$ 3,000.00
Anderson	Gwendolyn	\$ 3,000.00
Anderson	Gary	\$ 1,000.00
Andison	Richard	\$ 500.00
Arnason	Brett	\$ 2,000.00
Asper	Gail	\$ 3,000.00
Baigrie	Jeff	\$ 1,000.00
Balageorge	Dimitrios	\$ 2,000.00
Balageorge	Eleni	\$ 1,750.00
Balageorge	Eleni	\$ 250.00
Banville	Matthew	\$ 3,000.00
Banville	Michael	\$ 3,000.00
Barnes	Sean	\$ 1,000.00
Barrows	Greg	\$ 500.00
Bayes	Richmond	\$ 3,000.00
Bembridge	Richard	\$ 500.00
Benidickson	Kris	\$ 3,000.00
Benidickson	Shirley	\$ 3,000.00
Berry	Joyce	\$ 250.00
Berry	Bruce	\$ 250.00
Birdsall	Charlene	\$ 300.00
Bockstael	John	\$ 3,000.00
Borger	Anita	\$ 3,000.00
Borger	Jill	\$ 3,000.00
Borger	Gerald	\$ 3,000.00
Borger	Henry	\$ 2,000.00
Borger	Alan	\$ 1,500.00
Borger	Ralph	\$ 1,500.00
Borger	Grant	\$ 1,500.00
Borger	Sharon	\$ 1,500.00
Borger	James	\$ 1,500.00
Borger	David	\$ 1,000.00
Bouchard	Ray	\$ 3,000.00
Branum	Cindy	\$ 1,000.00
Brodeur	Richard	\$ 1,000.00
Brown	Barry	\$ 750.00
Brownscombe	Richard	\$ 2,500.00
Bubis	Daniel	\$ 3,000.00
Buchwald	Richard	\$ 3,000.00
Buckley	Gary	\$ 3,000.00
Buhler	Bonnie	\$ 3,000.00
Buhler	John	\$ 3,000.00
Buhler	Douglas	\$ 1,000.00
Bulbuck	Sophie	\$ 3,000.00

Bulbuck	Brock	\$ 3,000.00
Buller	CariLyn	\$ 1,000.00
Buller	Mark	\$ 1,000.00
Burt	Timothy	\$ 900.00
Cameron	Murray	\$ 400.00
Campbell	Ronald	\$ 1,000.00
Carefoot	Tyler	\$ 500.00
Carefoot	David	\$ 500.00
Caron	Daniel	\$ 250.00
Chabot	Nicole	\$ 500.00
Chappell	Charles	\$ 400.00
Chimuk	Timothy	\$ 750.00
Chipman	Mark	\$ 3,000.00
Chipman	Stephen	\$ 3,000.00
Chipman	Jeoffrey	\$ 2,000.00
Chuback	Jason	\$ 2,000.00
Cipryk	Robert	\$ 2,500.00
Cipryk	Gail	\$ 2,500.00
Cohen	James	\$ 3,000.00
Coleman	Gary	\$ 1,000.00
Collet	Denis	\$ 3,000.00
Collett	H	\$ 2,980.00
Cooper	Ken	\$ 500.00
Craik	Polly	\$ 1,000.00
Craven	Ian	\$ 2,000.00
Cristall	Jeffrey	\$ 1,000.00
Cummings	Glen	\$ 300.00
Cunningham	Paul	\$ 3,000.00
Cunningham	Robert	\$ 1,000.00
DeFehr	Art	\$ 3,000.00
Dhalla	Sonny	\$ 250.00
Dillon	Mary	\$ 1,000.00
Dornn	Edward	\$ 300.00
Downey	Darin	\$ 3,000.00
Driedger	Dale	\$ 3,000.00
Duncan	Michael	\$ 250.00
Dutka	Evelyn	\$ 420.00
Edmond	Paul	\$ 1,000.00
Edwards	Russ	\$ 3,000.00
Eisbrenner	Carl	\$ 500.00
Epp	Colleen	\$ 400.00
Epp	Jeffrey	\$ 400.00
Falk	Peter	\$ 500.00
Fanset	Doreen	\$ 400.00
Fast	Arthur	\$ 1,000.00
Fast	William	\$ 1,000.00
Fast	William	\$ 500.00
Feldman	Susan	\$ 1,000.00

Ferguson	James	\$ 3,000.00
Fettes	Linda	\$ 3,000.00
Fettes	Don	\$ 2,500.00
Fettes	Don	\$ 500.00
Fia	Paul	\$ 2,000.00
Filmon	David	\$ 3,000.00
Firth	Andrew	\$ 2,500.00
Fleetwood	Greg	\$ 3,000.00
Forman	Kent	\$ 355.00
Forman	Naomi	\$ 355.00
Forrest	Alex	\$ 480.00
Freedman	Bob	\$ 480.00
Garcea	John	\$ 3,000.00
Gillis	Claire	\$ 500.00
Gompf	Tyler	\$ 3,000.00
Gould	William	\$ 1,000.00
Grapentine	Jeff	\$ 500.00
Grenier	Edward	\$ 3,000.00
Guillas	Daymon	\$ 3,000.00
Halko	Gail	\$ 3,000.00
Hanson	Mary	\$ 1,000.00
Hanson	Gregg	\$ 1,000.00
Harvey	Douglas	\$ 1,000.00
Hastings	Brian	\$ 3,000.00
Hastings	Elizabeth	\$ 3,000.00
Hauser	Shaun	\$ 3,000.00
Healey	Joe	\$ 250.00
Heimbecker	Lisa	\$ 3,000.00
Heimbecker	John	\$ 3,000.00
Helwer	Ronald	\$ 3,000.00
Helwer	Reginald	\$ 3,000.00
Helwer	Sherry	\$ 1,000.00
Helwer	Gail	\$ 250.00
Hendry	Dale	\$ 2,000.00
Hiebert	Andrew	\$ 300.00
Hiebert	Allan	\$ 300.00
Hildebrand	Elmer	\$ 2,000.00
Hobbs	Ernest	\$ 520.00
Hooke	Kevin	\$ 3,000.00
Houston	Ian	\$ 2,000.00
Howe	Katharine	\$ 1,000.00
Jacobson	Jarod	\$ 3,000.00
Janzen	Mary	\$ 500.00
Jessiman	Judith	\$ 3,000.00
Jessiman	Duncan	\$ 3,000.00
Jessiman	Dana	\$ 3,000.00
Jessiman	Peter	\$ 3,000.00
Jessiman	Duncan	\$ 1,500.00

Johannson	Derek	\$ 3,000.00
Johnson	Terry	\$ 500.00
Johnston	Evan	\$ 1,000.00
Jones	Tina	\$ 3,000.00
Jones	Michael	\$ 3,000.00
Katz	Sam	\$ 250.00
King	Blain	\$ 3,000.00
Klapman	Hartley	\$ 1,000.00
Klassen	David	\$ 3,000.00
Klassen	Bruce	\$ 1,000.00
Kleysen	Tom	\$ 1,000.00
Klippenstein	Kevin	\$ 3,000.00
Kohn	Steve	\$ 3,000.00
Kreklewich	David	\$ 400.00
Kristjansson	Gestur	\$ 1,920.00
Kroft	Steve	\$ 3,000.00
Kroft	Lisa	\$ 3,000.00
Krueger	Dolores	\$ 300.00
Krueger	John	\$ 250.00
Laliberte	Garland	\$ 270.00
Lawrence	Wade	\$ 500.00
Lee	Gordon	\$ 500.00
Leech	Michael	\$ 250.00
Lefas	Constantine	\$ 400.00
Leipsic	Peter	\$ 250.00
Lev	Jay	\$ 3,000.00
Levene	Adam	\$ 3,000.00
Levy	Darryl	\$ 1,000.00
Loepp	Karl	\$ 3,000.00
Loewen	John	\$ 3,000.00
Loewen	Charles	\$ 250.00
Logan	Nicholas	\$ 1,000.00
Lount	Suzanne	\$ 1,000.00
Lowes	Brian	\$ 3,000.00
Ludlow	James	\$ 400.00
Mabon	Normand	\$ 1,000.00
Macangus	David	\$ 1,000.00
Macdonald	Neil	\$ 3,000.00
MacSkimming	Andrew	\$ 500.00
Maidment	Lana	\$ 250.00
Martens	Denise	\$ 3,000.00
Martens	Armin	\$ 3,000.00
McCartney	Kim	\$ 250.00
Mcconnell	Matthew	\$ 500.00
McDonald	Jack	\$ 250.00
McGarry	William	\$ 3,000.00
McGoey	John	\$ 3,000.00
McLeod	Thomas	\$ 400.00

McTavish	Gordon	\$ 1,000.00
Mercury	Michael	\$ 500.00
Meseyton	Jack	\$ 250.00
Mignalza	Peter	\$ 1,000.00
Moncrief	Hugh	\$ 3,000.00
Morantz	Martin	\$ 3,000.00
Morantz	Sheree	\$ 3,000.00
Morden	James	\$ 3,000.00
Morrow	Scott	\$ 500.00
Morrow	John	\$ 250.00
Mostowy	Fred	\$ 3,000.00
Murray	Daniel	\$ 1,000.00
Murray	Dwight	\$ 500.00
Neufeld	Ken	\$ 250.00
Novak	Tracey	\$ 3,000.00
Oliver	Bryn	\$ 1,500.00
Olson	Mark	\$ 3,000.00
Pacak	John	\$ 250.00
Parish	Theresa	\$ 3,000.00
Parrish	William	\$ 3,000.00
Pearson	Kristan	\$ 2,000.00
Peever	Wells	\$ 250.00
Penner	Robert	\$ 3,000.00
Peter	Carmele	\$ 3,000.00
Peters	Gordon	\$ 500.00
Piwniuk	Doyle	\$ 3,000.00
Plater	Shawn	\$ 1,000.00
Plett	Leonard	\$ 380.00
Pollard	Gordon	\$ 3,000.00
Pollard	Douglas	\$ 2,000.00
Pollard	Beth	\$ 1,500.00
Pollard	John	\$ 1,500.00
Poulin	Denise	\$ 400.00
Powell	Ken	\$ 3,000.00
Prall	Liz	\$ 500.00
Prall	John	\$ 500.00
Price	Gerald	\$ 3,000.00
Psooy	Greg	\$ 1,000.00
Puchniak	Robert	\$ 1,500.00
Pyle	Michael	\$ 3,000.00
Radcliffe	Michael	\$ 350.00
Rae	John	\$ 1,000.00
Ransby	Edward	\$ 2,500.00
Ransom	Allan	\$ 360.00
Reavie	Spencer	\$ 250.00
Reid	Laurel	\$ 400.00
Reimer	Anne	\$ 3,000.00

Reimer	D.S.	\$ 3,000.00
Renkas	Merrilyn	\$ 3,000.00
Richardson	James	\$ 3,000.00
Richardson	Catherine	\$ 3,000.00
Richardson	Hartley	\$ 3,000.00
Richardson	Heather	\$ 3,000.00
Richardson	Sprague	\$ 1,000.00
Riese	Jordan	\$ 3,000.00
Riley	Deborah	\$ 3,000.00
Riley	Sanford	\$ 3,000.00
Ryan	Colin	\$ 3,000.00
Ryan	Elaine	\$ 3,000.00
Ryan	Jennifer	\$ 3,000.00
Sabourin	Ivan	\$ 1,500.00
Salvatore	David	\$ 1,000.00
Sarna	Edward	\$ 2,000.00
Sawh	Oswald	\$ 250.00
Scharfstein	Brian	\$ 250.00
Schellenberg	Carol	\$ 300.00
Schioler	David	\$ 1,000.00
Schleier	Alfred	\$ 1,000.00
Scott	Joel	\$ 400.00
Shindleman	Diane	\$ 500.00
Shindleman	Robert	\$ 500.00
Shindleman	Sandy	\$ 500.00
Sigfusson	Warren	\$ 3,000.00
Silver	Robert	\$ 3,000.00
Simpson	Douglas	\$ 500.00
Sinclair	Michael	\$ 300.00
Snitynsky	Judy	\$ 500.00
Sobie	Glenda	\$ 250.00
Soubry	Paul	\$ 3,000.00
Spiring	Cole	\$ 3,000.00
Spiring	Charles	\$ 3,000.00
Sprague	Trevor	\$ 3,000.00
Stasiak	Hans	\$ 400.00
Stefanson	Grant	\$ 3,000.00
Stefanson	Ernest	\$ 500.00
Stewart	Doug	\$ 3,000.00
Stibbard	Andrew	\$ 2,000.00
Stone	Dwayne	\$ 500.00
Strauss	Jonathan	\$ 250.00
Strauss	Martin	\$ 250.00
Streuber	Donald	\$ 3,000.00
Stronger	Michael	\$ 400.00
Swistun	Michael	\$ 3,000.00
Taillieu	Mavis	\$ 3,000.00

Taillieu	Brain	\$ 1,000.00
Tallman	Matthew	\$ 3,000.00
Tallman	Robert	\$ 3,000.00
Tallman	Catherine	\$ 3,000.00
Tallman	Marc	\$ 3,000.00
Tanguay	Dennis	\$ 380.00
Taylor	Murray	\$ 3,000.00
Terwin	Adam	\$ 3,000.00
Thielmann	Ruth	\$ 3,000.00
Thiessen	Sharon	\$ 500.00
Thompson	Nigel	\$ 3,000.00
Thorsteinson	Arni	\$ 3,000.00
Tolaini	Shelly	\$ 2,000.00
Trepel	Brent	\$ 500.00
Trepel	Brlenee	\$ 500.00
Tummillo	Sabino	\$ 3,000.00
Van	Kevin	\$ 3,000.00
Van Cauwenberghe	Christine	\$ 500.00
Vossen	Curt	\$ 3,000.00
Vossen	Catherine	\$ 3,000.00
Wallace	Christopher	\$ 3,000.00
Waller	Simon	\$ 480.00
Waller	Deborah	\$ 480.00
Warkentin	Edward	\$ 2,000.00
Warner	Harvey	\$ 250.00
Watchorn	William	\$ 300.00
Webber	Jonathan	\$ 1,000.00
West	Raymond	\$ 500.00
White	Don	\$ 2,500.00
Wiebe	Jack	\$ 250.00
Williams	Robert	\$ 3,000.00
Wilson	Richard	\$ 500.00
Wilson	James	\$ 250.00
Wright	William	\$ 3,000.00
Zajac	Mitchell	\$ 3,000.00
Zarnowski	Justin	\$ 400.00
Zegalski	Rennie	\$ 250.00
Zhang	Yong	\$ 520.00
Zhao	Andy	\$ 3,000.00

Note to Form 947 - Leadership Contestant's Financial Statements and Supporting Schedules for the Leadership Contest Period from August 23, 2021 to December 30, 2021 relating to the leadership vote held on October 30, 2021 for The Progressive Conservative Party of Manitoba

Note 1:

The Leadership Contestant's Financial Statements and Supporting Schedules - Form 947, 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 Official Agent and the Leadership Contestant. Accordingly, the statements may not be suitable for another purpose.