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Independent Auditor's Report

To Stephen Hernen, candidate for Mayor in the Town of Huntsville and to the Municipal Clerk of the Town of Huntsville

Qualified Opinion

I have audited the accompanying Financial Statement - Auditor's Report Candidate - Form 4 ("the financial statement") of the Stephen Hernen Mayoral Candidate Campaign ("the Campaign"), for the campaign period May 26, 2022 to December 30, 2022 relating to the Town of Huntsville Municipal Election held on October 24, 2022, prepared in accordance with the reporting provisions of the 2022 Candidates' Guide for Ontario Municipal Council and School Board Elections ("the Guide") and Section 88 of the Municipal Elections Act, 1996 ("the Act").

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statement presents fairly, in all material respects, the income and expenses of Stephen Hernen ("the Candidate") for the campaign period ending December 30, 2022 in accordance with the financial reporting provisions of the Municipal Elections Act, 1996 and guidance issued by the Ministry of Municipal Affairs.

Basis for Qualified Opinion

Due to the nature of the types of transactions inherent in any election campaign, the completeness of the various categories of income and expenses is not susceptible to satisfactory audit verification. Accordingly, my verification of income and expenses was limited to the amounts recorded in the records of the Candidate's election campaign records and I was not able to determine whether any adjustments might be necessary to income, expenses and surplus/deficit.

My audit opinion on the financial statement for the campaign period from June 14, 2022 to December 30, 2022 was modified accordingly because of the possible effects of this limitation in scope.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Campaign in accordance with the ethical requirements that are relevant to my audit of the financial statement in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Use

Without modifying my opinion, I note that the Form 4 is prepared for the information and use of the Candidate and the Municipal Clerk to comply with the Municipal Elections Act, 1996, and as such, may not be suitable for another purpose. The attached Form 4 is not intended to be and should not be used, circulated, quoted, or otherwise referred to by anyone other than the specified users or for any other purpose without my express written consent.

Responsibility of the Candidate for the Financial Statement

The Candidate is responsible for the preparation and fair presentation of the financial statement in accordance with the financial reporting provisions of the Municipal Elections Act, 1996 and the guidance by the Ministry of Municipal Affairs and for such internal control as the Candidate determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

My objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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 the financial statement. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

Dave Stevenson

Chartered Professional Accountant, Licensed Public Accountant

Bracebridge, Ontario
March 1, 2023



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	to	YYYY	MM	DD
2 0 2 2	0 5	2 6		2 0 2 2	1 2	3 0

- 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 HERNEN	Given Name(s) STEPHEN	
Office for Which the Candidate Sought Election MAYOR	Ward Name or Number (if any)	
Municipality TOWN OF HUNTSVILLE		
Spending Limit General \$24,967.50	Parties and Other Expressions of Appreciation \$2,496.75	Contribution Limit Contributions from Candidate and Spouse \$11,610.00

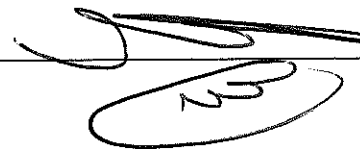
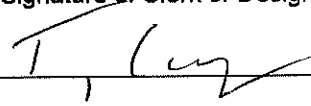
I did not accept any contributions or incur any expenses. (Complete Boxes A and B only)

Box B: Declaration

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


Signature of Candidate

2023/03/15
Date (yyyy/mm/dd)

Date Filed (yyyy/mm/dd) <u>2023/03/17</u>	Time Filed <u>2:58 pm</u>	Initial of Candidate or Agent (if filed in person) 	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
\$

INCOME

Total amount of all contributions (from line 1A in Schedule 1)	+ \$	24,439.00
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) = \$ 24,439.00 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)	+ \$	
Advertising	+ \$	4,870.02
Brochures/flyers	+ \$	326.28
Signs (including sign deposit)	+ \$	5,424.00
Meetings hosted	+ \$	565.00
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	+ \$	51.63
Interest charged on loan until voting day	+ \$	
Other (provide full details)		
1. WEB DESIGN	+ \$	10,930.48
2. _____	+ \$	
3. _____	+ \$	
4. _____	+ \$	
5. _____	+ \$	
6. _____	+ \$	

Total Expenses subject to general spending limit = \$ 22,167.41 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		+ \$	2,260.00
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		+ \$	11.50
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		= \$	2,271.50 C4

Total Campaign Expenses (C2 + C3 + C4) = \$ **24,438.91 C5**

Box D: Calculation of Surplus or Deficit

Excess (deficiency) of income over expenses (Income minus Total Expenses) (C1 – C5)		+ \$	0.09	D1
If there is a surplus, deduct any refund of candidate's or spouse's contributions to the campaign		- \$	_____	
Surplus (or deficit) for the campaign		= \$	0.09	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	+ \$ 939.00
Contributions in goods and services from candidate and spouse (include value listed in Table 1 and Table 2)	+ \$ _____
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).	+ \$ 24,700.00
Less: Ineligible contributions paid or payable to the contributor	- \$ 1,200.00
Contributions paid or payable to the clerk, including contributions from anonymous sources exceeding \$25	- \$ _____
Total Amount of Contributions (record under Income in Box C)	= \$ 24,439.00 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 (\$)
Total				

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

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

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 x _____ 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, Licensed Public Accountant

Municipality Bracebridge, ON	Date (yyyy/mm/dd)
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Contact Information

Last Name or Single Name Stevenson	Given Name(s) Dave	Licence Number 1-18337
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Address

Suite/Unit Number	Street Number 1099	Street Name Partridge Lane
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Municipality Bracebridge	Province Ontario	Postal Code P1L 1W8
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Telephone Number 705-645-1361	Email Address dave@dscpa.ca
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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.

First	Last	Address	City	Postal	Date	amount	returned to contributor
Scott	Aitchison	BURLMARIE RD	Baysville	P0B1A0	1-Jun	1200	1200
Dave	Goodfellow	333 Gryffin Lodge road	Huntsville	P0B 1M0	12-Jul	1200	
Kris	House	50 Howland Drive, Unit 4	Huntsville	P1H 2P9	12-Jul	1200	
Ken	Oben	918 Jones lane	Huntsville	P1H 1B2	13-Jul	1200	
Kathi	Oben	919 Jones lane	Huntsville	P1H 1B2	13-Jul	1200	
Dino & Bes	Georgas	37 Lake drive	Huntsville	P1H1E8	17-Jul	500	
Dale	Tebby	496 Muskoka road 3 North	Huntsville	P1H1C6	19-Jul	500	
John	Pantaleo	8 Park drive	Huntsville	P1HIP5	19-Jul	1200	
Sharon	Koncan	295 Fairy Lake Road	Huntsville	P1H 1R5	18-Jul	1200	
John	Koncan	296 Fairy Lake Road	Huntsville	P1H 1R6	18-Jul	1200	
Jim	Rotz	Dickie Lake road	Baysville	P0B1A0	20-Jul	1200	
Bob	Bullock	12 Coveside Drive	Huntsville	P1H1C3	16-Jul	500	
Ron	House	260 Summit Drive	Huntsville	P1H 1Y9	25-Jul	1000	
Brian	Thompson	501 N Wascoosa Lake Road	Huntsville	P1H 2J4	29-Jul	200	
Tom	Pinkard	PO BOX 204	Dwight	P0A1H0	30-Jul	1200	
Tim & Meli	Cantelon	1686 Aspdin road	Huntsville	P1H2K8	30-Jul	500	
Ned	Joiner	452 Springfield Road	Huntsville	P1H 2J3	3-Aug	1200	
Jan	Nyquist	166 Etwell road	Huntsville	P1H2J2	3-Aug	1200	
Chris	Ivanoy	9 Shaw cres	Huntsville	P1H1V8	3-Aug	1200	
Wendy	Ivanoy	9 Shaw cres	Huntsville	P1H1V8	3-Aug	1200	
Ward	Edmonds	268 West browns road	Huntsville	P1H 2J3	2-Aug	500	
Andrew	Kidd	PO Box 5532 St Main	Huntsville	P1H 2L5	5-Sep	1200	
Scott	Conneer	99 Hunters Bay dr	Huntsville	P1H 1M8	6-Sep	100	
Bil	Sibon	761 RIVERLEA RD	Huntsville	P1H1S5	13-Sep	500	
Ryan	Clarke	33 KIRBYS WAY	Huntsville	P1H2M5	22-Sep	500	
Patrick	McIlroy	295 Lakeshore rd	Huntsville	P1H1Y8	10-Sep	200	
Scott	Aitchison	BURLMARIE RD	Baysville	P0B1A0	26-Sep	1200	
Hugh	MacKenzie	225 FAIRYVIEW DR	Huntsville	P1H1B8	17-Oct	500	
						24700	