

May 10, 2018

Compliance Audit Committee
Township of Springwater
c/o Ms. Renée Chaperon, Clerk
2231 Nursery Road
Minesing, ON
L9X 1A8

ADDENDUM TO COMPLIANCE AUDIT REPORT FOR
THE COMPLIANCE AUDIT COMMITTEE – TOWNSHIP OF SPRINGWATER
RE: BILL FRENCH

This letter is an Addendum to our compliance audit report concerning the 2014 campaign finances of Mayor Bill French dated May 7, 2018.

We issued our compliance audit report for the election campaign of Bill French on May 7, 2018. Upon reviewing our report, Mr. French clarified the following issue in relation to the campaign inventory of stakes from the previous election:

- Mr. French purchased 500 small signs that he reported as an expense in his 2014 election campaign;
- He used 500 stakes for the small signs – 200 stakes purchased during the campaign and 300 stakes borrowed from Mr. Roy Monk and Mr. Jim Roberts;
- Although he had approximately 200 old stakes from the 2010 election he did not use them in the 2014 election as additional work was required for disassembling and straightening them before they could be reused and he was able to borrow 300 stakes in good condition;
- He purchased rebar that was used for the large signs; and
- At the end of the 2014 election, the ending inventory of stakes totaled 321 and were available for use in the next election (181 stakes from the 2010 election and 140 from the 2014 election).

Section 67(2)(1) of the Municipal Elections Act, 1996, states that the following amount is an expense of the campaign:

“The replacement value of goods retained by the person from any previous election and used in the current election.” (Underlining added)

As Mr. French did not use the approximately 200 stakes from the previous election in the 2014 election, we concluded that the replacement value of the old stakes of \$282 should not be included as a 2014 campaign expense. Accordingly, there are no apparent contraventions of the Act in relation to the failure to include the replacement value of goods retained by the Candidate from any previous election and used in the current election as campaign expenses.

The Restated Financial Statement is as follows:

	Original	Restated
INCOME		
Total amount of all contributions	15,993.36	17,084.33
Refund of nomination filing fee	200.00	200.00
Sign deposit refund	100.00	100.00
Total Campaign Income	16,293.36	17,384.33
EXPENSES		
<i>Expenses Subject to Spending Limit</i>		
Nomination filing fee	200.00	200.00
Advertising	5,308.83	5,308.83
Brochures / flyers	1,394.44	1,309.69
Signs	5,384.63	5,532.63
Meetings hosted	545.78	545.78
Office expenses incurred until voting day	589.91	589.91
Phone and/or internet expenses incurred until voting day	430.64	893.36
Bank charges incurred until voting day	19.52	19.52
Other – Gifts in kind – 10 signs and 26 hats	250.00	250.00
Other – Gifts in kind – website maintenance	0.00	565.00
Total Expenses Subject to Spending Limit	14,123.75	15,214.72
<i>Expenses Not Subject to Spending Limit</i>		
Accounting and Audit	1,073.50	1,073.50
Voting day party / appreciation notices	1,083.80	1,083.80
Bank charges incurred after voting day	12.31	12.31
Total Expenses Not Subject to Spending Limit	2,169.61	2,169.61
Total Campaign Expenses	16,293.36	17,384.33
SURPLUS (OR DEFICIT)	0.00	0.00

Total campaign expenses subject to the spending limit were adjusted to \$15,214.72 after the restatement, which remained within the campaign spending limit of \$20,363.90.

Restrictions and Limitations

This Addendum to our Report dated May 7, 2018 was prepared for the Compliance Audit Committee of the Township of Springwater in relation to the compliance audit regarding the 2014 election campaign finances of Mr. Bill French. It should be read in conjunction with our Report dated May 7, 2018. It is not to be used for any other purpose and we specifically disclaim any responsibility for losses or damages incurred through use of this Addendum to our Report for a purpose other than as described in this paragraph.

Although we reserve the right, we will be under no obligation to review and/or revise the contents of our Report in light of information which becomes known to us after the date of this Addendum.

This Addendum to our Report is respectfully submitted by Glen R. Davison. I was assisted in the compliance audit by Ken Froese and Grace Lau.

Yours truly,



Glen R. Davison, CPA, CA, LPA, CFP