

# **Report for the Council of The Corporation of the City of Windsor**

## **Municipal Election Compliance Audit of the Campaign Finances of Candidate Gabe Maggio**

### **Candidate in the election held October 27, 2014**

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*William Molson CPA, CA  
Licensed Public Accountant  
December 9, 2015*

## **INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF THE MUNICIPAL ELECTIONS ACT, 1996**

To: Gabe Maggio, Candidate;  
The Council of the Corporation of the City of Windsor;  
Valerie Critchley, City Clerk;  
Paul Synnott, Applicant.

### **1. Summary of key findings**

- 1.1. On or about June 25, 2015, Paul Synnott, an elector in the City of Windsor, applied to the Compliance Audit Committee of the City of Windsor (the “CAC”) for a compliance audit of the election campaign finances of Gabe Maggio, a candidate for election to the Windsor City Council at the general election held on October 27, 2014 (“Maggio” or “the Candidate”). This application was brought pursuant to section 81 of the *Municipal Election Act, 1996* S.O. 1996, c. 32, Sch. (“the *Act*” or “the *MEA*”), and was accordingly considered by the CAC at its meeting of August 27, 2015.
- 1.2. The CAC, pursuant to subsection 81(5) and (7) of the *Act*, granted the application and appointed William Molson CPA, CA, an auditor licensed under the *Public Accounting Act, 2004*, to conduct a compliance audit of the election campaign finances of Gabe Maggio. Appendix D provides a summary of the auditor’s credentials.
- 1.3. I have now completed that audit, and this is my report, submitted pursuant to subsections 81(9) and (10) of the *Act*
- 1.4. In summary, it is my opinion that the Candidate Gabe Maggio has committed a number of apparent contraventions of the *Act* because the prescribed “Financial Statement – Auditor’s Report, Form 4” (“the Financial Statement”) filed was not prepared in accordance with the *Act*, and was not complete.
- 1.5. Apparent contraventions of the *Act* arise with respect to each of the allegations made by the Applicant Paul Synnott (“the Applicant” or “Synnott”) [*See Section 4, below*].
- 1.6. The scope of my inquiry was not limited to the allegations made by the Applicant, and my inquiry also identified the following apparent contraventions [*See Section 5, below*]:
  - 1.6.1. The Financial Statement filed understated Total Campaign Income prior to amounts returnable to the contributor, by \$2,697.23, an apparent contravention of subsection 78(1) of the *Act*;
  - 1.6.2. The Financial Statement filed understated Total Campaign Expenses, by \$2,763.48, an apparent contravention of subsection 78(1) of the *Act*;
  - 1.6.3. The Financial Statement did not fully account for contributions of goods and services, an apparent contravention of subsections 69(1)(d) and 78(1) of the *Act*;
  - 1.6.4. The Candidate made and accepted \$1,800 in cash contributions in excess of limits permitted by the *Act*, apparent contraventions of subsection 70(8) of the *Act*;
  - 1.6.5. The Financial Statement did not include the required “Schedule 2 – Fundraising events and activities” detailing fundraising revenue of \$285 and fundraising expense of \$1,529.00, an apparent contravention of subsection 78(1) of the *Act*;

1.6.6. The Candidate did not comply with the record-keeping requirements of the *Act*, particularly in regard to maintaining revenue records, an apparent contravention of multiple clauses of subsection 69(1) of the *Act*.

- 1.7. With respect to paragraphs 1.6.1 to 1.6.5 above, the documentation received indicates that the Candidate provided to the auditor substantially all information relating to contributions in kind and fundraising events and activities, but that this information was not included in the return prepared by the auditor and provided to the Candidate for filing purposes.
- 1.8. A Financial Statement prepared on the basis of the Candidate's records, discussion with the Candidate and information obtained from third parties is provided at Appendix B.
- 1.9. The Candidate did not exceed the spending limit.
- 1.10. The Candidate cooperated fully with the compliance audit process.

## **2. Introduction and background, including list of issues identified by Applicant**

- 2.1. Maggio was nominated as a Candidate for election as a City Councillor for Ward 3 on January 2, 2014 in the election to be held October 27, 2014.
- 2.2. Maggio was not elected as a City Councillor in that election.
- 2.3. Maggio filed a Financial Statement for the campaign period January 2, 2014 to December 31, 2014, on March 26, 2015 and attested that to the best of his knowledge, that it was true and correct.
- 2.4. Maggio's Financial Statement reported Contributions of \$16,556.29 and Expenses of \$16,622.30, and the return to the candidate of \$43.99, being a portion of the contributions he had made to his campaign. The resulting Surplus or Deficit for the campaign was \$ nil. Maggio's Spending limit (i.e. the maximum amount of election expenses that he was permitted to incur in accordance with section 76 of the *Act*.) was \$17,784.85.
- 2.5. Synott submitted to the City of Windsor an application for compliance audit that was received on June 25, 2015, setting forth the grounds for believing that Maggio had contravened the *Act* in respect of election campaign finances. Specifically, the Applicant alleged that:
  - 2.5.1. Maggio had improperly accepted a \$500 contribution from Emmanuel Shaleta, a non-resident of Ontario who was ineligible to contribute under *subsection 70(3) of the MEA*;
  - 2.5.2. Maggio had accepted an in-kind contribution from Bluesfest Windsor of space for a hospitality tent from July 11 to July 13, 2014 but had not declared it in his Financial Statement;
  - 2.5.3. Reported Office expenses of \$159.51 did not reflect the value of office space provided by "Maggio Immigration", a business;
  - 2.5.4. Table 4 showed a Total Expense [*sic*] of \$4,300 but no actual details were listed as to where and whom the \$4,300 came from; amounts reported did not provide details that would allow someone to determine if goods and services received had been properly recorded and expensed;
  - 2.5.5. No expense was reported under Phone and Internet [*when presumably there should have been some such expenses*].

### 3. Audit scope and procedures

3.1. In accordance with subsection 81(9) of the *Act* the objective of my compliance audit was to conduct an audit and report “any apparent contravention by the candidate”. This means that my report addresses not only the allegations made by the Applicant, but also any other apparent contravention that came to my attention in the course of my audit.

3.2. My audit procedures included the following:

- a review of the Financial Statement as filed with the Clerk;
- a review of the independent auditor’s working papers;
- interview with the Applicant;
- interviews and ongoing discussion with the Candidate, his campaign manager, and the independent auditor;
- examination of documents and financial and other records provided by the Applicant, the Candidate, and the bank where the Campaign account was maintained;
- physical inspection of the premises used for campaign purposes;
- communication with third parties as required;
- review of public information;
- preparation of a Financial Statement in prescribed form on the basis of information gathered;
- discussion with the City of Windsor;
- ongoing review of the *Act* and the 2014 *Candidates’ Guide for Ontario Municipal and School Board Elections* (“the *Ontario Guide*”);
- obtaining legal advice as appropriate to ensure appropriate interpretation of the *Act*, and guidance as to the legal jurisdiction, authority and limits that relate to the role of a compliance auditor appointed under the *MEA*; and
- preparation of my report.

### 4. Findings – Applicant’s complaint

#### 4.1. \$500 contribution from Emmanuel Shaleta

4.1.1. Bishop Emmanuel Shaleta contributed \$500 to the Candidate’s campaign as disclosed in Table 2 of Part II of Schedule 1 of the Financial Statement filed, showing a US address, on September 16, 2014.

4.1.2. At the time, Shaleta was a resident of Michigan, USA and was not a resident of Ontario. The *Act* at paragraph 70(3) sets out eligibility to contribute, and non-residents of Ontario are not eligible to contribute.

4.1.3. The *Act* at section 69(1)(m) requires a candidate to return to the contributor a “contribution of money made or received in contravention of this Act... as soon as possible after the candidate becomes aware of the contravention”.

4.1.4. The auditor’s working paper file includes relevant portions of the *Ontario Guide* setting out the eligibility requirements for a contributor [at page 80]. Standard audit procedures would be expected to include procedures to identify ineligible contributions by reviewing the addresses provided by contributors.

4.1.5. It appears that as early as March 30, 2014, Maggio sought guidance from the Compliance Audit Committee. The Candidate states that this request was made in respect of this contribution. The \$500 in question was returned to Shaleta, with certain delays caused

by the contributor's schedule and the Candidate's bank refusing payment of the refund cheque as a consequence of an administrative error, which cheque therefore had to be replaced. The refund cheque was successfully cashed August 12, 2015. A copy of a receipt for the refund from Bishop Shaleta was provided to the compliance auditor.

4.1.6. In returning the funds to the contributor, the Candidate complied with the regime of the *Act*.

4.1.7. Under such circumstances, the correct reporting in the Financial Statement is to include the contribution as a contribution received; and to further report the amount of the contribution under "Contributions returned or payable to the contributor" in Part 1 of Schedule 1 of the return, assuming it has been correctly identified as an ineligible contribution at the time the Financial Statement is prepared.

4.1.8. The Financial Statement correctly reported the receipt of the contribution, but did not report it under "Contributions returned or payable to the contributor" in Part 1 of Schedule 1 of the return.

4.1.9. The failure to identify and disclose the contribution as repayable is an apparent contravention of subsection 78(1) of the *Act*.

4.2. *In-kind contribution from Bluesfest Windsor of space for a hospitality tent*

4.2.1. Maggio obtained a money order for \$750 payable to Bluesfest Windsor for a location for a hospitality tent. Bluesfest Windsor returned the money order, which was redeposited to the Candidate's account, because it could not provide the space to Maggio, and provided alternative space to Maggio without charge.

4.2.2. Bluesfest Windsor confirmed in writing to the Candidate, subsequent to the filing of the Financial Statement, that it did provide spaces at no charge to charities and non-profits and that "if we had to put a retail value to this space [i.e. the space given to Maggio] it would be in the \$250 to \$400 range." A copy of this document was provided to me.

4.2.3. Documentation provided by Maggio to the auditor showed a contribution in kind from Bluesfest Windsor with a value of \$400. This amount was included in Advertising expense in the Financial Statement filed, but was not disclosed as a contribution in kind in Part II, Table 4. The failure to record, and to report the contribution in kind in that Table is an apparent contravention of subsections 69(1)(d) and 78(1) the *Act*.

4.3. *The reported Office expenses of \$159.51 did not reflect the value of office space provided by "Maggio Immigration", a business*

4.3.1. From the end of June 2014 to election day October 27 (four months) a small windowless room at the offices of Wyandotte Walk-In Immigration Office Inc. at 939 Goyeau Street, Windsor, Ontario N9A 1H7 was used to store election materials, in particular, signs.

4.3.2. The monthly office rent paid by Wyandotte Walk-In Immigration Office Inc. inclusive of any additional rents payable under the lease is \$1,000.

4.3.3. Based on my physical inspection of the premises, a rent valued at \$75 per month for a period of four months for the use of the room is not unreasonable and is in accordance with general practice. The total value of the rent attributable to this space is, therefore, \$300.

4.3.4. The Financial Statement filed did not account for this \$300 contribution in kind in Part II, Table 4, or the related expense. Each such failure is an apparent contravention of the *Act*.

*4.4. That Table 4 showed a Total Expense [sic] but no actual details were listed as to where and whom the \$4,300 came from. Table 4 reported donations of goods and services but did not provide details providing details that would allow someone to determine if goods and services received had been properly recorded and expensed*

4.4.1. The Applicant misidentified the line on the Financial Statement that refers to “Total Part II Contributions” as being the total of the Table 4 Contributions of Goods and Services from corporations or unions. That total is actually called for on the form just above the line that was referenced. The stated amount, of \$4,300, is in fact the sum of the reported Table 1 Contributions of \$900 and the reported Table 2 Contributions of \$3,400.

4.4.2. The amounts so reported do not include contributions of goods and services valued at \$1,050 as required. The Candidate accepted contributions of goods and services valued at an excess of \$100 from individuals, of \$120 as detailed in Part II, Table 3 of the adjusted Financial Statement provided at Appendix B; and contributions of goods and services valued at an excess of \$100 from corporations or unions, of \$930 as detailed in Part II, Table 4 of the adjusted Financial Statement provided at Appendix B.

4.4.3. The documentation provided by Maggio to the auditor provided values for these contributions in kind (with the exception of the value of the use of the offices of Wyandotte Walk-In Immigration Office Inc., which is also discussed at paragraph 4.3 above), but the report prepared by the auditor does not disclose that information as required.

4.4.4. This failure to properly report donations of goods and services is an apparent contravention of subsection 78(1) of the *Act*.

*4.5. That no expense was reported under Phone and Internet*

4.5.1. Documentation provided by Maggio to the auditor showed a value of \$70 for this contribution in kind, which amount is not unreasonable and is consistent with general practice.

4.5.2. The Financial Statement filed included this amount in Advertising expense rather than Phone and/or Internet expenses, which is an apparent contravention of subsection 78(1) of the *Act*.

## **5. Other findings**

*5.1. Revenues reported*

5.1.1. Because of the deficiencies in the Candidate’s revenue records, information was obtained from the financial institution where the Candidate Campaign bank account was maintained, in order to reconstruct Total Campaign Income.

5.1.2. Based on examination of documents obtained from the Candidate, the auditor’s working paper file and the Candidate’s bank, total contributions from the Candidate were \$11,313.52 rather than \$10,185.29 as reported. The amount reported in the Financial Statement filed has evidently been calculated as being Total Campaign Income in a preliminary draft return prepared by the Candidate, less revenues specifically identified as not coming from the Candidate. The amount reported does not appear to derive directly from an accounting of contributions by the Candidate. Total contributions from the Candidate were understated by \$1,128.23, which is an apparent contravention of subsection 78(1) of the *Act*.

5.1.3. Based on examination of documents obtained from the Candidate, the auditor's working paper file and the Candidate's bank, total contributions not exceeding \$100 per contributor were \$1,705 rather than \$2,081 as reported.

5.1.4. Based on examination of documents obtained from the Candidate, the auditor's working paper file and the Candidate's bank, total contributions from contributors of more than \$100 were \$5,950 rather than \$4,300 as reported in Part II of the Financial Statement, as detailed immediately below.

5.1.5. Part II, Table 1 failed to include a \$150 monetary contribution from Tom Arbour:

5.1.6. Part II, Table 2 failed to include \$650 of monetary contributions:

5.1.6.1. \$300 from Wyandotte Walk-In Immigration Office Inc.;

5.1.6.2. \$100 from M. Soutar (2000) Ltd. o/a General Paint;<sup>1</sup>

5.1.6.3. \$250 from Unifor Local 2458;

5.1.7. At the same time Part II, Table 2 improperly included a total of \$200 of monetary contributions that did not exceed \$100:

5.1.7.1. \$100 from Mediteranean Seafood [*sic*];

5.1.7.2. \$100 from Velvet Financing [*sic*];

5.1.8. Part II, Table 3 failed to report a contribution of goods and services valued at \$120 from Tom Arbour;

5.1.9. Part II, Table 4 failed to report \$930 in contributions of goods and services valued at:

5.1.9.1. \$100 from M. Soutar Décor (2000) Ltd. o/a General Paint;

5.1.9.2. \$400 from Bluesfest Windsor [*also at 4.2 above*];

5.1.9.3. \$300 from Wyandotte Walk-In Immigration Office Inc. [*also at 4.3 above*] for use of office space. Based on my physical inspection of the premises used, a monthly rent valued at \$75 per month for the period from the end of June 2014 to election day October 27 (four months) is not unreasonable and is in accordance with general practice;

5.1.9.4. \$130 from Wyandotte Walk-In Immigration Office Inc. for a gift basket purchased and contributed towards a fundraiser.

5.1.10. Reported income failed to properly disclose \$285 of "Pass the Hat" revenue (see ss. 66(2) Rule 2.iii of the *Act*).

5.1.11. Other income of \$10, being a reimbursement of the cost of a Square D reader, was not reported, an apparent contravention of subsection 78(1) of the *Act*.

## 5.2. Contributions of goods and services omitted from the Financial Statement filed

5.2.1. In addition to those contributions of goods and services valued at \$120 (identified at paragraph 5.18 above) and \$930 (identified at paragraph 5.19 above), the Candidate made contributions of goods and services valued at \$1,613.52, and other individuals made contributions of goods and services valued at \$460, for a total of \$3,123.52. My audit

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<sup>1</sup> Tables in Part II require the inclusion of contributors giving more than \$100 only. Where a contributor makes both monetary and non-monetary contributions (e.g. M. Soutar Décor) such that total contributions from the contributor exceed \$100, contributions of \$100 or less are required to be reported because aggregate contributions for that person exceed \$100.

determined that Total Campaign Income prior to accounting for amounts returnable to the contributor as filed, was understated by \$2,697.23.

5.2.2. Contributions of goods and services from the Candidate were determined to be as follows:

Paint	36.52
Paint	63.97
Screws	10.00
Photocopies/paper	125.00
Receipt book	3.00
Web hosting and domain	70.00
Beverages	500.00
Food products	200.00
Advertising (printing)	341.26
Campaign banner	107.35
Use of tent for Bluesfest	100.00
Printing	45.20
Purchase of Square D card reader	11.22
	<hr/>
	1,613.52
	<hr/>

5.2.3. The understatement of Total Campaign Income prior to amounts returnable to the contributor referred to at 1.6.1 above is attributable in part to the omission of the majority of the contributions in kind. It appears that contributions in kind were generally not accounted for, which is an apparent contravention of subsection 69(1)(d) the *Act*, and the failure to report them is an apparent contravention of subsection 78(1) of the *Act*.

### 5.3. Contributions received in cash

5.3.1. The Act generally prohibits contributions in cash that exceed \$25. Contributions by a candidate are not exempt from this requirement. However, the Candidate made cash contributions to the Campaign totaling \$1,800, being \$1,300 (June 13, 2014); \$100 (June 30, 2014); and \$400 (July 30, 2014). In each case, based on the bank account balance and as confirmed by the Candidate, it appears that these contributions were apparently made in order to avoid the possibility of an overdraft arising in the Campaign account and cheques payable to suppliers being returned.

5.3.2. Subsection 69(1)(m) of the *Act* requires ineligible cash contributions to be returned to the contributor as soon as the Candidate becomes aware of the contravention. Properly, the Candidate could have in each case subsequently made a contribution to the Campaign account by way of cheque or money order, and used these funds to repay the cash contribution, but this was not done. Because the Candidate did not extend his campaign and hence was not permitted to accept contributions after December 31, 2014 this option ceased to be available after that date.

5.3.3. The *Act* further provides that where ineligible contributions are not returned to the contributor, the amount of the contribution is payable to the Clerk. Therefore, it appears that the *Act* imposes upon the Candidate an obligation to remit to the Clerk \$1,800 in respect of cash contributions made by the Candidate to the campaign, that he had no practical means of repaying to the Campaign and thence to himself.

5.3.4. There is ample precedent for the notion that where an improper contribution is identified through a compliance audit, the candidate should return it to the contributor using his or her own funds. In this unique circumstance, that would amount to the contributor reimbursing himself, and it would achieve nothing of substance. Nevertheless, the contribution by the candidate of these cash amounts, as well as his acceptance of those contributions into the campaign account, each constitute an apparent contravention of subsection 70(8) of the *Act*.

5.3.5. Contributions received by way of money order

5.3.6. During the Campaign period the Candidate accepted a total of \$7,925 in contributions in the form of money orders. This is permitted under the *Act*.

5.3.7. Money orders may, but do not necessarily, identify the person who purchased the money order. Out of the total of \$7,925, the money orders representing \$1,025 identify the purchaser of the money order, but the balance do not.

5.3.8. The *Act* does not permit a contribution to be made by a person to whom the funds contributed do not belong. The Candidate advises that the money orders totaling \$6,900, where the purchaser was not identified on the money order, were purchased by him from his own resources. In the absence of information that would indicate that the true source of the funds that paid for these money orders was someone other than the candidate, the acceptance of these money orders for deposit into the campaign account do not constitute an apparent contravention of the *Act*.

5.4. Schedule 2 – Fundraising Events and Activities

5.4.1. Based on examination of documentary evidence included in the auditor’s working paper file, public information, and from discussion with the Candidate, it was concluded that the Candidate held two fundraising events, on March 1, 2014 (revenue otherwise included in the return, and expenses of \$419) and on June 28, 2014 (revenue otherwise included in the return, plus “Pass the Hat” revenue of \$285, and expenses of \$1,110.)

5.4.2. The auditor’s working paper file included schedules apparently provided by the Candidate listing fundraising expenses of \$339 paid from the Campaign account under the heading “Meetings hosted”. This amount was not reported in the Financial Statement as a fundraising expense, or otherwise. This is an apparent contravention of subsection 78(1) of the *Act*.

5.4.3. The auditor’s working paper file indicates that use was made of the pdf file in prescribed form downloaded from the Ontario government website. This form includes “Schedule 2 – Fundraising Events and Activities”, and prints a continuous 8-page document to which pages (such as continuation pages for additional contributors or more than one fundraising event) may be added. However, in order for a return to be produced with no Schedule 2, it is necessary to specifically undertake additional steps to remove the Schedule. The final copy of the return included in the auditor’s working paper file, and filed with the City Clerk, does not include Schedule 2, and appears to be the copy provided to the Candidate for filing purposes.

5.4.4. Subsection 78(1) of the Act requires that the candidate file with the clerk “a financial statement and auditor’s report, each in the prescribed form, reflecting the candidate’s election campaign finances...” The failure to include Schedule 2 in the

Financial Statement therefore constitutes an apparent contravention of subsection 78(1), insofar as the report submitted was not in the prescribed form that includes Schedule 2.

5.4.5. Legal advice was obtained in the course of this compliance audit with respect to the failure to file a financial statement that was **complete** in this respect. I am advised that there is a distinction to be drawn under Ontario law, between cases of non-compliance with disclosure requirements and cases where disclosure is so incomplete so as to amount to no disclosure at all. The statutory mandate of the compliance auditor under subsection 81(9) only extends to determinations of compliance, and the identification of apparent contraventions by the candidate. A determination of the legal effect of any such apparent contravention is therefore beyond my authority, and accordingly I am unable to report whether the apparent contravention of subsection 78(1) is such to trigger the penalties described in subsection 80(2) of the *Act*.

#### 5.5. Voting Day Party / Appreciation

5.5.1. The auditor's working paper file included schedules apparently provided by the Candidate listing a voting day party / appreciation expense of \$677.58 under the heading "Meetings hosted". This amount was not reported in the Financial Statement as a Voting day party / appreciation expense, or otherwise. This is an apparent contravention of subsection 78(1) of the *Act*.

#### 5.6. Record keeping

5.6.1. In addition to the reporting requirements imposed by the *Act*, the *MEA* also imposes upon Candidates an obligation to maintain financial records. The records maintained by the Candidate were deficient with respect to maintaining documentation sufficient to properly account for revenues, which is an apparent contravention of subsection 69(1) of the *Act*. Expense information was generally adequate.

### 6. **Restrictions and limitations**

- 6.1. This report was prepared for the City of Windsor regarding the election campaign finances of Gabe Maggio in the election held October 27, 2014, as requested by the Municipal Election Compliance Audit Committee of the City of Windsor. This report is not to be used for any other purpose and I disclaim any responsibility for losses or damages incurred as a result of the use of this report for any other purpose.
- 6.2. I am under no obligation to review or revise the contents of this report in light of information that becomes known to me after the date of this report, although I reserve the right to do so.

Respectfully submitted

*William Molson CPA, CA*

Chartered Professional Accountant, Licensed Public Accountant  
December 9, 2015  
Toronto, Ontario

**APPENDIX A**

**FINANCIAL STATEMENT AS FILED AND AS ADJUSTED**

	Filed	Findings	Adjusted
<b>INCOME</b>			
Contributions from candidate	10,185	5.1.2	11,314
Contributions not exceeding \$100 per contributor	2,081	5.1.3	1,705
Monetary contributions from individuals exceeding \$100	900	5.1.5	1,050
Monetary contributions from corporations or unions exceeding \$100	3,400	5.1.6; 5.1.7	3,850
Non-monetary contributions from individuals exceeding \$100	0	4.4; 5.1.8	120
Non-monetary contributions from corporations or unions exceeding \$100	0	4.2; 4.3; 4.4; 5.1.9	930
Contributions returned or payable to contributor	0	4.1; 5.3	-2,300
	16,566		16,669
Refund of nomination filing fee	100		100
Revenue from fundraiser not deemed a contribution	0	5.1.10	285
Other	0	5.1.11	10
<b>Total Campaign Period Income</b>	<b>16,666</b>		<b>17,064</b>
<b>EXPENSES</b>			
<b>Expenses subject to spending limit</b>			
Nomination filing fee	100		100
Advertising	3,496		3,583
Brochures/flyers	3,086		3,086
Signs	8,340		8,447
Office expenses until voting day	160	4.3	460
Phone and/or Internet	0	4.5	70
Bank charges until voting day	177		191
Other	580		580
<b>Subtotal</b>	<b>15,939</b>		<b>16,517</b>
<b>Expenses not subject to spending limit</b>			
Accounting and audit	600		600
Cost of fundraising events/activities	0	5.4	1,529
Voting day party/appreciation	0	5.5	678
Bank charges incurred after voting day	83		62
<b>Subtotal</b>	<b>683</b>		<b>2,869</b>
<b>Total Campaign Period Expenses</b>	<b>16,622</b>		<b>19,386</b>
<b>Excess (Deficiency) of Income over Expenses</b>	<b>44</b>		<b>-2,322</b>

Limit            17,785  
 Under Spending limit by    1,268

**Instructions:**

All candidates must complete Boxes A and B. Candidates who receive contributions or incur expenses beyond the nomination fee 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 his or her spouse) shall be paid immediately over to the clerk who was responsible for the conduct of the election.

	YYYY	MM	DD		YYYY	MM	DD
<b>For the campaign period from (day candidate filed nomination)</b>	2014	1	2	to	2014	12	31

 Primary filing reflecting finances to December 31 (or 45<sup>th</sup> day after voting day in a by-election)

 Supplementary filing including finances after December 31 (or 45<sup>th</sup> day after voting day in a by-election)

**Box A: Name of Candidate and Office**

Candidate’s name as shown on the ballot

Last Name

Maggio

Given Name(s)

Gabe

Name of office for which the candidate sought election

City Council

Ward name or no. (if any)

Ward 3

Name of Municipality

Windsor

Spending limit issued by clerk

\$17,784.85

 I did not accept any contributions or incur any expenses other than the nomination fee. *(Complete Box A and B only)*
**Box B: Declaration**

I, Gabe Maggio, a candidate in the municipality of Windsor, hereby declare that to the best of my knowledge and belief that these financial statements and attached supporting schedules are true and correct.

Declared before (clerk or commissioner)

in the \_\_\_\_\_

on (yyyy/mm/dd) \_\_\_\_\_

 \_\_\_\_\_  
Signature of Clerk or Commissioner

 \_\_\_\_\_  
Signature of Candidate

 \_\_\_\_\_  
Date Filed in the Clerk’s Office (yyyy/mm/dd)

**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)	+	\$	<u>16,668.52</u>	
Refund of nomination filing fee	+	\$	<u>100.00</u>	
Sign deposit refund	+	\$	<u>          </u>	
Revenue from fund-raising events not deemed a contribution (From Part III of Schedule 2)	+	\$	<u>285.00</u>	
Interest earned by campaign bank account	+	\$	<u>          </u>	
Other (provide full details)				
1. Reimbursement of Square D set-up costs	+	\$	<u>10.00</u>	
2.	+	\$	<u>          </u>	
3.	+	\$	<u>          </u>	
<b>Total Campaign Income (Do not include loan)</b>	=	\$	<u><b>17,063.52</b></u>	<b>C1</b>

**EXPENSES** (Note: include the value of contributions of goods and services)**Expenses subject to spending limit**

Nomination filing fee	+	\$	<u>100.00</u>	
Inventory from previous campaign used in this campaign (list details in Table 5 of Schedule 1)	+	\$	<u>          </u>	
Advertising	+	\$	<u>3,583.06</u>	
Brochures/flyers	+	\$	<u>3,085.99</u>	
Signs (including sign deposit)	+	\$	<u>8,447.40</u>	
Meetings hosted	+	\$	<u>          </u>	
Office expenses incurred until voting day	+	\$	<u>459.51</u>	
Phone and/or Internet expenses incurred until voting day	+	\$	<u>70.00</u>	
Salaries, benefits, honoraria, professional fees incurred until voting day	+	\$	<u>          </u>	
Bank charges incurred until voting day	+	\$	<u>190.50</u>	
Interest charged on loan until voting day	+	\$	<u>          </u>	
Other (provide full details)				
1. Wooden stakes	+	\$	<u>580.49</u>	
2.	+	\$	<u>          </u>	
3.	+	\$	<u>          </u>	
<b>Total Expenses subject to spending limit</b>	=	\$	<u><b>16,516.95</b></u>	<b>C2</b>

**Expenses not subject to spending limit**

Accounting and audit	+	\$	<u>600.00</u>	
Cost of fund-raising events/activities (list details in Part IV of Schedule 2)	+	\$	<u>1,529.00</u>	
Voting day party/appreciation notices	+	\$	<u>677.58</u>	
Office expenses incurred after voting day	+	\$	<u>          </u>	
Phone and/or Internet expenses incurred after voting day	+	\$	<u>          </u>	
Salaries, benefits, honoraria, professional fees incurred after voting day	+	\$	<u>          </u>	
Bank charges incurred after voting day	+	\$	<u>62.25</u>	
Interest charged on loan after voting day	+	\$	<u>          </u>	
Expenses related to recount	+	\$	<u>          </u>	
Expenses related to controverted election	+	\$	<u>          </u>	
Expenses related to compliance audit	+	\$	<u>          </u>	
Expenses related to candidate's disability (provide full details)				
1.	+	\$	<u>          </u>	
2.	+	\$	<u>          </u>	
3.	+	\$	<u>          </u>	
Other (provide full details)				
1.	+	\$	<u>          </u>	
2.	+	\$	<u>          </u>	
3.	+	\$	<u>          </u>	
<b>Total Expenses not subject to spending limit</b>	=	\$	<u><b>2,868.83</b></u>	<b>C3</b>

**Total Campaign Expenses (C2 + C3)** = \$ **19,385.78** **C4**

**Box D: Calculation of Surplus or Deficit**

Excess (deficiency) of income over expenses (Income – Total Expenses) (C1 – C4)	+	\$	<u>(2,322.26)</u>	<b>D1</b>
Eligible deficit carried forward by the candidate from the last election	-	\$	<u>                    </u>	<b>D2</b>
<b>Total (D1 – D2)</b>	=	\$	<u>(2,322.26)</u>	
If there is a surplus, deduct any refund of candidate's or spouse's contributions to the campaign	-	\$	<u>                    </u>	
Surplus (or deficit) for the campaign	=	\$	<u>(2,322.26)</u>	<b>D3</b>

If line D3 shows a surplus, the amount must be paid in trust, at the time the financial statements are filed, to the municipal clerk who was responsible for the conduct of the election.

Amount of \$0.00 paid to municipal clerk in the municipality of \_\_\_\_\_.

**Schedule 1 - Contributions**

**Part I – Summary of Contributions**

Contribution from candidate (include the value of inventory listed in Table 5)	+ \$	11,313.52
Contribution from spouse	+ \$	
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).	+ \$	1,705.00
Total value of contributions exceeding \$100 per contributor (from line 1B; list details in Tables 1 – 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).	+ \$	5,950.00
<b>Less:</b> Contributions returned or payable to the contributor	– \$	2,300.00
Contributions paid or payable to the clerk, including contributions from anonymous sources exceeding \$10	– \$	
<b>Total Amount of Contributions (Record in Box C)</b>	<b>= \$</b>	<b>16,668.52</b> 1A

**Part II – List of Contributions from Each Single Contributor Totalling more than \$100**

**Table 1: Monetary contributions from individuals other than candidate or spouse**

Name	Full Address	Amount \$
Richard Hillgartner	1624 Dufferin Place, Windsor N8X 3K7	200.00
Thomas Costaris	518 Victoria Avenue, Windsor N9A 4M8	200.00
Emmanuel Shaleta	45700 Dequindre Rd., Shelby Township, Michigan USA 48317	500.00
Tom Arbour	1032 Victoria Avenue, Windsor N9A 4N6	150.00
<b>Total</b>		<b>1,050.00</b>

Additional information is listed on separate supplementary attachment

**Table 2: Monetary contributions from corporations or unions**

Name (Legal and Carrying on Business As)	Full Address	President or Business Manager	Authorized Representative	Amount \$
See attached list for details				3,850.00
<input checked="" type="checkbox"/> Additional information is listed on separate supplementary attachment	<b>Total</b>			3,850.00

**Table 3: 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	Value \$
Scott McLeod	399 Granada Street, Windsor N9E 1M7	Wood	120.00
<input type="checkbox"/> Additional information is listed on separate supplementary attachment	<b>Total</b>		120.00

**Part II ---List of Contributions from Each Single Contributor Totalling more than \$100**

**Table 2: Monetary contributions from corporations or unions**

<b>Name( Legal and Carrying on Business As)</b>	<b>Full Address</b>	<b>President or Business Manager</b>	<b>Authorized Representative</b>	<b>Amount \$</b>
Victor Mechanical Limited	1447 Argyle Road, Windsor N8Y 3K9	Victor Krolik	Victor Krolik	250.00
Windsor Professional Firefighters Association	851 Goyeau Avenue, Windsor N9A 1H7	Andre Gignac	Andre Gignac	300.00
Danruss Contracting Inc.	600 Weaven Road, Windsor N9C 0B5	Dan Russ	Dan Russ	250.00
Mario Electric Company (Windsor) Limited	1447 Argyle Road, Windsor N8Y 3K9	Mario Dicocco	Mario Dicocco	250.00
Remo Valente Real Estate (1990) Limited	2985 Dougall Avenue, Windsor N9E 1S1	Peter Valente	Peter Valente	500.00
Giorgi Bros. (1994) Inc.	2751 Temple Drive, Windsor N8W 5E5	M Giorgi	M Giorgi	300.00
Olde Walkerville Pizzeria Inc. o/a Vito's Pizzeria	1731 Wyndotte Street East, Windsor M8Y 1E1	Vito Maggio	Vito Maggio	250.00
Southwestern Manufacturing Inc.	3710 Peter Street, Windsor N9C 1J9	Vince Schiller	Vince Schiller	400.00
D&S Aiuto Property Management & Investment Ltd.	1350 Lyons Avenue, Lasalle N9J 3Y5	Steve Aiuto	Steve Aiuto	700.00
Wyandotte Walk-in Immigration Office Inc.	939 Goyeau Street, Windsor N9A 1H7	Gabe Maggio	Gabe Maggio	300.00
M Soutar Décor (2000) Ltd. o/a General Paint	835 Tecumseh Road East, Windsor N8X 2S4	John Soutar	John Soutar	100.00
Unifor Local 2458	3400 Somme Avenue, WindsorN8W 1V4	Bruce Dickie	Bruce Dickie	250.00
				3,850.00



## Schedule 2 – Fundraising Events and Activities

### Fundraising Event/Activity

Complete a separate schedule for each event or activity held

Additional schedule(s) attached

Description of fundraising event/activity Kick-off fundraiser

Date of event/activity (yyyy/mm/dd) 2014/03/01

#### Part I – Ticket Revenue

Admission charge (per person)

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

	+	\$	2A	
Number of tickets sold	X		2B	
<b>Total Ticket Revenue (2A x 2B) (Include in Schedule 1)</b>			=	\$

#### 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.	+	\$		
<b>Total Part II Revenue (include in Schedule 1)</b>			=	\$

#### Part III – Other revenue not deemed a contribution

(provide details (e.g. contributions of \$10 or less; market value of goods or services sold))

1.	+	\$		
2.	+	\$		
3.	+	\$		
4.	+	\$		
5.	+	\$		
<b>Total Part III Revenue (include in Box C)</b>			=	\$

#### Part IV – Expenses related to fundraising event or activity (provide details)

1. Venue rental	+	\$	339.00	
2. Food platter	+	\$	80.00	
3.	+	\$		
4.	+	\$		
5.	+	\$		
6.	+	\$		
7.	+	\$		
8.	+	\$		
<b>Total Part IV Expenses (include in Box C)</b>			=	\$ <b>419.00</b>

## Schedule 2 – Fundraising Events and Activities

### Fundraising Event/Activity

Complete a separate schedule for each event or activity held

Additional schedule(s) attached

Description of fundraising event/activity Summer backyard event

Date of event/activity (yyyy/mm/dd) 2014/06/28

#### Part I – Ticket Revenue

Admission charge (per person)

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

+ \$ \_\_\_\_\_ **2A**

Number of tickets sold

X \_\_\_\_\_ **2B**

**Total Ticket Revenue (2A x 2B) (Include in 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 Revenue (include in Schedule 1)**

= \$ \_\_\_\_\_

#### Part III – Other revenue not deemed a contribution

(provide details (e.g. contributions of \$10 or less; market value of goods or services sold))

1. Pass the Hat + \$ 285.00

2. \_\_\_\_\_ + \$ \_\_\_\_\_

3. \_\_\_\_\_ + \$ \_\_\_\_\_

4. \_\_\_\_\_ + \$ \_\_\_\_\_

5. \_\_\_\_\_ + \$ \_\_\_\_\_

**Total Part III Revenue (include in Box C)**

= \$ 285.00

#### Part IV – Expenses related to fundraising event or activity (provide details)

1. Food and beverages + \$ 780.00

2. Gift basket + \$ 130.00

3. Musicians + \$ 200.00

4. \_\_\_\_\_ + \$ \_\_\_\_\_

5. \_\_\_\_\_ + \$ \_\_\_\_\_

6. \_\_\_\_\_ + \$ \_\_\_\_\_

7. \_\_\_\_\_ + \$ \_\_\_\_\_

8. \_\_\_\_\_ + \$ \_\_\_\_\_

**Total Part IV Expenses (include in Box C)**

= \$ 1,110.00

**Auditor's Report***Municipal Elections Act, 1996 (Section 78)*

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

Professional Designation of Auditor

Municipality	Date (yyyy/mm/dd)
--------------	-------------------

**Contact Information**

Name		Licence Number
Last Name	First Name	
Address		
Suite/Unit No.	Street No.	Street Name
City/Town		Province
		Postal Code
Telephone No. (including area code) ext.	Fax No.	Email Address

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 78 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.

## APPENDIX C

### **WHAT THE *MUNICIPAL ELECTIONS ACT* AND THE *ONTARIO CANDIDATE'S GUIDE* SAY ABOUT CONTRIBUTIONS, EXPENSES AND FINANCIAL REPORTING**

This Appendix includes excerpts from both the *Municipal Elections Act* and from the *Ontario Candidate's Guide*. It is important to note that the *Guide* is interpretation only, intended to assist candidates and others in understanding the *Act*, and that it does **not** replace, modify or extend the provisions of the *Act*.

#### **About Contributions**

- 1.1. Subsection 66(1) of the *Act* states that "...money, goods and services given to and accepted by or on behalf of a person for his or her election campaign are contributions."
- 1.2. Subsections 70(1) and 70(2) provide that a contribution should only be made to or accepted by a candidate within his or her election campaign period.
- 1.3. Subsection 70(3) sets out eligibility to contribute, and does not permit persons not "normally resident in Ontario" to contribute.
- 1.4. Subsection 70(7) provides that "a contribution may be accepted only from a person or entity that is entitled to make a contribution."
- 1.5. Subsection 68(1)(2) states that "the election campaign period ends on December 31 in the case of a regular election..."
- 1.6. Clause 69(1)(m) requires a candidate to ensure that "...a contribution of money made or received in contravention of this Act is returned to the contributor as soon as possible after the candidate becomes aware of the contravention;"
- 1.7. Clause 69(1)(n) requires a candidate to ensure that "...a contribution not returned to the contributor under clause (m) is paid to the clerk with whom the candidate's nomination was filed;"
- 1.8. Subsection 70(8) of the *Act* does not permit cash contributions in excess of \$25 to be made by a contributor or accepted by a candidate.
- 1.9. Subsection 74(1) provides that "a contributor shall not make a contribution of money that does not belong to the contributor."
- 1.10. The *Ontario Guide* provides readable guidance regarding contributions (pages 13 to 16); eligibility to contribute (page 14); the \$25 limit on cash contributions (page 15); the requirement to keep records of all contributions (page 16); and the requirement either to refund or to pay to the clerk any ineligible contributions (page 16).

#### **About Expenses**

- 1.11. Subsection 67(1) states that "costs incurred for goods and services by or on behalf of a person wholly or partly for use in his or her election campaign are expenses."

- 1.12. Item 2 of subsection 67(2) states that expenses include “the value of contributions of goods and services”. Accordingly any contribution of goods or services is also a campaign expense of the same amount.”

### **About Financial Reporting**

- 1.13. Section 69(1) of the *Act* requires a candidate to ensure that,
- (a) one or more campaign accounts are opened at a financial institution, exclusively for the purposes of the election campaign and in the name of the candidate’s election campaign;
  - (b) all contributions of money are deposited into the campaign accounts;
  - (c) all payments for expenses, except for a nomination filing fee, are made from the campaign accounts;
  - (d) contributions of goods or services are valued;
  - (e) receipts are issued for every contribution and obtained for every expense;
  - (f) records are kept of,
    - (i) the receipts issued for every contribution,
    - (ii) the value of every contribution,
    - (iii) whether a contribution is in the form of money, goods or services, and
    - (iv) the contributor’s name and address;
  - (g) records are kept of every expense including the receipts obtained for each expense;
  - (h) records are kept of any claim for payment of an expense that the candidate disputes or refuses to pay;
  - (i) records are kept of the gross income from a fund-raising function and the gross amount of money received at a fund-raising function by donations of \$10 or less;
  - (j) records are kept of any loan and its terms under section 75;
  - (j.1) the records described in clauses (f), (g), (h), (i) and (j) are retained by the candidate for the term of office of the members of the council or local board and until their successors are elected and the newly elected council or local board is organized;
  - (k) financial filings are made in accordance with sections 78 and 79.1;
  - (l) proper direction is given to the persons who are authorized to incur expenses and accept or solicit contributions on behalf of the candidate;.
- 1.14. The *Ontario Guide* at page 12 also lists records required to be kept and provides practical guidance.
- 1.15. Subsection 78(1) of the *Act* requires that “on or before 2 p.m. on the filing date, a candidate shall file with the clerk with whom the nomination was filed a financial statement and auditor’s report, each in the prescribed form, reflecting the candidate’s election campaign finances”.
- 1.16. The *Ontario Guide* at page 20 states “It is your responsibility as a candidate to file a **complete** and **accurate** financial statement...”
- 1.17. Candidates are required to sign a declaration at “Box B: Declaration” in the financial statement in which the candidate “hereby declare[s] that to the best of my knowledge and belief that these financial statements and attached supporting schedules are true and correct.”

- 1.18. The *Ontario Guide* at page 29 states “By signing [the declaration], you are declaring that the information recorded in the financial statement is true and accurate. If your financial statement was prepared by someone else, you as the candidate are still responsible for its accuracy.”
- 1.19. Subsection 80(4) of the *Act* sets out the regime whereby a candidate may obtain extension in the time required to file the Financial Statement.
- 1.20. The *Ontario Guide* at page 20 states that “if you think that you will be unable to file your financial statement by the deadline, you may apply to the Ontario Court of Justice for an extension before March 27, 2015.”

### **About Offences, Penalties and Enforcement**

- 1.21. Subsection 92(5)(a) provides that a candidate is guilty of an offence if he or she “files a document under section 78... that is incorrect or does not otherwise comply with that section;”
- 1.22. The *Ontario Guide* at page 20 states “the compliance audit committee does not have any authority to set penalties. Only the court can decide if you actually contravened the Act and, if so, which penalties should apply.”

## **APPENDIX D**

### **AUDITOR'S CREDENTIALS**

#### **William Molson CPA, CA**

Will Molson is a licensed public accountant providing assurance and business advisory services primarily to not-for-profit organizations. His professional experience spans more than 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 more than 150 election and riding association returns at the federal, provincial and municipal level.

Will is a Chartered Professional Accountant, Certified Public Accountant (Illinois), 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 Chartered Professional Accountants of Ontario, Public Accounting Licensing Board (Chair); Chartered Professional Accountants of Canada, Federal Elections Task Force Advisory Committee; Institute of Corporate Directors; and the C.D. Howe Institute.