

1. An application for a compliance audit must be received by the City Clerk within 90 days after the latest of,
 - the filing date under section 78 of the *Municipal Elections Act, 1996, as amended (the Act)*;
 - the candidate's supplementary filing date, if any, under section 78 of the *Act*;
 - the filing date for the final financial statement under section 79.1 of the *Act*; or
 - the date on which the candidate's extension, if any, under subsection 80(4) of the *Act* expires.
2. The applicant must be entitled to vote in a City of Toronto municipal election.
3. This application must be mailed or submitted in person to:
 - City Clerk's Office, City Hall, 1st Floor North, 100 Queen St. W., M5H 2N2
 - from Monday through Friday between 8:30 a.m. and 4:30 p.m.

Important: If an auditor's report finds that there is no apparent contravention to the *Act* and the committee finds that there are no reasonable grounds for this application Council is entitled to recover the auditor's costs from the applicant.

RECEIVED
 CLERK'S DEPARTMENT
 LD
 11 JUN 22 PM 4:01
 CITY OF TORONTO

Applicant	
Last Name TURNER	First Name JAYME
Applicant's full qualifying address within municipality	
Address [REDACTED] Unit No. City Postal Code	
Mailing Address, if different Unit No. City Postal Code	
E-mail Address	Fax No.
Bus [REDACTED]	Home Phone No. [REDACTED]
I, <u><i>Jayme Turner</i></u> Jayme Turner , the applicant mentioned in this application, declare that I am presently legally entitled to vote in a City of Toronto municipal election, that the above is my qualifying address.	
Signature of Applicant [REDACTED]	Date JUNE 22 2011

Candidate Information and Reason for Audit Request		
Last Name mammaliti	First Name Giorgio	Nominated for the Office of: (check one) <input type="checkbox"/> Mayor <input checked="" type="checkbox"/> Councillor, Ward No.: 7
Your application must set out the reasons of your belief that this candidate contravened provisions of the <i>Municipal Elections Act, 1996</i> relating to his or her election campaign finances. Reasons may be stated here or attached to this application on a separate sheet.		
<p style="font-size: 1.2em;">see attached.</p>		

For Office Use Only	
Received by: Linh Dang	Date Received: June 22, 2011

Personal information on this form is collected under the authority of the *City of Toronto Act (2006) s.137* and the *Municipal Elections Act (1996) s. 81* for the purpose of applying for a compliance audit of a candidate's election campaign finances. Pursuant to the *Municipal Elections Act (1996) s.88* this document is a public record, despite anything in the *Municipal Freedom of Information and Protection of Privacy Act (1990)*, and, until its destruction, may be inspected by any person at the City Clerk's Office at a time when the office is open. Questions about this collection can be directed to Elections Coordinator, 89 Northline Rd., Toronto, ON M4B 3G1, Telephone: 416-338-1111.

June 22, 2011.

Compliance Audit Committee
C/O City Clerk's Office
Toronto City Hall
13th fl. W., 100 Queen St. W.
Toronto ON M5H 2N2

To the Compliance Audit Committee:

1. Please find below the reasons motivating a request for a compliance audit of Giorgio Mammoliti. The following arguments are made in this submission:
 - 1) All that is required for compliance audit to be granted is that there be a "reasonable probability" of a single violation of the *Municipal Elections Act* (the "Act");
 - 2) A compliance audit may exceed the scope of the submission which requested it;
 - 3) The Act must be interpreted with a view to rigidly maintaining election spending limits in order to preserve fair elections and equal access to the democratic process;
 - 4) The Giorgio Mammoliti Campaign (the "Campaign") improperly categorized an unnamed and undated event without any description at all a "fund-raising function";
 - 5) Alternatively, salaries for "fund-raisers" are not "costs related to the holding of fund-raising functions";
 - 6) When Campaign's expenses are properly classified, the Campaign has violated s. 76(4) of the Act by exceeding its prescribed spending limit.

1. The Compliance Audit Committee must use a standard of “reasonable probability” to assess audit requests

2. Section 81(1) of the Act states that an elector who has “reasonable grounds” that a candidate contravened the Act may request a compliance audit, but it is silent as to what standard the Compliance Audit Committee should use to evaluate these requests.

Thankfully, Lane J. clarifies this in *Lyras v. Heaps* by writing:

In my view, where the statute requires “a belief on reasonable grounds,” the jurisprudence applicable in other contexts indicates that the standard to be applied is that of an objective belief based on compelling and credible information which raises the “reasonable probability” of a breach of the statute. The standard of a “prima facie case” in either its permissive or presumptive sense is too high a standard.¹

The Compliance Audit Committee must evaluate all audit requests on the basis of whether there is a “reasonable probability” of a breach of the statute. There is little discretion in deciding whether to order a compliance audit once reasonable grounds are found to exist.²

3. It is useful to put the “reasonable probability” standard in context. The court in *Chapman v. Hamilton* does this by affirmatively citing the following extract from *R. v. Sanchez and Sanchez*:

in addressing the requisite degree of certitude, it must be recognised that reasonable grounds is not to be equated with proof beyond a reasonable doubt or a prima facie case.³

¹ 2008 ONCJ 524, [2008] O.J. No. 4243 at para. 26

² *Jackson v. Vaughan (City)* 2009 CanLII 10991 (O.N.S.C.) at para. 60; affirmed on appeal, 2010 ONCA 118 (CanLII)

³ *R v. Sanchez and Sanchez* 93 C.C.C. (3d) 357, at page 10 cited in *Chapman v. Hamilton* 2005 ONCJ 158 at para. 41

If one conceives of a continuum of certitude, absolute certainty, a standard rarely used in law, would be at the very top. Beneath this, is the criminal standard of beyond a reasonable doubt, which still implies a high degree of certitude. The civil standard of proof, beyond a balance of probabilities, is next on the continuum. Roughly translated, this is equivalent to slightly greater than 50 % chance of a breach of the statute. The *prima facie*, or on its first appearance, standard is below the civil standard. It might be thought of as a 40 % probability of a breach of the statute. Both *Chapman v. Hamilton* and *Lyras v. Heaps*, state that the “reasonable probability” standard, the one to be used in assessing compliance audits, is less demanding than the *prima facie* standard. Thus, “reasonable probability” could be thought of as an equivalent to a 33 % chance of a breach of the statute. Therefore, should the Committee believe that there is a 33% chance that a breach of the Act occurred, it must order an audit.

2. A “reasonable probability” of a single breach of the *Municipal Elections Act* is sufficient to order a comprehensive compliance audit

4. The scope of a compliance audit is, to borrow the words of Lauwers J. in *Jackson v. Vaughan (City)*, “comprehensive and is not restricted to the matters referred to in the complaint.”⁴ Further, Lauwers J. notes that “The trigger can be a single contravention.”⁵

In the following cases the audit exceeded the scope of the original request:

Savage v. Niagara Falls (City), [2005] O.J. No. 5694 (B.W. Duncan, OCJ);
Chapman, supra [and] *Mastroguiseppe and Ruffolo v. City of Vaughan* (February 19, 2008), Newmarket, 49119990790000352-01-02 (O.C.J.)⁶

⁴ [2009] O.J. No. 1057 at para. 65 - affirmed by ONCA in *Jackson v. Vaughan (City)*, 2010 ONCA 118 (CanLII)

⁵ *Ibid.*

⁶ *Ibid.* at para 66.

5. As stated above, the standard by which audit requests are evaluated by the Committee is whether there is a “reasonable probability” of a breach of the *Municipal Elections Act*. Once such grounds are established the committee has little discretion as to whether or not to order an audit. To sum up then, a “reasonable probability”, or 33% chance, of a single breach of the *Municipal Elections Act* must trigger a comprehensive compliance audit.

3. The Act must be interpreted with a view to rigidly maintaining election spending limits in order to preserve fair elections and equal access to the democratic process

6. Statutory interpretation is the technique by which statutes are defined and interpreted.

Canadian courts have favoured a liberal approach to statutory interpretation that takes into account the purpose and the context of the act to be interpreted.⁷ As the Supreme Court of Canada notes in *Rizzo*, “The words of an act are to be read in their entire context and in their grammatical and ordinary sense harmoniously with the scheme of the act, the object of the act, and the intention of Parliament.”⁸ Lauwers J. of the Ontario Superior Court applies this approach to the Act in *Jackson v. Vaughan (City)* which was affirmed by the Ontario Court of Appeal.⁹ He states that the following citation from the Supreme Court of Canada case *Libman v. Quebec (Attorney General)* applies equally to the Act and is one of its central objects:

To ensure a right of equal participation in democratic government, laws limiting spending are needed to preserve the equality of democratic rights and ensure that one person's exercise of the freedom to spend does not hinder the

⁷ Ruth Sullivan, *Sullivan on the Construction of Statutes 5th ed*, (Toronto: Lexis Nexis, 2008)

⁸ *Rizzo & Rizzo Shoes Ltd. (Re)*, [1998] 1 S.C.R. 27 at paras. 20 and 21

⁹ [2009] O.J. No. 1057 at para. 13.

communication opportunities of others. Owing to the competitive nature of elections, such spending limits are necessary to prevent the most affluent from monopolizing election discourse and consequently depriving their opponents of a reasonable opportunity to speak and be heard.¹⁰

7. As the Supreme Court notes in *Rizzo*¹¹, parliamentary intention is another guide to how a statute should be interpreted. The Ontario legislative Hansard, which has long been an acceptable method of demonstrating the legislature's intent,¹² reveals that the Legislative Assembly of Ontario intended for the Act to be interpreted restrictively. Upon introducing the revisions to the Act in 2009, Jim Watson, then Minister of Municipal Affairs and Housing, stated:

We're trying to close some of those loopholes and tighten up some of the regulations so that there is no room for individual candidates to skirt the rules when it comes to fundraising or when it comes to reporting finances and contributions.¹³

8. In sum, then, to ensure that the legislature's intention is achieved and the Act's object is realized, the Act should be interpreted restrictively with a view to promoting fair elections by ensuring that all campaigns abide by the same expense limit. After all, as the Supreme Court of Canada held in *Figueroa v. Canada (Attorney General)*, which was also applied to the Act in *Jackson*¹⁴, in order to preserve public confidence in democracy

¹⁰ [1997] 3 S.C.R. 569 at para. 47. Cited in *Jackson v. Vaughan* [2009] O.J. No. 1057 at paras. 17 and 19

¹¹ *Rizzo & Rizzo Shoes Ltd. (Re)*, [1998] 1 S.C.R. 27 at paras. 20 and 21

¹² *R. v. Morgentaler*, [1993] 3 S.C.R. 463 at 484 and *Tschirter v. Alberta (Children's Guardian)* [1989] A.J. No. 230; (1989) 57 D.L.R. (4th) 579; at 484

¹³ Jim Watson, Minister of Municipal Affairs and Housing, November 4, 2009 at 1610 online at : http://www.ontla.on.ca/web/house-proceedings/house_detail.do?Date=2009-11-04&Parl=39&Sess=1&locale=en#PARA692

¹⁴ *Jackson v. Vaughan* [2009] O.J. No. 1057 at paras. 16 and 19

"it is of great importance that the integrity of the electoral financing regime be preserved."¹⁵

4. The Campaign improperly classified an unnamed and undated event as a fund-raising function.

9. All candidates for office are given an expense limit by the City Clerk. Section 75(5) of the Act sets out that the following types of expenses, which are actually listed in s. 67(2), may be excluded from the expenditure limit:

3. Audit and accounting fees [...]

5. The cost of holding fund-raising functions.

6. The cost of holding parties and making other expressions of appreciation after the close of voting.

7. Expenses relating to a recount.

8. Expenses relating to proceedings under section 83 (controverted elections).

8.1 Expenses relating to a compliance audit.

8.2 Expenses that are incurred by a candidate with a disability, are directly related to the disability, and would not have been incurred but for the election to which the expenses relate. [emphasis added]

10. The Campaign excluded \$ 17,196.94 in fund-raising expenses that are related to an event that is unnamed, has no description and is undated, according to its Form 4, Schedule 2 entry.¹⁶ The only revenue source cited is vaguely described as "contributions received as a result of fundraising activities," and no expenses related to venue, food, drink or advertising were stated. In fact, the only expenses declared for this function are salaries (\$ 7,500), consultation (\$ 7,780) and an entirely unnamed category of expense without any description (\$ 1,916.94).

¹⁵ [2003] 1 S.C.R. 912 at para. 72

¹⁶ See appendix 1: Giorgio Mammoliti Campaign Form 4 – Schedule 2.

11. It is submitted that this event is not a proper “fund-raising function.” The term “fund-raising function” is defined in s. 1(1) of the Act as “an event or activity held by or on behalf of a candidate for the purpose of raising funds for his or her election campaign.” *Jackson v. Vaughan (City)* is the only judicial decision to further refine this definition.¹⁷ There, P. Lauwers J. affirmatively cites the following definition taken from the *Municipal Elections 2006 Guide*:

Fund-raising functions are events intended to raise money for a person's election campaign. Such activities include dinners, dances, garden parties, etc. for which there is an admission charge as well as auctions, button sales, etc. for which there may not be an admission charge.¹⁸

12. The *Municipal Elections 2010 Guide* prepared by the Ministry of Municipal Affairs and housing provides the same definition of “fund-raising functions”.¹⁹ So do the materials prepared by the City of Toronto to educate candidates on their responsibilities. All City of Toronto candidates were issued a copy of the 2010 City of Toronto Municipal Election Candidate’s Guide. On page 44 of this guide, a fund-raising function is defined as “...held for the purpose of raising money for a candidate. Such events include dinners, dances, garden parties, etc. for which there is an admission charge, as well as events for which there is no admission charge such as auctions, etc.”²⁰ Prior to the 2010 municipal election, the City of Toronto conducted numerous training sessions for candidates, many of which were at capacity, to inform candidates of the campaign’s rules and

¹⁷ [2009] O.J. No. 1057

¹⁸ *Ontario Municipal Elections 2006 Guide* cited in: *Jackson v. Vaughn* [2009] O.J. No. 1057 at para. 77

¹⁹ *The Municipal Elections 2010 Guide* – Ontario Ministry of Municipal Affairs available at: <http://www.newmarket.ca/en/townhall/resourcelibrary/2010MinistryGuide.pdf> - at page 29

²⁰ <http://www.toronto.ca/elections/pdf/candidates-guide.pdf>

regulations.²¹ At this training, City staff delivered a presentation that presented this same definition as the accepted one for a fund-raising function.²²

13. These judicially accepted definitions, which were provided to all City of Toronto candidates, do not specifically set out criteria by which a fundraising effort may be classified as an “event”. In other words, these judicially accepted definitions provide examples of events which are “fund-raising functions”, but do not aid in the determination of whether non-traditional fundraising efforts can be classified as “fund-raising functions”. Consequently, it is necessary to try to infer such criteria from the examples provided and to analogize between the examples provided and novel fundraising efforts that seek classification as “fund-raising functions”.

14. All of the examples provided by the above definition have four common characteristics. All of the given events involve a good or service provided to the contributors. For instance, the contributor enjoys a meal at dinner, drinks at a reception, or the goods purchased at an auction. The Act allows campaigns to exclude the cost of providing these benefits to contributors from the spending limits. All of the given events have a defined physical location. For instance, it is usually possible to identify the physical location where a reception takes place. Similarly, the examples given have a defined duration of only a few hours. It is hard to conceive of a fundraising garden party or dinner that lasts longer than 24 hours. Finally, all of the examples given share a common purpose – to raise money for the candidate who hosts them. This approach is consistent

²¹ <http://www.toronto.ca/elections/candidates/info-sessions.htm>

²² <http://www.toronto.ca/elections/pdf/candidates-getting-started-presentation.pdf> at page 27

with the necessity to rigidly interpret the Act to preserve fair elections by ensuring that campaign spending limits are strictly enforced.

15. Very simply, it is submitted that this event is not a proper “fund-raising function” as the only way it is analogous to any of the examples in the accepted definition is that its purpose is to raise money for the candidate. As such, the Campaign improperly excluded the costs related to it from its expense limit.

5. Alternatively, fund-raising salaries or consultations are not “costs of holding fund-raising functions” and thus should not be excluded from the campaign expense limit.

16. If the previous argument is not accepted, it is submitted that the Campaign improperly classified \$ 15,280 in salaries for fund-raising staff and consultants as a “cost of holding fund-raising functions.” There are no previous cases that guide the interpretation of what expenses might be appropriately excluded from the spending limit because they are a “cost of holding a fund-raising function.” As the Supreme Court of Canada holds in *Rizzo*, the words of an Act are to be interpreted in their ordinary sense, but in a manner that is consistent with the object and the legislature’s intention. Having established the Act’s object, and the legislature’s intention, it is necessary to break down the phrase term by term.

17. Webster’s Dictionary of the English Language defines cost as “the price paid or to be paid for something.”²³ The same dictionary defines holding, which in this context is the

²³ *New Lexicon Webster’s Dictionary of the English Language*, (New York: Lexicon Publications 1987) at p. 220.

present participle of the verb to hold, as “to conduct, carry on, to hold a meeting.”²⁴

The term “fund-raising functions” is defined in s. 1(1) of the Act as “an event or activity held by or on behalf of a candidate for the purpose of raising funds for his or her election campaign.” Using these definitions, it is possible to reformulate the phrase the “cost of holding a fund-raising function”, albeit in a less succinct way, as expenses related to the conducting of an event that was intended to raise money for a candidate’s election campaign. An interpretation of s. 67(2)(5) that is consistent with the object of the Act and the legislature’s intention, demands that only those expenses that are directly related to the holding, or conducting, of the fund-raising function should be excludable from the limit. In other words, the test for each expense should be phrased as: but for the expense in question, could the event be conducted?

18. The City of Toronto *2010 Candidate’s Guide* implicitly adopts this approach. It gives examples of expenses that may be excluded from the spending limit because they directly relate to the cost of holding fund-raising functions including: “Venue, Event advertising, Food and drink, Entertainment, and Other”.²⁵ It does not offer examples of other appropriate expenses.

19. Similarly, prior to the 2010 municipal election, the City of Toronto conducted numerous training sessions for candidates, many of which were at capacity, to inform candidates of the campaign’s rules and regulations.²⁶ At this training, City staff delivered a

²⁴ *Ibid.* at p. 461

²⁵ *2010 Municipal Election Candidate’s Guide*, City of Toronto, <http://www.toronto.ca/elections/pdf/candidates-guide.pdf> at page 86.

²⁶ <http://www.toronto.ca/elections/candidates/info-sessions.htm>

presentation that presented the exact same list of expenses that are found in the *2010 Candidate's Guide*.²⁷ Similar types of briefing materials have been relied on by courts to help interpret other sections of the Act.²⁸

20. The common element of all the expenses enumerated by the *Candidate's Guide* is that they pertain directly to holding an event. In other words, they satisfy the suggested test: but for the expense in question, could the event be conducted? Take a fund-raising dinner as an example. The costs of the food, drink, the rental of the hall, and the salaries of the wait staff are all costs that directly relate to the holding of the event. Without these, the event could not have proceeded.

21. Salaries paid to fundraisers and consultants employed by the Campaign, however, are a different kind of expense. They are not costs of holding the event. To reprise the example of a fund-raising dinner, it could be held without this type of expense. In fact, many fund-raising dinners are held by many candidates who do not pay salaries to fund-raisers. Instead, salaries of fund-raisers whose sole purpose is to raise money are salaries of campaign staff and should be counted towards the spending limit just as the salary for the campaign manager or the office receptionist is.

22. The Ontario (provincial) electoral finance regime operates in a very similar manner to the one set out under the *Municipal Elections Act*. Section 1(1)(e) of the *Election Finances Act*²⁹ excludes the cost of fund-raising activities from the overall campaign spending limit. Further, section 23(1) defines a fund-raising activity as, "an event or

²⁷ <http://www.toronto.ca/elections/pdf/candidates-getting-started-presentation.pdf> at pages 28-29.

²⁸ *Jackson v. Vaughn* [2009] O.J. No. 1057 at para. 77

²⁹ R.S.O. 1990, CHAPTER E.7

activity held for the purpose of raising funds for the party, constituency association, candidate or leadership contestant registered under this Act by whom or on whose behalf the activity is held.” This mirrors, almost exactly, the definition of a fund-raising function found under s. 1(1) of the *Municipal Elections Act*. Thus, the authorities that interpret the *Election Finances Act* should carry some weight in helping to interpret the *Municipal Elections Act*.

23. Elections Ontario publishes a detailed set of guidelines that help political campaigns interpret the rules. Guideline PG01 gives examples of expenses that may be excluded such as, “all expenses directly related to fundraising which may include advertising, brochures, printing, catering, entertainment, postage, refreshments, hall rental, etc.”³⁰ Thus, the provincial election finance regime supports a narrow definition of expenses that are excluded under this section.
24. The importance of this regime lies in creating fair conditions for campaigns. Some grassroots campaigns are barely able to raise enough money to spend their limit. They must rely on scarce volunteer labour to assist in raising money instead of paid fundraisers. Allowing campaigns to engage unlimited paid fund-raising staff creates an unequal playing field. Those campaigns that are well-funded are able to deploy their volunteer resources elsewhere.
25. Moreover, allowing salaries to be excluded from the limit creates an alternate method to pay campaign staff. Consider the hypothetical situation in which a campaign staffer is

³⁰ Elections Ontario, *Election Finance Handbook*, “Guideline PG01: Registered Political Parties – Annual Financial Statements” at page 316 online” - <http://www.elections.on.ca/NR/rdonlyres/DDF5F372-E453-44E7-9B07-2B7D9E415138/4220/EFBinderv0906261.pdf>

paid via fund-raising commissions for helping to raise money for one event, but also takes on additional duties throughout the course of the campaign. He or she could have been paid an entire campaign's salary for assisting with fund-raising and take on additional duties as required. As such, the staffer's salary is essentially entirely outside of the limit. If this practice is accepted, it will legitimize a loophole by which candidates can pay salaries of campaign staff outside of the limit, severely compromising the effectiveness of the Act's regime.

26. In sum, to preserve fair elections, it is necessary to enforce a rigid interpretation of the campaign finance rules and not allow the exclusion of salaries for fund-raisers from a campaign's expense limit.

6. The Campaign violated s. 76(4) of the *Municipal Elections Act* by surpassing its expense limit

27. Section 76(4) of the *Municipal Elections Act* prohibits candidates from spending in excess of the expenditure limit set by the City Clerk. The Campaign's spending limit was \$ 27,464.65 and it spent \$ 26,075.27. If the arguments under heading four are accepted, then the entire \$ 17,196.94 in fund-raising expenses that were related to an unmarked and undated event should be counted toward the Campaign's spending limit. This would mean that the Campaign would have exceeded its spending limit by \$ 15,807.56.

28. Alternatively, if only the arguments under heading 5, relating to the salaries for fund-raisers, are accepted, then the Campaign has wrongly excluded \$ 15,280 from its spending limit and has consequently exceeded said limit by \$13,890.62. It should be noted that one of the bills for the consultants, whose salary was excluded from the limit,

reads “Fundraising consulting services advising on best practices to manage election campaign in accordance with details in contract.”³¹ In other words, it appears that the Campaign classified the salary of the campaign manager as a fund-raising expense. This is corroborated by the fact that the Campaign discloses \$ 0 under the category of “salaries/honoraria” in its Form 4.

7. Conclusion

29. All that is required for the Committee to order a wide-ranging compliance audit is a , “reasonable probability”, or a 33% chance, of a breach of the Act. In assessing this request, the Committee must interpret the Act according to its object and the Ontario legislature’s intention. The most important court decision to discuss the Act’s interpretation sets out that its object is to preserve fair elections by creating a level playing field in terms of expenses. The Ontario legislature’s intention to have the Act interpreted restrictively is clear. In light of this interpretive guide, this Committee must strictly adhere to the accepted definition of a “fund-raising function” and not allow the Campaign to flout the rules by excluding the costs of an unmarked and undated event. Alternatively, the Campaign should not be allowed to exclude salaries for professional fund-raisers from its spending limit.

30. When the Campaign’s fund-raising expenses are properly categorized, it violates s. 76(4) of the Act because it is significantly above its prescribed spending limit. As such a compliance audit is warranted.

³¹ Appendix 2: Invoices for Fundraising Consulting and Salaries

31. Finally, it is submitted that the Campaign can't simply claim that its audited statements are incorrect without triggering an audit, as this would be a violation of the candidate's obligation to under s. 78(1) of the Act to file a financial statement that reflects the candidate's election campaign finances. Moreover, under s. 92(5) of the Act a candidate who files a financial statement that is "incorrect" is subject to the penalties under s. 80(2) which include forfeiting the office to which he/she was elected. The gravity of the penalty associated with filing an incorrect statement shows that it is not excusable to simply make an error on a financial statement, but rather that such an error or mistake is an offence under the Act and is sufficient to trigger an audit in and of itself.

All of which is respectfully submitted:

Jayne Turney

APPENDIX 1



Financial Statement – Auditor’s Report Form 4

Municipal Elections Act, 1996 (Section 78)

Instructions

All candidates must complete Boxes A, B, C, D, E and F and Schedule 1. All candidates must complete Schedules 2, 3 and 4 as appropriate. Candidates who receive contributions or incur expenses in excess of \$10,000 must also attach and 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.

For the campaign period from (day candidate filed nomination) 2010 7 10 to 2010 12 31

- Primary filing reflecting finances to December 31 (or 45th day after voting day in a by-election)
Supplementary filing including finances after December 31 (or 45th day after voting day in a by-election)

Box A: Name of Candidate and Office

Name of Candidate Last Name: MAMMOLITI, First Name: GIORGIO, Middle Initial:
Mailing Address: Suite/Unit No. 14, Street Name: JOYCE PARKWAY, City/Town: TORONTO, Province: ONTARIO, Postal Code: M6B 2S9
Telephone No. Business: 416-784-3551, Home: 416-784-3551, Fax No.:
Name of office for which the candidate sought election: COUNCILOR, Ward Name or No. (if any): 7
Name of Municipality: TORONTO

Box B: Summary of Campaign Income and Expenses

Table with 2 columns: Description and Amount. Rows include spending limit, surplus/deficit, total contributions, total campaign expenses, election surplus/deficit, and amount paid to clerk.

Box C: Statement of Campaign Period Income and Expenses

From				To				For Candidate
YYYY	MM	DD	YYYY	MM	DD			
2010	7	10	2010	12	31	GIORGIO MAMOLITI		

INCOME

Candidate's Surplus from immediately preceding election released by the clerk	+	\$	-
Contributions from candidate	+	\$	-
Contributions from spouse of candidate	+	\$	-
All other contributions	+	\$	38,175.00
Revenue from fund-raising functions not deemed a contribution (from Schedule 2, Part III)	+	\$	-
Interest Income	+	\$	-
Other (provide full details)	+		
1. Nomination filing fee refund	+	\$	100.00
2.	+	\$	-
3.	+	\$	-

Total Campaign Period Income

= \$ 38,275.00 C1

EXPENSES (Note: Include the value of contributions of goods and services)

Expenses Subject to Spending Limit

Advertising	+	\$	192.71
Bank Charges	+	\$	4,919.23
Brochures	+	\$	-
Interest on Loan	+	\$	-
Inventory contributed to candidate's campaign (Schedule 3)	+	\$	-
Meeting hosted	+	\$	840.70
Nomination filing fee	+	\$	100.00
Office Expenses	+	\$	5,288.48
Phone and/or Internet	+	\$	1,349.32
Salaries and benefits/honoraria/professional fees	+	\$	-
Signs	+	\$	13,384.83
Other			
1.	+	\$	-
2.	+	\$	-
3.	+	\$	-
Subtotal	=	\$	26,075.27

C2

Expenses Not Subject to Spending Limit

Accounting and Audit	+	\$	2,486.00
Costs of fund-raising function (from Schedule 2, Part IV)	+	\$	17,196.94
Expenses related to compliance audit	+	\$	-
Expenses related to controverted elections	+	\$	-
Expenses related to recounts	+	\$	-
Voting day party / appreciation notices	+	\$	-
Expenses related to candidate's disability (provide details)	+		
1.	+	\$	-
2.	+	\$	-
3.	+	\$	-
Other (provide full details)			
1.	+	\$	-
2.	+	\$	-
3.	+	\$	-
Subtotal	=	\$	19,682.94

C3

Total Campaign Period Expenses (C2) + (C3)

= \$ 45,758.21 C4

Excess (Deficiency) of Income over Expenses (C1) - (C4)

= \$ (7,483.21)

Box D: Statement of Assets and Liabilities as at 2010 / 12 / 31

Assets

Cash	+	\$	367.03	
Accounts Receivable	+	\$	9,025.56	
Value of Inventory retained (from Schedule 4)	+	\$	1,120.50	
Other (provide full details)				
1.	+	\$	-	
2.	+	\$	-	
3.	+	\$	-	
Total Assets				= \$ 10,513.09
Liabilities and Excess (Deficiency) of Income over Expenses				
Accounts payable	+	\$	14,575.80	
Borrowings, overdraft	+	\$	-	
Other (provide full details)				
1. Balance due to the candidate	+	\$	2,300.00	
2.	+	\$	-	
3.	+	\$	-	
Total Liabilities-				= \$ 16,875.80

Box E: Statement of Determination of Surplus or Deficit and Disposition of Surplus

Part I - Determination of Surplus or Deficit

Amount of excess (deficiency) of income over expenses (from Box C)	+	\$	(7,483.21)	E1
Deduct: Any deficit carried forward by the candidate from immediately preceding election	-			E2
if the offices are with respect to the same jurisdiction		\$	-	
Surplus (or deficit) for the campaign period (E1) - (E2)	=	\$	(7,483.21)	
Deduct: Any refund of contributions to the candidate or spouse (only if there is a surplus)-	-	\$	-	
Total Determination-	=	\$	(7,483.21)	E3

Part II - Disposition of Surplus

If line E3 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.

Surplus paid to the municipal clerk of the municipality of Toronto.

Box F: Declaration

I, Giorgio Mamoliti, a candidate in the municipality of Toronto, hereby declare 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 City of Toronto
on (yyyy/mm/dd) 2011-03-25

Gail Baker.
Signature of Clerk or Commissioner

2011-03-25 JB.
Date Filed in the Clerk's Office (yyyy/mm/dd)

[Signature]
Signature of Candidate

Gail Selinda Baker,
a Commissioner, etc., City of Toronto,
for the City of Toronto.
Expires August 26, 2013.

GIORGIO MAMMOLITI CAMPAIGN
CONTRIBUTIONS IN EXCESS OF \$100

Abraham	Bleeman	970	Lawrence Ave. W.	304	Toronto	ON	M6A 3B6	\$ 750.00
Alan	Brookes	550	Queens Quay W.	302	Toronto	ON	M5V 3M8	\$ 100.00
Alexander	Koumoudouros	14	Watling St.		Etobicoke	ON	M9P 3E9	\$ 500.00
Angelo	Consigkio	6971	Chigwell Crt		Mississauga	ON	L4T 1N3	\$ 750.00
Angelo	Carestia	6	Anthia Drive		North York	ON	M9L 1K5	\$ 25.00
Angelo	Ricci	62	Chalkfarm Drive		Toronto	ON	M3L 1L2	\$ 100.00
Anita	Sanci	185	Bedford Park Ave.		Toronto	ON	M5M 1J4	\$ 750.00
Anna	Blazevski	39	Strathan Blvd.		Toronto	ON	M5N 1S8	\$ 100.00
Attijo	Lio	71	Lawrie Rd.		Thornhill	ON	L4J 3N6	\$ 450.00
Bach	Banh	1137	Ewing Cres.		Mississauga	ON	L5V 1C1	\$ 750.00
Bedros	Garabetian	2276	Tesla Crescent		Oakville	ON		\$ 500.00
Catherine	Porter	59	Abbotsford Rd.		Gromley	ON	L6M 1G9	\$ 750.00
Chi	Cheung	7	Dundas Square	300	Toronto	ON	M5B 1B5	\$ 750.00
Christiana	Egi	19	Ridley Crescent		Markham	ON	L3S 3P5	\$ 750.00
Dana	d'Cumba	9	29th Street	26	Etobicoke	ON	M8W 3P8	\$ 500.00
Daryl	Black	11	Countrylane Dr.		Bolton	ON	L7E 0B4	\$ 750.00
Donald	Chen	55	Skymark Drive	7	North York	ON	M2H 3N4	\$ 750.00
Eva	McKay	1483	Hollywell Ave.		Mississauga	ON	L5N 4P3	\$ 750.00
Filiberto	Rossi	40	Arrowhead Dr.		Woodbridge	ON	L4L 4A5	\$ 750.00
Filippo	Franco	54	Crondale Ridge		Woodbridge	ON	L4L 8C9	\$ 500.00
Fred	Dominelli	873	Queen St. West		Toronto	ON	M6J 1G4	\$ 350.00
Gary	Kaplan	93	Oak Avenue		Richmond Hill	ON	L4C 6R8	\$ 750.00
Gino	Falbo	2025	Stonehouse Cr.		Mississauga	ON	L5H 3H9	\$ 100.00
Guerino	Verrilli	137	Vinal Crt.		Woodbridge	ON	L4L 8A3	\$ 200.00
Hon	Choi	1856	Friar Tuck Crt.		Mississauga	ON	L5K 2L4	\$ 750.00
Ignatios	Leontis	154	Overbrook Place		Downsview	ON	M3H 4P9	\$ 750.00
Irv	Cooper	701	Yonge Street		Toronto	ON	M4Y 2B2	\$ 500.00
J.	Rowe	21	Enderby Road		Toronto	ON	M4E 2S4	\$ 500.00
J. A.	Halstead	87	Cheeseman Road		Markham	ON	L3R 3G3	\$ 250.00
Jennifer	Pluimers	17	Boyd Ave		Toronto	ON	M9N 3C8	\$ 500.00
Joe	Colantino	4	Crofton Road		Toronto	ON	M4G 2B4	\$ 400.00
Joe	Pace	14	Fonthill Place		North York	ON	M3J 3G8	\$ 750.00
John	Galucci	66	Millsgrove Drive		Toronto	ON	M2R 3R9	\$ 200.00
John	Mader	336	Parkview Ave		North York	ON	M2N 3Z5	\$ 750.00
Kenneth	Neufeld	75	Glendale Rd.		Brantford	ON	N3T 5G9	\$ 750.00
Kristina	Budimirovic	23	Finchley Rd.		Etobicoke	ON	M5A 2K4	\$ 750.00
Kwalsim	Leong	137	River Glen Blvd.		Oakville	ON	L6H 5Z5	\$ 200.00
Laura	Sciacca	30	Granary Road		Kleinburg	ON	L0J 1C0	\$ 500.00
Luba	Nikilovski	789	Spadina Road		Toronto	ON	M5B 2A6	\$ 500.00
Lucia	Cariati	64	Olive Green Rd.		Woodbridge	ON	L4L 7Z3	\$ 500.00
Lucio	Angelucci	8	Legacy Crt		Toronto	ON	M2L 2Y7	\$ 500.00
M.	Mastre	6827	14th Line		Markham	ON	L6B 1A8	\$ 750.00
Manuel	Dacosta	5229	Dundas St. West	602	Etobicoke	ON	M9B 5L9	\$ 750.00
Marco	Ricchio	25	Edilcan Drive	5	Vaughan	ON	L4K 3S4	\$ 750.00
Maria	Amaral	7236	Meyer Drive		Mississauga	ON	L4T 3A9	\$ 750.00
Maria	Leone	210	Derrydown Rd.		Downsview	ON	M3J 1S1	\$ 100.00
Marilena	Di Mambro	16	Corso CRT.		Richmond Hill	ON	L4S 1H4	\$ 750.00
Mark	Porter	59	Abbotsford Rd.		Gromley	ON	L6M 1G9	\$ 750.00
Mary	Marciano	1330	Wilson Ave.		North York	ON	M3M 1H5	\$ 500.00
Mary	Prete	18	Stanley Carberry Dr.		Brampton	ON	L6P 0B9	\$ 750.00
Michael	Yuill	1494	Islington Ave.		Etobicoke	ON	M9A 3L5	\$ 500.00
Michele	Liu	55	Skymark Drive	PH-07	North York	ON	M2H 34	\$ 750.00
Mike	Pluimers	17	Boyd Ave		Toronto	ON	M9N 3C8	\$ 500.00
Mohammad	Kashani	256	Boake Trail		Richmond Hill	ON	L4B 4B4	\$ 750.00
Myron	Blozowski	59	Rowntree Mill Rd.		Toronto	ON	9L 1C4	\$ 100.00

Table 2: Monetary contributions from unions or corporations

Name (Legal and Carrying on Business As)	Address	President or Business Manager	Cheque Signatory	Amount
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
<input type="checkbox"/> Additional information is listed on separate supplementary attachment				Total \$ -

Table 3: Contributions in goods or services (Note must also be reported as expenses in Box C)

Name	Address	Goods or Services	Amount
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
<input type="checkbox"/> Additional information is listed on separate supplementary attachment			Total \$ -

Total Part II Contributions

\$ 38,175.00

Schedule 2 - Fund-Raising Function

Additional schedule for each event or activity held is/are listed on separate supplementary attachment(s)

Date			Description of event or activity
YYYY	MM	DD	

Admission charge (per person)* (may not exceed individual contribution limit) \$ - 2A
 *If admission charge per person is not consistent, attach complete breakdown of all ticket sales.

Number of tickets sold - 2B

Part I - Ticket Revenue
 Lines: (2A) x (2B) (include in Schedule 1) \$ -

Part II - Other Revenue Deemed A Contribution
 Provide Full details (e.g., revenue from goods sold in excess of fair market value)

1. Contributions received as a result of fund raising activities	- - - +	\$ 26,475.00
2.	- - - +	\$ -
3.	- - - +	\$ -
4.	- - - +	\$ -
5.	- - - +	\$ -
6.	- - - +	\$ -
7.	- - - +	\$ -
8.	- - - +	\$ -
Total Part II Revenue (include in Schedule 1)	- - - =	\$ -

Part III - Other Revenue Not Deemed A Contribution
 Provide Full details (e.g., contributions of \$10.00 or less; revenue from refreshment sold at cost)

1.	- - - +	\$ -
2.	- - - +	\$ -
3.	- - - +	\$ -
4.	- - - +	\$ -
5.	- - - +	\$ -
6.	- - - +	\$ -
7.	- - - +	\$ -
8.	- - - +	\$ -
Total Part III Revenue (include in Box C)	- - - =	\$ -

Part IV Expenses Related to Fund Raising Function

Venue	- - - -	\$ -
Event Advertising	- - - -	\$ -
Food and drink	- - - -	\$ -
Entertainment	- - - -	\$ -
Other (provide full details)	- - - -	
1. Salaries	- - - +	\$ 7,500.00
2. Consultation	- - - +	\$ 7,780.00
3.	- - - +	\$ 1,916.94
4.	- - - +	\$ -
5.	- - - +	\$ -
6.	- - - +	\$ -
7.	- - - +	\$ -
8.	- - - +	\$ -
Total Part IV Expenses (include in Box C)	- - - =	\$ 17,196.94

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. 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.

AUDITOR'S REPORT

PURSUANT TO SECTION 78 OF THE MUNICIPAL ELECTIONS ACT, 1996

To: ULLI S. WATKISS, Clerk, City of Toronto

I have audited the Financial Statement of Giorgio Mamoliti, candidate, for the campaign period from from 7 / 10 / 2010 to 12 / 31 / 2010 relating to the election held on October 25, 2010, including the Statement of Campaign Period Income and Expenses, the Statement of Assets and Liabilities as at December 31, 2010 and the Statement of Determination of Surplus or deficit and Disposition of Surplus. This financial information has been prepared by Giorgio Mamoliti, the candidate, in accordance with the accounting requirement of sections 66 to 68, and section 79 of the Municipal Elections Act, 1996 and the accounting guidelines issued by the Ontario Ministry of Municipal Affairs and Housing.

The Candidate's Responsibility for the Financial Statement

The candidate is responsible for the preparation of the financial statement and such internal control as prescribed by Section 69(1) of the Municipal Elections Act, 1996.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statement based on my audit. I conducted my audit in accordance with generally accepted auditing standards. Generally accepted auditing standards require that I comply with ethical requirements, and plan and perform an audit to obtain reasonable assurance whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. IN making these risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of express an opinion on the effectiveness of the internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimated made by management, as well as evaluating the overall presentation of the financial information.

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

Basis for Qualified Opinion

Due to the inherent nature of the transactions of electoral campaigns, the completeness of contributions and other revenue and expenses is not susceptible to satisfactory audit verification. Accordingly, my verification of these amounts was limited to the amounts recorded in the campaign's accounting records and I was not able to determine whether any adjustments might be necessary to contributions and other revenue and expenses. As well, the Municipal Elections Act, 1996 does not require me to report, nor was it practical for me to determine, that contributions reported include only those which may be proper retained in accordance with the provisions of the Act.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the Financial Statement of Giorgio Mamoliti is prepared, in all material respect, in accordance with the accounting requirements of the Municipal Elections Act, 1996 and the accounting guidelines issued by the Ontario Ministry of Municipal Affairs and Housing.

Basis of Accounting

Without modifying my opinion, I draw attention to the basis of accounting of the Financial Statement, which is as set out in Form 4. As a result, the Financial Statement may not be suitable for another purpose.

Signature B. Nayman
Professional Designation of Auditor

Chartered Accountant, Licensed Public Accountant

Municipality		Date (yyyy/mm/dd)	
Toronto		2011/03/24	
Contact Person Last Name		Licence No.	
Last Name Nayman		First Name Bernard	
Address		3826	
Suite/Unit No.	Street No.	Street Name	
710	1110	Finch Avenue West	
City / Town		Province	Postal Code
Toronto		Ontario	M3J 2T2
Telephone No. (incl. area code)		Fax No.	Email Address
416-665-1530		1-866-265-3054	bernard@electionfinances.com

APPENDIX 2

READY SET WIN!™

a division of
Kealey & Associates Inc.
277 Lakeshore Road East, Suite 215
Oakville Ontario
L6J 1H9

INVOICE

INVOICE NO: 243
DATE: October 4, 2010

To:
Giorgio Mammoliti Campaign
2958 Islington Ave, Unit 1
Toronto, ON
M9L 2K6

DESCRIPTION	UNIT PRICE	AMOUNT
Fundraising consulting services advising on best practices to manage election campaign in accordance with details in contract. ~paid \$1000.00 (\$885 + \$115 HST) ~balance of outstanding amount owing: \$1000 Oct 8/10 #19 \$1000 Oct 15/10 #20 \$1000 Oct 22/10 #21 \$1000 Oct 29/10 #22 \$2000 Nov 5/10 #23		\$6,000.00
		\$115.00
	SUBTOTAL	\$6,115.00
	HST	\$ 794.95
	TOTAL DUE	\$6909.95

HST Registration #84887 5357 RT0001

se make cheques payable to Kealey & Associates Inc.

have any questions concerning this invoice, call: Daniela Cavatassi (905) 815-1806

235 Kelso Cres
Maple, ONT L6A 2E1
Phone 416-433-0075

SEPTEMBER 15, 2010
INVOICE #9019

TO:
Giorgio Mammoliti Campaign
2958 Islington Ave
Toronto, ONT M9L 2K6
416-652-2010

pol

DESCRIPTION	HOURS	RATE	AMOUNT
Fundraising			\$1500.00
		TOTAL	\$1500.00

Thank you for your business!

1 Dacc Trail
Woodbridge, Ontario
L4H 2H4
Phone: 416-669-1613

SEPTEMBER 15, 2010
INVOICE #617

TO:
Giorgio Mammoliti Campaign
2781 Yonge St
Toronto, ONT M4N 2H8
416-652-2010

pd.

DESCRIPTION	HOURS	RATE	AMOUNT
Fundraising			\$1500.00
TOTAL			\$1500.00

Thank you for your business!

1 Dacc Trail
Woodbridge, Ontario
L4H 2H4
Phone: 416-669-1613

AUGUST 31, 2010
INVOICE #9904

TO:
Giorgio Mammoliti Campaign
2958 Islington Ave
Toronto, ONT M9L 2K6
416-652-2010

DESCRIPTION	HOURS	RATE	AMOUNT
Services Rendered			\$1500.00
		TOTAL	\$1500.00

Thank you for your business!

1 Dacc Trail
Woodbridge, Ontario
L4H 2H4
Phone: 416-669-1613

OCTOBER 15, 2010
INVOICE #3663

TO:
Giorgio Mammoliti Campaign
2958 Islington Ave
Toronto, ONT M9L 2K6
416-652-2010

DESCRIPTION	HOURS	RATE	AMOUNT
Fundraising			\$1500.00
		TOTAL	\$1500.00

Thank you for your business!