

July 25, 2013

Mr. Arthur Flach
Manager of Election Services
Toronto Elections
City Hall – 1 North
100 Queen Street West
Toronto, ON
M5H 2N2

Dear Mr. Flach:

ADDENDUM TO COMPLIANCE AUDIT REPORT FOR THE CITY OF TORONTO
RE: PETER LI PRETI

- 1) This letter is an Addendum to our compliance audit report concerning the campaign finances of Peter Li Preti (“**Li Preti**” or “**the Candidate**”) dated July 10, 2013. This Addendum addresses a modification to our Report resulting from comments raised by Li Preti on July 21, 2013.

Voting Day Expenses

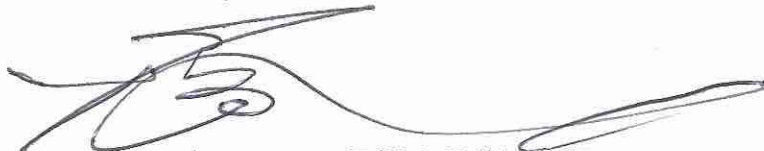
- 2) A summary of our previous examination and findings is set out in paragraph 3.25. To summarize, we stated that \$2,820.00 was reported as Voting Day expenses. Of this amount, we initially determined that \$450.00 was repaid to a campaign worker on ‘10/10/08’ which FFP interpreted as August 8, 2010. We did not accept this payment as a ‘Voting Day expense’ and re-allocated the amount to ‘Salaries and benefits/professional fees’. This re-allocation increased the campaign expenses subject to limit by \$450.00 and was noted as ‘Adjustment #11’ in Paragraph 2.19 of our report.
- 3) After being contacted by the Candidate and upon further review, we have determined that these amounts were in fact paid on October 10th rather than August 8th and that no re-allocation was necessary.
- 4) Removing adjustment #11 as described in paragraphs 2.17(2) and 2.19 will decrease Salaries and benefits/professional fees by \$450.00 making the new adjusted total for this category \$12,053.50 and it will increase the Voting Day party expenses to the amount as it was initially filed at \$2,820.00.

- 5) Accordingly, the first sentence in paragraph 2.1 of our report should be amended to read:
"In our opinion the Candidate's campaign expenses subject to limitation exceeded the campaign's authorized limit by \$2,614.72 as set out in Schedule 1(rev.)".
- 6) We have attached a revised Schedule 1 to this Addendum.

Restrictions and Limitations

- 7) This Addendum to our Report dated July 10, 2013 was prepared for the City of Toronto in relation to the compliance audit regarding the 2010 election campaign finances of Peter Li Preti requested by the Compliance Audit Committee. It should be read in conjunction with our Report dated July 10, 2013. It is not to be used for any other purpose and we specifically disclaim any responsibility for losses or damages incurred through use of this Addendum to our Report for a purpose other than as described in this paragraph.
- 8) Although we reserve the right, we will be under no obligation to further review and/or revise the contents of our Report in light of information which becomes known to us after the date of this Addendum.
- 9) This Addendum to our Report is respectfully submitted by Bruce Armstrong of FFP and Glen R. Davison. We were assisted in the compliance audit by Stuart Douglas and Ainsley Vaculik of FFP.

Yours truly,



Bruce Armstrong, FCPA, FCA, CFE
Managing Director
Froese Forensic Partners Ltd.



Glen R. Davison, CPA, CA, LPA
License #1-5774

Peter Li Preti
Adjustments to the Financial Statement
for the period May 3, 2010 to December 31, 2010 incl.

Box C: Statement of Campaign Period Income and Expenses

	As Filed	Adjustments		As Adjusted
		Adjustment #	Amount	
Income				
Contributions from Candidate	\$ -	3	10,000.00	10,000.00
All other contributions	60,735.00	1, 2, 4,	(19,900.00)	40,835.00
Other - Contributions in kind	-	5, 6, 7, 8, 9, 16	3,325.37	3,325.37
Total Campaign Period Income	60,735.00		(6,574.63)	54,160.37
Expenses Subject to Spending Limit				
Advertising	1,375.60		-	1,375.60
Bank Charges	114.47		-	114.47
Brochures	2,132.58	13, 15	1,218.08	3,350.66
Nomination filing fee	100.00		-	100.00
Office Expenses	790.00	6, 14, 17	848.00	1,638.00
Phone and/or Internet	260.14	7, 8	614.86	875.00
Salaries and benefits/professional fees	12,153.50	10, 11	(100.00)	12,053.50
Signs	6,412.50	9, 15	(37.50)	6,375.00
Other - Insurance	71.28	12	71.28	142.56
Sub-total	23,410.07		2,614.72	26,024.79
Expenses Not Subject to Spending Limit				
Accounting and Audit	1,695.00		-	1,695.00
Costs of fund-raising function	33,952.31	8, 12, 14, 17	(483.77)	33,468.54
Voting day party	2,820.00	11	-	2,820.00
Sub-total	38,467.31		(483.77)	37,983.54
Total Campaign Period Expenses	61,877.38		2,130.95	64,008.33
Excess (Deficiency) of Income over Expenses	\$ (1,142.38)		(8,705.58)	(9,847.96)
Campaign Expenses Subject to Limitation				
From Line 1 of BOX B	\$ 23,916.75			23,916.75
Expenses previous and as adjusted	23,410.00		2,614.72	26,024.72
(Over) Under the Limit	\$ 506.75		(2,614.72)	(2,107.97)