

July 29, 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:

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

- 1) This letter is a Second Addendum to our compliance audit report concerning the campaign finances of Peter Li Preti (“**Li Preti**” or “**the Candidate**”) dated July 10, 2013. This Second Addendum addresses a modification to our Report resulting from a further review of our Report in advance of the Compliance Audit Committee (“CAC”) Hearing scheduled for Tuesday, July 30, 2013.

Overall Summary

- 2) In paragraph 2.1 of our Report we stated that the “... *expenses subject to limitation exceeded the campaign’s authorized limit by \$3,064.72 as set out in Schedule 1*”.
- 3) On July 25, 2013, FFP issued an Addendum in which an expense that was initially considered subject to the limit was adjusted to the position taken by the Candidate. This resulted in a downward adjustment to the overall expenses subject to the limit.
- 4) In paragraph 5 of our Addendum dated July 25, 2013, we stated that the “...*expenses subject to limitation exceeded the campaign’s authorized limit by \$2,614.72 as set out in Schedule 1 (rev.)*”.
- 5) A review of both Schedule 1 and Schedule 1 (rev.) would confirm that FFP expressed an opinion based on the total of the adjustments made rather than the results “as adjusted”.
- 6) Accordingly, the first sentence in paragraph 2.1 of our Report should have read: “*In our opinion the Candidate’s campaign expenses subject to limitation exceeded the campaign’s authorized limit by \$2,557.97 as set out in Schedule 1*”.

- 7) Further, as a result of the Addendum dated July 25, 2013, the first sentence of paragraph 2.1 of our Report should have read: *“In our opinion the Candidate’s campaign expenses subject to limitation exceeded the campaign’s authorized limit by \$2,107.97 as set out in Schedule 1(rev.)”*.
- 8) This was an oversight on our part and no further revisions to Schedule 1 or our Report are required as a result of this Addendum.

Restrictions and Limitations

- 9) This Second 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.
- 10) 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.
- 11) This Second 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.

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