



CITY OF TORONTO

KAMRAN ZAFAR – A CONTRIBUTOR WHO APPEARS TO HAVE CONTRAVENED CONTRIBUTION LIMITS UNDER SECTION 88.9 OF THE MUNICIPAL ELECTIONS ACT, 1996

PREPARED FOR: CITY CLERK, CITY OF TORONTO
PREPARED BY: BDO CANADA LLP

OCTOBER 21, 2019

OBJECTIVE AND SCOPE

The objective of this audit was to conduct a review of all of the initial financial statements submitted by candidates in Toronto's 2018 municipal election, in order to:

1. Determine whether any contributions to candidates appeared to have exceeded the contribution limits as defined in the Municipal Elections Act, 1996 ("the Act"); and
2. Prepare a report to the City Clerk in respect to each contributor who appeared to have contravened any of the contribution limits outlined in the Act.

BACKGROUND

General Election Information

In accordance with the Act, the City Clerk administered the Toronto's municipal election on October 22, 2018 by conducting an election for the following 65 offices:

- ▶ One office for mayor
- ▶ 25 offices for City Council (one for each of the City's 25 wards)
- ▶ 39 offices for School Board Trustee across the following four school boards:
 - o 22 Trustees for the Toronto District School Board
 - o 12 Trustees for the Toronto Catholic District School Board
 - o 3 Trustees for Conseil scolaire Viamonde
 - o 2 Trustees for Conseil scolaire catholique MonAvenir

During the nomination period, 657 candidates filed a nomination paper with the City Clerk, with 156 candidates withdrawing their nomination. There were 501 certified candidates whose names appeared on a ballot.

Reporting Requirements under the Municipal Elections Act

Under section 88.25(1) of the Act, all candidates who filed a nomination paper must also file a financial statement reflecting their election campaign finances from the date they filed their nomination up to December 31 in the year of the election.

In accordance with section 88.34 of the Act:

"88.34 (1) The clerk shall review the contributions reported on the financial statements submitted by a candidate under section 88.25 to determine whether any contributor appears to have exceeded any of the contribution limits under section 88.9."

The Act defines campaign contributions as money, goods, or services that are given to a candidate for use in their campaign, including money and goods that a candidate (or spouse) contributes to their own campaign.

In reviewing these contributions listed on the financial statements, the City Clerk is to check whether the following contribution limits appear to have been exceeded:

“Maximum contributions to candidates

88.9 (1) A contributor shall not make contributions exceeding a total of \$1,200 to any one candidate in an election.

More than one office

(2) If a person is a candidate for more than one office, a contributor’s total contributions to him or her in respect of all the offices shall not exceed \$1,200.

Exception, mayor of City of Toronto

(3) Despite subsections (1) and (2), for the purposes of those subsections the maximum total contribution that a contributor may make to a candidate for the office of mayor of the City of Toronto is \$2,500.

Multiple candidates

(4) A contributor shall not make contributions exceeding a total of \$5,000 to two or more candidates for office on the same council or local board.

Exception, candidates and spouses

(5) This section does not apply to contributions made to a candidate’s own election campaign by the candidate or his or her spouse.”

Maximum contributions to a candidate's own election campaign

“88.9.1 (1) A candidate for an office on a council and his or her spouse shall not make contributions to the candidate’s own election campaign that, combined, exceed an amount equal to the lesser of,

(a) the amount calculated by adding,

(i) in the case of a candidate for the office of head of council of a municipality, \$7,500 plus 20 cents for each elector entitled to vote for the office, or

(ii) in the case of a candidate for an office on a council of a municipality other than the office of head of council, \$5,000 plus 20 cents for each elector entitled to vote for the office; and

(b) \$25,000.”

AUDIT APPROACH

To perform the audit, the Election Services unit of the City Clerk's Office provided BDO with PDF scans of all initial financial statements filed by candidates. This did not include supplementary financial statements for candidates who extended their campaign periods, as these will be examined in a separate report.

Election Services also provided BDO with a data extract containing all contributions entered into the Electronic Financial Filing System, which is an online application developed by the City of Toronto and provided to candidates for entering and keeping track of their campaign finance information. If a candidate did not use the Electronic Financial Filing System, Toronto Elections staff entered the information listed on the candidate's financial statement into the system on their behalf.

To ensure the completeness of the financial statements, BDO did the following:

- ▶ Compared the candidates for whom BDO did not receive financial statements to the candidates identified as being in default of the Municipal Elections Act to confirm that these financial statements had not been submitted.
- ▶ Compared candidates who listed \$0 in contributions on their financial statements to the list of candidates identified by Elections Services staff as having no expenses or contributions.

To ensure the completeness and accuracy of the data extract from the Electronic Financial Filing System, BDO did the following:

- ▶ Compared the total value of contributions from each candidate's financial statement to the total value of contributions for the candidate in the Electronic Financial Filing System data extract to confirm completeness and ensure there were no duplicate entries in the data extract.
- ▶ Compared, on a line-by-line basis, each contribution from the candidate's financial statement with the Electronic Financial Filing System data extract in order to confirm the completeness and accuracy of the contributor names, addresses, and contribution values.
- ▶ Corrected any variances between the candidates' financial statements and the Electronic Financial Filing System data extract, utilizing the candidate's financial statement as the source data.

Once BDO was confident in the completeness and accuracy of the data, the following procedures were preformed to identify any contributors that had contributed to candidate(s) in excess of the contribution limits set out in the Act:

- ▶ Compared the contributions per contributor to the single candidate limits (\$1,200 for Councillor / School Board Trustee or \$2,500 for Mayor).

-
- ▶ Compared the contributions per contributor to the two or more candidates for an office limits (\$5,000).
 - ▶ Compared contributions made by the candidate or their spouse to their own campaign to the self-contribution limits, taking into account the differences between the 25 ward and 47 ward models.

BDO also performed the following procedures to identify any potential additional over-contributors:

- ▶ Identified any individuals with similar first or last names listed at the same address (e.g., M. vs. Mike vs. Michael) or same names listed at different addresses to determine any potential over-contributions. BDO provided its preliminary findings to Election Services, who reviewed the findings and undertook to perform its own due diligence by contacting the relevant candidates to ask them to provide supporting documentation to help the City Clerk determine whether or not the contributors were the same individuals.
- ▶ Combined the total value of the contributions for any contributors identified with similar or same names and conducted the procedures noted above.

**KAMRAN ZAFAR – A CONTRIBUTOR WHO APPEARS TO HAVE CONTRAVENED
CONTRIBUTION LIMITS UNDER SECTION 88.9 OF THE MUNICIPAL ELECTIONS
ACT, 1996**

In accordance with section 88.34 of the Municipal Elections Act, 1996, having reviewed the contributions to candidates as reported on the financial statements filed under section 88.25 of the Act, BDO Canada LLP reports that the following contributor appears to have exceeded the contribution limits set out under section 88.9 of the Act:

Contributor Name: **Kamran Zafar**

Contributor Address: 26 Jeanette Street, Toronto, ON, M1M 3G1

The above named contributor's total contribution to Khuram Aftab, a candidate for office on City of Toronto Council, appears to have exceeded the limit under section 88.9 based on the following contributions:

CONTRIBUTOR'S FULL NAME	Kamran Zafar
CONTRIBUTOR'S FULL ADDRESS	26 Jeanette Street Toronto, ON M1M 3G1
CANADIDATE RECEIVING CONTRIBUTION'S FULL NAME	Khuram Aftab
CANDIDATE'S OFFICE	Councillor
TOTAL CONTRIBUTION VALUE (\$) RECEIVED	\$2,000
CONTRIBUTION LIMIT (\$)	\$1,200
DATE(S) RECEIVED	01-Oct-2018

Financial Statement - Auditor's Report Candidate - Form 4

Municipal Elections Act, 1996 (Section 88.25)

Instructions

All candidates must complete Boxes A and B. Candidates who receive contributions or incur expenses 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 their spouse) shall be paid immediately over to the clerk who is responsible for the conduct of the election.

YYYY				MM		DD		YYYY				MM		DD		
2	0	1	8	0	7	1	8	to	2	0	1	8	1	2	3	1

☒ Initial filing reflecting finances to December 31 (or 45 days after voting day in a by-election)

☐ Supplementary filing including finances after December 31 (or 45 days after voting day in a by-election)

Box A: Name of Candidate and Office

Candidate's name as shown on the ballot

Last Name or Single Name

AFTAB

Given Name(s)

KHURAM

Office for which the candidate sought election

COUNCILLOR

Ward name or no. (if any)

13 TORONTO CENTRE

Municipality

TORONTO

Spending Limit - General

\$ 64,576.50

Spending Limit - Parties and Other Expressions of Appreciation

\$ 6457.65

☐ I did not accept any contributions or incur any expenses. (Complete Boxes A and B only)

Box B: Declaration

I, KHURAM AFTAB, declare that to the best of my knowledge and belief that these financial statements and attached supporting schedules are true and correct.



Signature of Candidate

2019/03/20

Date (yyyy/mm/dd)

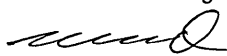
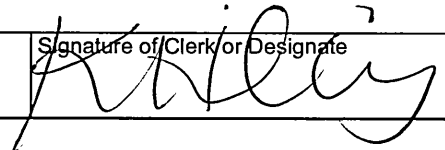
Date Filed (yyyy/mm/dd)

Time Filed

Initial of Candidate or Agent (if filed in person)

Signature of Clerk or Designate

2019/03/27 2:24pm

Box C: Statement of Campaign Income and Expenses**LOAN**Name of bank or recognized lending institution NONAmount borrowed \$ **INCOME**

Total amount of all contributions (from line 1A in Schedule 1)	+ \$	22,500.00
Revenue from items \$25 or less	+ \$	
Sign deposit refund	+ \$	
Revenue from fundraising events not deemed a contribution (from Part III of Schedule 2)	+ \$	
Interest earned by campaign bank account	+ \$	
Other (provide full details)		
1. MY OWN CONTRIBUTION	+ \$	9,500.00
2. deposit returned by rogers	+ \$	120.00
3.	+ \$	
4.	+ \$	
5.	+ \$	
Total Campaign Income (Do not include loan)	= \$	32,120.00 c1

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

Inventory from previous campaign used in this campaign (list details in Table 4 of Schedule 1)	+ \$	
Advertising	+ \$	15,846.17
Brochures/flyers	+ \$	6,786.10
Signs (including sign deposit)	+ \$	4,644.30
Meetings hosted	+ \$	
Office expenses incurred until voting day	+ \$	3,999.42
Phone and/or internet expenses incurred until voting day	+ \$	550.00
Salaries, benefits, honoraria, professional fees incurred until voting day	+ \$	
Bank charges incurred until voting day	+ \$	158.57
Interest charged on loan until voting day	+ \$	
Other (provide full details)		
1.	+ \$	
2.	+ \$	
3.	+ \$	
4.	+ \$	
5.	+ \$	
Total Expenses subject to general spending limit	= \$	31,984.56 c2

EXPENSES**Expenses subject to spending limit for parties and other expressions of appreciation**

1.	+ \$	
2.	+ \$	
3.	+ \$	
4.	+ \$	
5.	+ \$	
Total Expenses subject to spending limit for parties and other expressions of appreciation	= \$	C3

Expenses not subject to spending limits

Accounting and audit	+ \$	500.00
Cost of fundraising events/activities (list details in Part IV of Schedule 2)	+ \$	
Office expenses incurred after voting day	+ \$	
Phone and/or internet expenses incurred after voting day	+ \$	
Salaries, benefits, honoraria, professional fees incurred after voting day	+ \$	
Bank charges incurred after voting day	+ \$	30.00
Interest charged on loan after voting day	+ \$	
Expenses related to recount	+ \$	
Expenses related to controverted election	+ \$	
Expenses related to compliance audit	+ \$	
Expenses related to candidate's disability (provide full details)		
1.	+ \$	
2.	+ \$	
3.	+ \$	
4.	+ \$	
5.	+ \$	
Other (provide full details)		
1.	+ \$	
2.	+ \$	
3.	+ \$	
4.	+ \$	
5.	+ \$	
Total Expenses not subject to spending limits	= \$	530.00 C4

Total Campaign Expenses (C2 + C3 + C4) = \$ **32,514.56 C5**

Box D: Calculation of Surplus or Deficit

Excess (deficiency) of income over expenses (Income minus Total Expenses) (C1 – C5)	+ \$	-394.56 D1
Eligible deficit carried forward by the candidate from the last election (applies to 2018 regular election only)	- \$	D2
Total (D1 – D2)	= \$	-394.56
If there is a surplus, deduct any refund of candidate's or spouse's contributions to the campaign	- \$	
Surplus (or deficit) for the campaign	= \$	-394.56 D3

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 is responsible for the conduct of the election.

Schedule 1 - Contributions

Part I – Summary of Contributions

Contributions in money from candidate and spouse	+ \$	9,500.00
Contributions in goods and services from candidate and spouse (include value listed in Table 3 and Table 4)	+ \$	
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).	+ \$	
Total value of contributions exceeding \$100 per contributor (from line 1B on page 5; list details in Table 1 and Table 2)		
• 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).	+ \$	22,500.00
Less: Contributions returned or payable to the contributor	– \$	
Contributions paid or payable to the clerk, including contributions from anonymous sources exceeding \$25	– \$	
Total Amount of Contributions (record under Income in Box C)	= \$	32,000.00 1A

Part II – Contributions exceeding \$100 per contributor – individuals other than candidate or spouse

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

Name	Full Address	Date Received	Amount Received \$	Amount \$ Returned to Contributor or Paid to Clerk
AAMIR MEHMOOD	1002-283 PHARMACHY AVE TORONTO M1L3G1	2018/10/10	1,000.00	
IMRAN IBRAHIM	2490 KING FORREST DR MISSISSAUGA L5K2N9	2018/10/18	2,000.00	
NADEEM YOUNIS	49 PELLEGRINO RD BRAMPTON L7A4V5	2018/10/13	500.00	
PRAKASH MISTRY	45 GREENOBLE DR TORONTO M3C1C4	2018/09/24	2,500.00	
NASIR MAHMOOD	13 ANNIE CR AJAX L1T 3X6	2018/07/18	1,000.00	
KAMRAN ZAFAR	26 JEANETTE ST TORONTO M1M3G1	2018/10/01	2,000.00	
BILAL AHMAD	857 MANHATTAN DR SARNIA N7S0B4	2018/10/10	2,000.00	
SYED GILLANI	36 EAGLERIDGE DR BRAMPTON L6R1G4	2018/10/16	1,000.00	
MARIA KHAN	28 ELBERN MARKELL DR BRAMPTON L6X2X5	2018/10/17	1,000.00	
☒ Additional information is listed on separate supplementary attachment			Total	13,000.00

ADDITIONAL INFORMATION IS LISTED FOR CONTRIBUTORS

<u>NAME</u>	<u>FULL ADDRESS</u>	<u>DATE</u>	<u>AMOUNT</u>
MUHAMMAD MALIK	59 DEWEY DRIVE SCARBOROUGH M1R3K7	2018-10-13	500
ASIF RANA	5439 PLANTERS WOOD PORT MISSISSAUGA L5M5	2018-10-20	1000
ASIF RASOOL	15 PERSONNA CIRCLE BRAMPTON L6X0P2	2018-10-19	1000
RAVINDRA RODRIGO	11 VALLIERE DR MARKHAM L6C0M7	2018-10-20	1000
KHALKHLIRAD HOMAYOUN	41 LUDFORD DRIVE RICHMOND HILL L4B4G7	2018-11-27	1000
MALIK ABDUL GHAFOOR	23 VALLEYSIDE TRAIL BRAMPTON	2018-10-20	5000
		TOTAL	9500

Table 2: 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	Date Received (yyyy/mm/dd)	Value \$
☐ Additional information is listed on separate supplementary attachment				Total

Total for Part II - Contributions exceeding \$100 per contributor
 (Add totals from Table 1 and Table 2 and record the total in Part 1 - Summary of Contributions) **\$ 13,000.00 1B**

Part III – Contributions from candidate or spouse

Table 3: Contributions in goods or services

Description of Goods or Services	Date Received (yyyy/mm/dd)	Value \$
☐ Additional information is listed on separate supplementary attachment		Total

Table 4: Inventory of campaign goods and materials from previous municipal campaign used in this campaign
(Note: value must be recorded as a contribution from the candidate and as an expense)

Description	Date Acquired (yyyy/mm/dd)	Supplier	Quantity	Current Market Value \$
☐ Additional information is listed on separate supplementary attachment				Total

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 _____

Date of event/activity (yyyy/mm/dd) _____

Part I – Ticket revenue

Admission charge (per person)

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

Number of tickets sold	X	\$ _____	2A
		\$ _____	2B
Total Part I (2A X 2B) (include in Part 1 of Schedule 1)			= \$ _____

Part II – Other revenue deemed a contribution

(e.g. revenue from goods sold in excess of fair market value)

Provide details

1. _____	+	\$ _____	
2. _____	+	\$ _____	
3. _____	+	\$ _____	
4. _____	+	\$ _____	
5. _____	+	\$ _____	
Total Part II (include in Part 1 of Schedule 1)			= \$ _____

Part III – Other revenue not deemed a contribution

(e.g. contribution of \$25 or less; goods or services sold for \$25 or less)

Provide details

1. _____	+	\$ _____	
2. _____	+	\$ _____	
3. _____	+	\$ _____	
4. _____	+	\$ _____	
5. _____	+	\$ _____	
Total Part III (include under Income in Box C)			= \$ _____

Part IV – Expenses related to fundraising event or activity

Provide details

1. _____	+	\$ _____	
2. _____	+	\$ _____	
3. _____	+	\$ _____	
4. _____	+	\$ _____	
5. _____	+	\$ _____	
6. _____	+	\$ _____	
7. _____	+	\$ _____	
8. _____	+	\$ _____	
Total Part IV Expenses (include under Expenses in Box C)			= \$ _____

Auditor's Report
Municipal Elections Act, 1996 (Section 88.25)

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

Professional Designation of Auditor

CHARTERED PROFESSIONAL ACCOUNTANT

Municipality
TORONTO

Date (yyyy/mm/dd)
2019/03/21

Contact Information

Last Name or Single Name
KURESHI

Given Name(s)
MOHAMMAD

Licence Number
3-30468

Address

Suite/Unit No.
310

Street No.
3100

Street Name
STEELES AVE WEST

Municipality
TORONTO

Province
ON

Postal Code
L4S 3B8

Telephone No. (including area code)
647 273-~~9474~~ 3421

Email Address
MKURESHI@SMITHVENDITTI.COM

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 88.25 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.



INDEPENDENT AUDITOR'S REPORT

To Ullis Watkiss, City Clerk, City of Toronto

Qualified Opinion

We have audited the accompanying financial statement (Form 4) of Khuram Aftab, candidate, for the campaign period from July 18, 2018 to December 31, 2018 relating to the election held on October 22, 2018, and Box C: Statement of Campaign Period Income and Expenses for the period and Box D: Calculation of Surplus or Deficit. The financial information has been prepared by Khuram Aftab, the candidate, based on the financial reporting provisions of Section 88.8 through 88.32 of the Municipal Elections Act, 1996.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the income and expenses of Khuram Aftab for the campaign period from July 18, 2018 to December 31, 2018 in accordance with the financial reporting provisions of Section 88.8 through 88.32 of the Municipal Elections Act, 1996.

Basis for Opinion

Due to the inherent nature of the transactions of electoral campaigns of this type, the completeness of the various categories of income and expenses is not susceptible to satisfactory audit verification. Accordingly, our verification of income and expenses was limited to the amounts recorded in the records of Khuram Aftab and we were not able to determine whether any adjustments might be necessary to income, expenses and surplus/deficit of the period from July 18, 2018 to December 31, 2018.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Khuram Aftab in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Basis of Accounting

Without modifying our qualified opinion, we draw attention to the fact that the financial statement is prepared to assist the candidate to meet the requirements of the Municipal Elections Act, 1996, and as a result, the financial statement may not be suitable for another purpose.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with financial reporting provisions of Section 88.8 through 88.32 of the Municipal Elections Act, 1996, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing Khuram Aftab's financial reporting process



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness Khuran Aftab's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Concord, Ontario

Date: March 26, 2019

Smith Venditti Kureshi LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Licensed Public Accountants