



VIA EMAIL

February 7, 2022

City of Toronto – Compliance Audit Committee
City Hall, 10th Floor West
100 Queen Street West
Toronto, ON M5H 2N2

Attention: Julie Amoroso

Dear Madam:

**RE: Faith Goldy - City of Toronto Compliance Audit
Meeting February 8, 2022
File No.52722**

Please find enclosed revised Section 4 of Candidate Faith Goldy's submissions for the Compliance Audit committee meeting February 8, 2022 at 2pm.

Paragraphs 57 to 75 contain revised figures as indicated.

In addition, please find enclosed the following:

1. Revised calculation at Tab 9 of the previous submissions.
2. Summary of selected deposits.
3. Copy of Account from Clayton Ruby dated October 31, 2018 and email from Clayton Ruby office dated November 2, 2018.
4. Letter from accountants Sobel and Company.

Please provide this updated information to the committee members.

Thank you.

Yours very truly,

JULIAN HELLER
JH/der
Enclosure

4. Campaign Contributions of \$101,118. From outside Ontario, Not Reported.

51. Beginning at paragraph 4.4 of the Report, Molson discusses receipt of monies into Goldy's personal bank account in 2018 and 2019. However, Molson does not present or analyze any specific deposit to that account or make any determination as to the source of those funds.

52. Further, in paragraph 4.4.10 and Appendix A of the Report, Molson aggregates the deposits into the personal and campaign accounts on a semi-monthly (not bi-monthly) basis, but does not provide the individual entries, nor has he provided his working papers to justify his allocations despite a written request to him and the City by Goldy's counsel. (See attached letter from Julian Heller dated January 21, 2022 and Molson and City's response.- Tab 8)

53. Instead, Molson has purported to graph the contributions in each of the personal and campaign accounts, and to then extrapolate a conclusion without foundation. This constitutes unfounded speculation and not proof on a balance of probabilities nor an "apparent contravention".

54. It also prevents Goldy from making full answer and defence other than to make a blanket denial of the unfounded conclusions reached by Molson. Goldy will present below some examples of errors in Molson's approach and calculations.

55. It is to be noted that there are also errors in Appendix A in the far right column:

\$ 18,128.24
\$ 71,577.94
\$ 13,979.83
\$ 15,560.23
\$119,246.24 not \$119,226.24

56. In the time available since the release of the Report, however, Goldy has retained her accounting firm to verify some of the numbers set out by Molson and they have also examined the same bank statements relied on by Molson, and reached different results.

57. In particular, for the period after the campaign (January 1, 2019 forward) Goldy's accountants have calculated the total receipts to be \$8,304.89 ~~\$19,242.05~~ less as follows:

	January 1, 2019 to February 1, 2019	February 2, 2019 – March 31, 2019
Goldy's Accountants	\$6,135.04 <u>\$12,265.26</u>	\$ 4,162.96 <u>\$8,969.91</u>
Molson	\$13,979.83	\$15,560.23
Difference	(\$ 7,844.79) <u>\$ 1,714.57</u>	(\$11,397.26) <u>\$6,590.32</u>
Total Difference	\$19,242.05 <u>\$8,304.89</u>	

58. This difference of \$8,304.89 ~~\$19,242.05~~ out of \$29,540.06 for the post campaign period is a reduction of 28% ~~65%~~.

59. With respect to the campaign period of July 27, 2018 to December 31, 2018 Goldy's accountants have identified deposits of \$67,718.29 ~~\$68,743.05~~ rather than the \$71,577.94 specified by Molson, for a difference of (\$3,859.65) ~~(\$2,834.89)~~.

60. Of that amount of \$67,718.29 ~~\$68,743.05~~, \$36,142.74 inclusive of HST was recognized as personal income in Goldy's T-1 for 2018, being \$31,985.00 income net of HST, before expenses.

61. Deposits of \$33,536.99 ~~\$34,561.75~~ were not included in income in 2018 due to an oversight by Goldy in only reporting income from the STRIPE payment system. If necessary, Goldy will re-file her T-1 with CRA. As will be set out below, however, if the costs award of \$43,117.90 is treated as an expense, either in whole or in part in 2018, that would lead to possible inclusion of additional income net of expenses of at most \$6,500.00 with a negligible increase in taxes payable as a result thereof.

62. Similarly, STRIPE originating income in 2019 of \$5,952.25 (\$3,426.29 + \$2,525.96) to March 31, 2019 is included in Goldy's 2019 T-1 income.

63. Deposits of \$15,282.92 ~~(\$8,838.97 + \$6,443.95)~~ \$4,345.76 ~~(\$2,708.75 + \$1,637.01)~~ were inadvertently not included in income but could be included in any 2019 re-filing. This ~~small~~ amount was missed by Goldy in reporting her 2019 income.

Inappropriate Conclusions of “Corroboration”

64. Molson is factually incorrect in his assertion at paragraph 4.4.13 that none of the \$71,577.94 (actually \$67,718.29 ~~\$68,743.05~~ as noted above) was reported by Goldy as income. In fact, \$36,142.74 was included as income in 2018 as noted above, inclusive of HST.

65. Applying his own test, Molson on these facts must acknowledge that these are not campaign contributions. Similarly for the \$5,952.25 STRIPE payments in 2019.

66. Therefore, on Molson’s own analysis $\$34,181.30 + \$5,952.25 = \$40,133.55$ should be deducted from the \$88,953.46 ~~\$79,041.06~~. (2018 +2019 deposits) This yields the following result:

Deposits	July 27, 2018-December 31, 2018	\$68,743.05	\$67,718.29
	January 1, 2019-February 1, 2019	\$ 6,135.04	\$12,265.26
	February 2, 2019-March 31, 2019	<u>\$ 4,162.97</u>	<u>\$ 8,969.91</u>
Subtotal		\$79,041.06	\$88,953.46
T-1 Income 2018/2019		<u>-\$40,133.55</u>	<u>-\$40,133.55</u>
Balance		<u>\$38,907.51*</u>	<u>\$48,819.91*</u>

* For the detailed table showing this calculation, see attached.(Tab 9 revised)

67. With respect to this balance of \$48,819.91 ~~\$38,907.51~~, this was unreported personal income. In the absence of evidence that these were intended by the contributors as a campaign donation, these should not be considered as campaign contributions.

68. There is no evidence of the source of the funds received by email transfer in Molson’s Report.

69. Appendices B, C and D of the Report in fact show the opposite of what Molson says in his Report. These documents show **declined** contributions to the campaign, with an invitation to contribute to Goldy personally via email. This establishes that there was no intention on the part of the contributor by email to make a campaign donation. Rather, this was Goldy raising money as business income as disclosed in her tax returns. The reality is that social media personalities including so called “YouTubers” receive funds by virtue of their media and online presence.

Goldy's declaration of that income in her tax returns, while imperfect, clearly establishes that distinction.

70. There is no contravention, "apparent" or otherwise.

71. Finally, Molson only requested Goldy's 2018 T-1 and not her 2019 return.

72. The alleged non-responsiveness referred to in paragraph 4.4.13 is inaccurate. Redacting of the document did not alter the amounts in certain fields although the placement of an electronic watermark may have interfered with Molson's ability to read the document provided. A non-watermarked copy of the 2018 T-2125 Statement of Business Income is attached hereto, as well as the 2019 version which Molson never asked for.

73. The attached email to a contributor from outside the province of Ontario shows that the campaign **did** attempt to screen out contributors from out of province. Molson does not mention that. (Tab 10)

74. Goldy also attaches the correspondence between Molson and her on December 26, 2021 reflecting the first request by Molson for clarification and Goldy's answer that she would comply in mid-January following her celebration of the Ukrainian Christmas holidays. For Molson to request a response on December 26, 2021, by then 3 years post-election, and expect an answer before January 12, 2022 is unfair and unrealistic. (Tab 7 above)

75. It is submitted that Molson's unfounded criticism and statements regarding lack of cooperation evinces an approach that is not objective, and shows a clear descent by Molson "into the arena" when, as auditor, he had a duty to remain above the fray.

TAB 9
(revised)

Faith Gohdy Re City of Toronto Compliance Audit Summary

SUMMARY:

	July 27, 2018 - Dec 31, 2018	Jan 1, 2019 - Feb 1, 2019	Feb 2, 2019 - Mar 31, 2019	Total
Deposits	33,536.99	8,838.97	6,443.95	48,819.91
Stripe	34,181.30	3,426.29	2,525.96	40,133.55
	67,718.29	12,265.26	8,969.91	88,953.46
Per Mr. Mokson	71,577.94	13,979.83	15,560.23	101,118.00
Difference	(3,859.65)	(1,714.57)	(6,590.32)	(12,164.54)

Reported on T1 return:

2018	2019	Total
36,142.74	14,702.94	50,845.68 Gross
(4,158.01)	(1,029.79)	(5,187.80) GST/HST
31,984.73	13,673.15	45,657.88 Net

Reconciliation of 2018 T1 to Cash Summary:

36,142.74	Gross cash received by Stripe
(1,354.14)	Less: Stripe processing fees
34,788.60	Net cash deposited in bank
(607.30)	Less: Cash rec'd Dec end 2018 but deposited in Jan 2019
34,181.30	

Faith Gokly Re City of Toronto Compliance Audit
 Analysis of "Contributions from Outside Ontario" \$101,118
 Molson v Gokly Comparison *

Number	Date	Transfer type	Molson		Gokly		Sender	Relationship	Location
			Conclude	Other	Conclude	Other			
1	7/30/2018	E-TRANSFER CABNnev	150.00		150.00		A.G.	Sister	Ontario
2	8/3/2018	E-TRANSFER CAEGAmhW	100.00		100.00		L.V.	Sister in law	Ontario
3	8/7/2018	E-TRANSFER CAaShK8B	250.00		250.00		L.V.	Sister in law	Ontario
4	9/11/2018	E-TRANSFER CAw7mJ27	1,000.00		1,000.00		L.V.	Sister in law	Ontario
5	9/11/2018	E-TRANSFER CA9CsKai	100.00		100.00		L.V.	Sister in law	Ontario
6	10/09/2018	E-TRANSFER CAeJbOhs	200.00		200.00		A.B.	Uncle	Ontario
7	10/16/2018	E-TRANSFER CAzShNW	100.00		100.00		L.V.	Sister in law	Ontario
8	10/18/2018	Senior Rebate Credit	4.00		4.00				
9	10/26/2018	DEPOSIT	7.50		7.50				
10	10/31/2018	FEE REBATE - SENIOR	4.00		4.00				
11	11/05/2018	E-TRANSFER CA5KNOH	100.00		100.00		A.G.	Sister	Ontario
12	11/14/2018	E-TRANSFER CA2VNSdW	170.00		170.00		A.G.	Sister	Ontario
13	11/20/2018	E-TRANSFER CAEvmn59	150.00		150.00		J.V.	Husband	Ontario
14	11/23/2018	MOBILE DEPOSIT	30.00		30.00				
15	11/23/2018	DRAFT REIMBURSEMENT	7.50		7.50				
16	11/30/2018	FEE REBATE - SENIOR	4.00		4.00				
17	12/05/2018	E-TRANSFER CA2WxmH	100.00		100.00		N.S.	Brother in law	Ontario
18	12/31/2018	FEE REBATE - SENIOR	4.00		4.00				
Subtotal 2018									
					2,481.00				

Campaign period 2018

Number	Date	Transfer type	Molson		Gokly		Sender	Relationship	Location
			Conclude	Other	Conclude	Other			
19	01/03/2019	E-TRANSFER CAGnobv9	1,000.00		1,000.00		N.S.	Brother in law	Ontario
20	01/03/2019	E-TRANSFER CAFRXMh	400.00		400.00		K.G.		
21	01/07/2019	E-TRANSFER CA6Tb4w	100.00		100.00		N.S.	Brother in law	Ontario
22	01/15/2019	E-TRANSFER CA9d6Giv	1,000.00		1,000.00		M.B.	Father	Ontario
23	01/24/2019	E-TRANSFER CA7YsPCh	200.00		200.00		K.G.	Aunt	Ontario
24	01/31/2019	ACCT BAL REBATE	15.95		15.95				
25	2/4/2019	E-TRANSFER CAW7PUS	100.00		100.00		N.S.	Brother in law	Ontario
26	2/5/2019	E-TRANSFER CAxBaXUk	200.00		200.00		J.V.	Husband	Ontario
27	02/14/2019	E-TRANSFER CAGvSDx	875.00		875.00		K.G.	Aunt	Ontario
28	02/20/2019	E-TRANSFER CAHFsOKK	500.00		500.00		M.B.	Father	Ontario
29	02/26/2019	E-TRANSFER CAGawBPQ	1,000.00		1,000.00		M.B.	Father	Ontario
30	03/04/2019	E-TRANSFER CAVG26X	100.00		100.00		N.S.	Brother in law	Ontario
31	03/11/2019	E-TRANSFER CAHhMD6k	200.00		200.00		J.V.	Husband	Ontario
32	03/14/2019	Streamlabs Dona MSP	22.66		22.66				
33	03/14/2019	E-TRANSFER CA64HBD7	1,000.00		1,000.00		M.B.	Father	Ontario
34	03/18/2019	E-TRANSFER CAQ4hGn	895.00		895.00		K.G.	Aunt	Ontario
35	03/19/2019	E-TRANSFER CAmm8cck	100.00		100.00		J.V.	Husband	Ontario
36	03/25/2019	E-TRANSFER CA5fmWJ	500.00		500.00		L.V.	Sister in law	Ontario
37	03/25/2019	Streamlabs Dona MSP	10.56		10.56				
38	03/27/2019	E-TRANSFER CAKx3AQ	1,000.00		1,000.00		M.B.	Father	Ontario
39	03/29/2019	FEE REBATE - SENIOR	4.00		4.00				
Subtotal 2019									
					9,163.17				
Grand Total									
					11,644.17				

Post Campaign: January 2019 - March 2019

* Molson includes \$11,644.17 as campaign contributions which are non-campaign payments by family members or others.

Faith Goldy Re City of Toronto Compliance Audit

Analysis of "Contributions From Outside Ontario" by Selected Donors			
Sender	Relationship to Candidate	Total Amount	Location
A.G.	Sister	420	ON
A.B.	Uncle	200	ON
J.V.	Husband	650	ON
K.G.	Aunt	2310	ON
L.V.	Sister in Law	2050	ON
M.B.	Father	4500	ON
N.S.	Brother in Law	1400	ON
Sub-total		11530	

Row Labels	Campaign Period Sum of Other
A.B.	200
A.G.	420
J.V.	150
L.V.	1550
N.S.	100
(blank)	61
Grand Total	2481

Row Labels	Post Campaign Period Sum of Other
J.V.	500
K.G.	2310
L.V.	500
M.B.	4500
N.S.	1300
(blank)	53.17
Grand Total	9163.17

Funds received from Google LLC		
Sender	Amount	Amount
Google LLC MSP	747.21	
Google LLC MSP	1659.88	
Google LLC MSP	4470.34	
Google LLC MSP	0.24	
Sub-total	6877.67	

Grand Total of Contributions from Identified Individuals and Google LLC:	18407.67
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Clayton Ruby Professional Corporation
92 Isabella Street
Toronto, ON M4Y 1N4 Canada

Ph: 416-964-9664

Fax: 416-964-8305

Faith Goldy
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

October 31, 2018

File #: goldy
Inv #: 14489

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
Oct-26-18	Preparation re: costs (review Bell Media's submissions; draft our submissions)	2.80	N/C	CR
	Receive costs submissions, scan to file and copy; discussion with S. DiGiuseppe	0.40	N/C	CM
Oct-29-18	Review and edit our draft submissions	1.40	N/C	CR
Oct-30-18	Revise our draft submissions further	1.30	N/C	CR
	Totals	5.90	<u>\$0.00</u>	

DISBURSEMENTS

Oct-19-18	Transaction Levy: Application/Notice of App.	50.00
Oct-24-18	Canadian News Wire, #T0389406	680.00
	Donaldson Law Clerk Services Inc., Inv. #103235	679.69
Oct-31-18	Write off disbursements	-1,409.69
	Totals	<u>\$0.00</u>

Total Fee & Disbursements

\$0.00

**Previous invoice written off
\$9,973.06 Invoice #14475**

Balance Now Due

\$0.00

TAX ID Number 83706 2355 RT0001

**THIS IS OUR ACCOUNT HEREIN:
CLAYTON RUBY PROFESSIONAL CORPORATION**



**Per: Clayton C. Ruby
E. & O. E.**

*Please be advised
that previous
balance owing of
\$ 9,973.06
was written off.*

Diane Ross

From: Diane Ross
Sent: Tuesday, February 8, 2022 10:06 AM
To: Diane Ross
Subject: FW: Invoice from Clayton Ruby
Attachments: Clayton Ruby Professional Corporation Invoice - Oct 31 2018.pdf

----- Forwarded message -----

From: Mandy Machin <MMachin@rubyshiller.com>
Date: Fri, Nov 2, 2018 at 4:30 PM
Subject: Invoice from Clayton Ruby
To: FAITH GOLDY <[REDACTED]>

Dear Faith, please see attached invoice from Clayton Ruby Professional Corporation dated Oct 31, 2018.

We have not charged for our work completing the costs submissions. We have also written off disbursements of \$1,409.69 and have also written off the previous balance of \$9,973.06.

Our costs submissions were served and filed today. I will send you PDF copies early next week.

Regards,

Mandy

Amanda Machin

Office Manager and

Assistant to Clayton Ruby

RUBY

SHILLER

ENENAJOR

DIGIUSEPPE

BARRISTERS

92 Isabella Street, Toronto, Ontario M4Y 1N4

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February 7, 2022

City of Toronto – Compliance Audit Committee
City Hall, 10th Floor West
100 Queen Street West
Toronto, ON M5H 2N2

Attention: John D. Elvidge
Julie Amoroso

Dear Sir and Madam,

Re: Faith Goldy - City of Toronto Compliance Audit
File No.52722

We have reviewed the bank statements for Faith Goldy's personal account that were relied upon by Mr. William Molson CPA in creating his report dated January 12, 2022.

Based on our initial review, and without having access to Mr. Molson's working papers, we have calculated that, for the periods January 1, 2019 to February 1, 2019 and February 2, 2019 to March 31, 2019, receipts in the Goldy personal account were \$12,265.26 plus \$8,969.91 = \$21,235.17 being \$8,304.89 less than that set out in the above noted Report.

In addition, we identified deposits of \$67,718.29, into the Goldy personal account rather than the \$71,577.94 specified by Molson in the period July 27, 2018 to December 31, 2018 for a difference of (\$3,859.65).

We have also found numerous inclusions by Mr. Molson of items as campaign contributions which, on our understanding based on information at hand, and review of the statements, would appear to be either income inclusions or gifts.

Respectfully yours,

SOBEL & COMPANY, PROFESSIONAL CORPORATION



Mahyar Hansotia, CPA, CA

MKH/ks