



2. THIS COURT ORDERS that the penalties enumerated in subsection 80(2) of the *Municipal Elections Act, 1996*, S.O. 1996, c. 32 (the "Act"), arising as a result the Notice of Default issued by the City of London pursuant to subsection 80(3) of the Act on March 31, 2015, do not apply to the Applicant, Paul Chang, and that the Applicant is hereby relieved from same.

K. A. [Signature]

(Signature of Judge)

ORDER ENTERED  
JUL 14 2015  
1668

**PAUL CHENG**  
Applicant

-and- **CORPORATION OF THE CITY OF LONDON**  
Respondent

Court File No. 1043/15

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**PROCEEDING COMMENCED AT**  
**LONDON**

**ORDER**

**MCKENZIE LAKE LAWYERS LLP**  
140 Fullarton Street, Suite 1800  
London ON N6A 5P2

**Stuart R. Mackay (24517U)**  
Tel: 519-672-5666  
Fax: 519-672-2674

Lawyers for the Applicant



Ministry of Municipal Affairs and Housing

Financial Statement - Auditor's Report Form 4

Municipal Elections Act, 1996 (Section 78)

Instructions:

All candidates must complete Boxes A and B. Candidates who receive contributions or incur expenses beyond the nomination fee 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 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) 2 0 1 4 | 0 4 | 1 4 to 2 0 1 4 | 1 2 | 3 1

[X] 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

Candidate's name as shown on the ballot

Last Name

Cheng

Given Name(s)

Paul

Name of office for which the candidate sought election

Mayor

Ward name or no. (if any)

Name of Municipality

City of London

Spending limit issued by clerk

\$ 255,303.05

[ ] I did not accept any contributions or incur any expenses other than the nomination fee. (Complete Box A and B only)

Box B: Declaration

I, Paul Cheng

, a candidate in the municipality of

City of London

, hereby declare that 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 London

on (yyyy/mm/dd) 27/3/2015

Signature of Clerk or Commissioner

Signature of Clerk or Commissioner

27/3/2015

Date Filed in the Clerk's Office (yyyy/mm/dd)

Signature of Candidate (Handwritten signature of Paul Cheng)

Signature of Candidate



DEFAULT - INCOMPLETE

Financial Statement - Auditor's Report Form 4

Municipal Elections Act, 1996 (Section 78)

Instructions:

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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) 2 0 1 4 | 0 4 | 1 4 to 2 0 1 4 | 1 2 | 3 1

- 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

Candidate's name as shown on the ballot
Last Name: Cheng
Given Name(s): Paul
Name of office for which the candidate sought election: Mayor
Ward name or no. (if any):
Name of Municipality: City of London
Spending limit issued by clerk: \$ 255,303.05

I did not accept any contributions or incur any expenses other than the nomination fee. (Complete Box A and B only)

Box B: Declaration

I, Paul Cheng, a candidate in the municipality of City of London, hereby declare that 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
on (yyyy/mm/dd)

Signature of Clerk or Commissioner

Signature of Candidate (with handwritten signature)

Date Filed in the Clerk's Office (yyyy/mm/dd)

**INDEPENDENT AUDITORS' REPORT**  
**MUNICIPAL ELECTIONS ACT, 1996 (SECTION 78)**

To: Cathy Saunders, City Clerk & Returning Officer

We have audited the Financial Statement- Auditor's Report Form 4, including the Statement of Campaign Income and Expenses and the Calculation of Surplus or Deficit of PAUL CHENG, candidate, for the campaign period from April 14, 2014 to December 31, 2014

**Candidate's Responsibility for the Financial Statements**

Paul Cheng, candiadate is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting treatment prescibed by the Municipal Elections Act, 1996.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Basis for Qualified Opinion**

Due to the nature of the types of transactions inherent in an election campaign, it is impracticable through auditing procedures to determine that the accounting records include all donations of goods and services, and receipts and disbursements. Accordingly, our verification of these revenues was limited to ensuring that the fiscal statements reflect the amounts recorded in the accounting records of PAUL CHENG, candidate, in accordance with accounting procedures established by the Municipal Elections Act, 1996 and we were not able to determine whether any adjustments might be necessary to income and expenses and surplus/deficit.

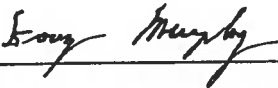
## INDEPENDENT AUDITORS' REPORT - continued

### Qualified Opinion

In our opinion, except for the possible effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves as the completeness of the records as described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the candidates election campaign as at **December 31, 2014**, and the expenses for the campaign period from August 14, 2014 to December 31, 2014 and the determination of surplus or deficit in accordance with the accounting prescribed by the Municipal Elections Act, 1996.

### Other Matter

The Municipal Elections Act, 1996 does not require us to report, nor was it practicable for us to determine, that contributions reported include only those which may be properly retained in accordance with the provisions of the Municipal Elections Act, 1996.



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Chartered Professional Accountants  
Licenced Public Accountants

Komoka, Ontario  
March 26, 2015  
D.M., CPA, CA

**Box C: Statement of Campaign Income and Expenses**

**LOAN**

Name of bank or recognized lending institution \_\_\_\_\_  
Amount borrowed \$ \_\_\_\_\_

**INCOME**

Total amount of all contributions (From line 1A in Schedule 1)	+ \$	143,896.63
Refund of nomination filing fee	+ \$	_____
Sign deposit refund	+ \$	_____
Revenue from fund-raising events not deemed a contribution (From Part III of Schedule 2)	+ \$	_____
Interest earned by campaign bank account	+ \$	_____
Other (provide full details)	+ \$	_____
1. _____	+ \$	_____
2. _____	+ \$	_____
3. _____	+ \$	_____
<b>Total Campaign Income (Do not include loan)</b>	= \$	<b>143,896.63 C1</b>

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

**Expenses subject to spending limit**

Nomination filing fee	+ \$	200.00
Inventory from previous campaign used in this campaign (list details in Table 5 of Schedule 1)	+ \$	_____
Advertising	+ \$	110,031.92
Brochures/flyers	+ \$	1,700.65
Signs (including sign deposit)	+ \$	16,275.68
Meetings hosted	+ \$	1,180.10
Office expenses incurred until voting day	+ \$	8,420.00
Phone and/or Internet expenses incurred until voting day	+ \$	446.52
Salaries, benefits, honoraria, professional fees incurred until voting day	+ \$	1,494.40
Bank charges incurred until voting day	+ \$	126.84
Interest charged on loan until voting day	+ \$	_____
Other (provide full details)	+ \$	_____
1. _____	+ \$	_____
2. _____	+ \$	_____
3. _____	+ \$	_____
<b>Total Expenses subject to spending limit</b>	= \$	<b>139,876.11 C2</b>

**Expenses not subject to spending limit**

Accounting and audit	+ \$	3,955.00
Cost of fund-raising events/activities (list details in Part IV of Schedule 2)	+ \$	_____
Voting day party/appreciation notices	+ \$	_____
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	+ \$	65.52
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. _____	+ \$	_____
Other (provide full details)	+ \$	_____
1. _____	+ \$	_____
2. _____	+ \$	_____
3. _____	+ \$	_____
<b>Total Expenses not subject to spending limit</b>	= \$	<b>4,020.52 C3</b>

**Total Campaign Expenses (C2 + C3)**

= \$ **143,896.63 C4**



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**Box D: Calculation of Surplus or Deficit**

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Excess (deficiency) of income over expenses (Income – Total Expenses) (C1 – C4)	+ \$	0.00	D1
Eligible deficit carried forward by the candidate from the last election	- \$		D2
<b>Total (D1 – D2)</b>	= \$		
If there is a surplus, deduct any refund of candidate's or spouse's contributions to the campaign	- \$		
Surplus (or deficit) for the campaign	= \$		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 was responsible for the conduct of the election.

Amount of \$ \_\_\_\_\_ paid to municipal clerk in the municipality of \_\_\_\_\_.













Description	Date Acquired (yyyy/mm/dd)	Supplier	Current Market Value \$	Quantity	Total Value \$
<input type="checkbox"/> Additional information is listed on separate supplementary attachment					<b>Total</b>



**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)

+ \$ \_\_\_\_\_ 2A

Number of tickets sold

X \_\_\_\_\_ 2B

**Total Ticket Revenue (2A X 2B) (Include in Schedule 1)**

= \$ \_\_\_\_\_

**Part II – Other revenue deemed a contribution**

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

1.	_____	+ \$	_____
2.	_____	+ \$	_____
3.	_____	+ \$	_____
4.	_____	+ \$	_____
5.	_____	+ \$	_____

**Total Part II Revenue (include in Schedule 1)**

= \$ \_\_\_\_\_

**Part III – Other revenue not deemed a contribution**

(provide details (e.g. contributions of \$10 or less; market value of goods or services sold))

1.	_____	+ \$	_____
2.	_____	+ \$	_____
3.	_____	+ \$	_____
4.	_____	+ \$	_____
5.	_____	+ \$	_____

**Total Part III Revenue (include 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 in Box C)**

= \$ \_\_\_\_\_

**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.

Professional Designation of Auditor

CHARTERED ACCOUNTANT / CHARTERED PROFESSIONAL ACCOUNTANT

Municipality LONDON	Date (yyyy/mm/dd) 2015/03/26
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**Contact Information**

Last Name MURPHY	First Name DOUG	Licence Number 1-12372
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**Address**

Suite/Unit No. UNIT 6	Street No. 22423	Street Name JEFFERIES RD.
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City/Town KOMOKA	Province ON	Postal Code N0L 1R0
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Telephone No. (including area code) 519 657-0767 ext.	Fax No. 519 657-0060	Email Address DOUG@DOUGMURPHY.CA
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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 78 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.

**Table 1: Monetary contributions from individuals other than candidate or spouse (greater than \$100.00)**

<b>Name</b>	<b>Address</b>	<b>Amount</b>
David Gray		750.00
Mrs. Robin Frankovik		750.00
Rodney Hancock	102 Carriage Hill Dr, London, ON N5W 2L9	750.00
Phillip Hamilton	1044 William St, London, ON N5Y 2T1	500.00
Terry Dietz	43363 Sparta Line, St. Thomas, ON N5P 3S8	500.00
Henry Svec	8936 Talbot Trail, Blenheim, ON N0P 1A0	500.00
Andrew Spriet	1196 St. Anthony Rd, London, ON N6H 2R1	300.00
Chris Butler	863 Waterloo St, London, ON N6A 3W7	250.00
Marian Curtin	128 Fairmont Ave, London, ON N6W 1L9	250.00
Paul Kash	805 Adelaide St N, London, ON N5Y 2L8	250.00
David Seed	c/o London Tax, 148 Stronach Cr, London, ON N5V 3A1	250.00
Wolfgang Guenther	835 Richmond St, London, ON N6A 3H7	250.00
Rick Odecki	937 Dawson Rd, Windsor, ON N8Y 4A3	250.00
Neil Murphy	534 Hale St, London, ON N5W 1H1	250.00
William Fellner	14 Croydon Dr, Middlesex Centre, ON N0M 1C0	250.00
Dr. Mike Feng	26 Windingwoods Cres, London, ON N6G 3G5	200.00
Edward Wszol		200.00
Alan Sargent	142 Ridout St S, London, ON N6C 3X6	200.00
Stephen & Nancy Wells	1635 Hamilton Rd, London, ON N6M 1G5	150.00
John Hatch		100.00
Gregory & Jane Rea	127 Camden Rd, London, ON N5X 2K2	100.00
Eugene & Lilian Sawchuk	30 Elmgrove Cres, London, ON, N6J 3X5	100.00
Richard Mitchell	1123 Hamilton Rd, London, ON N5W 1A7	100.00
Bradley Lister	556 Nottinghill Rd, London, ON N6K 1R4	100.00
David Schaffelburg	7 Rosecliffe Cr, London, ON N6K 3X9	100.00
Paul Boucher	19 Harcroft Cr, London, ON N6C 2Z9	100.00
Ted Wernham	6 Longview Court, London, ON N6K 4J1	100.00
		<u>7,600.00</u>

**Table 2: Monetary contributions from corporations or unions**

<b>Name</b>	<b>Address</b>	<b>Amount</b>
1822095 Ont. Ltd		750.00
1116784 Ontario Ltd	1175 Frances St, London, ON N5W 2T1	750.00
Crumlin Creek	1720 Crumlin Sideroad, London, ON N5V 1S2	750.00
Copp's BuildAll	45 York St, London, ON N6A 1A4	750.00
London District Heavy Const. Assoc.	11 Haymarket St, London, ON N6C 3C9	750.00
Lamplighter Inns (London) Ltd	591 Wellington Rd S, London, ON N6C 4R3	750.00
Siemko Investment	129 Whiteacres Dr, London, ON N6G 4E8	400.00
Pro Electric	347 Sovereign Rd, London, ON, N6M 1A6	200.00
Danny's Wine and Beer	Box 52025, London, ON	100.00
		<u><b>5,200.00</b></u>

<b>Contribution From Candidate</b>	130,642.63
<b>Total Value of Contributions Not Exceeding \$100.00:</b>	454.00
<b>Total Value of Contributions Exceeding \$100.00:</b>	<u>12,800.00</u>
<b>Total</b>	<u><b>143,896.63</b></u>