

Fogo Island - Cape Freels By-Election  
Report on Election Finances  
Office of the Chief Electoral Officer  
April 15, 2024





**Table of Contents**

Introduction	5
Filing of Financial Statements	5
By-Election Filing from Candidates and Parties	5
Political Contributions	6
Election Expenses	6
Reimbursement of Candidate Expenses	6-7
Late Filing	7
Other Election Finance Matters and Recommendations	8
Non-compliance with Time Limit	8
Penalties	9
Reduction of Audit Requirements	10
Appendix A - Candidate and Party Statement of Income and Expenses	11-13
Appendix B - Political Contributions	15-17



## INTRODUCTION

This **Election Finance Report** is an addendum document to the **Report on the Fogo Island – Cape Freels By-Election April 15, 2024** that was submitted to the Speaker of the House of Assembly on January 10, 2025.

Section III of the Elections Act, 1991 (the Act) outlines the election finance provisions that are applicable to candidates and parties in an election event. This includes the registration requirements of candidates in an election and the conduct of both political parties and candidates with respect to receipt of political contributions, election expenditures and the filing of financial statements and reports. The election finance provisions of the Act also determine the amount of any applicable subsidies paid to candidates for election expenses and audit fees.

This report contains a summary of the financial information submitted under these provisions for the Fogo Island – Cape Freels By-Election of April 15, 2024.

## FILING OF FINANCIAL STATEMENTS

Within four months after polling day, each candidate in an election must file with the Office of the Chief Electoral Officer a financial filing of income and expenses along with an audited set of financial statements. Registered political parties must also file a separate financial filing of income and expenses, along with an audited set of financial statements if they incur expenses on behalf of a candidate in an election. The Office of the Chief Electoral officer reviews these filings to determine compliance with the applicable election finance legislation.

## BY-ELECTION FILINGS FROM CANDIDATES AND PARTIES

The filing deadline for candidates and political party financial reporting for the Fogo Island – Cape Freels by-election was August 16, 2024. The Jim McKenna campaign was the only campaign to file their financial return by the deadline. The remaining campaigns filed their financial returns late, and as a result the Dana Blackmore campaign forfeit both their election expense subsidy, and nomination deposit refund. The Jim Gill campaign forfeit their nomination deposit refund. The Liberal Party filed their financial reports prior to the deadline. The New Democratic Party incurred expenses but did not file a return. These expenses were identified in the 2024 Annual filing of the Party. The Progressive Conservative Party did not incur expenses in the by-election and therefore were not required to make any filing with this office.

**Appendix A** to this report summarizes the income and expense statements for the candidates and registered political parties who incurred election expenses in this by-election.

## POLITICAL CONTRIBUTIONS

As part of their financial filings, candidates must include a listing of contributions received in a campaign period that either individually or in sum exceed \$100 along with the name and address of the contributor(s). This listing of contributions is located in **Appendix B** of this report.

To avoid duplication any contributions made to the reporting political parties during the campaign period will be included in the “Annual Report on Election Finances January 1, 2024 to December 31, 2024.”

## ELECTION EXPENSES

Candidates and political parties may spend up to a specified amount for election expenses in accordance with provisions in the Act. The expenditure limit is calculated at \$3.125 multiplied by an annual inflation factor, and then multiplied by the number of electors on the preliminary list of electors for the by-election.

The annual expense factor for election events in 2024 is \$5.501, and the district of Fogo Island – Cape Freels had 10,149 voters on the preliminary list of electors at the time the by-election was called. Using these factors the eligible expenditure limit for candidates and parties in the Fogo Island – Cape Freels by-election was calculated as \$55,830.

All candidates and political parties who filed returns for the Fogo Island – Cape Freels by-election were in compliance with the expenditure limit above.

## REIMBURSEMENT OF CANDIDATE EXPENSES

Any candidate in an election who receives at least 15 per cent of the popular vote in their electoral district is eligible for a reimbursement equal to one-third of their eligible expenses, up to the maximum expenditure limit for the district. In addition to the election reimbursement, all candidates in an election are eligible for a subsidy of up to \$500 for audit services. These subsidies are paid directly to the candidate’s auditor after a candidate has filed their financial returns.

Political parties are not eligible for a reimbursement of election expenses or audit subsidies.



For the Fogo Island – Cape Freels by-election, the total election expense reimbursements (including auditor services) for the event was \$7,680.61. Of the three candidates in the by-election, two received at least 15 per cent of the popular vote thereby qualifying for an election expense reimbursement, however one of those candidates filed their financial reports late and forfeit their subsidy (see below). The amounts paid to candidates are detailed in the following chart:

CANDIDATE	POLITICAL PARTY	EXPENSE REIMBURSEMENT	AUDIT SUBSIDY	TOTAL SUBSIDY
<b>BLACKMORE, DANA</b>	LIBERAL PARTY	-	\$500.00	\$500.00
<b>GILL, JIM</b>	NEW DEMOCRATIC PARTY	-	\$500.00	\$500.00
<b>MCKENNA, JIM</b>	PROGRESSIVE CONSERVATIVE PARTY	\$6,180.61	\$500.00	\$6,680.61
<b>TOTAL</b>		\$6,180.61	\$1500.00	\$7,680.61

## LATE FILING

The filing deadline for financial reporting of campaign and party activities was August 16, 2024. Only one of the candidates filed their reports with the Office of the Chief Electoral Officer in accordance with that deadline. The remaining two candidates filed late, one of which resulted in the forfeit of their expense subsidy. The New Democratic Party incurred expenses on behalf of their candidate, and as a result were required to file financial schedules for the by-election, but they did not. As part of the 2024 Annual filing requirements the New Democratic Party included those expenses with their audited financial statements.

The Office of the Chief Electoral Officer reminds candidates and parties that there are financial penalties associated with late filing that are outlined in the Act. These penalties include:

- The forfeiture of the election expense subsidy for candidates who received 15 per cent of the popular vote in their districts.
- The forfeiture of a candidate's nomination deposit.
- Fines and/or penalties on summary conviction for a CFO who fails to file a financial return by the filing deadline.

## OTHER ELECTION FINANCE MATTERS AND RECOMMENDATIONS

Elections NL is responsible for ensuring candidates and political parties comply with campaign finance regulations. Candidates and parties are conducting modern political campaigns while adhering to finance regulations that are over 30 years old. There are several compliance and policy related issues that Elections NL recommends to enhance the fairness and transparency in political financing activities.

### Non-compliance with Time Limit

Currently the Act stipulates that a CFO may be charged \$50 per day that a financial return is not filed, or they may pay to the office a fine of equal value in the absence of being charged. There are several issues with this penalty regime that makes the enforcement challenging for this office.

The first issue associated with this penalty regime is that even after a relatively short time-span, the \$50 per day charge can balloon to a penalty that is not reflective of filing an incomplete or late set of financial records. For example, if a CFO files a set of financial records 30 days late, they are subject to either being charged or fined \$1,500. The more the \$50 per day amount accrues, the more the penalty is no longer reflective of the offense. Elections NL recommends that the penalty should have a cap at a reasonable amount whereby it acts as a deterrent for late or incomplete filing, but also as a penalty that is not financially detrimental to a CFO or Party.

The second issue related with the penalty regime is that the Act contemplates a CFO being charged through the courts. The enforcement of the penalty regime should not be a judicial action.

**Recommendation:** Elections NL recommends that any penalty should be an administrative action by the office in relation to the filing of financial records. As in the issue above, the penalty continues to be a deterrent, but it does not affect the CFO detrimentally. Having administrative penalties that are capped at a reasonable amount balances the requirement for ensuring financial returns are filed in a timely manner, and that candidates have access to CFOs that might otherwise not accept the financial risk of participating in a campaign.



## Penalties

As part of the financial review process for campaigns and political parties, Elections NL may request additional information from a CFO to verify the accuracy of their financial schedules, to satisfy reporting requirements such as donors greater than \$100, or ensure compliance with the finance provisions of the Act. Receiving timely responses from CFOs is key to providing public disclosure and transparency of election financing activities of campaigns and political parties. Section 275 of the Act considers a 30-day period for a response from a CFO, but the Act does not clearly specify what action can be taken if a response is not given within 30 days. Elections NL requires clear administrative penalties to enforce timely responses from political parties and campaigns.

Delays in responding to requests for financial information by campaigns or parties ultimately delay the preparation of the corresponding reports on Election Finances, and thus the timely public disclosure of election financing activities for those events.

**Recommendation:** Elections NL recommends that the Act should allow for administrative penalties, similar to those proposed for failure to file financial schedules by the deadline. The penalties should be based on length of time that a request has been outstanding and capped at a certain dollar figure. Having administrative penalties that are capped at a reasonable amount balances the requirement for ensuring requests are returned in a timely manner. The administrative penalties should be clearly applicable to both political parties and candidates.



## Reduction of Audit Requirements

The Act requires each campaign in an election event to file a set of audited financial statements. The Act also provides an audit subsidy of \$500 to each campaign.

For those campaigns that do not earn enough in contributions, funding an audit can be a significant financial burden, and the requirement to fund an audited set of financial statements can be a barrier for individuals to nominate themselves as candidates. Audited services are increasingly expensive and campaigns now have to budget campaign funds over the \$500 subsidy.

While audited statements provide value for larger campaigns ensuring that their financial activities are in accordance with provisions in the Elections Act, the value of an audit diminishes when a campaign spends little or no money during the election period.

For example, in the 2021 General Election 33 of the 127 candidates (26%) spent \$2,500 or less on their campaigns, yet each is required to obtain an audited set of financial statements. Even candidates who spend no money on their campaign must provide an audited set of financial statements, which are then subsidized up to \$500. The value that an audit provides to the reporting of those campaigns financial statements is limited and more costly than having those filings reviewed internally by Elections NL.

**Recommendation:** Elections NL recommends a review of the requirement for all candidates to file an audited set of financial statements at the end of an election event. One alternative to requiring audited financial statements from all candidates could instead be based on a tiered scale that is equitable to all candidates. An audited set of financial statements would only be required if a candidate met certain criteria, such as:

- 1) Being the successful candidate,
- 2) Being eligible for an election expense subsidy,
- 3) Spending more than a pre-set percentage of a district expenditure limit or base expense amount,
- 4) Spending in a defined expense category.

For any candidates that do not meet any of those criteria, an audit should not be required. Campaigns that are not subject to an audit can still file a set of financial schedules as part of their financial disclosure, and Elections NL may conduct any additional follow-up as necessary.

By removing the audit requirement for campaigns that do not meet the threshold, this allows for an increase in the per-campaign subsidy amount for those campaigns that are required to obtain an audit. As noted above, campaigns are required to budget more to obtain audit services, and an increase in the subsidy amount should be considered as part of any modernization of the Elections Act.

**APPENDIX A**  
**CANDIDATE AND POLITICAL PARTY**  
**INCOME AND EXPENSE STATEMENTS**

**FOR**

**BY-ELECTION HELD IN THE**  
**ELECTORAL DISTRICT OF**

**FOGO ISLAND - CAPE FREELS**

**ON**

**APRIL 15, 2024**



**FOGO ISLAND - CAPE FREELS  
CANDIDATE AND PARTY STATEMENT OF INCOME AND EXPENSES  
BY-ELECTION CAMPAIGN, APRIL 15, 2024**

	Dana Blackmore (Lib) (\$)	Jim Gill (NDP) (\$)	Jim McKenna (PC) (\$)	Liberal Party (\$)	New Democratic Party (\$)
<b>Income</b>					
Contributions	8,800	-	5,975	-	-
Fundraising (net of contributions)	-	-	-	-	-
Transfers Received	16,500	-	5,000	-	-
Opening Inventory	-	-	-	-	-
Nomination Deposit Reimbursement	-	-	200	-	-
Candidate Expense Subsidy	-	-	6,181	-	-
Other	-	-	-	-	-
<b>Total Income</b>	<b>25,300</b>	<b>-</b>	<b>17,356</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>					
<b>Expenses Subject To Statutory Limit</b>					
Accounting/Professional Fees	-	-	-	-	-
Advertising/Printing	6,435	-	7,703	11,112	704
Bank Charges/Interest	113	-	105	-	-
Fundraising	-	-	-	-	-
Insurance	-	-	-	-	-
Meetings/Social Functions	4,303	-	-	-	-
Office and Equipment Purchased	-	-	-	-	-
Office and Equipment Rental	1,030	-	1,200	1,100	-
Office Supplies	-	-	159	1,763	-
Opening Inventory	-	-	-	-	-
Postage	-	-	28	-	-
Research and Polling	-	-	-	-	-
Salaries & Benefits	1,800	-	2,240	-	-
Telephone/Utilities	-	-	252	-	-
Campaign Worker Travel	-	-	6,855	21,771	-
Other	-	-	-	-	-
<b>Subtotal</b>	<b>13,681</b>	<b>-</b>	<b>18,542</b>	<b>35,746</b>	<b>704</b>
<b>Expenses not subject to statutory spending limit</b>					
<b>Candidate's Travel/Personal Expenses</b>					
Meals	422	-	205	-	-
Accommodations	130	-	362	-	-
Transportation	360	-	1,269	-	-
Audit Fees	650	-	823	-	-
Transfers Paid Out	-	-	-	16,500	-
Thank You Party	-	-	219	-	-
Nomination Deposit	200	200	200	-	-
Other	-	-	-	-	-
<b>Subtotal</b>	<b>1,762</b>	<b>200</b>	<b>3,078</b>	<b>16,500</b>	<b>-</b>
<b>Total Expenses</b>	<b>15,443</b>	<b>200</b>	<b>21,620</b>	<b>52,246</b>	<b>704</b>
<b>Campaign Surplus (Deficit)</b>	<b>9,857</b>	<b>(200)</b>	<b>(4,264)</b>	<b>(52,246)</b>	<b>(704)</b>



**APPENDIX B**  
**LISTING OF POLITICAL CONTRIBUTIONS**  
**VALUED AT GREATER THAN \$100 IN TOTAL**

**FOR BY-ELECTION HELD IN THE**  
**ELECTORAL DISTRICT OF**

**FOGO ISLAND - CAPE FREELS**

**ON**

**APRIL 15, 2024**



**POLITICAL CONTRIBUTIONS**  
**For the Fogo Island - Cape Freels By-Election April 15, 2024**  
**“either individually or in sum, in excess of \$100”**

<b>Contributor</b>	<b>City/Town, Province</b>	<b>Candidate/Party</b>	<b>District</b>	<b>Amount</b>
Barry Group Inc.	Corner Brook, NL	Blackmore, Dana (LIB)	Fogo Island - Cape Freels	\$ 250.00
J-1 Contracting	Clarenville, NL	Blackmore, Dana (LIB)	Fogo Island - Cape Freels	\$ 5,000.00
Lew Piercey	CBS, NL	Blackmore, Dana (LIB)	Fogo Island - Cape Freels	\$ 500.00
Pier Holding Ltd	CBS, NL	Blackmore, Dana (LIB)	Fogo Island - Cape Freels	\$ 500.00
S&S Pharmacy	Gander, NL	Blackmore, Dana (LIB)	Fogo Island - Cape Freels	\$ 1,500.00
Wimbleton's Investments Inc.	Baie Verte, NL	Blackmore, Dana (LIB)	Fogo Island - Cape Freels	\$ 500.00
Wimbleton's Investments Inc.	Baie Verte, NL	Blackmore, Dana (LIB)	Fogo Island - Cape Freels	\$ 250.00
55265 NL	Baie Verte, NL	McKenna, Jim (PC)	Fogo Island - Cape Freels	\$ 1,000.00
Harbour International	Bay Roberts, NL	McKenna, Jim (PC)	Fogo Island - Cape Freels	\$ 1,000.00
Manning, Eugene	St. John's, NL	McKenna, Jim (PC)	Fogo Island - Cape Freels	\$ 125.00
McKenna, Jim	Island Harbour, NL	McKenna, Jim (PC)	Fogo Island - Cape Freels	\$ 1,500.00
Moores and Collins	Bay Roberts, NL	McKenna, Jim (PC)	Fogo Island - Cape Freels	\$ 1,000.00
Murray, Terry	Mount Pearl, NL	McKenna, Jim (PC)	Fogo Island - Cape Freels	\$ 250.00
NL Trades	St. John's, NL	McKenna, Jim (PC)	Fogo Island - Cape Freels	\$ 500.00
Rideout, Marie	Corner Brook, NL	McKenna, Jim (PC)	Fogo Island - Cape Freels	\$ 125.00
Rideout, Thomas	Corner Brook, NL	McKenna, Jim (PC)	Fogo Island - Cape Freels	\$ 125.00

