

NOVA SCOTIA NEW DEMOCRATIC PARTY
Financial Statements
Year Ended December 31, 2025

NOVA SCOTIA NEW DEMOCRATIC PARTY
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Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Nova Scotia New Democratic Party

Qualified Opinion

We have audited the financial statements of Nova Scotia New Democratic Party (the Party), which comprise the statement of financial position as at December 31, 2025, the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 financial position of the Party as at December 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations

Basis for Qualified Opinion

In common with many non-profit organizations, the Party derives revenue from contributions and fundraising activities the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Party and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets. The predecessor auditor's opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation of scope.

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 the Party in accordance with 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 audit opinion.

Emphasis of Matter

We draw attention to Note 10 to the financial statements, which describes that the prior period financial statements that were originally reported on August 26, 2025 have been amended and describes the matter that gave rise to the amendment. The original opinion is not modified in respect to this matter.

Other Matter

The financial statements for the year ended December 31, 2024 were audited by another auditor who expressed a qualified opinion on those financial statements on for the reasons described in the *Basis for Qualified Opinion* section.

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 Canadian accounting standards for not-for-profit organizations, 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.

(continues)

Independent Auditor's Report to the Members of Nova Scotia New Democratic Party *(continued)*

In preparing the financial statements, management is responsible for assessing the Party's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Party or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Party'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 of the Party's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Party's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Party to cease to continue as a going concern.
- 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Halifax, Nova Scotia
April 30, 2026

Belliveau Veinotte Inc.
CHARTERED PROFESSIONAL ACCOUNTANTS

NOVA SCOTIA NEW DEMOCRATIC PARTY
Statement of Financial Position
December 31, 2025

	2025	2024 <i>Restated</i>
ASSETS		
Current		
Cash	\$ 187,660	\$ 29,274
Accounts receivable	63,013	1,236,929
HST recoverable	101,673	236,417
Prepaid expenses	2,504	96
	354,850	1,502,716
Capital assets (Note 4)	1,611	2,013
Restricted cash	104,741	2,117
	\$ 461,202	\$ 1,506,846
LIABILITIES		
Current		
Bank indebtedness	\$ -	\$ 83,992
Accounts payable and accrued liabilities (Note 5)	121,006	253,265
Deferred income (Note 6)	41,425	45,920
Demand debt (Note 7)	22,222	1,000,000
	184,653	1,383,177
NET ASSETS		
Unrestricted	171,808	121,556
Restricted (Note 8)	104,741	2,113
	276,549	123,669
	\$ 461,202	\$ 1,506,846

LEASE COMMITMENTS (Note 11)

ON BEHALF OF THE BOARD


 _____ Director

_____ Director

NOVA SCOTIA NEW DEMOCRATIC PARTY

Statement of Operations

Year Ended December 31, 2025

	2025	2024
REVENUE		
Contributions	\$ 445,663	\$ 839,465
Other revenue	1,503	31,272
Interest revenue	1,280	4,975
Elections Nova Scotia revenue	210,244	182,086
	658,690	1,057,798
Flowthrough payable	(81,857)	(272,968)
	576,833	784,830
EXPENSES		
Advertising and promotion	30,726	45,217
Amortization	403	392
Bad debts	1,725	-
Interest and bank charges	21,928	30,178
Interest on demand debt	32,519	8,505
Meals and entertainment	1,413	-
Office	100,587	106,222
Election-related expenses	42,340	1,254,397
Outreach	57,299	113,984
Miscellaneous	12,679	78,315
Uncollectible election riding expenses	16,416	219,326
Professional fees	30,389	61,112
Salaries, wages and employee benefits	182,705	412,193
Travel	323	1,648
	531,452	2,331,489
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	45,381	(1,546,659)
OTHER INCOME		
Election recoveries	-	1,199,820
Bequests	107,500	-
	107,500	1,199,820
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 152,881	\$ (346,839)

NOVA SCOTIA NEW DEMOCRATIC PARTY
Statement of Changes in Net Assets
Year Ended December 31, 2025

	Unrestricted	Restricted	2025	2024 <i>Restated</i>
Net assets - beginning of year	\$ 121,556	\$ 2,113	\$ 123,669	\$ 470,508
Excess of revenue over expenses	45,252	107,628	152,880	(346,839)
Transfers	5,000	(5,000)	-	-
NET ASSETS - END OF YEAR	\$ 171,808	\$ 104,741	\$ 276,549	\$ 123,669

NOVA SCOTIA NEW DEMOCRATIC PARTY

Statement of Cash Flows

Year Ended December 31, 2025

	2025	2024 <i>Restated</i>
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 152,881	\$ (346,839)
Item not affecting cash:		
Amortization of capital assets	403	392
	153,284	(346,447)
Changes in non-cash working capital:		
Accounts receivable	1,173,916	(1,186,745)
Prepaid expenses	(2,408)	(96)
Accounts payable and accrued liabilities	(132,261)	158,420
HST payable	134,744	(87,881)
Deferred income	(4,495)	1,593
	1,169,496	(1,114,709)
Cash flow from (used by) operating activities	1,322,780	(1,461,156)
INVESTING ACTIVITY		
Purchase of capital assets	-	(892)
FINANCING ACTIVITIES		
Proceeds from demand debt financing	-	1,000,000
Repayment of demand debt	(977,778)	-
Cash flow from (used by) financing activities	(977,778)	1,000,000
INCREASE (DECREASE) IN CASH FLOW	345,002	(462,048)
Cash (deficiency) - beginning of year	(52,601)	409,447
CASH (DEFICIENCY) - END OF YEAR	\$ 292,401	\$ (52,601)
CASH (DEFICIENCY) CONSISTS OF:		
Unrestricted: Cash	\$ 187,660	\$ 29,274
Unrestricted: Bank indebtedness	-	(83,992)
Restricted: Women in Legislature	24	24
Restricted: Solidarity Fund	2,093	2,093
Restricted: Dennis Theman Fund	102,624	-
	\$ 292,401	\$ (52,601)

NOVA SCOTIA NEW DEMOCRATIC PARTY

Notes to Financial Statements

Year Ended December 31, 2025

1. PURPOSE OF THE PARTY

Nova Scotia New Democratic Party (the "Party") is a provincial political party in Nova Scotia. The Party is a not-for-profit organization exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Items subject to significant management estimates include allowance for doubtful accounts and useful lives of capital assets.

Fund accounting

Nova Scotia New Democratic Party follows the restricted fund method of accounting for contributions. The restricted fund represents the following funds:

The Women in Legislature Fund is designed to provide assistance to women who aspire to achieve positions within the Nova Scotia legislature.

The Solidarity Fund is designed to assist electoral district associations (EDAs) in retiring debt incurred during the past general election.

The Dennis Theman Fund is a bequest left by a donor to the Party. The party is limited to annual draw from the fund of \$5,000 a year by Elections Nova Scotia.

Revenue recognition

Nova Scotia New Democratic Party follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Public funding from the Province of Nova Scotia are recognized during the period the funds relate to.

Goods and services tax

Contributed materials and services are recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

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NOVA SCOTIA NEW DEMOCRATIC PARTY

Notes to Financial Statements

Year Ended December 31, 2025

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Furniture and fixtures 20% declining balance method

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Impairment of long lived assets

The Party tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

For financial assets measured at cost or amortized cost, the Party determines whether there are indications of possible impairment. Where there is an indication of impairment, and the Union determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Furniture and fixtures	\$ 2,846	\$ 1,235	\$ 1,611	\$ 2,013

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Accounts payable and accrued liabilities	\$ 60,280	\$ 213,597
Payable to constituents	60,723	39,665
	\$ 121,003	\$ 253,262

NOVA SCOTIA NEW DEMOCRATIC PARTY**Notes to Financial Statements****Year Ended December 31, 2025****6. DEFERRED REVENUE**

	2025	2024
Balance, beginning of year	\$ 45,920	\$ 44,327
Add: funding received during the year	165,568	183,679
Less: amount recognized as income related to the year	(170,063)	(182,086)
Balance, end of year	\$ 41,425	\$ 45,920

Elections Nova Scotia provides the Party with a subsidy semi-annually, once in April and once in October. The rate is set by the Elections Nova Scotia. A portion of the funds received from Elections Nova Scotia is deferred to align with the fiscal year.

7. DEMAND DEBT

	2025	2024
Bank of Montreal demand loan bearing interest at the bank's prime rate plus 1.15%. The loan had an interest only payment period of six months, at which time the principal balance was to be repaid from the campaign rebate program. After this period, the remaining balance was to be paid in equal monthly principal payments plus interest. The loan was secured by a general security agreement and a pledge of the campaign rebate funds. The loan was fully repaid in January 2026.	\$ 22,222	\$ 1,000,000
	\$ 22,222	\$ 1,000,000

8. DENNIS THEMAN FUND

The Party's endowment fund was established to support the programs of the Party. The endowment is comprised of a GIC of \$80,000 and cash held in a trust account of \$22,624. The fund is to be maintained by the Party, with Party having the ability to draw up to \$5,000 per year. The fund earned a total of \$128 in interest income during the year.

9. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

NOVA SCOTIA NEW DEMOCRATIC PARTY

Notes to Financial Statements

Year Ended December 31, 2025

10. PRIOR YEAR RESTATEMENT

The December 31, 2024 financial statements were restated for corrections in accounting errors relating to the calculations of the cash balances and HST rebates receivable. The 2024 financial information has been updated to correct this error, as follows:

	As previously reported	Correction of error	Restated
Cash	\$ 16,093	\$ 13,181	\$ 29,274
Accounts receivable	1,234,740	2,189	1,236,929
HST recoverable	-	236,417	236,417
Net assets - unrestricted	305,476	165,032	470,508
Other revenue	32,974	(1,702)	31,272
Advertising and promotion	47,625	(2,408)	45,217
Office	111,879	(5,657)	106,222
Election-related expenses	1,321,204	(66,807)	1,254,397
Outreach	120,055	(6,071)	113,984
Miscellaneous	82,486	(4,171)	78,315
Professional fees	64,367	(3,255)	61,112
Travel	1,736	(88)	1,648

11. LEASE COMMITMENTS

The Party has a long term lease with respect to its premises. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at December 31, 2025, are as follows:

2026	\$ 46,447
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12. CONTENT OF FINANCIAL STATEMENTS

These financial statements include only the assets, liabilities and operations of the Party and do not include the assets, liabilities of any electoral district association.

13. FINANCIAL INSTRUMENTS

The Party is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Party's risk exposure and concentration as of December 31, 2025.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Party is exposed to credit risk from campaign and electoral district associations. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. Due to the nature of the revenue, credit risk is reduced to a minimum.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Party is exposed to this risk mainly in respect of its receipt of funds from its contributors and other related sources, demand debt and accounts payable.

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NOVA SCOTIA NEW DEMOCRATIC PARTY

Notes to Financial Statements

Year Ended December 31, 2025

13. FINANCIAL INSTRUMENTS *(continued)*

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Party is exposed to interest rate risk primarily through its floating interest rate on demand debt.
