

NOVA SCOTIA NEW DEMOCRATIC PARTY
Financial Statements
Year Ended December 31, 2024

LYLE TILLEY DAVIDSON

NOVA SCOTIA NEW DEMOCRATIC PARTY
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Year Ended December 31, 2024

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LYLE TILLEY DAVIDSON
Chartered Professional Accountants

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, 2024, and the statements of revenues and expenditures, 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, 2024, 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 (ASNPO).

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 to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Party. Therefore, we were not able to determine whether any adjustments might be necessary to contribution revenue, excess of revenues over expenditures, and cash flows from operations for the years ended December 31, 2024 and 2023, current assets at December 31, 2024 and 2023, and net assets and cash flows as at January 1 and December 31 for both 2024 and 2023 fiscal years. Our audit opinion on the financial statements for the year ended December 31, 2023 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.

Other Matter

We draw attention to Note 11 to the financial statements, which describes that the financial statements we originally reported on April 30, 2025 have been amended and describes the matter that gave rise to the amendment of the financial statements. Our opinion is not modified in respect of this matter. Our procedures with respect to events subsequent to December 31, 2024 are restricted solely to that amendment to the financial statements.

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 ASNPO, 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.

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.

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

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, 2025, except as to Note 11 which is
as of August 26, 2025.

CHARTERED PROFESSIONAL ACCOUNTANTS

NOVA SCOTIA NEW DEMOCRATIC PARTY
Statement of Financial Position
December 31, 2024

	2024	2023 <i>Restated</i>
ASSETS (Note 5)		
CURRENT		
Cash and cash equivalents (Note 11)		
Unrestricted	\$ 15,834	\$ 304,142
Women in Legislature Fund	16	16
Solidarity Fund	2,093	2,093
Term deposits	-	86,124
Accounts receivable	1,235,910	51,353
Harmonized sales tax recoverable (Note 11)	-	583
Prepaid expenses	96	-
	1,253,949	444,311
CAPITAL ASSETS (Note 4)	2,013	1,514
	\$ 1,255,962	\$ 445,825
LIABILITIES AND NET ASSETS		
CURRENT		
Bank indebtedness (Notes 5, 11)	\$ 1,083,925	\$ -
Accounts payable and accrued liabilities (Notes 6, 9, 11)	254,436	96,023
Deferred revenue	45,920	44,327
	1,384,281	140,350
NET ASSETS		
Women in Legislature Fund	20	20
Solidarity Fund	2,093	2,093
Unrestricted fund (Note 11)	(130,432)	303,362
	(128,319)	305,475
	\$ 1,255,962	\$ 445,825

LEASE COMMITMENTS (Note 7)

ON BEHALF OF THE BOARD

 _____ Director
 _____ Director

LYLE TILLEY DAVIDSON

NOVA SCOTIA NEW DEMOCRATIC PARTY
Statement of Revenues and Expenditures
Year Ended December 31, 2024

	2024	2023 <i>Restated</i>
REVENUES		
Contributions	\$ 839,465	\$ 521,466
Province of Nova Scotia (Public Funding)	182,086	174,167
Other revenue	32,974	7,125
Interest	4,975	9,798
	<u>1,059,500</u>	<u>712,556</u>
Flowthrough payable	(272,968)	(112,305)
	<u>786,532</u>	<u>600,251</u>
EXPENDITURES (Note 10)		
Advertising and promotion	47,625	72,039
Amortization	392	305
Bad debts	-	7,067
Election recoveries	(1,199,820)	-
Election-related expenses (Note 8)	1,321,405	3,576
Interest and bank charges	38,682	19,476
Miscellaneous	82,486	19,515
Office	111,880	137,237
Outreach	120,054	143,832
Pre-election expenses	-	32,650
Professional fees	64,367	10,350
Salaries and wages	412,193	202,500
Travel	1,736	794
Uncollectable election riding expenses	219,326	-
	<u>1,220,326</u>	<u>649,341</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	\$ (433,794)	\$ (49,090)

NOVA SCOTIA NEW DEMOCRATIC PARTY
Statement of Changes In Net Assets
Year Ended December 31, 2024

	Women in Legislature Fund	Solidarity Fund	Unrestricted Fund	2024	2023 <i>Restated</i>
NET ASSETS -					
BEGINNING OF					
YEAR					
As previously reported	\$ 20	\$ 2,093	\$ 324,998	\$ 327,111	\$ 354,565
Prior period adjustment <i>(Note 9)</i>	-	-	(21,636)	(21,636)	-
As restated	20	2,093	303,362	305,475	354,565
Deficiency of revenues over expenditures	(8,844)	-	(424,950)	(433,794)	(49,090)
				-	
				-	
Transfers	8,844	-	(8,844)	-	-
NET ASSETS (DEBT) -					
END OF YEAR	\$ 20	\$ 2,093	\$ (130,432)	\$ (128,319)	\$ 305,475

NOVA SCOTIA NEW DEMOCRATIC PARTY
Statement of Cash Flows
Year Ended December 31, 2024

	2024	2023 <i>Restated</i>
OPERATING ACTIVITIES		
Deficiency of revenues over expenditures	\$ (433,794)	\$ (49,090)
Item not affecting cash:		
Amortization	392	305
	<u>(433,402)</u>	<u>(48,785)</u>
Changes in non-cash working capital:		
Accounts receivable	(1,184,557)	(11,337)
Accounts payable and accrued liabilities	158,414	46,649
Deferred revenue	1,593	3,141
Prepaid expenses	(96)	8,328
Harmonized sales tax recoverable	583	(131)
	<u>(1,024,063)</u>	<u>46,650</u>
Cash flow used by operating activities	<u>(1,457,465)</u>	<u>(2,135)</u>
INVESTING ACTIVITY		
Additions to capital assets	(892)	(591)
DECREASE IN CASH FLOW	(1,458,357)	(2,726)
Cash - beginning of year	392,375	395,101
CASH (DEFICIENCY) - END OF YEAR	\$ (1,065,982)	\$ 392,375
CASH (DEFICIENCY) CONSISTS OF:		
Unrestricted cash	\$ 15,834	\$ 304,142
Women in Legislature Fund	16	16
Term deposits	-	86,124
Solidarity Fund	2,093	2,093
Bank indebtedness	(1,083,925)	-
	<u>\$ (1,065,982)</u>	<u>\$ 392,375</u>

NOVA SCOTIA NEW DEMOCRATIC PARTY
Notes to Financial Statements
Year Ended December 31, 2024

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 as described in Section 149(I) of the Income Tax Act, and as such, is not subject to income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Cash and cash equivalents

Cash includes cash on hand, cash on deposit with Canadian financial institutions net of outstanding transactions and term deposits. Term deposits with maturities of one year or less at date of purchase are classified as cash equivalents.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued, except for transactions with related parties which are recorded at the exchange amount. 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.

Capital assets

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

Furniture and fixtures	20%
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Amortization is calculated at one-half of the normal annual rate in the year of acquisition; no amortization is recorded in the year of disposal.

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.

Contributed services

The operations of the Party depend on the contribution of time by volunteers. The fair value of these services cannot be reasonably determined and are therefore not reflected in these financial statements.

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NOVA SCOTIA NEW DEMOCRATIC PARTY
Notes to Financial Statements
Year Ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement uncertainty

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. Significant estimates include allowance for doubtful accounts and accrued liabilities.

Fund accounting

The Women in Legislature Fund is designed to provide assistance to women who aspire to achieve positions within the Nova Scotia legislature. The fund provided financial assistance to 23 candidates in the 2024 Nova Scotia general election.

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

Revenue recognition

The 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 is recognized when expenses directly related to the revenue are incurred.

Seminar fees are recognized as revenue when the seminars are held.

3. 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. Financial Instruments consist of cash, term deposits, accounts receivable, bank indebtedness, accounts payable and accrued liabilities. The following analysis provides information about the Party's risk exposure and concentration as of December 31, 2024.

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. In order to reduce its credit risk 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 and accounts payable.

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NOVA SCOTIA NEW DEMOCRATIC PARTY
Notes to Financial Statements
Year Ended December 31, 2024

3. 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 risk, interest rate risk and other price risk. The Party is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Party manages exposure through its normal operating and financing activities. The Party is exposed to interest rate risk primarily through its credit facilities.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Furniture and fixtures	\$ 2,846	\$ 833	\$ 2,013	\$ 1,514

5. BANK INDEBTEDNESS

The Party has access to a \$1,000,000 line of credit which bears interest at the bank's prime rate plus 1.15%. This credit facility is secured with a registered general security agreement securing all assets. \$1,000,000 has been drawn on this credit facility at December 31, 2024.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Accounts payable and accrued liabilities	\$ 214,771	\$ 61,529
Payable to constituents	39,665	34,494
	\$ 254,436	\$ 96,023

7. 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, 2024, are as follows:

2025	\$ 24,617
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NOVA SCOTIA NEW DEMOCRATIC PARTY
Notes to Financial Statements
Year Ended December 31, 2024

8. ELECTION RELATED EXPENSES

	2024
Headquarter	\$ 48,862
Workers remuneration	388,589
Publicity/advertising	704,820
Travel	29,334
Campaign functions	9,248
Polling research	69,805
Transportation, accommodations, and meals	22,185
Communication	4,802
Post/pre/other	37,897
	\$ 1,315,542

9. PRIOR PERIOD ADJUSTMENT

During the year, it was determined that for the year ended December 31, 2023, \$21,636 was allocated to accounts payable instead of bad debts that related to uncollectable amounts from 2021. An adjustment has been made to record the bad debt in the prior period, resulting in a increase in accounts payable of \$21,636, and an decrease in revenue and net assets of the same amount.

10. CONTENT OF FINANCIAL STATEMENTS

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

11. AMENDMENT

Subsequent to financial statement issuance on April 30, 2025, there were changes to the presentation.

a) Unrestricted cash and bank indebtedness were previously netted and presented as bank indebtedness. On the reissuance, unrestricted cash and bank indebtedness are separated and unrestricted cash is presented in the amount of \$15,834 and bank indebtedness in the amount of \$1,083,925.

b) Expenditures were reclassified for presentation purposes to reflect the election related expenditures.

c) Accounts payable was increased by \$33,520 to record invoices for election related expenditures that were not previously recorded. This revision has decreased deficiency of revenues over expenditures and the unrestricted fund deficit by \$33,520.

d) HST recoverable has decreased by \$6,552 to reflect the amount spent on election related expenditures. This revision has decreased deficiency of revenues over expenditures and the unrestricted fund deficit by \$6,552.