

**THE PROGRESSIVE CONSERVATIVE  
ASSOCIATION OF NOVA SCOTIA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

**THE PROGRESSIVE CONSERVATIVE  
ASSOCIATION OF NOVA SCOTIA  
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DECEMBER 31, 2024**

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**Baker Tilly Nova Scotia Inc.**  
Suite 201, 130 Eileen Stubbs Ave  
Dartmouth, NS  
Canada B3B 2C4

**D:** +1 902.404.4000  
**F:** +1 902.404.3099

halifax@bakertilly.ca  
[www.bakertilly.ca](http://www.bakertilly.ca)

## INDEPENDENT AUDITORS' REPORT

To the Members of:  
**The Progressive Conservative Association of Nova Scotia**

### *Qualified Opinion*

We have audited the financial statements of **The Progressive Conservative Association of Nova Scotia** ("the Association"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and surplus 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 Association as at December 31, 2024, and results of its operations and its 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 political organizations, The Association derives revenues from political donations 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 Association and we were not able to determine whether any adjustments might be necessary to contributions revenue, fundraising revenue, excess (deficiency) of revenues over expenses, assets and members' surplus for the years ended December 31, 2024 and December 31, 2023.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the 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 opinion.

## *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.

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

## *Auditors' 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 auditors' 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 Association'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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Association 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.

*Report on Other Legal and Regulatory Requirements*

We have audited the Association's compliance, as at December 31, 2024, with the criteria established by the disclosure requirements set out in the Regulations authorized under Part II of the Elections Act. These financial statements and compliance with the criteria established by the Act and their Regulations are the responsibility of the Association's management. Our responsibility is to express an opinion on this compliance based on our audit.

In our opinion, the Association has complied, in all material respects, with the criteria established by the disclosure requirements set out in the Regulations authorized under Part II of the Elections Act.

*Baker Tilly Nova Scotia Inc*

Dartmouth, Nova Scotia  
April 30, 2025

**Chartered Professional Accountants**

**THE PROGRESSIVE CONSERVATIVE  
ASSOCIATION OF NOVA SCOTIA  
STATEMENT OF OPERATIONS AND SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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	2024	2023
	\$	\$
<b>REVENUES</b>		
Contributions (Note 9)	1,082,542	612,850
Membership dues	32,890	47,880
Interest	35,150	21,301
Annual general meeting	80,581	15,995
Candidate application fees	6,400	-
Fundraising	70,188	7,783
Province of Nova Scotia		
Public funding	343,104	319,828
Candidate rebates (Note 10)	<u>762,709</u>	<u>-</u>
	<b>2,413,564</b>	<b>1,025,637</b>
<b>TRANSFERS</b>		
Constituencies and candidates	<u>( 363,756)</u>	<u>( 146,124)</u>
	<u><b>2,049,808</b></u>	<u><b>879,513</b></u>
<b>EXPENSES</b>		
Advertising	25,740	27,409
Amortization	2,071	2,071
Annual general meeting	80,073	31,357
Communications	38,658	39,260
Election (Note 11)	1,362,741	-
Election preparedness	250,641	84,101
Fundraising	145,412	57,325
Insurance	9,142	8,918
Interest and bank charges	6,124	4,037
Legal and audit fees	25,664	27,984
Meetings	4,812	3,407
Office occupancy	33,185	38,591
Office supplies and postage	121,002	69,572
Salaries and wages	<u>183,031</u>	<u>150,270</u>
	<u><b>2,288,296</b></u>	<u><b>544,302</b></u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>( 238,488)</b>	<b>335,211</b>
SURPLUS - beginning of year	<u>904,103</u>	<u>568,892</u>
SURPLUS - end of year	<u><b>665,615</b></u>	<u><b>904,103</b></u>

**THE PROGRESSIVE CONSERVATIVE  
ASSOCIATION OF NOVA SCOTIA  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2024**

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	2024	2023
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	52,628	257,288
Accounts receivable (Note 3)	883,080	200,833
Term deposits (Note 4)	125,000	675,000
Prepays	<u>20,496</u>	<u>12,502</u>
	<b>1,081,204</b>	<b>1,145,623</b>
<b>CAPITAL ASSETS (Note 5)</b>	<u><b>3,722</b></u>	<u><b>5,793</b></u>
	<u><b>1,084,926</b></u>	<u><b>1,151,416</b></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Line of credit (Note 6)	46,525	-
Accounts payable and accrued liabilities (Note 7)	279,628	165,014
Deferred revenue	<u>93,158</u>	<u>82,299</u>
	<u><b>419,311</b></u>	<u><b>247,313</b></u>
<b>MEMBERS' SURPLUS</b>		
<b>UNRESTRICTED</b>	<u><b>665,615</b></u>	<u><b>904,103</b></u>
	<u><b>1,084,926</b></u>	<u><b>1,151,416</b></u>

COMMITMENTS (Note 8)

Approved by the Board

*Peter Orser*

Director

*Morris MacLeod*

Director

**THE PROGRESSIVE CONSERVATIVE  
ASSOCIATION OF NOVA SCOTIA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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	2024	2023
	\$	\$
<b>CASH PROVIDED BY (USED FOR):</b>		
<b>OPERATING</b>		
Excess (deficiency) of revenues over expenses	( 238,488)	335,211
Item not affecting cash		
Amortization	<u>2,071</u>	<u>2,071</u>
	( 236,417)	337,282
Changes in non-cash working capital items		
Accounts receivable	( 682,247)	( 113,424)
Prepays	( 7,994)	( 516)
Accounts payable and accrued liabilities	114,614	( 46,153)
Deferred revenue	<u>10,859</u>	<u>5,768</u>
	( 801,185)	<u>182,957</u>
<b>FINANCING</b>		
Draws on line of credit	<u>46,525</u>	<u>-</u>
<b>INVESTING</b>		
Acquisition of term deposits	( 275,000)	( 675,000)
Proceeds from term deposits	<u>825,000</u>	<u>450,000</u>
	<u>550,000</u>	( 225,000)
<b>CHANGE IN CASH</b>	( 204,660)	( 42,043)
<b>CASH - beginning of year</b>	<u>257,288</u>	<u>299,331</u>
<b>CASH - end of year</b>	<u><u>52,628</u></u>	<u><u>257,288</u></u>



**THE PROGRESSIVE CONSERVATIVE  
ASSOCIATION OF NOVA SCOTIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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**1. OPERATIONS**

The Progressive Conservative Association of Nova Scotia ("the Association") is a provincial political party, incorporated on June 3, 1993 under the Societies Act of Nova Scotia. The Association was established to secure responsible government for the Province of Nova Scotia by supporting the vision and mission of the Progressive Conservative Party. The Association operates as the PC Party of Nova Scotia.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements include only the assets, liabilities and operations of the Association and, therefore, do not include the assets, liabilities and operations of any provincial constituency.

Basis of accounting

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Cash

Cash consist of bank balances held with financial institutions.

Capital assets

Capital assets are recorded at cost. Amortization is provided for using the following rates and method over their estimated useful lives as follows:

Computer equipment	4 years	Straight-line
Furniture and equipment	6 years	Straight-line

Impairment of long-lived assets

Long-lived assets are reviewed for impairment annually. When conditions indicate a long-lived asset no longer contributes to the Association's ability to provide services or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount, its net carrying amount is written down to its fair value or replacement cost.

## **2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### Revenue recognition

The Association follows deferral method of accounting for contributions.

The Association recognizes contributions, fundraising, and membership dues revenue in the period received.

All other revenue, including public funding and candidate rebates, is recognized on an accrual basis, when the amount is determinable and collection is reasonably assured. Public funding revenue received for a future fiscal period is recognized as deferred revenue on the Statement of Financial Position.

### Income taxes

The Association is a registered non-profit organization under the meaning assigned in Section 149.1 (1) of the Income Tax Act, and, as such, is exempt from income taxes. Accordingly, no provision has been made in the accounts for income taxes.

### Donated services

Volunteer services contributed on behalf of the Association in carrying out its activities are not recognized in these financial statements due to the difficulty in determining their value.

### Non-monetary sponsorships

Non-monetary sponsorships of various fundraising events held by the Association are not recorded in these financial statements nor are they receipted as a contribution for income tax purposes.

### Financial instruments

#### *Measurement of financial instruments*

The Association initially measures its financial assets and financial liabilities at fair value.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and term deposits.

Financial liabilities measured at amortized cost include line of credit, accounts payable and accrued liabilities.

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial instruments (Continued)

*Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write down is recognized in excess (deficiency) of revenues over expenses. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of any reversal is recognized in excess (deficiency) of revenues over expenses.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items and matters such as allowance for doubtful accounts, useful lives of capital assets and certain accrued liabilities. Actual results could differ from those estimates.

<b>3. ACCOUNTS RECEIVABLE</b>	<b>2024</b>	<b>2023</b>
	\$	\$
Accrued interest receivable	6,233	3,710
Candidate rebates receivable	762,709	-
Constituencies dues and other receivables	6,638	22,958
Contributions receivable	23,483	153,559
HST rebate	<u>84,017</u>	<u>55,490</u>
	<b>883,080</b>	<b>235,717</b>
Less allowance for doubtful accounts	<u>-</u>	<u>( 34,884)</u>
	<u><b>883,080</b></u>	<u><b>200,833</b></u>

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**4. TERM DEPOSITS**

Term deposits are comprised of Guaranteed Investment Certifications (GIC's) with varying maturities and interest rates:

	<b>2024</b>	2023
	\$	\$
5.20% per annum, matured in January 2025	<b>125,000</b>	-
Matured and cashed term deposits	<u>-</u>	<u>675,000</u>
	<u><b>125,000</b></u>	<u>675,000</u>

**5. CAPITAL ASSETS**

	Cost	Accumulated Amortization	Net 2024	Net 2023
	\$	\$	\$	\$
Computer equipment	10,350	10,291	<b>59</b>	909
Furniture and equipment	<u>12,861</u>	<u>9,198</u>	<u><b>3,663</b></u>	<u>4,884</u>
	<u>23,211</u>	<u>19,489</u>	<u><b>3,722</b></u>	<u>5,793</u>

**6. LINE OF CREDIT**

The Association has an operating credit facility with TD Bank authorized in the amount of \$50,000 (2023 - \$50,000), with the exception of the period October 31, 2024 to October 29, 2025 during which time the amount is increased to \$800,000. On October 30, 2025, the authorized amount reverts back to \$50,000. The credit facility is secured by a general security agreement and bears interest at TD Bank's prime rate plus 1.75% per annum. The balance on the line of credit at December 31, 2024 is \$46,525 (2023 - \$NIL).

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2024</b>	2023
	\$	\$
Trade payables	<b>159,384</b>	42,668
Accrued liabilities	<b>56,714</b>	42,208
Constituencies and candidates payable	<u><b>63,530</b></u>	<u>80,138</u>
	<u><b>279,628</b></u>	<u>165,014</u>

**THE PROGRESSIVE CONSERVATIVE  
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FOR THE YEAR ENDED DECEMBER 31, 2024**

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**8. COMMITMENTS**

The Association is committed to lease its premises until November 2034 and certain office equipment until May 2028. Future minimum base rent payments for the next five years are as follows:

	\$
2025	16,653
2026	16,866
2027	17,080
2028	16,557
2029	16,244
Subsequent	82,963

**9. CONTRIBUTIONS FOR WHICH OFFICIAL RECEIPTS ISSUED**

During the year, the Association issued official contribution receipts for income tax purposes totaling \$1,157,677 (2023 - \$629,637), which includes \$23,059 (2023 - \$16,692) of receipts issued for funds collected by individual constituencies via fundraisers and are not included in the revenues of the Association.

**10. CANDIDATE REBATES**

During the 2024 provincial election, the Association charged candidates a fee to cover the candidates' portion of the election expenses incurred by the Association on the candidates' behalf. Candidates are entitled to a rebate of eligible election expenses based on the number of electors in their Electoral District from the Province of Nova Scotia. The total rebate that was determined by Elections Nova Scotia was \$1,525,418 (2023 - \$Nil). Of this amount, \$762,709 (2023 - \$Nil) was retained by the Association to satisfy the candidates accounts and the balance was forwarded to the candidates.

**11. ELECTION EXPENSES**

The election expenses reported on the Statement of Operations and Surplus differ from those reported on Form 3-3F - Financial Return for a Registered Party, Summary of Election Expenses filed with Elections Nova Scotia due to differences in the treatment of Harmonized Sales Tax ("HST"). Form 3-3F includes election expenses on a gross basis, inclusive of HST, as required for reporting to Elections Nova Scotia. In contrast, the expenses reported in the Statement of Operations and Surplus are presented net of any applicable HST rebates.

## **12. FINANCIAL INSTRUMENTS**

### *Risks and concentrations*

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations at December 31, 2024.

It is management's opinion that the Association is not exposed to significant market, currency, and price risks from its financial instruments. The risks arising on financial instruments are limited to the following:

### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Association to concentrations of credit risk consist of cash, accounts receivable and term deposits. The Association deposits its cash in and purchases term deposits from reputable financial institutions and therefore believes the risk of loss to be remote. The Association is exposed to credit risk from accounts receivable. The Association believes this credit risk is minimized as the Association has a large and diverse receivable base. A provision for impairment of accounts receivable is established when there is objective evidence that the Association will not be able to collect all amounts due.

### *Liquidity risk*

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its line of credit and accounts payable and accrued liabilities. Sufficient financing facilities are in place should cash requirements exceed cash generated from operations.

### *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 Association is exposed to interest rate risk on its financial obligations at variable interest rates. In the current year, management believes the risk to be low as the Association's variable interest rate financial obligations are not significant.

The Association is exposed to interest rate price risk on term deposits which bear interest at a variable interest rate.