

**THE PROGRESSIVE CONSERVATIVE
ASSOCIATION OF NOVA SCOTIA**

FINANCIAL STATEMENTS

DECEMBER 31, 2025

**THE PROGRESSIVE CONSERVATIVE
ASSOCIATION OF NOVA SCOTIA
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DECEMBER 31, 2025**

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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, 2025, 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, 2025, 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 revenue was limited to the amount recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses and cash flows for the years ended December 31, 2025 and 2024, total assets as at December 31, 2025 and 2024, and members' surplus as at January 1 and December 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

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, 2025, with the criteria established by the disclosure requirements set out in the Regulations authorized under Part II of the Elections Act ("the 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, 2026

Chartered Professional Accountants

**THE PROGRESSIVE CONSERVATIVE
ASSOCIATION OF NOVA SCOTIA
STATEMENT OF OPERATIONS AND SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2025**

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	2025	2024
	\$	\$
REVENUES		
Contributions (Note 9)	460,300	1,082,542
Annual general meeting (Note 9)	86,543	80,581
Fundraising	61,267	70,188
Membership dues	48,846	32,890
Interest	6,260	35,150
Candidate application fees	-	6,400
Province of Nova Scotia		
Public funding	386,812	343,104
Candidate rebates	-	762,709
	<u>1,050,028</u>	<u>2,413,564</u>
TRANSFERS		
Constituencies and candidates	(<u>120,426</u>)	(<u>363,756</u>)
	<u>929,602</u>	<u>2,049,808</u>
EXPENSES		
Advertising	57,515	25,740
Amortization	1,396	2,071
Annual general meeting	73,367	80,073
Communications	51,095	38,658
Election	-	1,362,741
Election preparedness	25,198	250,641
Fundraising	96,235	145,412
Insurance	10,288	9,142
Interest and bank charges	5,385	6,124
Meetings	2,824	4,812
Office occupancy	43,907	33,185
Office supplies and postage	66,912	121,002
Professional fees	48,281	25,664
Salaries and wages	186,440	183,031
	<u>668,842</u>	<u>2,288,296</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	260,760	(238,488)
SURPLUS - beginning of year	<u>665,615</u>	<u>904,103</u>
SURPLUS - end of year	<u>926,375</u>	<u>665,615</u>

**THE PROGRESSIVE CONSERVATIVE
ASSOCIATION OF NOVA SCOTIA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025**

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	2025	2024
	\$	\$
ASSETS		
CURRENT		
Cash	429,619	52,628
Accounts receivable (Note 3)	118,638	883,080
Term deposits	-	125,000
Prepays	<u>7,336</u>	<u>20,496</u>
	555,593	1,081,204
TERM DEPOSITS (Note 4)	675,000	-
CAPITAL ASSETS (Note 5)	<u>4,170</u>	<u>3,722</u>
	<u><u>1,234,763</u></u>	<u><u>1,084,926</u></u>
LIABILITIES		
CURRENT		
Line of credit (Note 6)	-	46,525
Accounts payable and accrued liabilities (Note 7)	210,420	279,628
Deferred revenue	<u>97,968</u>	<u>93,158</u>
	<u>308,388</u>	<u>419,311</u>
MEMBERS' SURPLUS		
UNRESTRICTED	<u>926,375</u>	<u>665,615</u>
	<u><u>1,234,763</u></u>	<u><u>1,084,926</u></u>

COMMITMENTS (Note 8)

Approved by the Board

Morris MacLeod

Director

Peter Orser

Director

**THE PROGRESSIVE CONSERVATIVE
ASSOCIATION OF NOVA SCOTIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025**

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	2025	2024
	\$	\$
CASH PROVIDED BY (USED FOR):		
OPERATING		
Excess (deficiency) of revenues over expenses	260,760	(238,488)
Item not affecting cash		
Amortization	<u>1,396</u>	<u>2,071</u>
	262,156	(236,417)
Changes in non-cash working capital items		
Accounts receivable	764,442	(682,247)
Prepays	13,160	(7,994)
Accounts payable and accrued liabilities	(69,208)	114,614
Deferred revenue	<u>4,810</u>	<u>10,859</u>
	<u>975,360</u>	<u>(801,185)</u>
FINANCING		
Draws (repayments) on line of credit	<u>(46,525)</u>	<u>46,525</u>
INVESTING		
Acquisition of term deposits	(675,000)	(275,000)
Proceeds from term deposits	125,000	825,000
Acquisition of capital assets	<u>(1,844)</u>	<u>-</u>
	<u>(551,844)</u>	<u>550,000</u>
CHANGE IN CASH	376,991	(204,660)
CASH - beginning of year	<u>52,628</u>	<u>257,288</u>
CASH - end of year	<u>429,619</u>	<u>52,628</u>

**THE PROGRESSIVE CONSERVATIVE
ASSOCIATION OF NOVA SCOTIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

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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 constituencies.

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 consists of bank balances held with financial institutions.

Capital assets

Capital assets are measured at amortized 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.

**THE PROGRESSIVE CONSERVATIVE
ASSOCIATION OF NOVA SCOTIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

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, 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 accounts payable and accrued liabilities.

**THE PROGRESSIVE CONSERVATIVE
ASSOCIATION OF NOVA SCOTIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

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.

3. ACCOUNTS RECEIVABLE	2025	2024
	\$	\$
Accrued interest receivable	5,993	6,233
Candidate rebates receivable	-	762,709
Constituencies dues and other receivables	8,500	6,638
Contributions receivable	65,796	23,483
HST rebate	<u>38,349</u>	<u>84,017</u>
	<u>118,638</u>	<u>883,080</u>

**THE PROGRESSIVE CONSERVATIVE
ASSOCIATION OF NOVA SCOTIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

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4. TERM DEPOSITS

Term deposits are comprised of Guaranteed Investment Certifications with varying maturities and interest rates:

	2025 \$	2024 \$
2.75% per annum, maturing in July 2027	75,000	-
2.75% per annum, maturing in November 2027	400,000	-
2.80% per annum, maturing in July 2027	200,000	-
Matured and cashed term deposits	<u>-</u>	<u>125,000</u>
	675,000	125,000
Less current portion	<u>-</u>	<u>125,000</u>
	<u>675,000</u>	<u>-</u>

5. CAPITAL ASSETS

	Cost \$	Accumulated Amortization \$	Net 2025 \$	Net 2024 \$
Computer equipment	12,194	10,466	1,728	59
Furniture and fixtures	<u>12,861</u>	<u>10,419</u>	<u>2,442</u>	<u>3,663</u>
	<u>25,055</u>	<u>20,885</u>	<u>4,170</u>	<u>3,722</u>

6. LINE OF CREDIT

The Association has an operating credit facility with TD Bank authorized in the amount of \$50,000 (2024 - \$50,000), with the exception of the period October 31, 2024 to October 29, 2025 during which time the amount was increased to \$800,000. On October 30, 2025, the authorized amount reduced 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, 2025 is \$NIL (2024 - \$46,525).

**THE PROGRESSIVE CONSERVATIVE
ASSOCIATION OF NOVA SCOTIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

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7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
	\$	\$
Trade payables	24,422	159,384
Accrued liabilities	69,437	56,714
Constituencies and candidates payable	<u>116,561</u>	<u>63,530</u>
	<u>210,420</u>	<u>279,628</u>

8. COMMITMENTS

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

	\$
2026	17,992
2027	18,099
2028	17,589
2029	17,290
2029	17,517
Subsequent	70,788

9. CONTRIBUTIONS FOR WHICH OFFICIAL RECEIPTS ISSUED

During the year, the Association issued official contribution receipts for income tax purposes totaling \$520,762 (2024 - \$1,157,677), which include \$3,292 (2024 - \$23,059) of receipts issued for funds collected by individual constituencies via fundraisers and are not included in the revenues of the Association.

10. 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, 2025.

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

10. FINANCIAL INSTRUMENTS

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 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 as disclosed in Note 6.