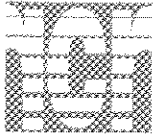


NOVA SCOTIA NEW DEMOCRATIC PARTY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009



AUDITORS' REPORT

TO THE MEMBERS OF THE
NOVA SCOTIA NEW DEMOCRATIC PARTY

We have audited the balance sheet of the Nova Scotia New Democratic Party as at December 31, 2009 and the statements of receipts and expenses, members' equity and cash flow for the year then ended. These financial statements are the responsibility of the Party's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to attain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Receipts which do not arise from commercial transactions by their nature are not susceptible to complete verification by audit procedures. Accordingly, our examination was confined to a comparison of recorded receipts with bank deposits.

In our opinion, except for the effect of any adjustments which might have been required had we been able to verify the receipts referred to above, these financial statements present fairly in all material respects, the financial position of the Nova Scotia New Democratic Party as at December 31, 2009 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Rector Colavecchia Roche

CHARTERED ACCOUNTANTS

March 27, 2010

NOVA SCOTIA NEW DEMOCRATIC PARTY
BALANCE SHEET AS AT DECEMBER 31, 2009

	ASSETS		
		2009	2008
		\$	\$
CURRENT ASSETS			
Cash -			
Unrestricted Cash		45,291	204,492
Restricted Cash (note 4)		3,265	17,971
Accounts receivable		<u>63,493</u>	<u>1,576</u>
		112,049	224,039
FURNITURE AND EQUIPMENT- at cost, less accumulated amortization of \$38,840 (2008 - \$38,484)		1,422	1,778
OTHER ASSETS (note 5)		<u>1</u>	<u>1</u>
		<u><u>113,472</u></u>	<u><u>225,818</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Bank indebtedness (note 6)		401,784	-
Accounts payable and accrued liabilities		73,954	36,105
Deferred revenue		<u>66,105</u>	<u>62,779</u>
		<u>541,843</u>	<u>98,884</u>
MEMBERS' EQUITY			
MEMBERS' EQUITY		(431,636)	108,963
WOMEN IN THE LEGISLATURE		<u>3,265</u>	<u>17,971</u>
		<u>(428,371)</u>	<u>126,934</u>
		<u><u>113,472</u></u>	<u><u>225,818</u></u>

SIGNED ON BEHALF OF THE COUNCIL

Director

Director

NOVA SCOTIA NEW DEMOCRATIC PARTY
 STATEMENT OF MEMBERS' EQUITY (DEFICIENCY)
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Women in The Legislature Fund \$	Unrestricted \$	Dec. 31, 2009 Totals \$	Dec. 31, 2008 Totals \$
BALANCE - BEGINNING OF YEAR	17,971	108,963	126,934	39,943
Excess of receipts over expenses for the year	<u>(14,706)</u>	<u>(540,599)</u>	<u>(555,305)</u>	<u>86,991</u>
BALANCE- END OF YEAR	<u><u>3,265</u></u>	<u><u>(431,636)</u></u>	<u><u>(428,371)</u></u>	<u><u>126,934</u></u>

NOVA SCOTIA NEW DEMOCRATIC PARTY
STATEMENT OF RECEIPTS AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009

	2009			2008
	Revenue	Expenses	Net	Net
	\$	\$	\$	\$
CONTRIBUTIONS	581,350	54,653	526,697	321,675
FUNDRAISING EVENTS	46,588	27,335	19,253	28,919
OTHER REVENUE	82,396	13,671	68,725	57,849
PROVINCE OF NOVA SCOTIA (PUBLIC FUNDING)	<u>261,093</u>	-	<u>261,093</u>	<u>251,115</u>
	971,427	95,659	875,768	659,558
REVENUE TRANSFERRED TO CONSTITUENCIES AND CAMPAIGNS	<u>-</u>	<u>147,598</u>	<u>(147,598)</u>	<u>(54,585)</u>
TOTAL	<u><u>971,427</u></u>	<u><u>243,257</u></u>	<u><u>728,170</u></u>	<u><u>604,973</u></u>

GENERAL AND ADMINISTRATIVE EXPENSES

Pre-Election expenses	179,426	142,417
Office and occupancy	72,760	64,156
Professional fees	7,074	8,737
Banking and finance costs	9,971	2,621
Riding support	13,771	6,388
Council, executive and committees	21,077	6,351
Amortization	356	444
Salaries and benefits	308,919	286,868
By-Elections	11,025	-
Post election expenses	15,883	-
Bad debts	1,088	-
Interest on election financing	<u>19,002</u>	<u>-</u>
	<u>660,352</u>	<u>517,982</u>
EXCESS OF RECEIPTS OVER EXPENSES FROM OPERATIONS	<u>67,818</u>	<u>86,991</u>
ELECTION EXPENSES	1,362,286	-
LESS: EXPENSES RECOVERED FROM CAMPAIGNS	<u>739,163</u>	<u>-</u>
NET ELECTION EXPENSES	<u>623,123</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENSES FOR THE YEAR	<u><u>(555,305)</u></u>	<u><u>86,991</u></u>

NOVA SCOTIA NEW DEMOCRATIC PARTY

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2009

	2009	2008
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (Deficiency) of receipts over expenses for the year	(555,305)	86,991
Adjustments to earnings not involving cash -		
Amortization	<u>356</u>	<u>444</u>
	(554,949)	87,435
Changes in non-cash working capital -		
Decrease (Increase) in accounts receivable	(61,917)	11,901
Increase in accounts payable	37,849	4,151
Increase in deferred revenue	<u>3,326</u>	<u>-</u>
	(575,691)	103,487
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in bank indebtedness	<u>401,784</u>	<u>-</u>
INCREASE (DECREASE) IN CASH DURING THE YEAR	(173,907)	103,487
CASH (Restricted and Unrestricted) - BEGINNING OF YEAR	<u>222,463</u>	<u>118,976</u>
CASH (Restricted and Unrestricted) - END OF YEAR	<u><u>48,556</u></u>	<u><u>222,463</u></u>

NOVA SCOTIA NEW DEMOCRATIC PARTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

1. NATURE OF OPERATIONS

The Nova Scotia New Democratic Party is a provincial political party in Nova Scotia.

2. ACCOUNTING POLICIES

Receipts and Expenses

Only donations received are included in the financial statements. All other revenue and expenses are recorded on the accrual basis. No amounts relating to donated services are reflected in these statements.

Amortization

The furniture and equipment is being amortized using the declining balance method at the annual rate of 20%.

3. FINANCIAL INSTRUMENTS

The fair value of cash, accounts receivable, bank indebtedness, accounts payable, and the current portion of long-term debt is approximately equal to their carrying value due to their short-term maturity date.

4. RESTRICTED CASH

The party has restricted the use of \$3,265 (December 31, 2008 - \$17,971) to the activities of the Women in The Legislature Fund to provide assistance to women candidates in provincial elections.

5. OTHER ASSETS

In 1991, the Party received as a bequest a half-interest in a parcel of approximately seven acres of undeveloped land, the value of which is not known. As a title search has not been done, it is not known whether the Party has valuable title to the land. Accordingly the land is being reported at the nominal value of \$1.

NOVA SCOTIA NEW DEMOCRATIC PARTY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

	2009	2008
	\$	\$
6. BANK INDEBTEDNESS		
Line of credit, with interest at 1.5% above the credit union's prime rate, with a limit of \$805,000, secured by a general security agreement with a specific assignment of election rebates due from the Province of Nova Scotia	76,784	-
Demand loan, with interest at 1.5% above the credit union's prime rate, with a limit of \$125,000, secured by a general security agreement and an assignment of all receivables	125,000	-
Demand loan, with interest at 1.5% above the credit union's prime rate, with a limit of \$200,000, secured by a general security agreement and an assignment of all receivables	<u>200,000</u>	<u>-</u>
	<u><u>401,784</u></u>	<u><u>-</u></u>

7. COMMITMENT

The minimum annual lease payments under a long-term lease for office space are \$22,535.

8. CONTENT OF FINANCIAL STATEMENTS

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