

REFERENDUM PARTY ASSOCIATION OF NOVA SCOTIA
Financial Statements
145 Day Period Ended June 21, 2021

REFERENDUM PARTY ASSOCIATION OF NOVA SCOTIA
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145 Day Period Ended June 21, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Referendum Party Association of Nova Scotia

Qualified Opinion

We have audited the financial statements of Referendum Party Association of Nova Scotia (the Society), which comprise the statement of financial position as at June 21, 2021, and the statements of operations, changes in net deficit and cash flows for the 145 day period 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 Society as at June 21, 2021, and the results of its operations and its cash flows for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Society derives revenue from donations 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 Society and we were not able to determine whether any adjustments might be necessary to contributions, deficiency of revenue over expenditures, current assets and net deficit.

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 Society 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report to the Directors of Referendum Party Association of Nova Scotia
(continued)

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 Society'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 Society'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 Society 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.



CHARTERED PROFESSIONAL ACCOUNTANTS

Bridgewater, Nova Scotia
July 14, 2021

Statement of Financial Position

June 21, 2021

ASSETS

Current

Cash		\$	393
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LIABILITIES

Current

Accounts payable		\$	1,000
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NET DEFICIT

Unrestricted			(607)
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		\$	393
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ON BEHALF OF THE BOARD

_____ Director _____ Director

See accompanying notes to the financial statements

Statement of Operations

145 Day Period Ended June 21, 2021

REVENUE	
Donations	\$ 406
EXPENDITURES	
Interest and bank charges	13
Professional fees	1,000
	1,013
DEFICIENCY OF REVENUE OVER EXPENDITURES FOR THE PERIOD	\$ (607)

See accompanying notes to the financial statements

Statement of Changes in Net Deficit
145 Day Period Ended June 21, 2021

	<i>June 21</i> 2021
NET ASSETS - BEGINNING OF PERIOD	\$ -
Deficiency of revenue over expenditures	(607)
NET DEFICIT - END OF PERIOD	\$ (607)

See accompanying notes to the financial statements

Statement of Cash Flows

145 Day Period Ended June 21, 2021

OPERATING ACTIVITIES

Deficiency of revenues over expenditures for the period	\$	(607)
Change in non-cash working capital:		
Accounts payable		1,000

INCREASE IN CASH FLOW

393

Cash - beginning of period

-

CASH - END OF PERIOD

\$ 393

See accompanying notes to the financial statements

Notes to Financial Statements

145 Day Period Ended June 21, 2021

1. PURPOSE OF THE SOCIETY

Referendum Party Association of Nova Scotia (the "Society") is a non-profit, registered society that recruits volunteers to provide high quality service to the residents of Nova Scotia. The society aims to be the next political party elected to represent the residents of Nova Scotia.

The Society is a non-profit and, as such, is exempt from income tax and issues income tax receipts to donors.

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.

Cash

Cash includes cash on hand and bank balances, including bank overdrafts with balances that fluctuate from positive to overdrawn.

Revenue recognition

Referendum Party Association of Nova Scotia 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.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Donated goods

Donated goods are recorded at their fair market value at the time of the donation. During the period January 28, 2021 to June 21, 2021, there were no goods donated.

(continues)

Notes to Financial Statements

145 Day Period Ended June 21, 2021

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

Pledges which are legally enforceable (less an allowance for amounts considered uncollectible) are recorded as receivable in the year made. Pledges to support current operations are recognized as received. Pledges made for the acquisition of property or to support future operations are recorded as deferred amounts.

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 which are subsequently reported at fair value are expensed when incurred. Transaction costs on the acquisition, sale, or issue of financial instruments which are subsequently reported at amortized cost are amortized over the expected life of the instrument.

Financial assets measured at amortized cost include cash.

Financial liabilities measured at amortized cost include accounts payable.

4. FINANCIAL INSTRUMENTS

The Society 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 Society's risk exposure and concentration as of June 21, 2021.

Liquidity risk

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

5. COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic due to the outbreak of COVID-19. The outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods, social and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Society in future periods. To date, the Society has not had to revise judgements, estimates or assumptions nor has the pandemic had any material impact on the Society's liquidity, credit or business risks.
