Our Mission

The co-operative economy of Nova Scotia is strong, robust and growing; with co-operatives and credit unions playing a dynamic and creative role in meeting the needs and opportunities in their local communities.

Co-operatives and credit unions in Nova Scotia are part of a strong proactive provincial co-operative sector, which coordinates its efforts to ensure that co-ops and credit unions continue as a dynamic, creative presence in local communities, capable of addressing their community’s needs, challenges, opportunities and development into the 21st century.

Our Vision

The Nova Scotia Co-operative Council exists to:

✓ Deliver programs, products and services that grow the economy of Nova Scotia
✓ Bring all types of co-operatives together to form a strong co-operative sector in Nova Scotia
✓ Develop, promote, and support new co-operatives across all sectors and industries in Nova Scotia
✓ Represent the co-operative sector’s interest to all levels of government
✓ Encourage the development of a “co-operative identity” among the public in Nova Scotia
✓ Ensure innovation within the co-operative sector
✓ Develop alternative finance programs and instruments
We Are Fueled By Our:

Passion

Our passion is people, building communities, growing businesses, creating jobs, reducing poverty, and delivering measurable results.

Experience

- Economic analysis
- Co-operative development
- Government relations
- Public relations
- Business development
- Project management
- Business finance

Motivation

We ignite the spirit of ordinary individuals to be, to have, and to do – for themselves, their neighbors, and their community.

Teamwork

We are not in it alone. Together we are powerful. The Nova Scotia Co-operative Council embraces partnerships with government, our co-operatives and credit unions, the private sector, and other community agencies – to build and grow our communities.

Innovation

The Nova Scotia Co-operative Council is known for its innovative thinking, actions and programs.


Results

Jobs, new businesses, finance programs, innovation, economic impacts, social impacts, and public relations.

Integrity

The Nova Scotia Co-operative Council and our member co-operatives and credit unions are trusted, credible and recognized community leaders who deliver results.

Opportunities

Are endless – to grow and prosper. We are limited only by our imagination, commitment and confidence.

Triple Bottom Line

People, Planet, Profit.

The Future

Is our legacy.
Premier’s Message

On behalf of the Government of Nova Scotia, I would like to congratulate the Nova Scotia Co-operative Council on your 67th anniversary. For the past 67 years, your staff, board of directors and members throughout the province have been working to make Nova Scotia a better place.

As government, we’re investing in opportunities for growth, in education, youth and jobs training. And through those investments and sound financial management, we are able to provide more support for Nova Scotians who need it most.

We’re also taking a new approach to economic growth. Only the private sector can create jobs and new wealth. It’s up to government to create the environment – to make it easier for business to do business in Nova Scotia. One way we’re doing this is through the Credit Union Small Business Loan Guarantee Program. Whether it’s an immigrant starting a new business or a recent graduate building a social enterprise, we want to ensure small business owners are supported so they can grow and succeed in their communities, from Yarmouth to Cumberland County to Cape Breton.

We believe we can shape a better future. Now, more than ever, we need your experience, optimism and leadership as we work together to create vibrant, successful communities and a stronger Nova Scotia.

Sincerely,

Honourable Stephen McNeil, M.L.A.
Premier
Message from the Minister

My sincere congratulations to the Nova Scotia Co-operative Council and the member credit unions for another successful year serving entrepreneurs and small businesses across Nova Scotia.

Business is important to Nova Scotia. It is what will drive our economy forward and create the economic prosperity that will allow us to invest in the things that matter most to all Nova Scotians.

The Department of Business was created to make Nova Scotia one of the most competitive and business-friendly environments in Canada – one that encourages trade and export, supports innovation and startups, and eliminates unnecessary regulations and red tape.

Access to capital is also important, particularly for the entrepreneurs who own small businesses. These small businesses employ almost half of all Nova Scotians, many of them in rural areas of the province. Programs like the Credit Union Small Business Loan Guarantee Program help them grow and succeed, so they thrive in their communities and strengthen our economy.

This year, through your hard work over the last 13 years, the program achieved milestone growth, with more than $100 million in loans to small businesses across Nova Scotia. I would like to thank the Nova Scotia Co-operative Council, its staff, members and partners for your commitment to the success of small business and for your ongoing contribution to Nova Scotia’s prosperity.

Yours truly,

Mark Furey
Minister of Business
Report from the Chair of the Board

On behalf of the Board of Directors, I am pleased to provide to you our annual governance and accountability report for 2015.

Year over year we witness co-ops and credit unions strengthen and build communities and make lives better for people. This year was no different. At a time when our communities are facing unprecedented societal issues and economic pressures, the need for the co-operative sector has never been greater.

The Council’s priorities for the year included our Impact Fund, Connecting People for Health, our small business loan guarantee in partnership with our credit unions, as well as co-operative business development and mentoring. Please read ahead to our CEO report for a full account on these and other activities throughout the year.

The board is amazed with the number of activities and projects that our staff take on, and the results that they are able to achieve with relatively few resources. They see opportunities where others see only challenges. If only we could bottle their energy and enthusiasm!

An active and dynamic organization requires a strong, forward thinking Board of Directors; a board that has the capacity for innovative thinking, strategic planning, willingness to take risks, and an ability to assess and mitigate risk. Their analysis and decision making must be supported by a good governance system which ensures that appropriate policies, procedures and systems are in place to govern, monitor and evaluate all aspects of the organization.

Executive, finance, governance, nominating and Distinguished Cooperator Awards were active committees of the Board this year.

The Board held five regular meetings during the year, three in person meetings and two conference calls, in addition to hosting and attending several other functions, including our annual wine and cheese reception with the Premier and members of the Nova Scotia Legislative Assembly. It has been a pleasure to lead such a dedicated group of Board Directors, who take their position and responsibility so seriously.
Collaboration and partnership continued as a strong theme in 2015. Our relationship with various government agencies continues to be very positive, as we work on several important initiatives together. We have demonstrated to government that the co-operative sector is an important part of Nova Scotia’s economic base, particularly in rural areas. We have also demonstrated that, together, we can achieve our mutual and common goals, of building a more prosperous Nova Scotia.

We are grateful to our co-operative members and partners who continue to support our vision and mission.

A highlight for the Board year each is the selection of our Distinguished Co-operator Award recipients. This award, presented annually, recognizes the significant contributions that individuals in both the co-operative and credit union sector have made to the co-operative movement. I am delighted to announce that the 2015 recipients are Fred Pierce, nominated by Upper Stewiacke Co-op, and Donald Pottie, nominated by East Coast Credit Union. Fred and Donald have collectively given over eight decades of support and service to the co-operative movement. Today we say a big “thank you” to each of them!

We continue to raise the profile of the co-operative sector, and our ability to innovate is producing significant economic and social returns in communities across every region of Nova Scotia. None of this would be possible without a committed, competent and dedicated Board. To all of you, a sincere thanks for the endless hours that you put in, on a volunteer basis, to further our co-operative values, goals and ideals.

A sincere thank you to Dianne Kelderman, our President & CEO, who makes it all possible. To you and your team, thank you for all that you do, and the enthusiasm with which you do it! The Nova Scotia co-operative sector is very fortunate to have your leadership, vision, and energy.

And to you our members; “Never doubt that a small group of thoughtful committed citizens can change the world; it’s the only thing that ever has”.

Respectfully,

Norma Tomiczek,
Chair of the Board
On March 31, 2016, the Nova Scotia Co-operative Council completed its 67th year of operations. Few organizations, particularly not for profits, can boast this longevity.

From innovative programs, launching new businesses and initiatives, building the brand, creating partnerships, delivering results, being a model that others emulate, to operating within budget year over year, the Council has much to be proud of. A small organization with $19,000 in assets, has grown into an economic development leader with over half a million dollars in retained earnings and over $100 million in projects under management.

Every year has its own unique opportunities and challenges. 2015 – 2016 was no different.

In April 2015, the department of economic development was demolished with no warning to external partners. The $225,000 contract that the NS Co-operative Council had in place for more than a decade, disappeared over night.

This required a change in operational strategy and an increased entrepreneurial approach. It also required a new relationship management strategy with the Province, particularly with the new Department of Business and with Nova Scotia Business Inc.

We spent the year razor-sharp focused on our three major initiatives – our small business loan programs, healthcare venture and the Impact Fund. In addition, co-operative business development and government advocacy continued to be important activities.

I am pleased to report that we made significant progress on all priorities.

Our Small Business Loan Guarantee Program hit a significant and impressive milestone in March 2016 when we surpassed the $100 million portfolio mark. When we started this program as a $3 million pilot in 2003, no one could have imagined this result. Beyond the size of the portfolio, the program has had an important impact on the lives of individuals and the communities in which they live. We have provided financing to nearly 2000 small businesses. Over 12,000 jobs have been created and/or maintained as a result. Loan losses remain less than 4%. The program continues to grow at an average rate of 14.8% year over year.
Nova Scotia’s First Impact Fund – Seeking Profit with Purpose

Impact investing is a global trend. The Organization for Economic Development and Cooperation (OECD) defines it as “the provision of finance to organizations addressing social needs with the explicit expectation of a measurable social, as well as financial return”.

During the year we finalized the business plan and projections, met with government, created a structure and secured support from external partners and investors.

We look forward to having a fund that is flexible and able to support mission based businesses and opportunities in communities across Nova Scotia.

Co-operative Development & Support to Members

Despite the challenges faced by some co-operatives, the brand and business model is still appealing and relevant. We had a record number of requests for support and feasibility analysis this year, including new sector opportunities such as:

- Eco-Tourism
- Family farm conversions
- Internet/broadband
- Engineering
- Senior homecare
- Transportation
- Community infrastructure

In addition we continued to provide support to our members in areas of board governance, finance, and advocacy.

Thirteen new co-operatives were incorporated during the year.

Connecting People for Health Co-operative (CP4H) www.healthocnnex.ca

I am pleased to report that CP4H continues as a growing business. In fact, we had our best year yet. New products were created, our platform and technology was installed in new clinics, and our customer base and profitability has increased.

Significant changes are happening in the healthcare system and we are well positioned to be part of the solution.

Government Advocacy

Government advocacy continues to be an important part of what we do.

We had eleven face to face meetings with senior officials throughout the year including the Premier, Ministers, Deputy Ministers, Directors, and Federal Treasury Minister Scott Brison. Our relationship with government departments and staff continue to be positive and productive.

During Co-op Week, we hosted our 17th annual Government Reception in partnership with Atlantic Central. It was a very well-attended and successful event.

Cont’d….
Despite the challenges posed by losing a $225,000 government contract, I am pleased to report that we are ending the year in a positive financial position. Given the reduction in revenue, we managed expenses closely and ended the year with a surplus of $9333. Assets grew by 13%, with total assets now exceeding $500,000 (2600% increase since 1999).

I am also pleased to report that we are ending the year once again with a clean audit report.

We are financially strong, committed to delivering measurable results, have earned a positive and credible image and profile, and are focused on partnerships and accountability.

We have achieved a significant amount when one considers our limited resources, both human and financial.

To that end, I owe a deep and heartfelt thanks to our staff team who regularly go beyond the call of duty. Chris, Cris, Frank, Jonathan and Linda; the Council is fortunate to have each of you in its employ.

To the Board of Directors; you are the stewards of the co-op history, brand and its future. You are inspiring volunteers, and I greatly appreciate your sage advice, support, counsel and guidance. Thank you for your trust in the NSCC team.

To you, our partners and members - you are the reason we go about our work with such vigor every day. Our success is your success. Thank you for your continued support!

Here’s to another year of setting the standard for economic development excellence in Nova Scotia.

Respectfully submitted,

Dianne Kelderman, MSc (Econ), M.ED
President & CEO

To the Board of Directors; you are the stewards of the co-op history, brand and its future. You are inspiring volunteers, and I greatly appreciate your sage advice, support, counsel and guidance. Thank you for your trust in the NSCC team.

To you, our partners and members - you are the reason we go about our work with such vigor every day. Our success is your success. Thank you for your continued support!

Here’s to another year of setting the standard for economic development excellence in Nova Scotia.

Respectfully submitted,

Dianne Kelderman, MSc (Econ), M.ED
President & CEO

Social Impact Fund Advisory Team
Fred Pierce
Nominated by Upper Stewiacke Co-operative

Fred Pierce has dedicated his time, talent, and energies to the Nova Scotia co-operative movement by faithfully serving many co-operatives and credit unions for over 50 years, holding various positions on many boards, during which time he was a member of several committees.

Fred Pierce, often referred to as “Mr. Co-op”, contributed to the betterment of his community by serving in the co-operative movement as a committee member, consumer, director, officer, manager, leader, promoter, developer, motivator, author, teacher, inspector, administrator, and consultant; leader in the establishment of the Nova Scotia Co-operative Council in 1986; Secretary/Treasurer until 1999; managed resources; provided guidance in the incorporation of 800 co-operatives and 100 agricultural societies; provided leadership at the Maritime Premiers’ Conference in 1973 for organizing Nova Scotia Co-operative Act in concert with New Brunswick and Prince Edward Island; participated in the development of a uniform Canadian Co-operative Act; dedicated 30 years to National Association of Co-operatives and Credit Union Administrators; established working arrangements with twelve federal, provincial and territorial co-operative and credit union; assisted with the development and delivery of an “Effective Management and Leadership Program” (1992-1999) to over 2000 co-operative; visited co-operatives in Nicaragua, Central America, and Republic of The Gambia in Africa; provided material for the expansive co-operative archival section of agricultural resources at MacRae Library; board member of the Colchester Regional Hospital (1989-1995); volunteered in numerous community groups such as the International Lions Club, YMCA, and little league hockey coach.

That the Nova Scotia Co-operative Council, on behalf of all co-operatives and credit unions, express our gratitude and deep appreciation to Fred Pierce for his contribution to the Nova Scotia co-operative movement by awarding him the 2015 Distinguished Co-operator Hall of Fame Award.

Donald Pottie
Nominated by East Coast Credit Union

Donald Pottie has dedicated his time, talent, and energies to the Nova Scotia co-operative movement by faithfully serving many co-operatives and credit unions for over 41 years, holding various positions on many boards, during which time he was a member of several committees.

Donald Pottie contributed to the betterment of his community by serving on the Boards of First Richmond (River Bourgeois & Johnstown), St. Peters and East Coast Credit Unions; Key organizer for the original merger of the seven distinct and independent Credit Unions and creation of the original East Coast Credit Union; advisor with the successful merger of Bergengren and East Coast Credit Union; mentor to many Credit Union chairs and directors by advising and sharing his experience at provincial, regional and local meetings and conferences; represented his Credit Union and Nova Scotia at national and international conferences; community leader and volunteer with River Bourgeois Community Social Services, St Peters and Area Food Bank; acted as an advocate for individuals and groups for various projects such as the extensive renovations of the Canadian Legion Branch 47 Hall; military historian by helping friends and neighbours discover their family veterans’ information, retrieve lost medal and ribbons and discover new information on certain Canadian WWII events that occurred in France.

That the Nova Scotia Co-operative Council, on behalf of all co-operatives and credit unions, express our gratitude and deep appreciation to Donald Pottie for his contribution to the Nova Scotia co-operative movement by awarding him the 2015 Distinguished Co-operator Hall of Fame Award.
Meet the Board of Directors

Norma Tomiczek  
Chair

Jeff Yuill  
Vice Chair

Raymond Doucette  
Treasurer

Shae Griffith  
Secretary

Howard Welch  
Director

Mike Oulton  
Director

Kevin MacAdam  
Director

John Harvie  
Co-operators Representative

Bill Timmins  
Director

Ray Surette  
Atlantic Central Representative
Meet the Development Team

Dianne Kelderman  
President and CEO

Frank Henderson  
Director of Finance and Operations

Jonathan McClelland  
Business Development Officer, South West Valley

Linda Johnson  
Finance Administrator

Curtis Tobin  
Project Manager

Chris Tucker  
IT Specialist

Cris Sanford  
Office Manager
The Year In Pictures

Co-operative Management Program SMU

Signing of 2015 Co-op Week & Credit Union Day Proclamation with Premier Stephen MacNeil

Our partners, the Black Business Initiative (BBI). Mike Wyse, Premier MacNeil & Emmanual Co-operative Management Program SMU

Beverly & Leo Barker from The Cooperators

Our Newest Cooperators

Olivia Grace Johnson (Our Office Manager - Linda Johnson’s Granddaughter)

Payton James Kenyon (Our Office Manager - Linda Johnson’s Grandson)
The Year In Pictures

Irvin Surette & Raymond Doucette

Peter Hough & Raymond Doucette

A Student Credit Union is in the making
Christopher Conners, NSCC Student &
Darrell Kuhn, President & CEO Community
Credit Union

2015 AGM Entertainment

Past Directors — Lyle Bates,
Irene Caswell & Marinus Van de Sande
Management’s Responsibility for Report

Preparation of the financial statements accompanying this annual report and the presentation of all other information in the report is the responsibility of management. The financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles and reflects management’s best estimates and judgments. All other financial information in the report is consistent with that contained in the financial statements.

The board of directors oversees management in carrying out its responsibilities for financial reporting and systems of internal control. The board of directors meets regularly with financial management personnel and annually with external auditors to satisfy itself as to the reliability and integrity of financial information and the safe-guarding of assets. The board of directors reviews and approves the annual financial statements to be issued to members. The external auditors have full and free access to the board of directors.

Dianne Kelderman, President & CEO  
May 19, 2016

Raymond Doucette,  
Treasurer & Audit Committee Chair  
May 19, 2016
Independent auditor’s report

To the Board of Directors of Nova Scotia Co-operative Council Limited

We have audited the accompanying financial statements of Nova Scotia Co-operative Council Limited, which comprise the balance sheet as at March 31, 2016, and the statements of revenues, expenses and surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these 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.

Auditor’s responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Co-operative’s preparation and fair presentation of the financial statements 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 Co-operative’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**
In our opinion, the financial statements present fairly, in all material respects, the financial position of Nova Scotia Co-operative Council Limited as at March 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Truro, Canada
May 19, 2016

Chartered Accountants
# Nova Scotia Co-operative Council Limited

## Statements of Revenues, Expenses and Surplus

### Year ended March 31

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees for service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projects and management fees (Note 7(a) and (b))</td>
<td>$255,435</td>
<td>$338,350</td>
</tr>
<tr>
<td>Government</td>
<td></td>
<td>100,000</td>
</tr>
<tr>
<td><strong>Events</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual General Meeting (Note 7(a))</td>
<td>4,060</td>
<td>57,058</td>
</tr>
<tr>
<td>Wine and Cheese Reception (Note 7(a))</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Membership dues and partnership grants</td>
<td>45,462</td>
<td>85,030</td>
</tr>
<tr>
<td>Miscellaneous (Note 6)</td>
<td>19,581</td>
<td>789</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>334,538</td>
<td>591,227</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>10,322</td>
<td></td>
</tr>
<tr>
<td>Communications</td>
<td>5,960</td>
<td>6,291</td>
</tr>
<tr>
<td>Donations</td>
<td>2,490</td>
<td>2,637</td>
</tr>
<tr>
<td>Fees, salaries and benefits</td>
<td>164,548</td>
<td>296,047</td>
</tr>
<tr>
<td>Furniture, equipment and supplies</td>
<td>5,232</td>
<td>6,040</td>
</tr>
<tr>
<td>Insurance</td>
<td>3,468</td>
<td>2,388</td>
</tr>
<tr>
<td>Office and sundry</td>
<td>1,981</td>
<td>3,054</td>
</tr>
<tr>
<td>Professional fees</td>
<td>33,978</td>
<td>7,592</td>
</tr>
<tr>
<td>Rent (Note 6)</td>
<td>23,220</td>
<td>23,220</td>
</tr>
<tr>
<td><strong>Total administrative costs</strong></td>
<td>251,199</td>
<td>347,269</td>
</tr>
<tr>
<td>Governance costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual General Meeting</td>
<td>11,241</td>
<td>127,996</td>
</tr>
<tr>
<td>Directors</td>
<td>16,107</td>
<td>35,420</td>
</tr>
<tr>
<td><strong>Total governance costs</strong></td>
<td>27,348</td>
<td>163,416</td>
</tr>
<tr>
<td>Development costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consulting and fees</td>
<td>21,654</td>
<td>27,335</td>
</tr>
<tr>
<td>Marketing and promotion</td>
<td>15,421</td>
<td>6,409</td>
</tr>
<tr>
<td>Social Enterprise</td>
<td>1,627</td>
<td>32,347</td>
</tr>
<tr>
<td>Travel</td>
<td>7,956</td>
<td>8,531</td>
</tr>
<tr>
<td><strong>Total development costs</strong></td>
<td>46,658</td>
<td>74,622</td>
</tr>
<tr>
<td><strong>Excess of revenue over expenses</strong></td>
<td>$9,333</td>
<td>$5,920</td>
</tr>
<tr>
<td><strong>Surplus, beginning of year</strong></td>
<td>$423,773</td>
<td>$417,853</td>
</tr>
<tr>
<td>Amalgamation with Equity for Nova Scotia Businesses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-operative Limited (Note 10)</td>
<td>46,059</td>
<td></td>
</tr>
<tr>
<td><strong>Excess of revenue over expenses</strong></td>
<td>9,333</td>
<td>5,920</td>
</tr>
<tr>
<td><strong>Surplus, end of year</strong></td>
<td>$479,165</td>
<td>$423,773</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.
## Nova Scotia Co-operative Council Limited
### Balance Sheet

March 31 2016 2015

### Assets

**Current**
- Cash and cash equivalents $246,671 $126,163
- Receivables - 131,350
- Prepaids 5,336 4,637
- Due from related parties (Note 3) 245,278 174,137
- Investment in subsidiary - 4,000
- Other investments 3,917 3,858

**Total Current Assets** $501,202 $444,145

### Liabilities

**Current**
- Payables and accruals $8,534 $7,508
- Harmonized sales tax payable 3,503 2,864

**Total Current Liabilities** 12,037 10,372

### Equity

- General reserve 10,000 10,000
- Surplus 479,165 423,773

**Total Equity** 489,165 433,773

**Total Assets** $501,202 $444,145

### Commitment (Note 6)

On behalf of the Board

Director

Director

See accompanying notes to the financial statements.
# Nova Scotia Co-operative Council Limited

## Statement of Cash Flows

**Year ended March 31**

### Increase (decrease) in cash and cash equivalents

#### Operating

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess of revenue over expenses</td>
<td>$9,333</td>
<td>$5,920</td>
</tr>
<tr>
<td>Change in non-cash working capital items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>131,350</td>
<td>(30,770)</td>
</tr>
<tr>
<td>Prepaid</td>
<td>(699)</td>
<td>44,025</td>
</tr>
<tr>
<td>Payables and accruals</td>
<td>1,026</td>
<td>(599)</td>
</tr>
<tr>
<td>Harmonized sales tax payable</td>
<td>639</td>
<td>1,325</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>-</td>
<td>(23,553)</td>
</tr>
<tr>
<td></td>
<td><strong>141,649</strong></td>
<td><strong>(3,652)</strong></td>
</tr>
</tbody>
</table>

#### Financing

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advances to related parties, net</td>
<td>(71,141)</td>
<td>(82,424)</td>
</tr>
<tr>
<td>Amalgamation with Equity for Nova Scotia Businesses</td>
<td>46,059</td>
<td>-</td>
</tr>
<tr>
<td>Co-operative Limited (Note 10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>(25,082)</strong></td>
<td><strong>(82,424)</strong></td>
</tr>
</tbody>
</table>

#### Investing

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease in investment in subsidiary</td>
<td>4,000</td>
<td>-</td>
</tr>
<tr>
<td>Increase in other investments</td>
<td>(59)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>3,941</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

Increase (decrease) in cash and cash equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>120,508</td>
<td>(86,076)</td>
</tr>
</tbody>
</table>

### Cash and cash equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year</td>
<td>126,163</td>
<td>212,239</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>End of year</td>
<td><strong>$246,671</strong></td>
<td><strong>$126,163</strong></td>
</tr>
</tbody>
</table>
1. Nature of operations

The Nova Scotia Co-operative Council Limited is incorporated and operates under the Nova Scotia Co-operative Associations Act as a not-for-profit organization. The Co-operative provides economic development expertise and services to the Nova Scotia co-operative and credit union sector.

2. Summary of significant accounting policies

Basis of presentation

These non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Use of 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 amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenue and expenses during the year. Actual results could differ from those reported.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with credit unions.

Revenue recognition

Fees for services are recorded as revenue in the year in which the revenues are earned.

Membership dues are recorded as revenue when received.

The Co-operative follows the deferral method of accounting for contributions. Restricted grants received from various funding agencies are matched to related expenses. Any resulting excess is recorded as unearned revenue until the related expense is incurred. Unrestricted grants from various funding agencies and other unrestricted contributions are recognized as revenues when received or receivable if the amount received can be reasonably estimated and collection is reasonably assured.

Donated services

Donated services are recognized in the period the services are performed provided fair value can be reasonably determined; otherwise such amounts are not recognized. During the year, the Co-operative received donations of rent valued at $17,715. This amount has been recorded as donations included in miscellaneous revenues.
2. Summary of significant accounting policies (continued)

Long term investments

Investments in common shares of business enterprises for which the fair value of shares are not quoted in an active market and in which the Co-operate holds less than 20% interest, are recorded at cost.

The Co-operative's investment in Healthwise Holdings Co-operative Limited and investment in Connecting People for Health Co-operative Limited are recorded at cost. The Co-operative does not exercise significant influence over Healthwise Holdings Co-operative Limited and Connecting People for Health Co-operative Limited due to each shareholder having one vote per member authority regardless of the number or percentage of shares.

The investments are reviewed by management for impairment and if a decline in value is considered other than temporary, the investment is written down to reflect the impairment with a charge to income.

Furniture and equipment

Significant equipment additions greater than $2,500 and with extended useful lives are recorded at cost as capital assets. Any small equipment additions under the $2,500 threshold and with limited useful lives are expensed. Rates and bases of depreciation of furniture and equipment are recorded over their estimated lives at the following rates:

- Computer equipment: 3 years Straight-line
- Other equipment and furniture: 5 years Straight-line

Financial instruments

The Co-operative considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Co-operative accounts for the following as financial instruments:

- cash and cash equivalents
- receivables
- due from related parties
- investments
- payables and accruals

A financial asset or liability is recognized when the Co-operative becomes party to contractual provisions of the instrument.

The Co-operative initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with the Co-operative is in the capacity of management in which case they are accounted for in accordance with financial instruments.
Nova Scotia Co-operative Council Limited
Notes to the Financial Statements
March 31, 2016

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

The Co-operative subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are not quoted in an active market, which are measured at cost less any reduction for impairment.

The Co-operative removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

Income tax status

Nova Scotia Co-operative Council Limited is a non-profit organization, which is exempt from income taxes under Section 149(1) of the Canadian Income Tax Act.

3. Due from related parties

<table>
<thead>
<tr>
<th>Due from</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due from Investing in Nova Scotia Enterprises Co-operative Limited</td>
<td>$ 45,278</td>
<td>$ -</td>
</tr>
<tr>
<td>Due from Connecting People for Health Co-operative Limited</td>
<td>-</td>
<td>10,000</td>
</tr>
<tr>
<td>Due from Benneworth Advanced Systems Incorporated</td>
<td>200,000</td>
<td>145,711</td>
</tr>
<tr>
<td>Due from Equity for Nova Scotia Businesses Co-operative Limited</td>
<td>-</td>
<td>18,426</td>
</tr>
<tr>
<td></td>
<td><strong>$ 245,278</strong></td>
<td><strong>$ 174,137</strong></td>
</tr>
</tbody>
</table>

These balances are non-interest bearing with no set terms of repayment.

4. Investment in Healthwise Holdings Co-operative Limited

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original cost</td>
<td>$ 300,000</td>
<td>$ -</td>
</tr>
<tr>
<td>Less: accumulated provision for investment losses</td>
<td>(300,000)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>$ -</strong></td>
<td><strong>$ -</strong></td>
</tr>
</tbody>
</table>
Nova Scotia Co-operative Council Limited  
Notes to the Financial Statements  
March 31, 2016

5. Investment in Connecting People for Health Co-operative Limited

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original cost</td>
<td>$1,000,000</td>
<td>$-</td>
</tr>
<tr>
<td>Less: accumulated provision for investment losses</td>
<td>(1,000,000)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

6. Commitment

Nova Scotia Co-operative Council Limited has entered into a lease agreement for the rental of office space until October 31, 2017. During the current fiscal year, the lessor has agreed to waive rental payments for 9 months of the year. Monthly rental payments are expected to be waived until the Council has secured additional funding. In order to properly account for this in fiscal 2016, the Council has recognized $17,715 in miscellaneous revenues with a corresponding amount recorded as rent expense for the 9 months of rent abatement. The approximate minimum lease payments in each of the next two fiscal years in accordance with the lease agreement are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$21,600</td>
</tr>
<tr>
<td>2018</td>
<td>12,600</td>
</tr>
</tbody>
</table>

7. Related party transactions

During the year, the Co-operative had the following transactions with related parties:

(a) Investing in Nova Scotia Enterprises Co-operative Limited, a co-operative in which it holds a minority interest:

- received $101,843 (2015 - $210,106) for reimbursements of expenses, of which have been applied against the Co-operative's administrative expenses with the exception of an amount of $150,000 (2015 - $150,000) which has been recorded as management fees.
- received $25,000 (2015 - $nil) for business development fees included in project revenues
- received $7,500 (2015 - $7,500) in sponsorships for the annual general meeting and wine and cheese reception.

(b) Benneworth Advanced Systems Incorporated, a company under common control:

- received $50,000 (2015 - $60,000) in management fees.
- received $20,000 (2015 - $nil) for business development fees included in project revenues.
8. Financial instruments

The Co-operative is exposed to various risks through its financial instruments. The following analysis provides a measure of the Co-operative’s risk exposures and concentrations at March 31, 2016.

(a) Credit risk

Credit risk is the risk of financial loss to the Co-operative if a debtor fails to make payments when due. The Co-operative is exposed to this risk relating to its receivables and amounts due from related parties. Most of the receivables are from government funding agencies and credit risk is mitigated by ensuring that all grants are entered into by way of contract. For receivables from related parties, management closely evaluates the collectibility of these amounts. There was no significant change in exposure from the prior year.

(b) Liquidity risk

Liquidity risk is the risk that the Co-operative will encounter difficulty in meeting the obligations associated with its financial liabilities. The Co-operative is exposed to this risk mainly in respect of its payables and accruals. The Co-operative mitigates this risk by monitoring cash flow payment requirements. In the opinion of management, the liquidity risk to the Co-operative is low. There was no significant change in exposure from the prior year.

(c) Market risk

Market risk is the risk that the fair value or expected 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 Co-operative is mainly exposed to 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 Co-operative is exposed to interest rate risk on a balance held in a savings account. In the opinion of management, the interest rate risk to the Co-operative is low. There was no significant change in exposure from the prior year.

9. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.
10. Amalgamation with Equity for Nova Scotia Businesses Co-operative Limited

On July 14, 2015, Nova Scotia Co-operative Council Limited amalgamated with Equity for Nova Scotia Businesses Co-operative Limited, a company under common control, with Nova Scotia Co-operative Council Limited being the continuing company. The transaction has been accounted for under the purchase method and accordingly, the net assets of the predecessor company have been combined in the amalgamated company. Inter-company balances and transactions have been eliminated. The net effect of the amalgamation is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in other investments</td>
<td>$ 59</td>
</tr>
<tr>
<td>Increase in loans receivable from a related party</td>
<td>50,000</td>
</tr>
<tr>
<td>Decrease in investment in subsidiary</td>
<td>(4,000)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 46,059</strong></td>
</tr>
</tbody>
</table>

These financial statements include a full fiscal year of statement of operations for Nova Scotia Co-operative Council Limited to provide more useful information to the stakeholders of the Co-operative. Otherwise upon amalgamation, the statement of operations would include revenues and expenses from July 14, 2015 to March 31, 2016.