

Annual Report

2019





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OUR VISION

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 MISSION

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.



MESSAGE FROM THE PREMIER



As a province, we have made enormous strides over the past few years. Nova Scotia is on the move. Our population is the highest it has ever been, and more parts of our province are contributing to the economy than ever before.

As a government, we are focused on helping businesses grow and succeed. The Nova Scotia Co-operative Council, along with the provincial credit unions, play an important role in this success. I know you share the same desire to help our entrepreneurs grow their businesses and continue to push our province even further—for the benefit of all Nova Scotians.

Small businesses are an essential part of our economy and our communities. They create jobs, support causes and make our province a better place to live. The COVID-19 pandemic has made the past few months very difficult for them. Many were ordered by Public Health to close or significantly reduce their operations, many more were impacted by the orders to practice social distancing and stay home. To support those businesses negatively impacted by the pandemic, we were pleased to partner with the Nova Scotia Co-operative Council and the credit unions to deliver the COVID-19 Small Business Credit and Support Program. Your support was vital to our ability to provide this program and provided a much-needed lifeline to many businesses.

As we begin to recover from the significant economic impacts of COVID-19, I am confident knowing that Nova Scotia small businesses have the support of your organization.

I want to thank the Nova Scotia Co-operative Council and the provincial credit unions for the work you have done and continue to do to support small business in our province.

Sincerely,

Honourable Stephen McNeil, M.L.A.
Premier





MESSAGE FROM THE MINISTER OF BUSINESS



For 71 years, the Nova Scotia Co-operative Council and its member Credit Unions have played an important role in the success of communities across the province. Providing small businesses and social enterprises with the means to grow, expand into new markets and employ Nova Scotians helps to build a stronger province.

This was a big year for the Co-operative Council and your members. In November, you did what many may have thought impossible - welcoming former President of the United States Barack Obama to Halifax. This once in a lifetime event left everyone in attendance with a sense of hope – something your organization does well.

The COVID-19 pandemic has created unprecedented conditions and many of our small businesses are struggling. To support our small businesses and entrepreneurs, you stepped up and rose to the challenge to deliver the COVID-19 Small Business Credit and Support program on behalf of the Province. Thanks to your team's hard work, small business owners and entrepreneurs were able to access small business loans, upfront grants and access to strategic business advice to help them manage through this very difficult and unprecedented time.

As we begin to recover from the significant impacts of COVID-19, I am confident that your organization will be there to help our small business owners as we restart our economy. Together, we will work with Nova Scotians to build a stronger economy and opportunities for everyone.

Sincerely,

Geoff MacLellan
Minister, Department of Business





REPORT FROM THE CHAIR OF THE BOARD



Dear Fellow Co-operators,

On behalf of the Board of Directors of the Nova Scotia Co-operative Council, I am pleased to present to you our governance accountability report for fiscal year 2019.

It has been another great year for the Co-operative Council, as we celebrated our 70th Anniversary and embraced the theme “Deep Roots”.

From supporting farmers and farmers markets, to health care, housing, fisheries, tourism, retail stores, manufacturing, finance, export and technology, we are here – deeply rooted, steady and strong, making a difference.

Nova Scotia Co-operative Council is the economic arm of Nova Scotia’s co-operatives and credit unions. We continue to set the bar high, and then strive to exceed it, year after year. This is no small task for a not-for-profit organization who must continue to be proactive and deliberately entrepreneurial in its thinking, plans and actions.

2019 was filled with many successes, achievements, new activities, and results; all contributing to a growing co-op sector and a more prosperous Nova Scotia.

We are incredibly proud of the results we have achieved:

- New Co-operative start-ups
- Co-operative growth and expansions
- Improve the employment rate
- Increase youth employment

- Building rural industries
- Creating new financial instruments that support businesses, individuals and communities
- Creating new products and solutions such as Co-Pharm, which is a community owned solution for access to affordable prescription medications

I encourage you to read ahead to our CEO report, which details the results.

The highlight of 2019 was hosting the 44th President of the United States of America, President Barack Obama, in celebration of our 70th anniversary. Two years ago when we started the conversation with the Obama team, no one believed that this would happen. But we never stopped believing that we could pull it off, especially our CEO, Dianne.

On November 13, 2019 we were joined by 10,000 people at the Scotiabank Centre for an inspiring, world class celebration. I still beam with pride when I think about the impact that this event had on the province and those in attendance, particularly the over 3000 youth that were in attendance at no cost to them.



Likewise, our board and management are so proud of the partnerships and friendships that we developed with the African Nova Scotia community, and the youth of our province, who were thrilled to be part of this once in a lifetime event. For many, it was life changing.

Let's not ever forget that it was not the business community or the affluent who brought President Barack Obama to Nova Scotia. It was the co-operative and credit union sector. We need to be proud of this fact.

Your Board held five regular meetings during the year, in addition to hosting and attending several other functions. Directors from our Board were also very active on several Council committees during the year, including the Executive, Nominating, Governance, Finance/Audit and the Distinguished Co-operator Award Committees.

A highlight for the Board every year 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 2019 recipients are Claude d'Entremont, nominated by Coastal Financial Credit Union, and Wanda Smith nominated by Arimathea Funeral Cooperative. We look forward to honouring them both.

In conclusion, it has been another rewarding and action filled year. I thank each member of our Board for their time, contributions and efforts. You represent the best of our co-operative values and spirit.

Thank you to our CEO Dianne Kelderman, and her team, for another stellar year. We appreciate all that you do and the energy, vision and commitment with which you do it. Your "can do" attitude is contagious.

This quote seems fitting as we end this year and look to influence the future. "Change is brought about when ordinary people do extra ordinary things".
Barack Obama

Respectfully Submitted,

Jeff Yuill,
Chair of the Board



REPORT FROM THE PRESIDENT & CEO

The Nova Scotia Co-operative Council is celebrating its 71st anniversary this year.

We share this milestone with a number of other remarkable events that will surely make 2019-2020 go down in history. Top of the list was hosting President Barack Obama for our 70th anniversary. With over 10,000 attendees, it was a world class event by any standard. To have our small (but mighty) organization, with our co-operative and credit union partners, make this happen was certainly a proud moment for all of us. The amount of collaboration, cooperation, inclusiveness, positive energy and professionalism was truly incredible. To have 3000 youth attend as our guests was a testament to our co-operative values. For many of them, it was a life changing experience. Ahead in this report you will see a selection of photos that show the spirit, hard work and quality of this once-in-a-lifetime event. To all of you, who supported us and were a part of it, thank you!

We ended 2019 on a high and embraced 2020 with a world-wide pandemic, the closing of national borders, an economic meltdown, and the worst massacre in Canadian history happened, here, in our home province.

This was not a year that we will soon forget.

“Hard times bring out the best in people, and the worst”, Winston Churchill once wrote. The co-operative sector has been known to shine in hard times and this year is proof of our resilience and rootedness in our communities. The work of the Co-operative Council was more important than ever as we supported citizens, businesses, and communities during this unprecedented time.

A few highlights:

In partnership with Genrus United, we launched Co-Pharm (www.co-pharm.ca) as a community owned solution for access



to affordable prescription medications. In a short few months, we provided access to over 1500 individuals who previously had no access. No doubt, this will have a significant impact on the health and quality of life of these individuals, and on the health care system in the long term.

We partnered with the Province of Nova Scotia and local credit unions to deliver a **\$20 million COVID relief financing program**. More than 700 businesses were financed in a short eight week period.

We launched a **\$5 million Forestry Relief program** that provided financial support to twenty eight forestry businesses.

Our small business loan guarantee program in partnership with the Province of Nova Scotia, Atlantic Central and local credit unions **has now surpassed \$167 million in approved financing**. 16,724 jobs have been created and/or maintained at a cost of \$565 per job to the Province. The economic impacts are staggering. We have come a long way since the \$3 million pilot that was announced on 2003.

We launched Nova Scotia's first Community Impact Investment Co-operative with a goal of raising \$10 million to support community based



businesses that combine business, finance and social good. To date, \$1.1 million has been committed.

At a time when youth are looking for their place in society, our **Youth Career Rising program** is now being delivered in five communities across Nova Scotia (Bridgewater, Kentville, Truro/New Glasgow, Glace Bay and Sydney). Over 200 youth have completed our leadership development and work experience program to date, with 90 new participants for this year. With support of our Education to Work tuition program, thirteen youth have broken the cycle of school drop out and have gone on to post-secondary education. It is very rewarding to be part of something that is breaking the cycle of poverty for young people and their families.

At a time when banks are retreating from rural communities, our credit unions are stable, responsive and quickly becoming the # 1 choice for commercial and personal financing across Atlantic Canada. They have certainly gained much recognition and new members as a result of their proactive support during COVID19.

At a time when there is a global concern for the environment, co-operatives and credit unions are leading the way with support for green energy initiatives.

The Nova Scotia Co-operative Council is ending its 71st year of operations on a very solid foundation. We are financially strong. We are committed to delivering measurable results. We have rightfully earned a positive and credible public image and are focused on partnerships and accountability.

We have achieved a significant amount when one considers the limited financial and human resources of a not for profit organization.

To that end, I owe a deep and heartfelt thanks to our staff team who regularly go beyond the call of duty. Chris, Jessica, John, Linda and Kerri; you are a super team and the Council is lucky 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 do a remarkable job as volunteers, and I greatly appreciate your sage advice, counsel and guidance. Thank you for your trust in the NSCC team.

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

Here's to another year of setting the standard for economic and social excellence.

Respectfully,

Dianne Kelderman, M.Sc, M.Ed
President & CEO



OUR BOARD OF DIRECTORS



Jeff Yuill
Chair



Raymond Doucette
Vice Chair



Howard Welch
Treasurer



Kevin MacAdam
Director



Alvin Martell
Director



Mike Oulton
Director



Bill Timmons
Director



Ray Surette
Atlantic Central
Representative



John Harvie
Co-operators
Representative



Peter Hicklenton
Ex-Officio



OUR DEVELOPMENT TEAM



Dianne Kelderman
President & CEO



Linda Johnson
Finance Administrator



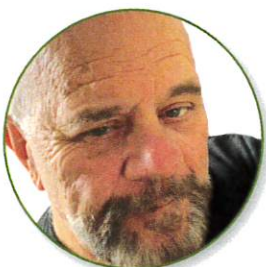
Kerri Ann Rector
Office Manager



Jessica Briand
Youth Program Manager



Chris Tucker
IT Specialist/Small Business
Loan Guarantee Admin



John Aylward
Business Development Navigator



2019 DISTINGUISHED CO-OPERATOR AWARD RECIPIENT

Claude d'Entremont



WHEREAS

Claude d'Entremont 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 35 years, holding various positions on many boards, during which time he was a member of several committees; and

WHEREAS

Claude d'Entremont contributed to the betterment of his community by serving as the Secretary of the Board of Directors of Coastal Financial Credit Union Limited, Chairman of Seafood Producers of Nova Scotia, Director of Groundfish Enterprise Allocation Council, Member of the Gulf of Main Advisory Council, Member of the Trans Boundary Management Guidance Committee, Member of the Scotia Fundy Groundfish Advisory Committee, Director of the Nova Scotia Fish Packers Association, Member of NORIGS, Member of the Nova Scotia Fisheries Sector Round Table, Member of the West Pubnico Fire Department, Member of the Argyle Emergency Measures Organization, West Pubnico Funeral Home Committee. He was also a member of the West Pubnico Fire Department, the Argyle EMO as well as the West Pubnico Funeral Home Committee. Claude was very influential in shaping the culture of the Coastal Financial Credit Union and in the Argyle and Pubnico communities.

THEREFORE, BE IT RESOLVED

That the Nova Scotia Co-operative Council, on behalf of all co-operatives and credit unions, express our gratitude and deep appreciation to Claude d'Entremont for his contribution to the Nova Scotia co-operative movement by awarding him the 2019 Distinguished Co-operator Hall of Fame Award.



2019 DISTINGUISHED CO-OPERATOR AWARD RECIPIENT

Wanda Smith

WHEREAS

Wanda Smith has dedicated her time, talent, and energies to the Nova Scotia Co-operative movement by faithfully serving many co-operatives and credit unions for over 26 years, holding various positions on many boards, during which time she was a member of several committees; and

WHEREAS

Wanda Smith has contributed to the betterment of her community by serving as Manager and Funeral Director of Arimathea Funeral Co-operative since its inception in 1994. She, along with her son Trevor, arrange and conduct more than 130 funerals per year over a wide geographic location, including Musquodoboit Valley, the Eastern Shore, Metro, Colchester and Hants Counties. With her determination and commitment, they now have at least 36 churches who have joined as sponsoring congregations to assist with services in their local areas. Wanda has also been an elder of Sharon Presbyterian Church for more than 30 yrs. She has been serving on the Board of Managers for 32 years, Church Treasurer for 29 years, a member of the Church choir and assists with monthly Church fundraisers. She Chairs the Manse Committee for the Upper Musquodoboit Pastoral Charge, is a member of the Stewardship and the Outreach Committee and a member of the Worship Committee. In past years, Wanda has served on the Board for Trustees for the Upper Musquodoboit Consolidated School and participated in the Hot Lunch Program. She has also canvassed for the Heart & Stroke and Cancer Foundations as well as the Daffodil Campaign. Wanda always has ambition, drive and the ability to handle any situation. She often speaks at senior's homes, church groups and senior expo events. She has also done mentoring for the Funeral Director's Course.

THEREFORE, BE IT RESOLVED

That the Nova Scotia Co-operative Council, on behalf of all co-operatives and credit unions, express our gratitude and deep appreciation to Wanda Smith for her contribution to the Nova Scotia co-operative movement by awarding her the 2019 Distinguished Co-operator Award.



2019



Paul Paruch, Premier McNeil, Dianne Kelderman & Jeff Yuil signing on the Co-op Week & Credit Union Day Proclamation



Dragon's Den Judges and Winners



Celebrating Bernie O'Neil – 2019 Distinguished Cooperator Hall of Fame Recipient



Bernie O'Neil and Mike Leonard during celebration of Bernie being inducted into the Distinguished Cooperator Hall of Fame



Celebrating Clarence Landry – 2019 Distinguished Cooperator Hall of Fame Recipient





IN REVIEW



Dragon's Den Presenters



Career Rising Youth Participants



Career Rising Youth in training



Our littlest Cooperator
- Payton James Kenyon



Cultural Expression Showcase
- NSCC's 70th anniversary



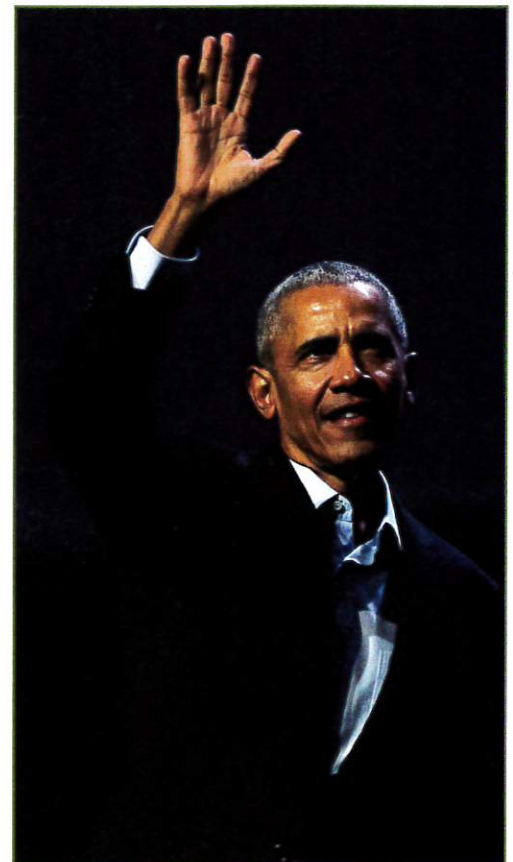
2019



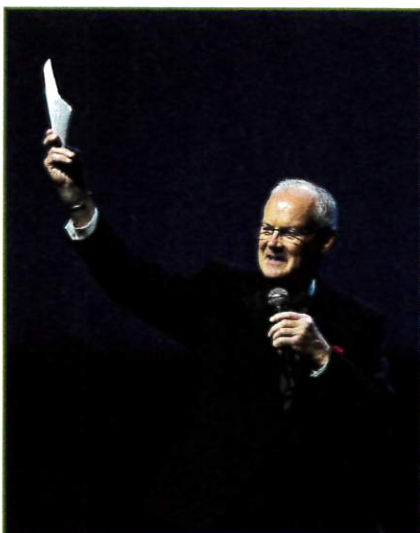
President Obama Wows 10,000 – Scotiabank Center



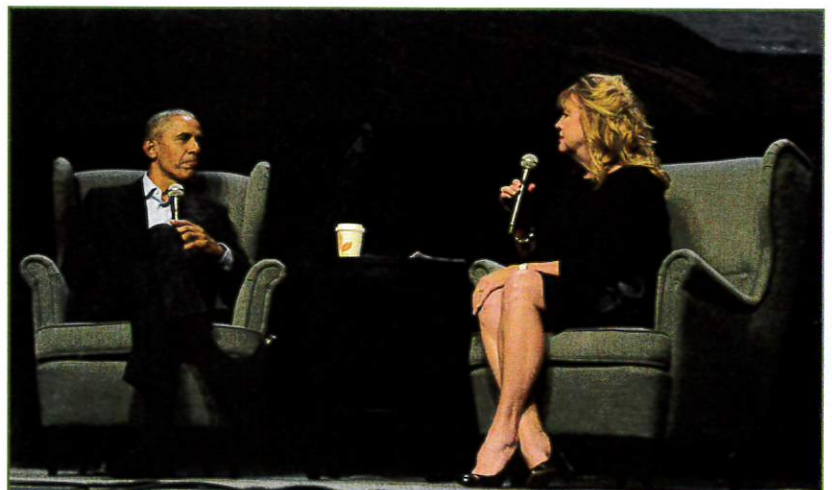
Atlantic Central's CEO Mike Leonard introducing President Obama



Hosting President Barack Obama – Nov 13, 2019



NSCC Chair Jeff Yuill thanks 10,000



CEO Dianne Kelderman interviewing President Obama



IN REVIEW



NSCC's Finance Administrator Linda Johnson and her husband James celebrating Linda's milestone birthday with President Obama.



RCMP Sergeant Craig Smith and his wife Rosella with President Obama



NSCC Chair Jeff Yuill, his wife Pat and daughter Jacqueline with President Obama



Quentrel Provo with President Obama



NSCC Board of Directors & CEO with President Obama (Kevin MacAdam, Bill Timmons, Mike Oulton, Peter Hicklenton, John Harvie, Dianne Kelderman, President Obama, Raymond Surette, Jeff Yuill, Ray Doucette, Alvin Martell, Howard Welch)



Nova Scotia Mass Choir



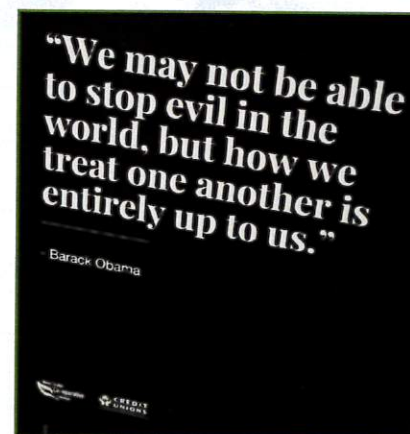
Harrison Burton – Videographer



Retired RCMP Jim Blackmore & Brad Leblanc talk security



Youth volunteer helpers



Over 10,000 listen to President Obama



Security team sweep the building



A WORLD CLASS EVENT HELD ON NOV 13, 2019 TO CELEBRATE THE NOVA SCOTIA CO-OPERATIVE COUNCIL'S 70TH ANNIVERSARY WITH PRESIDENT BARACK OBAMA AS KEYNOTE.





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.

Dianne Kelderman,
President & CEO
May 28, 2020

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.

Howard Welch,
Treasurer & Audit Committee Chair
May 28, 2020



FINANCIAL STATEMENTS

Financial Statements

Nova Scotia Co-operative Council Limited

March 31, 2020



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Independent Auditor's Report

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

Opinion

We have audited the financial statements of Nova Scotia Co-operative Council Limited (the "Co-operative"), which comprise the balance sheet as at March 31, 2020, and the statements of revenues and expenses, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Co-operative as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 Co-operative 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 opinion.

Responsibilities of Management and Those Charged with Governance 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.

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

Those charged with governance are responsible for overseeing the Co-operative's financial reporting process.



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 Co-operative'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 Co-operative'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 Co-operative 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.

Grant Thornton LLP

Truro, Canada
May 28, 2020

Chartered Professional Accountants



Nova Scotia Co-operative Council Limited

Statement of Revenues and Expenses

Year ended March 31

2020

2019

Revenue

Annual general meeting	\$ -	\$ 17,412
Business development	373,053	290,841
CSR community impact pilot	-	20,000
Events	3,170,112	-
Membership dues and partnership grants	43,052	43,354
Miscellaneous	34,636	27,444
Projects and management fees	189,503	184,296
Wine and cheese reception	-	7,500

3,810,356 590,847

Expenses

Administrative		
Amortization	1,589	-
Communications	5,639	5,047
Donations	9,618	6,268
Fees, salaries and benefits	430,801	131,235
Insurance	3,733	3,346
Office and sundry	1,414	2,122
Professional fees	10,462	17,991
Rent	21,600	21,600
Repairs and maintenance	7,925	5,494
Total administrative costs	<u>492,781</u>	<u>193,103</u>

Governance costs

Annual general meeting	8,464	33,934
Directors	19,509	28,874
Total governance costs	<u>27,973</u>	<u>62,808</u>

Development costs

Consulting and fees	17,922	78
CSR community impact pilot	-	20,000
Events	2,296,268	-
Marketing and promotion	13,730	4,621
Social enterprise	74	194
Travel	8,589	6,961
Youth leadership agriculture	363,053	290,841
Total development costs	<u>2,699,636</u>	<u>322,695</u>

3,220,390 578,606

Excess of revenues over expenses before other items 589,966 -

Gain on redemption of investments (Note 5) 927,850 -

Excess of revenues over expenses \$ 1,517,816 \$ 12,241

See accompanying notes to the financial statements.



Nova Scotia Co-operative Council Limited **Statement of surplus**

Year ended March 31

2020 2019

	<u>General</u>	<u>Reserves</u>			<u>Total</u>	<u>Total</u>
		<u>Operating Fund</u>	<u>Operational Reserve Fund</u>	<u>Special Projects Fund</u>	<u>Community Impact Fund</u>	
Surplus, beginning of year	\$ 518,198	\$ 10,000	\$ -	\$ -	\$ -	\$ 518,198
Transfers	(1,350,000)	300,000	300,000	750,000	-	-
Excess of revenues over expenses	<u>1,517,816</u>	-	-	-	-	<u>1,517,816</u>
Surplus, end of year	\$ <u>686,014</u>	\$ <u>310,000</u>	\$ <u>300,000</u>	\$ <u>750,000</u>	\$ <u>528,198</u>	\$ <u>2,046,014</u>

See accompanying notes to the financial statements.



Nova Scotia Co-operative Council Limited

Balance sheet

Year ended March 31

2020

2019

Assets

Current

Cash and cash equivalents	\$	2,281,088	\$	701,939
Receivables		87,730		49,194
Prepays		6,315		4,773
		<u>2,375,133</u>		<u>755,906</u>

Due from related parties (Note 3)	95,694	18,934
Furniture and equipment (Note 4)	5,299	4,993
Investment in related parties (Note 5)	-	5,000
Other investments	<u>2,843</u>	<u>3,448</u>

\$ 2,478,969 \$ 788,281

Liabilities

Current

Payables and accruals	\$	89,030	\$	37,748
Development program obligations (Note 7)		234,250		140,000
Unearned revenue (Note 6)		109,675		82,335
		<u>432,955</u>		<u>260,083</u>

Equity (page 4)

Surplus	686,014	518,198
Community Impact Reserve	750,000	-
Operating Reserve	310,000	10,000
Special Projects Reserve	<u>300,000</u>	<u>-</u>
	<u>2,046,014</u>	<u>528,198</u>

\$ 2,478,969 \$ 788,281

Guarantees (Note 7)
Commitments (Note 8)

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

2020

2019

Increase (decrease) in cash and cash equivalents

Operating

Excess of revenues over expenses	\$ 1,517,816	\$ 12,241
Amortization	1,589	-
Gain on redemption of investments	(927,850)	-
	<u>591,555</u>	<u>12,241</u>

Change in non-cash working capital items

Receivables	(38,536)	76,549
Prepays	(1,542)	9,602
Payable and accruals	51,282	(15,772)
Unearned revenue	27,340	12,335
	<u>630,099</u>	<u>94,955</u>

Financing

Advances (to) from related parties, net	<u>(76,760)</u>	<u>5,935</u>
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Investing

Purchase of furniture and equipment	(1,895)	(4,993)
Development program obligation	94,250	140,000
Proceeds from disposal of other investments	605	395
Proceeds on redemption of investments	932,850	-
	<u>1,025,810</u>	<u>135,402</u>

Increase in cash and cash equivalents

1,579,149

236,292

Cash and cash equivalents,

Beginning of year

701,939

465,647

End of year

\$ 2,281,088

\$ 701,939

See accompanying notes to the financial statements.



Nova Scotia Co-operative Council Limited

Notes to the financial statements

March 31, 2020

1. Nature of operations

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 financial statements have been prepared in accordance with Canadian accounting standards or 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. These estimates are reviewed periodically and adjustments are made to excess of revenues over expenses as appropriate in the year they become known. Actual results could differ from those reported. Items subject to management estimate include provision for investment losses and allowance for doubtful accounts.

Fund accounting

The Co-operative uses fund accounting and accordingly, the surplus is segregated between Funds.

The Operating Fund reports revenues and expenses related to the Co-operative's operations.

The Operational Reserve Fund represents internally restricted amounts transferred under Board approval to be used to fund future operations. This Fund should have a sufficient balance to support future operations if necessary.

The Special Projects Fund was established to allow the Co-operative internally restricted amounts to support projects, programs or events that would not be financed under normal activities upon Board approval.

The Community Impact Fund is internally restricted to provide flexible and patient financial support to mission-based business entities.

Cash and cash equivalents

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

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 \$21,600 (2019 - \$21,600). This amount has been recorded in miscellaneous revenue.



Nova Scotia Co-operative Council Limited

Notes to the financial statements

March 31, 2020

2. Summary of significant accounting policies (continued)

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, or when receivable, and collection is reasonably assured.

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.

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-operative holds less than 20% interest, are recorded at cost.

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 and subsequently recorded at cost less accumulated amortization. Any small equipment additions under the \$2,500 threshold and with limited useful lives are expensed. Rates and bases of amortization 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
- payables and accruals
- unearned revenue
- development program obligations

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



Nova Scotia Co-operative Council Limited

Notes to the financial statements

March 31, 2020

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

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.

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	2020	2019
Due from Investing in Nova Scotia Enterprises Co-operative Limited, a co-operative in which it holds a minority interest	\$ 30,801	\$ 18,934
Due from Connecting People for Health Co-operative Limited, a co-operative under common control	64,893	-
	<u>\$ 95,694</u>	<u>\$ 18,934</u>

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

4.	Furniture and equipment			<u>2020</u>	<u>2019</u>
		<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Equipment	\$	12,222	\$ 6,923	\$ 5,299	\$ 4,993



Nova Scotia Co-operative Council Limited

Notes to the financial statements

March 31, 2020

5. Investment in related parties

During the year, the Co-operative:

- a) redeemed 200 membership shares of Healthwise Holdings Co-operative Limited with a cost of \$nil for \$159,000.
- b) redeemed 1,005 shares of Connecting People for Health Co-operative Limited with a cost of \$5,000 for \$773,850.

6. Unearned revenue

	<u>2020</u>	<u>2019</u>
Department of Community Services Funds		
Beginning balance	\$ 82,335	\$ 65,000
Funding received during the year	375,000	308,176
Less project funding recognized as revenue	<u>(347,660)</u>	<u>(290,841)</u>
	<u>\$ 109,675</u>	<u>\$ 82,335</u>

7. Guarantees

During the year, the Co-operative received \$100,000 in funding from the Social Enterprise Network of Nova Scotia to administer an Impact Investment Fund for eligible social enterprises. Administration fees of \$5,000 is recognized in revenue. As at March 31, 2020, the Co-operative has six loan guarantees approved for \$75,000 under this program.

The Co-operative has approved two loan guarantees under the Community Impact program as at March 31, 2020 for \$25,000. The Co-operative has \$140,000 available to support community impact enterprises.

8. Commitments

Nova Scotia Co-operative Council Limited has renewed a lease agreement for the rental of office space. During the current fiscal year, the lessor has agreed to waive rental payments for 12 months of the year. Monthly rental payments have been waived until April 30, 2020. In order to properly account for this in fiscal 2020, the Council has recognized \$21,600 in miscellaneous revenues with a corresponding amount recorded as rent expense for the 12 months of rent abatement. Minimum lease payments in the next fiscal year in accordance with the lease agreement is \$19,910.



Nova Scotia Co-operative Council Limited

Notes to the financial statements

March 31, 2020

9. 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 an amount of \$172,296 (2019 - \$172,296) which has been recorded as management fees.
 - received \$25,000 (2019 - \$2,500) in sponsorships for meetings and events.
- (b) Connecting People for Health Co-operative Limited, a co-operative under common control:
 - received an amount of \$12,207 (2019 - \$12,000) which has been recorded as management fees.

10. 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, 2020.

(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 collectability 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.



Nova Scotia Co-operative Council Limited

Notes to the financial statements

March 31, 2020

10. Financial instruments (continued)

(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 Cooperative 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.

11. Subsequent event

Subsequent to the year end, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses have been forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. To date, the impact on the Co-operative has been minimal. As a result of public directions from the Nova Scotia Chief Medical Officer of Health and the Nova Scotia government, certain Co-operative functions and facilities have been limited.

The Co-operative has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended March 31, 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic 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 Co-operative in future periods.

Building the Nova Scotia Economy
- One Person, One Business at a time.



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