

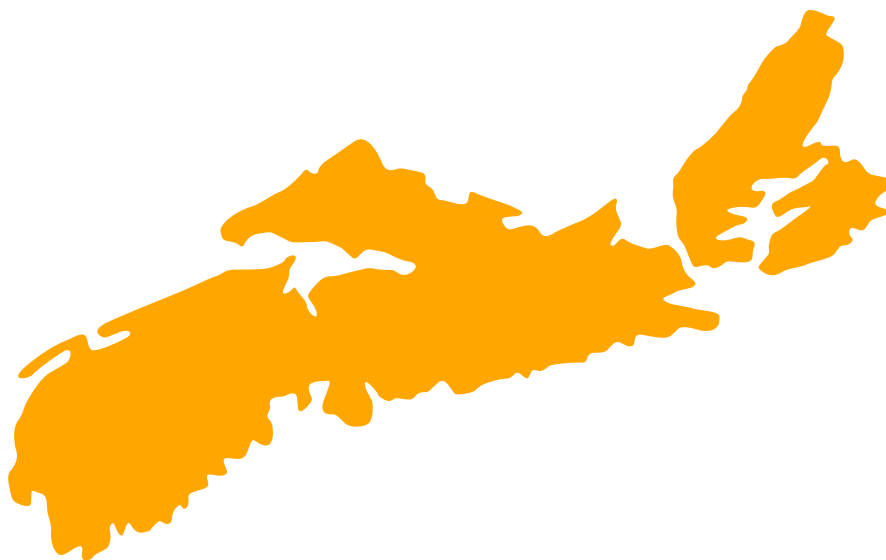
Annual Report 2020



Nova Scotia
Co-operative
Council

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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



Our province has made significant progress over the last several years. In the realm of economic development, in particular, Nova Scotians are demonstrating their usual commitment and dynamism. We are seeing promising economic activity in all regions of the province and a renewed optimism amongst our population.

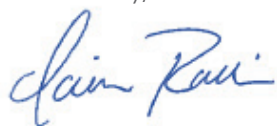
As a government, we are focused on building an environment in which business can start, grow, and thrive. The Nova Scotia Co-operative Council, along with the provincial credit unions, play an important role in supporting businesses. I know you share the same desire to help our entrepreneurs grow their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

Small businesses are central to our economy and our communities. They create jobs and drive local and regional development. While the pandemic has imposed challenges across all segments of society, small businesses have faced particular difficulties. Yet our business community has demonstrated exceptional resilience. During this time we have been pleased to partner with the Nova Scotia Co-operative Council and the credit unions to deliver key supports. These include the COVID-19 Small Business Credit and Support Program and the distribution of Nova Scotia's new COVID-19 Sick Leave Program. Your support was critical to providing much-needed assistance to many businesses.

It is possible to view with cautious optimism a time when the pandemic will have passed. I am confident in the future of our business community and pleased to know that it will 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,

A handwritten signature in blue ink that reads "Iain Rankin".

Honourable Iain Rankin, M.L.A.
Premier



Message from the Minister of Business



The Nova Scotia Co-operative Council and its member Credit Unions have been a vital part of the success of small business across the province for decades. This past year has been challenging, but the flexibility and resiliency of the Council and your members have allowed you to adapt to the changing needs of the communities and ultimately experience growth within your membership.

The Small Business Loan Guarantee Program proves how the innovative action and hard work of the Council's team has aided business owners where they need it most. The program provided not only financial assistance, but also ongoing support, including access to a wide network of mentors for business coaching. The success of this program has helped small business survive in the short-term and will help lead them to a prosperous future.

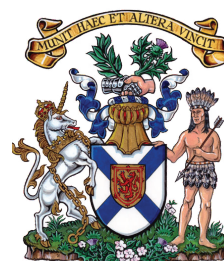
The track record of the Council demonstrates that you are well-equipped to continue to pivot as necessary and achieve long-term success and growth for your members, and the province as a whole. Now, more than ever, we look to leaders in communities across Nova Scotia to help with building a stronger economy. I am confident that the Council and its member Credit Unions will continue to be key partners as we restart our economy.

Sincerely,

A handwritten signature in black ink, appearing to be 'L. Kousoulis'.

Honourable Labi Kousoulis

Minister, Department of Inclusive Economic Growth



Report from the Chair of the Board

Dear Fellow Co-operators:

On behalf of your Board of Directors, I am pleased to present to you this accountability report for the 72nd year of operation of the Nova Scotia Co-operative Council.

From the pioneers who started the first co-operative in Stellarton in 1861 to where we are today, it has been an incredible journey.

The last year was without doubt, unprecedented. I'm sure none of us ever believed that we would experience a worldwide pandemic during our life time. But here we are, thirteen months into COVID 19, with much of the world still on pause.

Co-operatives and credit unions have historically done well during tough times. The pandemic year was no different. Co-operatives and credit union stepped up in creative and flexible ways to ensure the needs of their members were being met and hardship limited to the extent possible.

We are particularly proud of our own organization, the Nova Scotia Co-operative Council, who led many COVID relief initiatives in partnership with our members and our provincial government.

As a volunteer organization, with relatively limited resources, the Nova Scotia Co-operative Council has weathered the tides of 72 years. Today, we have a very strong organization, thanks to the leadership of management and the board, the prudent management of our resources, our mandate, image and brand.



2020 saw many successes and achievements, and I will highlight just a few:

Career Rising – Youth at Risk Program expanded to include five regions and nearly 400 youth having participated since inception.

Launch of Co-Pharm, an initiative that provides access to affordable prescription medications to those who have little or no access.

Launch of Nova Scotia's first Community Investment Impact Fund, with a seed of investment of \$750,000 from the Nova Scotia Co-operative Council.

Loan Guarantee Program now exceeding \$167 million.

Affordable housing and energy efficiency initiatives were also front and center. I encourage you to read ahead to our CEO report for more detailed summaries. I'm sure you will be as impressed with the results as we are.

The Council is fortunate to have a Board of Directors who are committed and take their fiduciary responsibilities seriously. Your board held five regular board meetings this year, in addition to several executive and committee meetings, and a joint board/management planning session.

The selection of our annual Distinguished Co-operator Award recipients is always a highlight for the Board. 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 2020 recipients are Norma Tomiczek, nominated by the Cape Breton Music Co-operative and Jim Johnson nominated by Atlantic Central. Norma and Jim 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!

The ongoing support of our co-operative and credit union members and friends, and the productive relationships that we enjoy with our various government partners, continues to be paramount to our success. Thanks to all of you for your support and sharing in our vision.

To our Board of Directors: thank you for the energy, commitment and enthusiasm you bring to this organization. It is a pleasure to be part of your volunteer efforts.

To our CEO Dianne Kelderman and her team, Chris, Kerri-Ann, Linda, Jessica, John & Wade: the expectations that you set for your own performance, your enthusiasm, and commitment to success are very evident in the results you continue to achieve for the Council. You represent “the best of the best” and we are fortunate to have each of you on our team.

To our provincial government, thank you for your support and confidence in the Co-operative business model. Together, we have delivered significant economic and social impacts for our citizens, our communities and for our province. We look forward to the opportunities for more collaboration and partnerships in the future.

To all of you ~ our members: our success is your success! Thank you for continued support and commitment.

Here’s to another 72 great years!

Respectfully,



Jeff Yuill,
Chair of the Board

Report from the President & CEO



What a year it has been! From COVID-19, to most staff working from home, new programs, pivoting, new initiatives, virtual meetings, new proposals; I am pleased to report that we are ending our 2020 fiscal year in a strong position.

While many organizations have struggled to survive during the pandemic, the NSCC thrived with several new opportunities.

We started the year with a plan that included six major initiatives. With the arrival of COVID, we had the opportunity to add a few. Highlights include:

Youth in Leadership & Agriculture/Career Rising

We are entering our fourth year with our Career Rising program (previously known as Youth in Leadership and Agriculture). 320 youth have now completed our program. Thirty three have gone on to post-secondary education, with support from our Tuition program. The remaining youth are continuing high school. This is no small feat when considering that many of these youth are considered at risk.

Without a doubt, Career Rising has impacted the lives of so many young people across our province. The eagerness to participate and to work was present in each region and many youth expressed their gratefulness to be part of something as positive as this program. We are helping to shape our future leaders.

Connecting People for Health Co-operative – Co-Pharm

Co-Pharm www.co-pharm.ca is a new venture that provides affordable access to prescription medications for people who have no coverage or benefits. Thirty three percent of all Canadians fall into this category, and are called cash payers. They often have to choose between their medications, paying rent or buying food.

Co-Pharm is essentially a bulk buying group, that provides access to subscribers at approximately 80% less than they would pay as a cash payer. Co-Pharm includes the top 155 medications prescribed in Canada. To date, 1800 Nova Scotians are subscribers in Co-Pharm and we recently signed an agreement with our sister organizations in Newfoundland and Labrador and Ontario.

Small Business Loan Program

Our loan program, in partnership with the Province and local credit unions continues to grow at a steady pace with a total portfolio now over \$167 million.

More than 18,000 jobs have been created at a cost of \$524 per job to the Province, and total loan losses continue to be less than 5%.

Total programs include:

- Forestry Relief Program: \$5 million
- COVID Relief Program: \$20 million
- Small Business Loan and Interest Deferral Program
- Small Business Grant Program: \$1 million
- Small Business Consultant Advisory Program: \$1 million
- Regular Loan Program: \$70 million
- Paid Sick Leave COVID Program: \$15 million

Community Impact Fund

In 2020 we launched Nova Scotia's first Community Impact Fund, structured as a Co-operative. \$1 million in seed capital has been secured from our Co-operative and credit union partners and discussions are ongoing with the Province and the Federal government on matching contributions. The fund will make investments and/ or provide flexible financing to co-operatives, social enterprises and mission based businesses.

Co-operative Development

Historically, Co-operatives do well in times of adversity. Despite COVID-19, many co-operatives experienced growth, and ten new co-operatives were incorporated across various sectors and industries.

In addition, we provided governance, finance, member communication, conflict resolution, government relations and marketing support to thirty seven co-operative members throughout the year.

Government Relations & Advocacy

Advocacy and government relations continues to be an active, key priority for the Council.

We had thirty three interactions with government throughout the year, including virtual meetings with Ministers and Deputy Ministers, and we hosted a "Conversation with Premier Rankin" exclusively for co-operative and credit union leaders.

In addition, we continue to serve as a member of the national Table of Impact Investment Practitioners, and had the opportunity to meet with three federal Ministers and two Senators on the Social Finance Fund.

Energy Efficiency Assessments

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.

We were pleased to secure financing for an energy efficiency assessment for ten co-operatives across the province. We are keen to see the recommendations and to begin implementation where possible.

COVID-19 Financing Relief Programs

We were very pleased to partner with the Province of Nova Scotia on the delivery and administration of several new COVID -19 relief programs, including a grant, voucher, payment deferral and paid sick leave programs, totaling more than \$50 million. This is further testament to our credibility, our positive relationship with government and our ability to deliver the results.

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 COVID-19.

The Nova Scotia Co-operative Council is ending its 72nd 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.

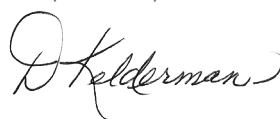
To that end, I owe a deep and heartfelt thanks to our staff team who regularly go beyond the call of duty. Chris, Jessica, John, Linda, Kerri and Wade; you are the "A" team and the Council is lucky to have each of you in its employ.

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 every day. Our success is your success. Thank you for your continued support!

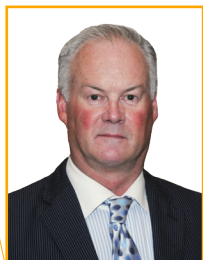
Here's to another year of setting the standard for economic and social excellence.

Respectfully Submitted,



Dianne Kelderman, M.Sc (Econ), M.Ed
President & CEO

Our Board of Directors



Jeff Yuill
Chair



Raymond Doucette
Vice Chair



Howard Welch
Treasurer



Peter Hicklenton
Secretary



Kevin MacAdam
Director



Alvin Martell
Director



Mike Oulton
Director



Bill Timmons
Director



Ray Surette
Atlantic Central
Representative



John Harvie
Co-operators Representative

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



John Aylward
Business Development Navigator



Wade Tibbo
Co-Pharm Project Manager



Spencer Osborne
Summer Student Intern

2020 Distinguished Co-operator Award Recipient

Norma Tomiczek



WHEREAS

Norma Tomiczek is a lifelong Co-operator and has dedicated her time, talent and energies to the Co-operative sector by faithfully serving on many Co-operative boards, provincially, regionally and nationally for over thirty years; and

WHEREAS

Norma Tomiczek contributed to the betterment of her community by serving on the board of her local retail Co-operative, Co-op Atlantic, the Nova Scotia Co-operative Council, Canadian Co-operative Association, Co-operative Development Foundation, as well as international Co-operative missions in Ghana and Malawi, and was a passionate promoter of gender equity long before it was popular, and was voted citizen of the year in her town of Dominion, Cape Breton and was selected for the Riva Spatz Women's Wall of Honour at Mount Saint Vincent University

THEREFORE, BE IT RESOLVED

That the Nova Scotia Co-operative Council, on behalf of all co-operatives and credit unions, express our gratitude and appreciation to Norma Tomiczek for her contributions to the Nova Scotia Co-operative sector by awarding her the 2020 Distinguished Co-operator Award and inducting her into the Distinguished Co-operator Hall of Fame.

2020 Distinguished Co-operator Award Recipient

James Johnson



WHEREAS

James Johnson is a lifelong Co-operator and has dedicated his time, talent and energies to the Co-operative sector by faithfully serving on many Co-operative and credit union boards, provincially, regionally and nationally for over forty years; and

WHEREAS

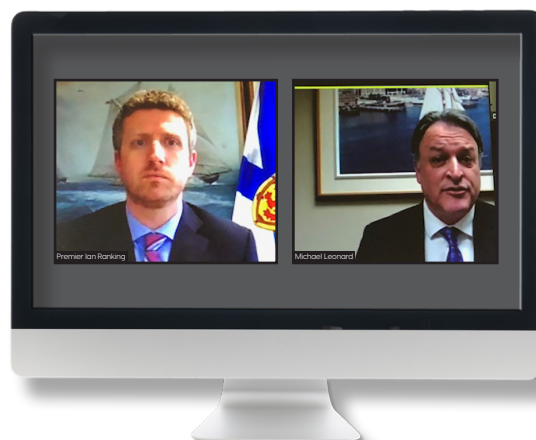
James Johnson contributed to the betterment of his community by serving on the board of Credit Union Atlantic, Credit Union Central of Nova Scotia, League Savings and Mortgage Company, Canadian Co-operative Association, the Cooperators, and the Nova Scotia Credit Unions Charitable Foundation.

James Johnson is known as trouble shooter who seeks Co-operative solutions to complex problems including business mergers, and is an innovative thinker and a collaborator, and is an avid volunteer in his community with extensive work with the Uniacke Therapeutic Riding Association and the Halifax Bengal Lancers,

THEREFORE, BE IT RESOLVED

That the Nova Scotia Co-operative Council, on behalf of all co-operatives and credit unions, express our gratitude and appreciation to James Johnson for his contributions to the Nova Scotia Co-operative sector by awarding him the 2020 Distinguished Co-operator Award and inducting him into the Distinguished Co-operator Hall of Fame.

A Virtual Year



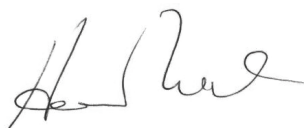
Management's Responsibility for Report

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
June 16, 2021

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
June 16, 2021

Financial Statements

Nova Scotia Co-operative Council Limited

March 31, 2021



Independent Auditor's Report

Grant Thornton LLP
733 Prince Street
Truro, NS
B2N 1G7

T +1 902 893 1150
F +1 902 893 9757
www.GrantThornton.ca

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, 2021, 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, 2021**, 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.



Truro, Canada
May 26, 2021

Chartered Professional Accountants

Nova Scotia Co-operative Council Limited

Statement of Revenues and Expenses

Year ended March 31	2021	2020
Revenue		
Business development	\$ 517,904	\$ 373,053
Events	-	3,170,112
Membership dues and partnership grants	64,174	43,052
Miscellaneous	9,488	34,636
Projects and management fees	<u>1,030,157</u>	<u>189,503</u>
	<u>1,621,723</u>	<u>3,810,356</u>
Expenses		
Administrative		
Amortization	1,059	1,589
Communications	5,559	5,639
Donations	5,783	9,618
Fees, salaries and benefits	229,225	430,801
Insurance	4,580	3,733
Office and sundry	1,985	1,414
Professional fees	13,422	10,462
Rent	10,190	21,600
Repairs and maintenance	7,119	7,925
Total administrative costs	<u>278,922</u>	<u>492,781</u>
Governance costs		
Annual general meeting	3,892	8,464
Directors	6,617	19,509
Total governance costs	<u>10,509</u>	<u>27,973</u>
Development costs		
Consulting and fees	16,324	17,922
COVID-19 relief grant program	821,254	-
Events	235	2,296,268
Marketing and promotion	8,934	13,730
Social enterprise	-	74
Travel	460	8,589
Youth leadership agriculture	480,425	363,053
Total development costs	<u>1,327,632</u>	<u>2,699,636</u>
	<u>1,617,063</u>	<u>3,220,390</u>
Excess of revenues over expenses before other items	<u>4,660</u>	<u>589,966</u>
Other (expenses) income		
Special project costs	(51,948)	-
Gain on redemption of investments	-	927,850
	<u>(51,948)</u>	<u>927,850</u>
(Deficiency) excess of revenues over expenses	\$ <u>(47,288)</u>	\$ <u>1,517,816</u>

See accompanying notes to the financial statements.

Nova Scotia Co-operative Council Limited

Statement of Surplus

Year ended March 31

Year ended March 31	Reserves					2021	2020
	<u>General</u>	<u>Operational Reserve Fund</u>	<u>Special Projects Fund</u>	<u>Community Impact Fund</u>	<u>Total</u>	<u>Total</u>	
Surplus, beginning of year	\$ 686,014	\$ 310,000	\$ 300,000	\$ 750,000	\$ 2,046,014	\$ 528,198	
Transfers	-	-	-	-	-	-	
(Deficiency) excess of revenues over expenses	4,660	(40,000)	(11,948)	-	(47,288)	1,517,816	
Surplus, end of year	\$ 690,674	\$ 270,000	\$ 288,052	\$ 750,000	\$ 1,998,726	\$ 2,046,014	

See accompanying notes to the financial statements.

Nova Scotia Co-operative Council Limited

Balance Sheet

Year ended March 31 2021 2020

Assets

Current

Cash and cash equivalents	\$ 1,609,754	\$ 2,281,088
Receivables	44,922	87,730
Prepays	<u>9,649</u>	<u>6,315</u>
	<u>1,664,325</u>	<u>2,375,133</u>

Due from related parties (Note 3)	847,794	95,694
Furniture and equipment (Note 4)	4,240	5,299
Other investments	<u>13,337</u>	<u>2,843</u>
	<u>\$ 2,529,696</u>	<u>\$ 2,478,969</u>

Liabilities

Current

Payables and accruals	\$ 40,583	\$ 89,030
Development program obligations (Note 6)	234,250	234,250
Unearned revenue (Note 5)	<u>256,137</u>	<u>109,675</u>
	<u>530,970</u>	<u>432,955</u>

Equity (page 4)

Surplus	690,674	686,014
Community Impact Reserve	750,000	750,000
Operating Reserve	270,000	310,000
Special Projects Reserve	<u>288,052</u>	<u>300,000</u>
	<u>1,998,726</u>	<u>2,046,014</u>
	<u>\$ 2,529,696</u>	<u>\$ 2,478,969</u>


Guarantees (Note 6)

Commitments (Note 7)

On behalf of the Board



Director



President & CEO

See accompanying notes to the financial statements.

Nova Scotia Co-operative Council Limited

Statement of Cash Flows

Year ended March 31	2021	2020
Increase (decrease) in cash and cash equivalents		
Operating		
(Deficiency) excess of revenues over expenses	\$ (47,288)	\$ 1,517,816
Amortization	1,059	1,589
Gain on redemption of investments	-	(927,850)
	<u>(46,229)</u>	<u>591,555</u>
Change in non-cash working capital items		
Receivables	42,808	(38,536)
Prepays	(3,334)	(1,542)
Payable and accruals	(48,447)	51,282
Unearned revenue	<u>146,462</u>	<u>27,340</u>
	<u>91,260</u>	<u>630,099</u>
Financing		
Advances from (to) related parties, net	<u>(752,100)</u>	<u>(76,760)</u>
Investing		
Purchase of investments	(10,494)	-
Purchase of furniture and equipment	-	(1,895)
Development program obligation	-	94,250
Proceeds from disposal of other investments	-	605
Proceeds on redemption of investments	-	932,850
	<u>(10,494)</u>	<u>1,025,810</u>
(Decrease) increase in cash and cash equivalents	(671,334)	1,579,149
Cash and cash equivalents,		
Beginning of year	<u>2,281,088</u>	<u>701,939</u>
End of year	\$ 1,609,754	\$ 2,281,088

See accompanying notes to the financial statements.

Nova Scotia Co-operative Council Limited

Notes to the Financial Statements

March 31, 2021

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 \$nil (2020 - \$21,600), recorded in miscellaneous revenue.

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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.

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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	2021	2020
Due from Investing in Nova Scotia Enterprises Co-operative Limited, a co-operative in which it holds a minority interest	\$ 28,301	\$ 30,801
Due from Connecting People for Health Co-operative Limited, a co-operative under common control	69,493	64,893
Due from Community Impact Investment Co-operative Limited, a co-operative under common control	750,000	-
	<u>\$ 847,794</u>	<u>\$ 95,694</u>

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

4. Furniture and equipment		2021		2020	
	Cost	Accumulated Amortization	Net Book Value		Net Book Value
Equipment	\$ 12,222	\$ 7,982	\$ 4,240		\$ 5,299

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5. Unearned revenue	<u>2021</u>	<u>2020</u>
Department of Community Services Funds		
Beginning balance	\$ 109,675	\$ 82,335
Funding received during the year	576,827	375,000
Less project funding recognized as revenue	<u>(480,365)</u>	<u>(347,660)</u>
	206,137	109,675
Department of Energy & Mines Funds		
Beginning balance	-	-
Funding received and receivable during the year	50,000	-
Less project funding recognized as revenue	<u>-</u>	<u>-</u>
	50,000	-
	\$ 256,137	\$ 109,675

6. Guarantees

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. As at March 31, 2021, the Co-operative has six (2020 – six) loan guarantees approved for \$75,000 (2020 - \$75,000) under this program.

The Co-operative has approved two (2020 – two) loan guarantees under the Community Impact program as at March 31, 2021 for \$25,000 (2020 - \$25,000). The Co-operative has \$140,000 available to support community impact enterprises.

7. Commitments

Nova Scotia Co-operative Council Limited has renewed a lease agreement for the rental of office space. Minimum lease payments in the next fiscal year in accordance with the lease agreement is \$21,720.

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8. 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 (2020 - \$172,296) which has been recorded as management fee revenue.
 - received \$nil (2020 - \$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 \$12,000 (2020 - \$12,207) which has been recorded as management fee revenue.

9. 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, 2021.

(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.

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9. 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.

10. Impact of COVID-19

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long 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. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

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 with no negative impacts to the Co-operative. The Co-operative received \$845,861 in funding to administer the COVID-19 Small Business Credit & Support SBLGP Program. While governments and central banks have reacted with monetary and fiscal interventions designed to stabilize economic conditions, the duration and extent of the impact of the COVID-19 outbreak, as well as the effectiveness of government and central bank responses, remains unclear at this time.



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

PO Box 1872
Truro, NS B2N 6C7

Tel: 902-893-8966
Fax: 902-895-0109

novascotia.coop
info@novascotia.coop

