

# 2022 Annual Report

*"You can design and create, and build the most wonderful place in the world.  
But it takes people to make the dream a reality."*

~ Walt Disney



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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 21<sup>st</sup> 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
- To address systemic issues that impact the lives of our citizens such as affordable housing and access to healthcare services



# 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



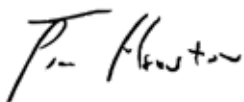
For 74 years, the Nova Scotia Co-operative Council has been devoted to helping Nova Scotia's entrepreneurs and small businesses grow and succeed.

As a government, we are focused on what's best for our province, our communities and our people. And we are proud to be working with you and our credit unions on initiatives that truly make a difference for our business sector, like the Small Business Loan Guarantee Program, which has surpassed the \$200 million mark in approved financing since its inception in 2003.

Nova Scotia is a great place to do business. And as we work to attract more innovative, sustainable, green businesses to our province and grow those businesses already here, I know the Nova Scotia Co-operative Council will continue to help us reach our goals.

On behalf of the Province of Nova Scotia, I'd like to thank the Nova Scotia Co-operative Council for your continued leadership, passion and commitment to supporting business in Nova Scotia.

Yours truly,

A handwritten signature in black ink, reading "Tim Houston".

Honourable Tim Houston, M.L.A.  
Premier



# Message from the Minister of Business



This is an exciting time for Nova Scotia!

For the first time in decades, our population is growing and so too are the opportunities for businesses large and small.

For 74 years, the Nova Scotia Co-operative Council and its member credit unions have helped small businesses and communities flourish through investing in themselves.

And that's just the way we'll continue to grow the economy of this province.

The Small Business Loan Guarantee Program is an excellent example of how we can do just that. The success of this program is felt by businesses in every sector and region across the province.

The Council has a long history of commitment to our province and to the long-term success and growth of its members. I know you will continue to be key partners as we work to empower small businesses in Nova Scotia and create the conditions needed to help them thrive.

I want to thank the Nova Scotia Co-operative Council once again for your continued partnership and commitment to our province's economic success. I know we will continue to do great things together.

Sincerely,

A stylized, handwritten signature in black ink, appearing to read 'Susan Corkum-Greek'.

The Honourable Susan Corkum-Greek  
Minister, Department of Economic Development





# Report from the Chair of the Board



Happy 74th Anniversary!

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 2022-2023.

It has been another great year for the Co-operative Council, as we continued to innovate, grow and deliver.

From affordable housing projects, to social finance investment, to clean energy, supporting our agriculture, forestry and fishing industries, to internet and broadband, tourism, supporting youth and families at risk, we were there – steady and strong, making a difference.

Despite the tough economic climate of the past few years, co-operatives and credit unions continued to do well as they adjust to the current realities and plan for the future. Our values, principles and ownership structure kept us rooted.

One of our co-operative gems is the Nova Scotia Co-operative Council.

As an organization owned by 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.

2022 was filled with many successes, achievements, new activities, and results; all contributing to a growing sector and a more prosperous Nova Scotia.

Perhaps our proudest moment was the grand opening of Coady's Place; our first affordable housing project that saw us renovate a 36 unit motel and put 42 "heads on pillows", in a safe, affordable community environment.

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

Your Board held five regular meetings during the year, in addition to hosting and attending several other functions. Our annual government reception with the Premier and members of the Nova Scotia Legislative Assembly, board planning and the annual general meeting were key events.

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.

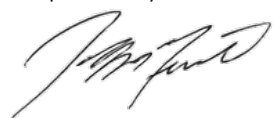
A highlight for the Board every year is the selection of our Distinguished Co-operator Award recipients. This award, presented annually, recognizes the significant contributions that individuals in both the co-operative and credit union sector have made to the co-operative movement. I am delighted to announce that the 2022 recipients are Michael Leonard, nominated by Atlantic Central and Tyler Colbourne, nominated by Healthy Minds Co-operative. We look forward to honouring them both at the annual banquet.

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 as the Council's business portfolio expands, and takes us forward. Your "can do" attitude is contagious.

And last but not least, thank you to our valued Coop sector partners, and to the Province of Nova Scotia, for your belief that the co-operative sector has a valuable role to play in building a prosperous Nova Scotia.

Respectfully Submitted,



Jeff Yuill,  
Chair of the Board



# Report from the President & CEO



Seventy four years ago, leaders, volunteers and visionaries formed what is today known as the Nova Scotia Co-operative Council. They had no idea what legacy they were leaving behind.

The values and principles of co-operatives is as important and relevant today, as it was then, if not more so.

Our reason for being is to make lives better for ordinary people and to build our communities and economies for the benefit of all. This rings as strong today as it did 74 years ago.

A few decades ago, the Nova Scotia Co-operative Council was a small organization with \$900 in assets. Today it is an economic powerhouse with over \$240 million under management.

From innovative programs, launching new businesses and initiatives, building the brand, creating partnerships, delivering results, being a model that others emulate, to operating within budget year over year, the Council has much to celebrate and to be proud of.

Year after year, we imagine plausible new ways that we can make the lives of individuals better, businesses stronger and our communities more prosperous.

A few highlights from the past year:

- » Co-op Center: in 2022 the Council purchased the Home Hardware Building at 337 Willow Street Truro. This was the old Co-op Store for 55 of its 65 year history and was sold privately when the store closed in 2011. We are pleased to bring this key piece of community infrastructure back into the Co-op family.
- » Coady 's Place, New Glasgow. We purchased a 33 unit motel (the Tara Inn) and converted it to a 36 unit affordable housing complex that is now home to 42 individuals. The project was on budget and on time.
- » Pictou Property: in November 2022, we acquired the Municipal Administration building in downtown Pictou, and are converting it to 15 affordable rental units. This is a 130 year old, completely solid stone building now called the Stone House Manor.

- » Truro Property: On April 14, 2023 we acquired a 15 unit property, fully rented, in downtown Truro.

In all housing cases, we are buying properties to protect the affordable housing stock in our communities, and/or bring new units to the market for those in need.

The myth that “affordable” housing is for low income and problem renters is simply not true. The majority of our tenants are working (the working poor), seniors and young women with children (many fleeing domestic abuse).

They have not presented any issues with behavior or willingness to pay their rent. We are not an ordinary landlord. We work to build a sense of community within our properties and encourage tenants to support each other with initiatives such as community gardens (where they can grow their own vegetables)

We have helped young tenants to get and keep a job, as they now have a permanent address.

We install community mailboxes, which is a big deal for people who have not had a permanent place to call home.

- » Career Rising: our youth leadership development and employment program is entering its 6th year with over 305 at risk youth having participated. 92 of these youth have gone on to post-secondary education with support from our education contribution program. The program currently operates in six communities across the province, with two more being planned in 2024. 103 employers have supported the program by providing employment opportunities during this time.
- » Small Business Loan Guarantee Program: continues to be a flagship program with over \$214 million having been disbursed to over 5000 businesses since inception. 16, 521 jobs have been maintained and 5987 new jobs have been created at a cost of \$524 per job to the Province of NS. An incredible community contribution by any standard.
- » Community Impact Fund: \$ 1 million fund that provides financing support to social enterprises and mission based businesses. Plans are underway to grow the fund in 2024.
- » Co-operative Development: continues to be a key piece of our work including support to existing co-operatives as well as stimulating and developing new Co-operative enterprises.
- » Government Relations and Advocacy: a critically important activity for the Council that has leveraged significant programs and benefits to the sector. The Council had 38 interventions with government this past year, including Municipal, Provincial and Federal governments, and of course our annual government reception in NS. Stay tuned for some significant national news coming soon which will have important opportunities for Co-operatives and our credit unions.

- » 75th Anniversary Book: the Council commissioned well known and award-winning journalist, Alec Bruce, to write a book on the history of the Nova Scotia Co-operative Council as we head into our 75th year. It is becoming a fascinating and excellent read – a true legacy for the Council.
- » Atlantic Central Social Enterprise Fund: plans are underway to support Atlantic Central in the launch of an Atlantic social enterprise fund, following on the successful pilot completed in NS.
- » Obama 2: we are thrilled to announce that we have confirmed Michelle Obama as the keynote speaker for the kick-off of our 75th anniversary and for our 2023 Co-op Week celebrations. The event will be held at the Scotiabank Center in Halifax on October 18, 2023 at 6:00 pm.
- » I am pleased to report that we ending the year with another clean and positive audit report. The Council is in a strong financial position as you can see in our financial statements.

It is an exciting time to be part of the Co-operative sector. In every challenge lies an opportunity. The potential of the Co-operative model to be a solution is vast. Its values and principles are as relevant today, as they were 1861 when the first Co-operative was formed in Stellarton, NS. The economic footprint of the sector is indisputable.

Thank you to our small but mighty staff team – Alex, Chris, Jessie, John, Kevin, Linda, Matt, Ramon, Sarah and Tim. You go above and beyond to ensure the Council continues to operate at the high level for which it is known.

To our Board of Directors, thank you for your continued confidence, trust and sage advice. It is a pleasure to work with each of you.

To you our members and partners including the Province of Nova Scotia, thank you for your support, contributions, and feedback.

I feel privileged to lead this great organization.

As we end another active and unprecedented year, this quote comes to mind:

***“A ship is safe in harbor, but that is not what ships are built for”.***

John. A Shedd

Respectfully,



Dianne Kelderman, ICD.D, M.Sc (economics), M.Ed  
President & CEO

# Our Board of Directors



Jeff Yuill  
Chair



Pauline MacIntosh  
Vice Chair



Bill Timmons  
Treasurer



Peter Hicklenton  
Secretary



Kevin MacAdam  
Director



Alvin Martell  
Director



Vicki Matthews  
Director



Mike Oulton  
Director



Tom Vickers  
Director



John Harvie  
Co-operators Representative

## Our Development Team



Dianne Kelderman  
President & CEO



Linda Johnson  
Director Finance



Chris Tucker  
IT Specialist



John Aylward  
Business Development Navigator



Timothy Wilson  
Finance Administrator



Matt Silva  
IT Support



Alex Mediavilla  
Business Development Manager



Ramon Mediavilla Torres  
Property Manager,  
Coady's Place



Jessie Whynot-Brown  
Youth Program Manager



Sarah Ward  
Youth Program Manager



Kevin MacLeod  
Maintenance Manager  
Coady's Place



# 2022 Distinguished Co-operator Award Recipients



# Distinguished Co-operator Award Recipient – Michael Leonard

## WHEREAS

Michael Leonard is a passionate leader in the Credit Union system, and has dedicated his time, talent, and energies to the Nova Scotia Co-operative movement by faithfully serving Credit Unions locally, regionally nationally for over 34 years;



## WHEREAS

Mike Leonard is a transformational leader whose vision allowed him to effect change for the benefit of the whole Atlantic credit union system, with a focus on member needs; advancement of new technologies, new partnerships and agreements, sustainability and performance;

## AND WHEREAS

Mike Leonard is an admired leader, encouraging and positive to his team, a collaborator and team builder, a guide and someone who is known as caring; Mike upon his retirement left his mark on the people who worked with and around him; and left a legacy for the credit union system;

## 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 Mike Leonard for his contribution to the Nova Scotia co-operative movement by awarding him the 2023 Distinguished Co-operator Award and inducting him into the Distinguished Cooperator Hall of Fame.

June 28, 2023

# Distinguished Co-operator Award Recipient – Tyler Colbourne

## WHEREAS

Tyler Colbourne has dedicated his time, talent, and energies to the Nova Scotia Co-operative movement by faithfully serving as the Executive Director of Healthy Minds Co-operative Ltd;



## WHEREAS

Tyler Colbourne is a Social Worker and has made significant contributions to Nova Scotia organizations and communities by serving as the Director of Inspiring Communities, volunteer contributor to community newspapers, Volunteer Restorative Justice Facilitator, Director for fundraising activities;

## AND WHEREAS

Tyler Colbourne is passionate about Co-operative values and principles, innovation, diversity and inclusion, mental health for all, community engagement and collaboration;

## 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 Tyler Colbourne for his contribution to the Nova Scotia co-operative movement by awarding him the 2023 Distinguished Co-operator Award and Inducting him into the Distinguished Cooperator Hall of Fame.

June 28, 2023

## A Year in Review



Truro Mayor Bill Mills brings greetings at annual meeting.



Our photographer Michael Creagan receives the Queens Jubilee Medal



Celebrating our Distinguished Cooperator Award Recipient Ralph Ballam



Welcoming a Credit Union Visitor from Malawi



Premier Tim Houston and NSCC Board Chair Jeff Yuill



Distinguished Cooperator Awards



Mike MacIsaac, our 2022 Distinguished Cooperator Award Recipient with his family.



Dr. Ernest Korkankye and his wife Anita join us for our annual government reception



Celebrating our Distinguished Cooperator Award Recipient Norma Tomiczek



Business Development Manager Alex Mediavilla



NSCC CEO Dianne Kelderman with Brad Leblanc and Danny Bazin (Brainworks)



# A Year in Review



Coady's Place Manager, Fran with Bosun



Premier Houston and Coady's Place first tenant Hazel (93 years young)



Federal Minister Sean Fraser, Premier Tim Houston and NSCC Board Chair Jeff Yuill announce the opening of Coady's Place



Grand Opening of Coady's Place



Our newest Co-op Members:  
(L) Baby Eva Maria (daughter of our previous office manager Cris Sanford)  
(R) Baby Owen Brian (son of our youth program manager Jessie Whynot- Brown)



NSCC acquires the Pictou County Administration Building, and is converting to 15 housing units.



Affordable housing unit purchased in downtown Truro in 2023.



NSCC acquires the Home Hardware building in Truro and converts to the Co-op Center.



Affordable housing unit purchased in downtown Truro in 2023.



Renovation to Coady's Place



Affordable housing unit purchased in downtown Truro in 2023.



## 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 28, 2023

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.



Jeff Yuill, Chair of the Board  
June 28, 2023

# Financial Statements

Nova Scotia Co-operative Council Limited

March 31, 2023



# Independent Auditor's Report

**Grant Thornton LLP**

733 Prince Street

Truro, NS

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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, 2023, 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, 2023, 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 23, 2023

Chartered Professional Accountants

# Nova Scotia Co-operative Council Limited

## Statement of Revenues and Expenses

Year ended March 31

2023

2022

**Revenue**

Business development	\$	851,975	\$	822,013
Projects and management fees		191,148		237,223
Membership dues and partnership grants		64,595		45,331
Rental		372,781		72,852
Miscellaneous		87,768		5,695
		<u>1,568,267</u>		<u>1,183,114</u>

**Expenses**

Administrative				
Bad debts		11		-
Communications		5,033		4,366
Donations		3,714		3,265
Fees, salaries and benefits		478,318		324,947
Insurance		36,416		14,814
Interest on long-term debt		118,102		26,135
Occupancy and rental expenses		128,966		29,435
Office and sundry		13,097		4,708
Professional fees		32,330		22,696
Repairs and maintenance		12,536		10,286
Total administrative costs		<u>828,523</u>		<u>440,652</u>

Governance costs				
Annual general meeting		10,395		2,561
Directors		17,423		14,497
Total governance costs		<u>27,818</u>		<u>17,058</u>

Development costs				
Consulting and fees		34,490		13,701
Events		13,396		-
Marketing and promotion		74,218		19,354
Travel		940		1,052
Youth leadership agriculture		580,086		560,654
Total development costs		<u>703,130</u>		<u>594,761</u>

		<u>1,559,471</u>		<u>1,052,471</u>
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Excess of revenues over expenses before other expenses		<u>8,796</u>		<u>130,643</u>
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Other expenses				
Amortization		214,479		16,786
Community impact costs		-		5,005
Special project costs		-		65,057
		<u>214,479</u>		<u>86,848</u>

(Deficiency) excess of revenues over expenses	\$	<u>(205,683)</u>	\$	<u>43,795</u>
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See accompanying notes to the financial statements



## Nova Scotia Co-operative Council Limited

### Statement of Surplus

Year ended March 31

		Reserves					2023	2022
	General							
	Operating Fund	Operational Reserve Fund	Special Projects Fund	Community Impact Fund	Building Reserve Fund	Total		
Surplus, beginning of year	\$ 704,531	\$ 270,000	\$ 222,995	\$ 744,995	\$ 100,000	\$ 2,042,521	\$ 1,998,726	
Transfers	-	-	-	-	-	-	-	-
(Deficiency) excess of revenues over expenses	(205,683)	-	-	-	-	(205,683)	43,795	
Surplus, end of year	\$ 498,848	\$ 270,000	\$ 222,995	\$ 744,995	\$ 100,000	\$ 1,836,838	\$ 2,042,521	

See accompanying notes to the financial statements.



# Nova Scotia Co-operative Council Limited

## Balance Sheet

Year ended March 31

2023

2022

### Assets

#### Current

Cash and cash equivalents	\$	709,678	\$	775,051
Receivables		274,882		177,152
Prepays		<u>65,282</u>		<u>34,986</u>
		1,049,842		987,189

Due from related parties (Note 3)		507,381		885,955
Property and equipment (Note 4)		6,693,060		5,051,931
Investments		2,575,541		-
Other investments		<u>14,211</u>		<u>13,800</u>
	\$	<u>10,840,035</u>	\$	<u>6,938,875</u>

### Liabilities

#### Current

Payables and accruals (Note 5)	\$	499,655	\$	543,569
Development program obligations (Note 6)		234,250		234,250
Current portion of deferred revenue (Note 7)		380,883		370,418
Current portion of deferred capital contribution (Note 8)		80,481		51,451
Current portion of long-term debt (Note 9)		<u>98,414</u>		<u>55,799</u>
		1,293,683		1,255,487

Deferred revenue (Note 7)		2,757,000		-
Deferred capital contribution (Note 8)		1,931,554		1,234,822
Long-term debt (Note 9)		<u>3,020,960</u>		<u>2,406,045</u>
		<u>9,003,197</u>		<u>4,896,354</u>

### Equity (page 4)

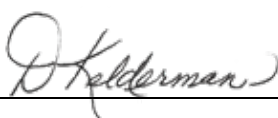
Surplus		498,848		704,531
Building Reserve		100,000		100,000
Community Impact Reserve		744,995		744,995
Operating Reserve		270,000		270,000
Special Projects Reserve		<u>222,995</u>		<u>222,995</u>
		<u>1,836,838</u>		<u>2,042,521</u>

\$ 10,840,035 \$ 6,938,875

Guarantees (Note 6)  
Commitments (Note 11)  
Subsequent event (Note 14)

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

2023

2022

(Decrease) increase in cash and cash equivalents

**Operating**

(Deficiency) excess of revenues over expenses	\$	(205,683)	\$	43,795
Amortization		<u>214,479</u>		<u>16,786</u>
		8,796		60,581

Change in non-cash working capital items

Receivables	(97,730)	(132,230)
Prepays	(30,296)	(25,337)
Payables and accruals	(43,914)	502,986
Unearned revenue	<u>3,493,227</u>	<u>1,400,554</u>
	<u>3,330,083</u>	<u>1,806,554</u>

**Financing**

Advances to related parties, net	378,574	(38,161)
Proceeds from long-term debt	716,000	2,500,000
Repayment of long-term debt	<u>(58,470)</u>	<u>(38,156)</u>
	<u>1,036,104</u>	<u>2,423,683</u>

**Investing**

Purchase of investments	(2,575,952)	(463)
Purchase of property and equipment	<u>(1,855,608)</u>	<u>(5,064,477)</u>
	<u>(4,431,560)</u>	<u>(5,064,940)</u>

Decrease in cash and cash equivalents (65,373) (834,703)

Cash and cash equivalents,  
Beginning of year775,051 1,609,754

End of year

\$ 709,678 \$ 775,051

See accompanying notes to the financial statements.

# Nova Scotia Co-operative Council Limited

## Notes to the Financial Statements

March 31, 2023

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### 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.

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### 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, useful lives of property and equipment 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.

The Building Reserve Fund was established for building repairs or deficiencies in tenant revenues. As required by the lending agreement, a balance of \$100,000 must be maintained at all times separate from other reserves and must be replenished within six months of funds being used.

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with credit unions. Included in cash and cash equivalents is \$380,000 externally restricted per the agreement with Housing Nova Scotia.

# Nova Scotia Co-operative Council Limited

## Notes to the Financial Statements

March 31, 2023

### 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. Contributions for property and equipment are included as deferred capital contributions and are amortized to revenue at the same rate and on the same basis as amortization of the related property and equipment.

The Co-operative recognizes rental revenue on a monthly basis as per the rental agreements.

#### 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.

#### Property and equipment

Significant equipment additions greater than \$1,000 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 \$1,000 threshold and with limited useful lives are expensed. Rates and bases of amortization of property and equipment are recorded over their estimated lives once the assets are made available for use at the following rates:

Building	4% declining balance
Furniture and equipment	20% declining balance

Property and equipment are separated into their component parts, when practicable, and when estimates can be made of the useful lives of the separate components.

The cost of an item of property and equipment that is acquired, constructed or developed over time includes carrying costs directly attributable to the acquisition, construction, or development activity. Cost includes the purchase price and other acquisition costs such as brokers' commissions, installation costs including architectural, design and engineering fees, site preparation costs, duties, and preparation charges.

# Nova Scotia Co-operative Council Limited

## Notes to the Financial Statements

March 31, 2023

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### 2. Summary of significant accounting policies (continued)

#### 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
- long-term debt
- development program obligations

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

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

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with the Co-operative is in the capacity of management in which case they are accounted for in accordance with financial instruments.

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.

#### Investments

Investments consist of Term Deposits that are locked in for a five year term and are carried at the fair value, which is determined using the market value for all investments. Changes in fair value are recognized in the statement of revenue and expenses in the period they arise. Unrealized income is income that is recorded reflecting the change in market value over the book value of the investments currently being held by the Organization at year end. The unrealized change in market value is recognized in the statement of revenue and expenses.

#### 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.

## Nova Scotia Co-operative Council Limited

### Notes to the Financial Statements

March 31, 2023

<b>3. Due from related parties</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Due from Investing in Nova Scotia Enterprises Co-operative Limited, a co-operative in which it holds a minority interest	\$ 20,317	\$ 20,871
Due from Connecting People for Health Co-operative Limited, a co-operative under common control	75,084	115,084
Due from Community Impact Investment Co-operative Limited, a co-operative under common control	<u>411,980</u>	<u>750,000</u>
	<b><u>\$ 507,381</u></b>	<b><u>\$ 885,955</u></b>

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

4. Property and equipment		2023		2022	
	Cost	Accumulated Amortization	Net Book Value		Net Book Value
Land	\$ 1,231,900	\$ -	\$ 1,231,900	\$	1,196,900
Building	5,683,718	228,724	5,454,994		3,848,803
Furniture and equipment	<u>16,689</u>	<u>10,523</u>	<u>6,166</u>		<u>6,228</u>
	\$ 6,932,307	\$ 239,247	\$ 6,693,060	\$	5,051,931

Included in buildings is \$210,132 for properties under renovation and not available for use and therefore no amortization was recorded during the year.

<b>5. Payables and accruals</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Trade payables	\$ 489,837	\$ 179,087
Government remittances	7,424	118,136
Covid-19 Paid Sick Leave Program obligation	<u>2,394</u>	<u>246,346</u>
	<b><u>\$ 499,655</u></b>	<b><u>\$ 543,569</u></b>

#### 6. Guarantees

The Co-operative has \$94,250 in funding from the Social Enterprise Network of Nova Scotia to administer an Impact Investment Fund for eligible social enterprises. As at March 31, 2023, the Co-operative has six (2022 – six) loan guarantees approved for \$75,000 (2022 - \$75,000) under this program.

The Co-operative has \$140,000 available to support community impact enterprises under the Community Impact Program. As at March 31, 2023, the Co-operative has four (2022 – four) loan guarantees approved for \$50,000 (2022 - \$50,000) under this program.



## Nova Scotia Co-operative Council Limited

### Notes to the Financial Statements

March 31, 2023

<b>7. Deferred revenue</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Department of Community Services		
Beginning balance	\$ 321,599	\$ 206,137
Funding received during the year	459,967	581,616
Less project funding recognized as revenue	<u>(523,683)</u>	<u>(466,154)</u>
	257,883	321,599
Province of Nova Scotia		
Beginning balance	48,819	-
Funding received and receivable during the year	15,000	400,000
Less project funding recognized as revenue	<u>(63,819)</u>	<u>(351,181)</u>
	-	48,819
Housing Nova Scotia		
Beginning balance	-	-
Funding received and receivable during the year	3,000,000	-
Less project funding recognized as revenue	<u>(120,000)</u>	<u>-</u>
	2,880,000	-
	3,137,883	370,418
Less current portion	<u>(380,883)</u>	<u>(370,418)</u>
	<b>\$ 2,757,000</b>	<b>\$ -</b>

The Co-operative administered the Covid-19 Paid Sick Leave Program on behalf of the Province of Nova Scotia. Under the terms of the agreement, the Province has agreed to pay an administration fee which is recognized over the term of the agreement. As at March 31, 2023, \$63,819 has been recognized as revenue. The Co-operative has administered \$261,230 of the funding to program applicants during the year.

During the year, the Co-operative received \$3,000,000 of operating funding for eligible costs associated with the operation of Coady's Place for a term of 20 years. As part of the agreement, the funding shall be deposited into a reserve account and may only be withdrawn as scheduled per the agreement. As per the agreement, \$120,000 was withdrawn and recognized as revenue in the year. Cash and cash equivalents include \$380,000 and investments include \$2,500,000 of cash restricted per the agreement.

<b>8. Deferred capital contribution</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Canadian Mortgage Housing Corporation		
Beginning balance	\$ 1,286,273	\$ -
Funding received and receivable during the year	809,596	1,286,273
Less revenue recognized	<u>(83,834)</u>	<u>-</u>
	2,012,035	1,286,273
Less current portion	<u>(80,481)</u>	<u>(51,451)</u>
	<b>\$ 1,931,554</b>	<b>\$ 1,234,822</b>

# Nova Scotia Co-operative Council Limited

## Notes to the Financial Statements

March 31, 2023

<b>9. Long-term debt</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
4.5% mortgage payable in monthly instalments of \$13,896 including interest, maturing in 2027 and amortized to 2045. Security – see below	\$ 2,445,557	\$ 2,498,344
4.75% mortgage payable in monthly instalments of \$5,359 including interest, maturing in 2028 and amortized to 2046. Interest only until August 2023. Security – see below	502,017	-
6.5% mortgage payable in monthly instalments of \$2,443 including interest, maturing in 2025 and amortized to 2033. Security – see Note 10	216,000	-
Less: unamortized portion of financing fees	(44,200)	(36,500)
	<b>3,119,374</b>	<b>2,461,844</b>
Less: current portion	(98,414)	(55,799)
	<b>\$ 3,020,960</b>	<b>\$ 2,406,045</b>

Estimated principal repayments in the next five years are due as follows:

2024	\$ 98,414
2025	121,284
2026	127,209
2027	133,430
2028	139,961

As security, the Co-operative has provided the following:

- collateral mortgage representing a first charge on the property at 339 Willow St. Truro;
- assignment of an all-risk insurance policy on all lands, buildings, and equipment comprising the property.

The Co-operative's lending agreement requires it to maintain certain financial covenants. As at March 31, 2023, the Co-operative was in compliance with the covenants as externally imposed by the lender.

### 10. Bank indebtedness

The Co-operative has a demand operating loan limited to \$250,000 with interest at prime plus 0.05%, of which \$Nil was used as at March 31, 2023.

As security for the demand operating loan and mortgage (Note 9), the Co-operative has provided a general security agreement, a demand promissory note, a registered mortgage giving a first charge on property at 28 Willow St. Pictou, NS, a registered assignment of rents and assignment of insurance.

### 11. Commitments

Nova Scotia Co-operative Council Limited has 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.

# Nova Scotia Co-operative Council Limited

## Notes to the Financial Statements

March 31, 2023

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### 12. 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 \$176,148 (2022 - \$172,296) which has been recorded as management fee revenue.
  - (b) Connecting People for Health Co-operative Limited, a co-operative under common control, received an amount of \$12,000 (2022 - \$12,000) which has been recorded as management fee revenue.
- 

### 13. 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, 2023.

- (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 and long-term debt. The Co-operative mitigates this risk by monitoring cash flow payment requirements. In management's opinion, the liquidity risk to the Co-operative is low. The issuance of long-term debt has increased the Co-operative's exposure from the prior year.
  - (c) Market risk  
Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Co-operative is mainly exposed to interest rate risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Co-operative is exposed to interest rate risk on the savings account and long-term debt. In management's opinion, the interest rate risk to the Co-operative is low. There was no significant change in exposure from the prior year.
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### 14. Subsequent events

Subsequent to year end, the Co-operative purchased 3 properties in Truro, NS for \$1,700,000 financed with a low interest mortgage from Housing Nova Scotia's Community Housing Acquisition Program as part of the Co-operatives affordable housing initiatives.



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