



Service Nova Scotia
and Municipal Relations

Annual Report

Activities of Nova Scotia Co-operatives in 2009

Co-operatives Branch
Strategy, Integration and Registries

Co-operatives Annual Report

This report is published by the Co-operatives Branch of Service Nova Scotia and Municipal Relations. It covers the activities of registered co-operatives taken from reports submitted to this office for their financial year ending in 2009. This document provides partial fulfilment of the requirements of the *Co-operative Associations Act*, Chapter 98, Acts of 1989, Section 5(2)(d-e).

Minister

Honourable John MacDonell

Deputy Minister

Kevin Malloy

Inspector of Co-operatives

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Administrative Assistant

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Co-operative's public records are available at:
www.gov.ns.ca/snsmr/rjsc/search.asp

This and other annual Co-operative Annual Reports are available at:
www.gov.ns.ca/snsmr/coop/resources/

The *Co-operative Associations Act* is available at:
www.gov.ns.ca/legislature/legc/statutes/coopassc.htm

The Regulations to the Act are available at:
www.gov.ns.ca/just/regulations/regs/coopgen.htm

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Letter to the Minister Responsible for Co-operatives

The Honourable John MacDonell
Minister of Service Nova Scotia and Municipal Relations

Dear Minister MacDonell:

I am pleased to present the Co-operatives Annual Report for the year 2009, in compliance with the requirements of the *Co-operative Associations Act*. This is the 74th report since 1935 when the first *Act* required the Inspector to report annually to the Minister. Co-operatives remain an important part of the Provincial economy however, they were not immune to the economic climate prevalent in the country as a whole. The co-operative sector lost 520 jobs in 2009; 14% of the preceding year total. Hardest hit was Kings County, where the total number of co-operative employees dropped from 936 in 2008 (91% of which were full time positions) to only 503 (of which only 84% were full time).

Demographic data:

- 21 co-operatives were incorporated well above the 14 from the preceding year, and in line with the average of 21 over the past 16 years
- 1 single organization was formed by the amalgamation of 4 existing housing co-operatives
- 20 co-operatives ceased operations, which is average over the past 15 years
- There was a net decrease of 4, from 290 to 286, co-operatives active in the Province
- Membership decreased by 4% to 40,222
- Full and part time Employment combined, decreased by a dramatic 14% to 3,121

Financial data:

- Total income for the non-financial co-operatives decreased to \$760 million, with gross profits of \$150 million, and net profits reaching \$2.5 million in total
- Members' equity also decreased to \$1.07 million from \$1.13 million in 2008

Co-operative functioning:

- The majority (85%) of co-operatives have all board positions filled and (91%) held their required annual general members meeting
- Most co-operatives held the expected number of board meetings (6-7), and the expected number of members' meetings (1-3).
- 2,488 members attended an educational event, more than 9 members per co-operative

I trust that this overview provides you with a comprehensive snapshot of the co-operative sector in 2009.

Sincerely,

Lynda Russell
Inspector of Co-operatives

Letter to Nova Scotian Co-operatives

Dear Co-operators,

At the end of the 2009 Mr. Ron Skibbens, the Inspector of Co-operatives for the past seven years, moved on to new challenges within the Provincial Government. As the new Inspector, I look forward not only to the challenge ahead, but getting out to meet with the people who work to make our co-operatives the successful, innovative and important community members they are.

The 2009 year has reported an interesting set of results: a slight drop in the number of co-operatives, fewer members and a sharp drop in employees, a drop in sales, a drop in profits, and fewer AGMs. Your co-operatives have reported overall they are healthy and weathering the difficult economy, but show they are not immune to the effects of the wider economic conditions.

The net number of co-operatives has dropped from the previous year. The amalgamation of four housing co-operatives in part accounts for the drop from 290 to 286 active co-operatives in the Province at the end of 2009. Your co-operatives reported a drop in both annual income, and liabilities, as well as equity. Your co-operatives reported continued commitment to the co-operative principles with increased board and member education. Almost all reported holding an AGM where quorum was met and the members reviewed the financial report.

Highlights: Nova Scotia Co-operatives show they lead the way with innovative ideas

The Federal Minister responsible for the Co-operative Secretariat, The Honourable Jean-Pierre Blackburn, came to Halifax on November 9th, 2010, announcing funding for a number of innovative local co-operatives who were active in the 2009 financial year. This highlighted the progress, strength and importance of your co-operative enterprises even in difficult financial time. Among them were:

- 1) The first ever community supported fishery co-op, Off the Hook Co-operative Ltd, a partnership between the Ecology Action Center and a group of coastal fishermen
- 2) A car pooling co-operative, Co-operative Maritime Express which will serve three Atlantic Provinces and is based in Cape Breton
- 3) The Cape Breton Organic Beekeepers Co-op Ltd., which benefits local blueberry growers
- 4) A health care co-operative, Careforce Health Care Workers Co-operative in the Annapolis Valley

In total, the investment into our co-operatives was \$119,000. More important than the actual dollars, however, is the recognition that your co-operative businesses have achieved for innovative development in the co-operative arena here in Nova Scotia: proving once again that the co-operatives in Nova Scotia are leaders. The United Nations declared that 2012 will be the International Year of the Co-operative. Throughout Canada and Nova Scotia, the next year will be busy as the co-operative sector makes plans to celebrate the value that our co-operatives provide to our communities.

Your co-operative's public information is available on our website: www.rjsc.ca by following the links to "Search Our Database". At that site, you can also find standard forms for all of your reporting requirements to Co-operatives Branch under "Forms and Information". As always, this report and other co-operative information is available at:

<http://www.gov.ns.ca/snsmr/access/business/registry-joint-stock-companies/co-operatives.asp>

I encourage you to continue working towards strengthening the co-operative sector in Nova Scotia by being actively involved in your co-operative, and continuing to following the seven co-operative principles listed on the back page of this report. Further, I encourage you to encourage others also to support the co-operative model by joining, buying, starting and celebrating the work of your local co-operatives and the communities they serve.

I thank both Mrs. Linda Yorke and Mr. Ron Skibbens for their extensive knowledge, tireless support and unfailingly good natured help to me and this office during my introduction as the new Inspector of Co-operatives. I also want to thank Hayley Clarke, Starlene LeBlanc and Noreen Zakhia, of the Business Programs Service Nova Scotia and Municipal Relations for their support, and helpful suggestions.

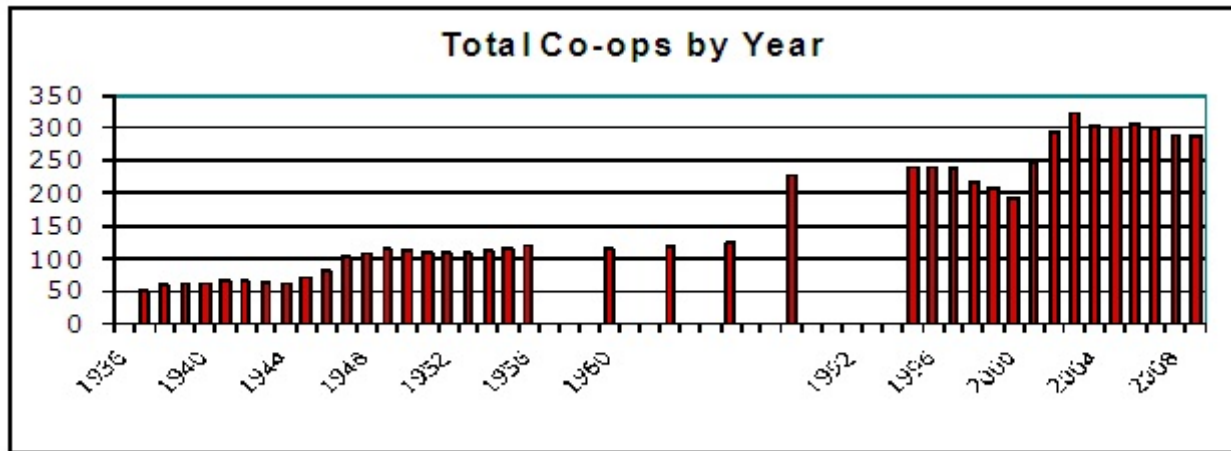
Co-operatively yours,

Lynda Russell
Inspector of Co-operatives

Demographic Summary

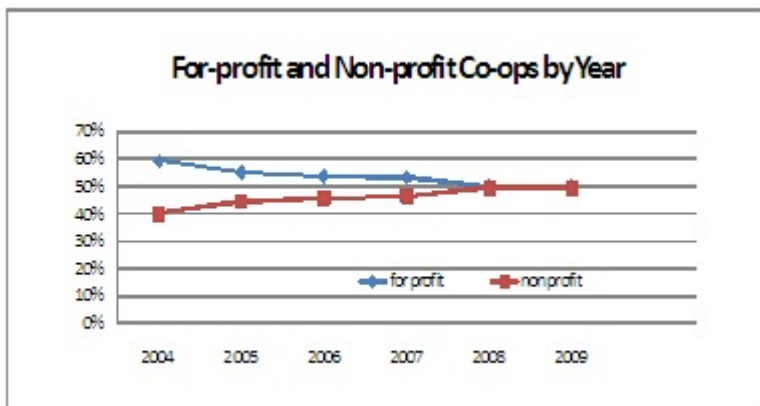
Number of Co-operatives

There were 286 co-operatives in Nova Scotia at the end of 2009, a decrease of four from 2008. This reflects the amalgamation of four housing co-operatives into one new housing co-operative. The graph below shows that the number of co-operatives doubled in the first decade of the *Co-operative Associations Act* and doubled again between 1980 and 1990. Since the mid-90's the number showed a sharp 4 year decline followed by a sharp 3 year increase. For the past 9 years, the number has remained relatively stable except for the spike in 2003 when no co-operatives were struck because of the new renewal process.



Types of Co-operatives

Co-operatives in Nova Scotia identify themselves in their incorporation documents as either for-profit or non-profit. This choice reflects the founding members' guiding principles about whether surpluses are kept with the business (non-profit) or distributed to members (for profit). The graph below shows that there has been a shift toward non-profit incorporations over the past 6 years. In 2004, they made up just 40% of all co-operatives and now make up 50%. Most of the increase in non-profit registrations is due to the fact that some applicants for society registration



indicate that they are planning to run a non-profit business. Staff at the Registry of Joint Stock Companies ask those applicants to consider incorporating as co-operatives. The society incorporation documents at: <http://www.gov.ns.ca/snsmr/access/business/registry-joint-stock-companies/forms-information.asp#14379> reinforce this policy.

Co-operatives by Type: Non-profit vs For profit

As shown in the table below, non-profits are overwhelmingly consumer groups. Within that sub-group of 106 co-operatives, 73 are housing co-operatives providing affordable housing with funding from the Department of Community Services. As these co-operatives pay off their first mortgages, they are no longer contractually obligated to provide social housing. However, under the *Co-operative Associations Act* they continue to be non-profits associations.

	<i>For profit</i>	<i>Non-profit</i>	<i>Total</i>
<i>Marketing</i>	76 (27%)	37 (13%)	113 (40%)
<i>Consumer</i>	67 (23%)	106 (37%)	173 (60%)
Total	144 (50%)	142 (50%)	286 (100%)

Total Number Employees

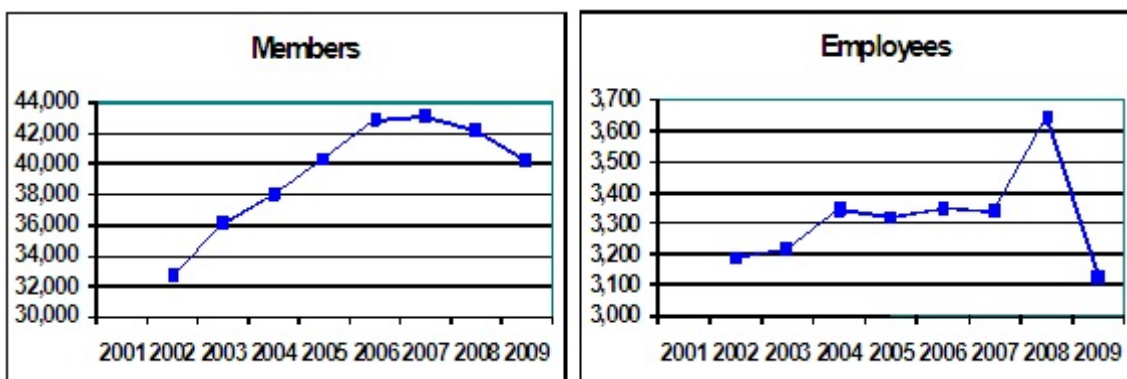
The data below shows that the total number of employees was 3,121 which is down by 520, 14% from last year. Kings County had the most co-operative employees at 1,024 in 2008 but it dropped to 594 this year. This reflects the loss of the agricultural processing jobs in this area. The table below contrasts jobs lost in Kings county and those province wide.

	<i>Kings Co.</i>			<i>Over All</i>		
	<i>Full Time</i>	<i>Part Time</i>	<i>Total Jobs</i>	<i>Full Time</i>	<i>Part Time</i>	<i>Total Jobs</i>
2008	936	88	1024	2551	1090	3641
2009	503	91	594	2088	1033	3121
Difference	(433)	3	-430	-463	(57)	-520

Employees and Membership by County

	Full-time	Part-time	Total Employees	Membership
Annapolis	0	0	0	25
Antigonish	22	25	47	430
Cape Breton	30	30	60	2,892
Colchester	19	43	62	2,553
Cumberland	34	45	79	3,739
Digby	1	161	162	184
Guysborough	0	6	6	768
Halifax	488	202	690	7,641
Hants	1	2	3	75
Inverness	68	107	175	7,161
Kings	503	91	594	4,963
Lunenburg	7	4	11	832
Pictou	811	247	1,058	505
Queens	5	5	10	380
Richmond	14	17	31	1,407
Shelburne	67	27	94	5,311
Victoria	15	13	28	1,323
Yarmouth	3	8	11	33
Total 2009	2,088	1,033	3,121	40,222
Total 2008	2,551	1,090	3,641	42,107
Changes	(463)	(57)	(520)	(1,885)

Pictou County was in second place in the previous year with 1,009 jobs, however, it moved into first place in 2009 with a gain of 49 jobs for a total of 1058. The same table shows that the number of members declined slightly to 40,222 with Halifax moving into first place with 7,641 and Inverness in second with 7,161 members. Colchester who was first with 8,215 in 2008 has dropped to 2553 members. The table below graphically depicts the total number of employees and total membership from 2001 to 2009.



Distribution of Co-operatives by Type and County

COUNTY	Housing	Investment	Retail	Service	Total Consumer	Agriculture	Craft	Fishery	Timber	Worker	Total Marketing	Total Co-ops	
Annapolis	0	0	0	0	0	1	0	0	0	1	2	2	1%
Antigonish	3	0	1	2	6	2	0	1	0	0	3	9	3%
Cape Breton	5	4	1	6	16	1	0	0	1	6	8	24	8%
Colchester	3	7	3	5	18	8	2	0	1	3	14	32	11%
Cumberland	1	0	3	3	7	3	0	0	2	1	6	13	5%
Digby	1	1	0	1	3	1	0	2	0	1	4	7	2%
Guysborough	0	0	1	1	2	0	0	2	0	0	2	4	1%
Halifax	47	4	3	14	68	5	2	0	0	11	18	86	30%
Hants	0	0	0	1	1	1	0	0	1	2	4	5	2%
Inverness	2	2	5	6	15	1	1	2	0	5	9	24	8%
Kings	3	1	1	7	12	7	1	0	0	9	17	29	10%
Lunenburg	1	0	2	1	4	0	1	0	2	2	5	9	3%
Pictou	3	0	0	0	3	2	1	1	1	1	6	9	3%
Queens	1	0	0	1	2	0	0	0	0	1	1	3	1%
Richmond	0	0	2	3	5	0	0	2	0	2	4	9	3%
Shelburne	0	0	0	0	0	0	0	0	0	0	0	0	0%
Victoria	0	1	4	1	6	1	1	1	1	2	6	12	4%
Yarmouth	3	0	2	0	5	0	0	2	0	0	2	7	2%
	0	0	0	0	0	0	0	0	0	2	2	2	1%
Total #	73	20	28	52	173	33	9	13	9	49	113	286	100%
change from 2008	-8	-1	0	2	-7	2	-1	1	2	-1	2	-4	

Co-operatives Branch groups co-operatives into two types: consumer and marketing. Consumer co-operatives are organized for the benefit of buyers and marketing co-operatives are organized for the benefit of sellers. Both consumer and marketing are sub-divided further as above. Of special note are worker co-operatives, where labourers organize to market their services.

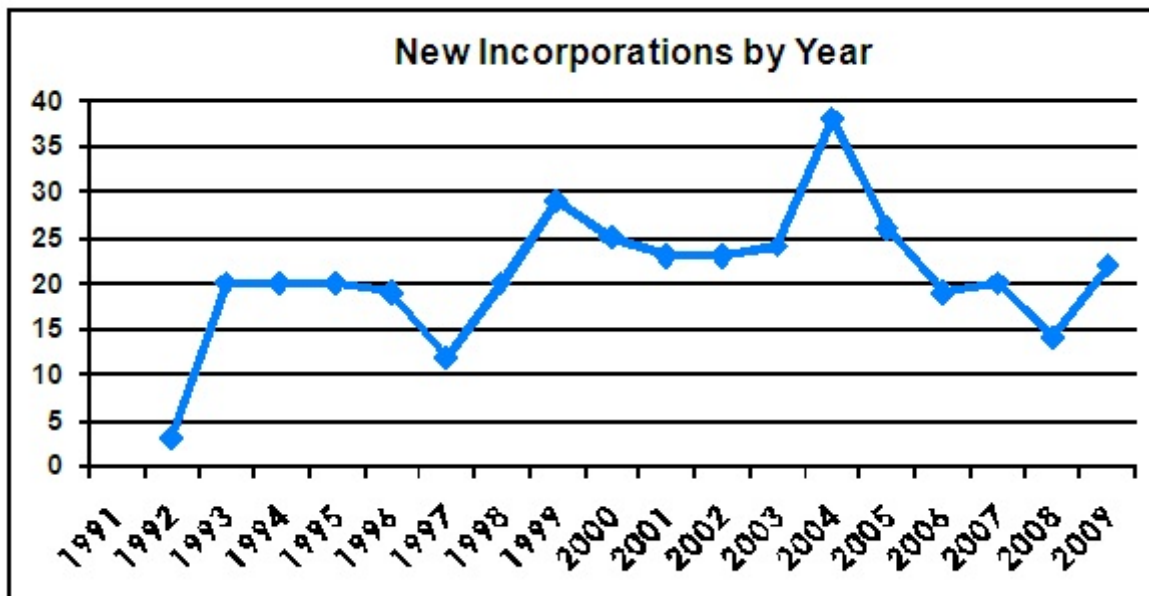
The demographic data on the next page shows that the largest number of co-operatives are in Halifax County (86) followed by Colchester County (32), and then closely followed by Kings County (29). Overall, housing co-operatives were the largest sub-type (73) of the total, followed by (52) service co-operatives and (49) worker co-operatives. The number of service co-operatives increased (+2), and the number of worker co-operatives numbers decreased by (-1). In fourth place were agricultural co-operatives (33), showing a net increase (+2).

Co-operatives Incorporated in 2009

Twenty-two new co-operatives were incorporated in 2009. The Co-operatives Branch warmly welcomes them to the sector and wishes them every success in their endeavors.

NAME	COUNTY
ALL NOVA SCOTIA GREEN CHRISTMAS TREE CO-OP LTD.	LUNENBURG
ANNAPOLIS OIL SEED CO-OP LTD.	ANNAPOLIS
BERWICK FARMERS' MARKET CO-OP LTD.	KINGS
CAPE BRETON STAGE COMPANY CO-OPERATIVE LTD.	CAPE BRETON
COLINDALE FEED CO-OPERATIVE LIMITED	INVERNESS
FUNDY ISLANDS FISHERMAN'S CO-OPERATIVE LIMITED	DIGBY
HALIFAX CIRCUS CO-OPERATIVE LED.	HALIFAX
KIDZTALK CO-OPERATIVE LIMITED	HALIFAX
MIDDLETON FARMERS' MARKET CO-OPERATIVE LIMITED	KINGS
MUSQUODOBOIT HARBOUR FARMERS MARKET CO-OPERATIVE LTD.	HALIFAX
NEW GLASGOW FARMERS MARKET CO-OPERATIVE LIMITED	PICTOU
NEW OCCIDENTAL CHINESE ACADEMY CO-OPERATIVE LIMITED	HALIFAX
NORTH END UNITED HOUSING CO-OPERATIVE LED.	HALIFAX
RIVERFEST CO-OP LIMITED	LUNENBURG
SCOTIA DIRECT LOBSTER CO-OP LED.	DIGBY
SIMPLY PRIMITIVE HOME DECOR CO-OP LED.	COLCHESTER
THE BIG PICTURE BUILDING COLLECTIVE CO-OPERATIVE LIMITED	HALIFAX
THE DANDELION COMMUNITY INVESTMENT CO-OPERATIVE LIMITED	KINGS
THE DISTINCT THEATRE SOCIETY CO-OPERATIVE LIMITED	HALIFAX
THERMALWISE GREEN BUILDING CO-OPERATIVE LIMITED	HANTS
WEST NOVA ENERGY WOOD CO-OPERATIVE LED.	HANTS
WOMEN IN RURAL ENTERPRISE CO-OPERATIVE LIMITED	DIGBY

As shown in the chart below, the number of new incorporations is in line with the average number of new incorporations over the past 16 years, except last year when there was a significant drop to only 14. There is a continuing trend toward non-profits (13 of 22 are non-profit) with an emphasis on arts, community development and local food production.



Anniversaries of Incorporation in 2009

We congratulate the members and boards of directors for their continued commitment to co-operation and member services.

65 YEARS

De La Tour Co-operative Society

45 YEARS

United Farmers

35 YEARS

Atlantic Filmmakers

30 YEARS

Halifax Peninsula Housing
Little Pond
The Brierly House

25 YEARS

Flip Flop Housing
Hubtown Housing
Joe MacIsaac Housing
Loyalist Housing
North Bay Fishermen's
Saduke Housing
Seaview Housing
West Halifax Housing

20 YEARS

Evergreen Ecological
Forchu Housing
Guantanamera
Landview Housing
Soil and Sea Co-op Limited
Woodland Estates Housing

15 YEARS

Canoe Lake Machinery
Tower Heights Housing

10 YEARS

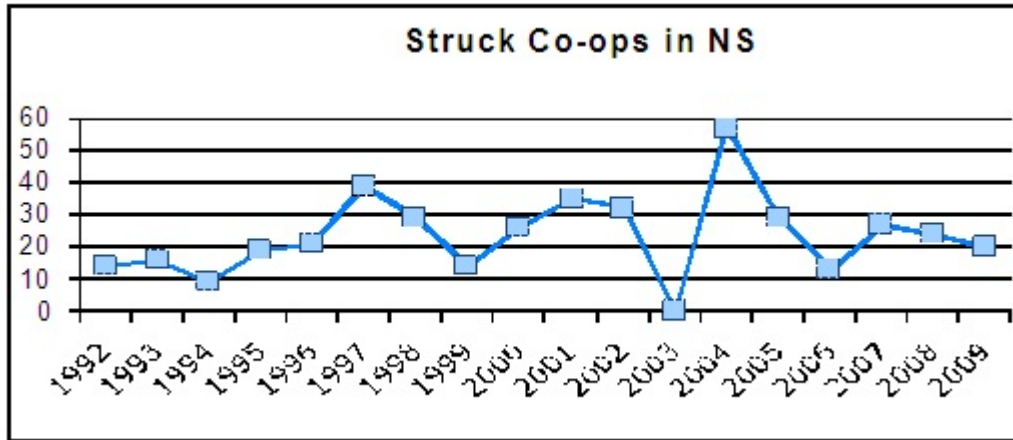
C.B. Miners' Development
Coastal Communities Economic
Development
Valley Pork Suppliers
Waterville Airport

5 YEARS

Big East
Bluenose Quilting Arts
Cape Blue Roads and Services
EduNova
Farmers' Markets of Nova Scotia
Halifax Cheer Elite
Honestworkingpeople.com
Kempt Head Workers
MacNeil Barrachois Cottage
Marigold Cultural Centre
Mersey Tobeatic Research Institute
Mud Creek Medical
Pathways Housing Services
Pine Haven Water
Truro Investment
Turnstile Pottery
Wild Blueberry Harvest

Co-operatives Struck in 2009

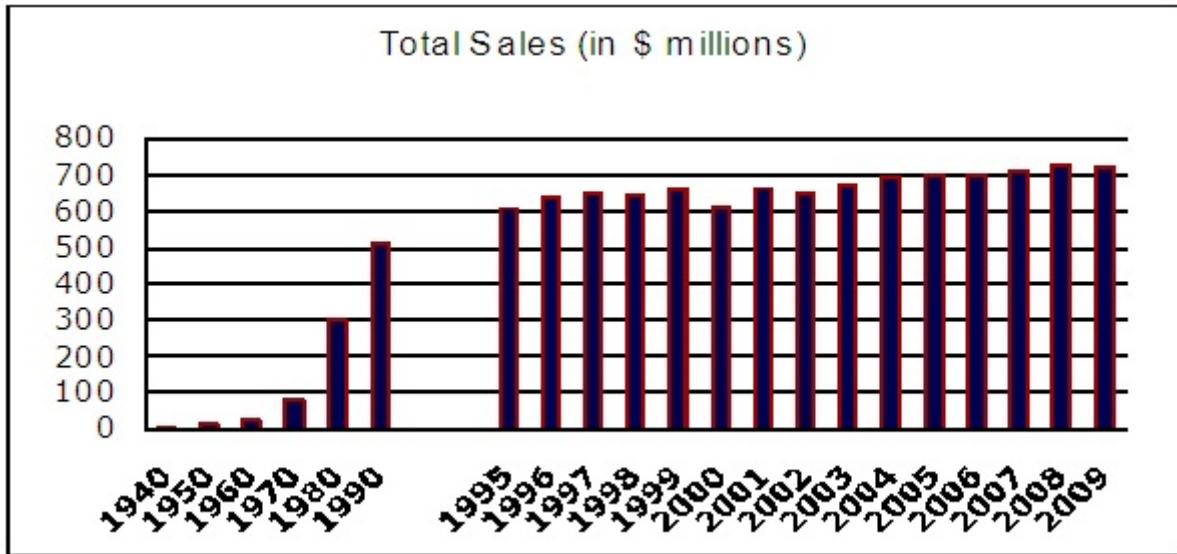
In 2009, twenty co-operatives were struck, which is near the average over the past 16 years but down slightly from the previous year. As shown in this graph, 2003 and 2004 are outliers. No co-operatives were struck in 2003 as we began a new renewal process, resulting in double the usual number being struck the following year.



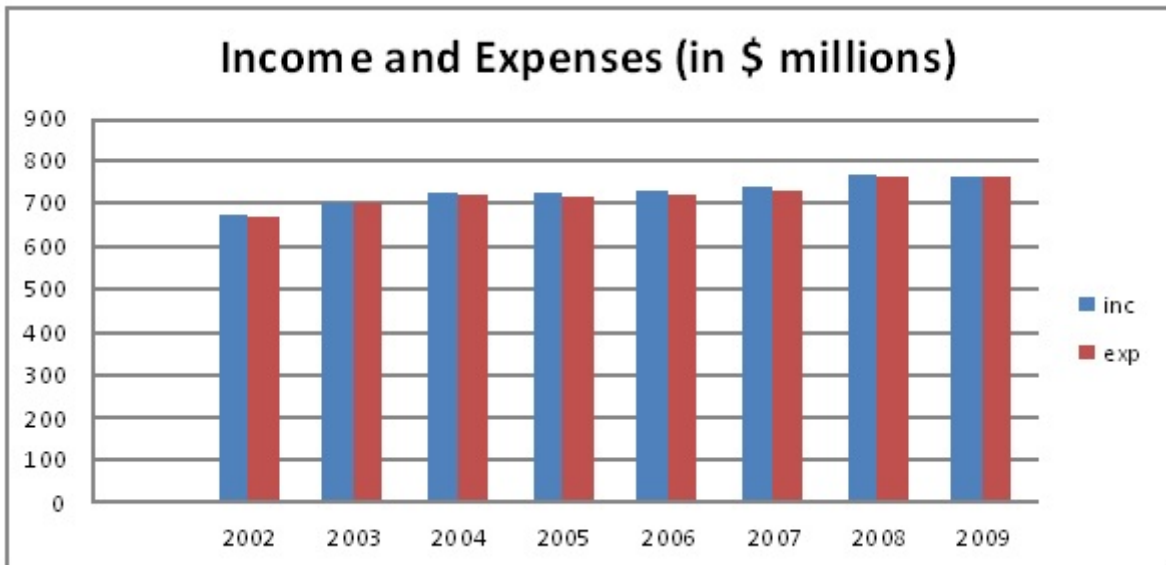
NAME	COUNTY
ALLIANCE HOUSING CO-OPERATIVE LIMITED	HALIFAX
ART DEALERS CO-OP OF LUNENBURG LED.	LUNENBURG
BEAVER FRUIT CO-OPERATIVE LIMITED	ANNAPOLIS
BLUENOSE QUILTING ARTS CO-OPERATIVE LIMITED	LUNENBURG
CANOE LAKE MACHINERY CO-OPERATIVE LIMITED	CAPE BRETON
CAPE BRETON ORGANIC BEEKEEPERS CO-OP LED.	CAPE BRETON
CEDIF MEMBERS DEVELOPMENT CO-OPERATIVE LIMITED	COLCHESTER
CEDIF MEMBERS DEVELOPMENT CO-OPERATIVE LIMITED	COLCHESTER
CELTIC SEA MEDIA CO-OPERATIVE LIMITED	ANTIGONISH
CENTRAL SPRYFIELD HOUSING CO-OPERATIVE LIMITED	HALIFAX
DOVER CO-OPERATIVE LIMITED	GUYSBOROUGH
HEATHERDALE CEMETERY CO-OPERATIVE LIMITED	PICTOU
MARIGOLD CULTURAL CENTRE CO-OPERATIVE LIMITED	COLCHESTER
METRO STUDENT LIVING CO-OPERATIVE LIMITED	HALIFAX
PAINTER'S PALETTE GALLERY CO-OPERATIVE LIMITED	HALIFAX
PORT MAITLAND CO-OPERATIVE LOBSTER COMPANY, LIMITED	YARMOUTH
QUICKSTUFF FOOD CO-OPERATIVE LIMITED	HALIFAX
SEASPRAY ATLANTIC ORGANIC FARMERS CO-OPERATIVE LIMITED	HANTS
VALLEY PORK SUPPLIERS CO-OPERATIVE LIMITED	KINGS
WIND ENERGY NOVA SCOTIA CO-OPERATIVE LED.	COLCHESTER

Financial Summary

Most co-operatives' income comes from sales (95% of total income in 2009, a 1% decrease from the previous year). Co-operatives reported \$722 million in total sales which is down only 9 million from the previous year with \$ 731 million.



Income and expenses did not grow, but showed a slight downward trend in 2009 as compared to other years. Gross margins (sales less cost of sales) were \$150 million, which are much better than the previous year where they stood at \$126 million an improvement of \$24 million. Net profits (total income less total expenses) of \$3 million were less than last year, half of the previous year showing an improvement in efficiency even while sales decreased.



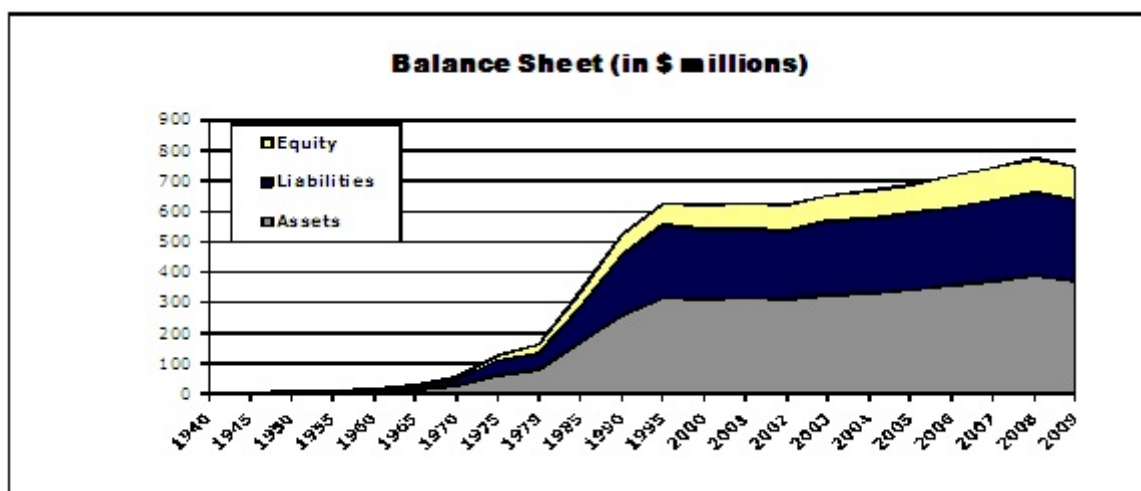
69-Year Operating Results Summary (all financial data in \$ millions rounded to nearest million)

	Total Co-ops	Reporting Co-ops	Sales	Other Income	Total Income	Cost of Goods Sold	Other Expenses	Total Expenses	Net Income	Gross Margin
1940	62		3				1		0	
1950	113		14				2		0	
1960	114		21				5		1	
1970	117		79				14		1	
1980	124		302				57		4	
1990	228		512				120		4	
1995	241		609				133		2	
2000	194		612				138		8	
2001	247		663				143		9	
2002	293	193 (66%)	648	23	671	540	125	665	6	108
2003	323	256 (79%)	676	25	701	570	128	699	2	105
2004	303	285 (94%)	696	27	723	583	134	717	6	113
2005	302	291 (96%)	697	27	724	578	137	715	9	119
2006	305	291 (95%)	699	29	728	577	143	720	7	122
2007	300	280 (93%)	708	29	737	584	143	727	10	124
2008	290	271 (93%)	731	34	765	605	154	759	6	126
2009	287	287 (100%)	722	38	760	572	185	758	3	150

69-Year Balance Sheet Summary

The table and chart below summarize the balance sheet information from co-operatives over the past 69 years. The significant increase in the 1965-1995 period has been followed by steady growth until this year. Assets decreased by nearly 4%, liabilities decreased by 3%, and the total assets decreased by 5% from the previous year of 2008.

	Assets	Liabilities	Equity
	<i>in millions of dollars</i>		
1940	1	0	1
1945	2	1	2
1950	5	2	3
1955	6	2	4
1960	9	3	6
1965	15	8	7
1970	28	17	11
1975	64	47	17
1979	82	53	29
1985	171	120	51
1990	262	200	63
1995	314	243	71
2000	312	233	79
2001	314	232	82
2002	312	225	87
2003	328	242	86
2004	335	241	93
2005	345	253	92
2006	360	257	103
2007	374	269	103
2008	389	276	113
2009	374	267	107



Co-operative Functioning Summary

In 2002, Nova Scotia started asking co-operatives to report on how well they function as a co-operative in addition to how well they function as a business. The questions on the annual renewal forms provide information on board complements, meetings and the number of educational events attended by members (see the Annual Renewal form at <http://www.gov.ns.ca/snsmr/pdf/ans-rjsc-co-op-annual-renewal.pdf>) The questions are intended to help identify developing problems and are based on the seven principles of co-operation (see back cover of this Report for details).

The table below shows that the majority of co-operatives had all of their board positions filled. Almost all (91%) held an annual general meeting, and 98% of those met quorum. In all, 91% presented the financial report to the members for approval. Again this year, more non-profit co-operative members attended educational events than for-profit members. This could be due to the increased emphasis that the Department of Community Services (Housing Services) placed on training in housing co-operatives.

	for profit	non- profit	combined total
All board positions are filled	88%	83%	85%
An AGM was held in the past fiscal year (or past 12 months)	91%	92%	91%
Quorum was established at the AGM	99%	96%	98%
A financial report was approved by the members at the AGM	95%	87%	91%
Average number of members who attended an educational event in the past fiscal year	7.5	11	9.3

The following table shows the number of meetings held to conduct the business of co-operatives. In general, the ranges are as expected .

	Average For Profit	Average Non Profit	Average Both
Number of board meetings in the past fiscal year	6.4	7.2	6.8
Number of members meetings in the past fiscal year	2.3	3.2	2.7

The International Co-operative Alliance Statement on the Co-operative Identity

Definition

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Values

Co-operatives are based on the values of self-help, democracy, equality, equity, and solidarity. Co-operative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

Principles

The co-operative principles are guidelines by which co-operatives put their values into practice. The co-operative principles are:

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Co-operation among Co-operatives
7. Concern for the Community

For full text see: www.ica.coop/coop/principles.html



**Service Nova Scotia
and Municipal Relations**