

TEAM WORK COOPERATIVE LIMITED
Financial Statements
Year Ended March 31, 2023

TEAM WORK COOPERATIVE LIMITED
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Year Ended March 31, 2023

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LYLE TILLEY DAVIDSON

Chartered Professional Accountants

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of TEAM Work Cooperative Limited

We have reviewed the accompanying financial statements of TEAM Work Cooperative Limited (the "Cooperative") that comprise the statement of financial position as at March 31, 2023, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

Note 2 describes the accounting policy with respect to the treatment of capital assets. The note also indicates that the organization is not capitalizing equipment that has a useful life greater than one year, on the grounds that expensing these items better reflects the matching of expenditures to each funded contract, and provides more useful information to the funders of the Cooperative. In this respect, the financial statements are not in accordance with ASNPO. Under ASNPO, equipment that has a useful life of greater than one year should be capitalized. The effect of this departure from ASNPO has been quantified in Note 2.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of TEAM Work Cooperative Limited as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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Independent Practitioner's Review Engagement Report to the Members of TEAM Work Cooperative Limited (*continued*)

Other Matter

The financial statements of TEAM Work Cooperative Limited for the year ended March 31, 2022 were reviewed by another practitioner who expressed qualified conclusion on those financial statements on July 27, 2022 for the reasons described in the *Basis for Qualified Conclusion* section.

A handwritten signature in black ink that reads "Lyle Tilley Davidson". The signature is written in a cursive, flowing style.

Halifax, Nova Scotia
September 19, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

TEAM WORK COOPERATIVE LIMITED**Statement of Financial Position****March 31, 2023**

	2023	2022
ASSETS		
CURRENT		
Restricted cash and term deposits (Note 4)	\$ 1,165,962	\$ 1,072,476
Accounts receivable (Note 5)	157,103	176,911
Harmonized sales tax recoverable	193,005	141,655
Prepaid expenses	7,997	15,129
	1,524,067	1,406,171
INTERNALLY RESTRICTED CASH AND TERM DEPOSITS (Note 4)	691,942	526,913
	\$ 2,216,009	\$ 1,933,084
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 197,673	\$ 97,630
Deferred revenue (Note 6)	1,323,494	1,305,641
	1,521,167	1,403,271
NET ASSETS		
Member shares	2,900	2,900
Internally restricted contingency fund (Note 8)	691,942	526,913
	694,842	529,813
	\$ 2,216,009	\$ 1,933,084

LEASE COMMITMENTS (Note 9)**ON BEHALF OF THE BOARD**

Director

Director

TEAM WORK COOPERATIVE LIMITED
Statement of Revenues and Expenditures
Year Ended March 31, 2023

	2023	2022
FUNDING - OPERATING FUND		
Incentive funding	\$ 132,238	\$ 123,682
Government funding	97,571	154,669
Other income (<i>Note 7</i>)	56,030	19,518
Interest income	34,994	5,138
James Bartlett fund income	22,284	14,788
	<u>343,117</u>	<u>317,795</u>
EXPENDITURES - OPERATING FUND		
Capital	107	62,456
Communication	7,012	-
Entrepreneurial subsidies	4,500	-
Incentive fund expenses	28,191	67,253
James Bartlett fund expenses	22,284	14,788
Office supplies and services	12,536	8,427
Participant costs	1,083	115
Professional development	1,437	319
Professional fees	3,058	67
Salaries and wages	104,206	71,686
Travel (recovery)	(101)	197
	<u>184,313</u>	<u>225,308</u>
EXCESS OF FUNDING OVER EXPENDITURES - OPERATING FUND	<u>158,804</u>	<u>92,487</u>
PROGRAM CONTRACT FUND		
Operating contracts revenue (<i>Schedule 1</i>)	4,366,507	3,673,915
Operating contracts expenditures (<i>Schedule 1</i>)	(4,360,282)	(3,673,915)
	<u>6,225</u>	<u>-</u>
EXCESS OF FUNDING OVER EXPENDITURES FOR THE YEAR	<u>\$ 165,029</u>	<u>\$ 92,487</u>

TEAM WORK COOPERATIVE LIMITED
Statement of Changes in Net Assets
Year Ended March 31, 2023

	Unrestricted Net Assets	Internally Restricted Contingency Fund	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ -	\$ 526,913	\$ 526,913	\$ 434,426
Excess of funding over expenditures for the year	165,029	-	165,029	92,487
Inter-fund transfers	(165,029)	165,029	-	-
NET ASSETS - END OF YEAR	\$ -	\$ 691,942	\$ 691,942	\$ 526,913

TEAM WORK COOPERATIVE LIMITED**Statement of Cash Flows****Year Ended March 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Excess of funding over expenditures for the year	\$ 165,029	\$ 92,487
Changes in non-cash working capital:		
Accounts receivable	19,808	55,271
Harmonized sales tax recoverable	(51,350)	(53,961)
Prepaid expenses	7,132	(15,129)
Accounts payable and accrued liabilities	100,043	(52,553)
Deferred revenue	17,853	203,243
	93,486	136,871
INCREASE IN CASH FLOW	258,515	229,358
Cash - beginning of year	1,599,389	1,370,031
CASH - END OF YEAR	\$ 1,857,904	\$ 1,599,389
CASH CONSISTS OF:		
Restricted cash and term deposits	\$ 1,165,962	\$ 1,072,476
Internally restricted cash and term deposits	691,942	526,913
	\$ 1,857,904	\$ 1,599,389

TEAM WORK COOPERATIVE LIMITED

Notes to Financial Statements

Year Ended March 31, 2023

1. PURPOSE OF THE COOPERATIVE

TEAM Work Cooperative Limited (the "Cooperative") is a not-for-profit organization, incorporated on April 18, 1997 under the Cooperative Associations Act of Nova Scotia. As a registered charity the Cooperative is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Cooperative offers a full range of employment services for any individual wishing to access services, including career counselling, employment counselling, workshops, resource centre, job development, and employment support, as well as virtual services for workshops and one on one counselling. While the mandate is currently more fully inclusive, TEAM Work Cooperative Limited will retain and continue to build on our expertise in working with persons with disabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Financial instruments

Financial instruments are recorded at fair value when acquired or issued, except for transactions with related parties which are recorded at the exchange amount. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Cash

Cash includes cash on hand and cash held in Canadian financial institutions, net of outstanding transactions.

Capital assets

The Cooperative has adopted a policy of expensing the purchase of capital assets in the year of purchase. This is a departure from Accounting Standards for Not-for-Profit Organizations which requires organizations to capitalize and amortize capital assets. This accounting policy better suits the needs of the users of the financial statements. During the 2023 fiscal year, \$47,520 (2022-\$80,865) was spent on capital assets, which was included in expenditures rather than capitalized and depreciated as an asset.

If the additions with a useful life of greater than one year had been capitalized in the statement of financial position rather than expensed on the statement of revenues and expenditures, and amortization been recorded on these assets, excess of funding over expenditures would have been increased by \$2,026; net capital assets would have been increased by \$2,026, and net assets invested in capital assets fund and capital assets would have been \$90,842.

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TEAM WORK COOPERATIVE LIMITED

Notes to Financial Statements

Year Ended March 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fund accounting

The accounts of the Cooperative are maintained in accordance with the principles of fund accounting by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with the direction issued by the Board of Directors.

The Operating fund accounts for the Cooperative's administrative activities.

The Program Contract Fund is a fund that exists to report the results of a number of program contracts which are restricted in use to support clients of the Cooperative.

The Internally Restricted Contingency Fund was established by the board to reserve funds to pay out necessary expenses should the Cooperative ever lose its funding and to align with the retirement service awards that are required to be paid out over the next ten to twenty years. The Cooperative will reserve any surplus funds to cover any unexpected costs and estimated potential exposure should they lose funding.

Revenue recognition

TEAM Work Cooperative Limited follows the deferral method of accounting for contributions.

Contributions, grants and operational contracts are recognized as revenue when earned, or as spent if funding is earmarked for a specific use. Deferred funding represents funds received for specific purposes for which the related expenditures have not yet been incurred or expensed.

Interest income is recognized as revenue when earned.

Measurement uncertainty

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 reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Significant estimates in these financial statements include deferred funding and accruals. Actual results could differ from these estimates.

3. FINANCIAL INSTRUMENTS

The Cooperative is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The Cooperative's financial instruments consists of accounts receivable, restricted cash and term deposits, internally restricted cash and term deposits and accounts payable and accrued liabilities. The following analysis provides information about the Cooperative's risk exposure and concentration as of March 31, 2023.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. Credit risk is minimized due to the nature of the Cooperative's revenues.

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TEAM WORK COOPERATIVE LIMITED**Notes to Financial Statements****Year Ended March 31, 2023****3. FINANCIAL INSTRUMENTS (continued)****Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Cooperative is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources, and accounts payable.

Market risk

Market risk is the risk that the fair value or 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 Cooperative is mainly exposed to other price risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Cooperative manages exposure through its normal operating and financing activities. The Cooperative is exposed to interest rate risk through its investment in GICs.

4. RESTRICTED AND INTERNALLY RESTRICTED CASH AND TERM DEPOSITS

The Cooperative's restricted and internally restricted cash and term deposits consist of the following items:

	<u>2023</u>	<u>2022</u>
Bank of Nova Scotia GIC matures May 17, 2023 and earns interest annually at 2.8%	\$ 512,197	\$ -
Chequing bank account	500,747	377,913
Investment bank account	351,861	560,475
Bank of Nova Scotia GIC matures November 7, 2023 and earns interest annually at 4.4%	247,108	-
Bank of Nova Scotia GIC matures January 6, 2024 and earns interest annually at 4.7%	245,791	-
Petty cash	200	200
GICs that matured in the year	-	660,802
Total cash and term deposits	<u>1,857,904</u>	<u>1,599,390</u>
Allocated as follows:		
Restricted cash and term deposits	1,165,962	1,072,476
Internally restricted cash and term deposits	691,942	526,913
	<u>\$ 1,857,904</u>	<u>\$ 1,599,389</u>

The amounts allocated annually to internally restricted cash and term deposits are amounts to cover the \$691,942 balance in internally restricted contingency fund (2022 - \$526,913).

TEAM WORK COOPERATIVE LIMITED

Notes to Financial Statements

Year Ended March 31, 2023

5. ACCOUNTS RECEIVABLE

	2023	2022
Program funding receivable	\$ 157,037	\$ 176,845
Interest receivable	66	66
	\$ 157,103	\$ 176,911

6. DEFERRED REVENUE

	Opening	Received	Revenue	Ending
Province of Nova Scotia - Career Links	\$ 432,820	\$ 333,850	\$ 342,728	\$ 423,942
Province of Nova Scotia - Self-Employment Services	121,524	801,938	520,107	403,355
Ryerson University - Future Skills Centre	130,028	142,019	121,162	150,885
Province of Nova Scotia - Disability Specialist and Workplace Support Program	-	222,160	124,721	97,439
Department of Employment and Social Development Canada - Piloting Employment	-	86,387	30,191	56,196
Province of Nova Scotia - Canada Post Move to Work Project	-	91,261	36,782	54,479
Province of Nova Scotia - Direct Skills Links	58,322	136,670	153,207	41,785
Accessibility Fund	-	76,121	50,804	25,317
Province of Nova Scotia - Nova Scotia Works	82,651	2,071,176	2,132,246	21,581
Federal Government Funding	21,224	-	-	21,224
Province of Nova Scotia - Accessibility Coordinator	1,791	70,003	63,574	8,220
James Bartlett Fund	11,890	14,645	19,634	6,901
Province of Nova Scotia - School Liaison	-	53,321	46,922	6,399
Association of Black Social Workers	5,151	-	170	4,981
Department of Employment and Social Development Canada - Opportunity Fund	257,589	95,152	351,951	790
Province of Nova Scotia - Future Ready, Advance Opportunities	166,659	41,069	207,728	-
Canadian Association for Supported Employment - MentorAbility	15,992	76,428	92,420	-
	\$ 1,305,641	\$ 4,312,200	\$ 4,294,347	\$ 1,323,494

TEAM WORK COOPERATIVE LIMITED**Notes to Financial Statements****Year Ended March 31, 2023****7. OTHER INCOME**

	<u>2023</u>	<u>2022</u>
Miscellaneous	\$ 43,466	\$ 8,974
Administration	12,019	10,059
Donations	<u>545</u>	<u>485</u>
	<u>\$ 56,030</u>	<u>\$ 19,518</u>

8. INTERNALLY RESTRICTED CONTINGENCY FUND

The Cooperative has a Contingency Fund account to develop protected funds and align with the retirement service awards that are required to be paid out over the next ten to twenty years. As of March 31, 2023, the cost to the Association is \$nil (2022 - \$nil) as no one is eligible for a retirement service award payout during the year.

9. LEASE COMMITMENTS

The Cooperative has a long term lease with respect to its premises which expires November 30, 2026. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments including HST as at March 31, 2023, are as follows:

2024	\$ 454,537
2025	454,537
2026	454,537
2027	<u>303,024</u>
	<u>\$ 1,666,635</u>

10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

TEAM WORK COOPERATIVE LIMITED
Operating Contracts (Schedule 1)
Year Ended March 31, 2023

	Internship program	Piloting Employment	School Liaison	Canada Post Make it Work	Self employment services	Diversity & Inclusion	Future Ready	Career Link	Skill Development coordinator	Mentor Ability	Practitioner Data Initiative	Assoc. of Black Social Workers	Nova Scotia Works	Accessibility Project	Opportunity Fund	ESS Deaf & Hard of Hearing	Workplace Support program	Direct Skills Links	2023	2022
Funding																				
Government funding	\$ 15,891	\$ 30,191	\$ 46,922	\$ 36,782	\$ 520,107	\$ -	\$ 207,728	\$ 342,730	\$ 63,574	\$ 92,420	\$ -	\$ 170	\$ 2,132,246	\$ 50,804	\$ 351,951	\$ 32,840	\$ 124,721	\$ 153,207	\$ 4,202,284	\$ 3,557,955
Non-Government funding						43,061					121,162				-				164,223	115,960
	15,891	30,191	46,922	36,782	520,107	43,061	207,728	342,730	63,574	92,420	121,162	170	2,132,246	50,804	351,951	32,840	124,721	153,207	4,366,507	3,673,915
Expenditures																				
Accounting fees	-	-	-	-	-	-	-	-	-	-	-	-	18,746	-	-	-	-	-	18,746	9,432
Advertising and promotion	-	-	-	-	1,244	-	-	611	-	1,170	-	89	35,561	-	-	-	-	-	38,675	-
Communications	-	355	573	355	7,255	-	2,430	1,361	-	1,256	-	-	21,107	-	573	491	613	-	36,369	30,496
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	13,274	-	-	-	-	-	13,274	11,894
Interest and bank charges	-	-	-	-	-	-	-	-	-	-	-	-	953	-	-	-	-	-	953	886
Memberships	-	-	-	-	-	-	-	-	-	-	7,700	-	2,825	-	-	-	-	-	10,525	2,174
Office improvements and repairs	-	-	-	-	-	-	-	-	-	-	-	-	1,945	11,171	-	-	-	-	13,116	391,162
Office supplies and services	1,445	3,264	1,975	1,358	4,161	2,231	7,432	8,086	-	2,855	1,581	81	26,385	36,223	798	100	648	-	98,623	84,827
Participant costs	-	-	-	1,349	60,878	2,817	158,250	233,297	329	1,456	-	(15)	158,458	-	192,958	5,757	79,826	117,202	1,012,562	907,417
Professional development	-	-	-	-	-	-	11,640	2,436	-	-	-	-	50,754	-	67,372	-	-	25,727	157,929	29,601
Professional fees	-	-	50	-	11,447	13,696	5,375	694	-	3,273	-	15	60,959	3,410	22	-	-	10,278	109,219	109,751
Rent and utilities	-	-	-	-	69,616	-	-	-	-	-	-	-	348,548	-	-	-	-	-	418,164	-
Travel and meetings	-	88	107	-	4,334	1,759	1,954	3,241	-	2,315	-	-	45,940	-	356	(377)	59	-	59,776	8,548
Wages and benefits	14,446	26,484	44,217	33,720	361,172	21,241	20,647	91,063	63,245	77,128	111,881	-	1,346,791	-	89,872	26,869	43,575	-	2,372,351	2,087,727
	15,891	30,191	46,922	36,782	520,107	41,744	207,728	340,789	63,574	89,453	121,162	170	2,132,246	50,804	351,951	32,840	124,721	153,207	4,360,282	3,673,915
Excess (deficiency) of operating contract funding over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,317	\$ -	\$ 1,941	\$ -	\$ 2,967	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,225	\$ -