TEAM WORK COOPERATIVE
Index to Financial Statements
Year Ended March 31, 2021
(Unaudited)

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of TEAM Work Cooperative

We have reviewed the accompanying financial statements of TEAM Work Cooperative (the Organization) that comprise the statement of financial position as at March 31, 2021, 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 Co-operative. In this respect, the financial statements are not in accordance with Canadian generally accepted accounting principles for not-for-profit organization. Under Canadian accounting standards for not-for-profit organization, equipment that has a useful life of greater than one year should be capitalized. The effect of this departure from GAAP has been quantified in Note 2.

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

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 as at March 31, 2021, 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).

Halifax, Nova Scotia	Sutherland Watt CPAs Inc.
August 31, 2021	Chartered Professional Accountants

TEAM WORK COOPERATIVE
Statement of Revenues and Expenditures
Year Ended March 31, 2021
(Unaudited)

	Operating Fund	Program Contracts	**2021**	2020
Funding				
Government funding	$ 42,601	$ -	**$ 42,601**	$ 21,750
Other income	23,749	-	**23,749**	74,456
Interest income	14,706	-	**14,706**	22,453
James Bartlett fund income	12,426	-	**12,426**	7,110
Symposium	-	-	**-**	90,009
Incentive and retirement funding	124,820	-	**124,820**	-
Operating contracts (Schedule 1)	-	2,904,410	**2,904,410**	3,298,442
	218,302	2,904,410	**3,122,712**	3,514,220
Expenditures				
Interest and bank charges	-	-	**-**	38
Memberships	-	-	**-**	-
Office supplies and services	10,629	-	**10,629**	2,638
Participant cost	3,981	-	**3,981**	20,096
Professional development	-	-	**-**	1,142
James Bartlett fund expenses	12,426	-	**12,426**	8,142
Communication	5,080	-	**5,080**	60
Professional fees	450	-	**450**	(842)
Incentive and retirement fund expenses	89,398	-	**89,398**	-
Wages and benefits	38,394	-	**38,394**	32,955
Travel and meetings	1,808	-	**1,808**	2,588
Symposium	903	-	**903**	90,010
Operating contracts (see Schedule 1)	-	2,790,969	**2,790,969**	3,298,481
	163,069	2,790,969	**2,954,038**	3,455,308
Excess of funding over expenditures before transfer to internally restricted contingency fund	55,233	113,441	**168,674**	58,912
Transfer to internally restricted contingency fund	(55,233)	(113,441)	**(168,674)**	(58,912)
Excess of funding over expenditures	$ -	$ -	**$ -**	$ -

See notes to financial statements

TEAM WORK COOPERATIVE
Statement of Financial Position
March 31, 2021
(Unaudited)

		2021		2020
ASSETS				
Current				
Cash	**$**	**-**	$	22,415
Accounts receivable, unrestricted *(Note 3)*		**59,602**		91,692
HST receivable		**87,694**		47,203
		147,296		161,310
Internally restricted term deposits *(Note 5)*		**440,214**		265,752
Cash, accounts receivable and term deposits restricted for deferred program funding *(Note 5)*		**1,102,398**		867,604
	$	**1,689,908**	$	1,294,666
LIABILITIES				
Current				
Accounts payable	**$**	**150,183**	$	158,410
Deferred funding *(Note 11)*		**1,102,398**		867,604
		1,252,581		1,026,014
Shareholder's equity				
Share capital *(Note 6)*		**2,900**		2,900
Internally restricted contingency fund (Note 2)		**434,427**		265,752
		437,327		268,652
	$	**1,689,908**	$	1,294,666

ON BEHALF OF THE BOARD

_________________________________ *Director*

_________________________________ *Director*

See notes to financial statements

TEAM WORK COOPERATIVE
Statement of Changes in Net Assets
Year Ended March 31, 2021
(Unaudited)

	Operating Fund	Internally Restricted Contingency Fund	**2021**	2020
Net assets - beginning of year	$ -	$ 265,753	**$ 265,753**	$ 206,841
Deficit of funding over expenditures	133,251	35,423	**168,674**	58,912
Inter-fund transfers	(133,251)	133,251	**-**	-
	-	-	**-**	-
Net assets - end of year	$ -	$ 434,427	**$ 434,427**	$ 265,753

See notes to financial statements

TEAM WORK COOPERATIVE

Statement of Cash Flows
Year Ended March 31, 2021
(Unaudited)

	Operating Fund	Programming	Internally Restricted Contingency Fund	**2021 Total**	2020 total
Operating activities					
Interest received	$ 20,495	$ -	$ -	**$ 20,495**	$ 19,922
Receipts from government funding	45,601	2,990,925	124,713	**3,161,239**	3,193,311
Receipts from other sources	(7,209)	2,000	-	**(5,209)**	178,248
Payment for salaries	(38,395)	(1,637,439)	(49,784)	**(1,725,618)**	(1,851,899)
Payment for operating expenses	(35,277)	(1,161,756)	(39,614)	**(1,236,647)**	(1,553,774)
Cash flow from (used by) operating activities	(14,785)	193,730	35,315	**214,260**	(14,192)
Investing activity					
Interfund transfers	(7,630)	(131,517)	139,147	**-**	-
Cash flow from (used by) investing activity	(7,630)	(131,517)	139,147	**-**	-
Increase (decrease) in cash flow	(22,415)	62,213	174,462	**214,260**	(14,192)
Cash - beginning of year	22,415	867,604	265,752	**1,155,771**	1,169,963
Cash - end of year	$ -	$ 929,817	$ 440,214	**$ 1,370,031**	$ 1,155,771
Cash consists of:					
Cash	$ -		$ -	**$ -**	$ 22,415
Internally restricted fund GICs	-	-	440,214	**440,214**	265,752
Restricted cash held for deferred revenue	-	493,721	-	**493,721**	-
Restricted GICs held for deferred revenue	-	436,096	-	**436,096**	867,604
	$ -	$ 929,817	$ 440,214	**$ 1,370,031**	$ 1,155,771

See notes to financial statements

1. Purpose of the organization

   TEAM Work Cooperative Limited is a not-for-profit organization. It was incorporated on April 18, 1997 under the Cooperative Associations Act of Nova Scotia, and is a registered Charity. In 2016, the mandate of the Cooperative has changed to become a fully inclusive employment service. TEAM Work Cooperative Limited has amalgamated with the Entrepreneurs with Disabilities Network during the year, to bring all staff together and complement 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. Services include mandates for youth working within the school system to provide career guidance as well as itinerant services in Hammonds Plains and Clayton Park, as well as plans to provide 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 (ASNFPO).

   Cash

   Cash includes cash on hand and cash held with financial institutions.

   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. Actual results could differ from these estimates.

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

Fund accounting

The accounts of TEAM Work Cooperative Limited 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 organization's administrative activities.

The Program Contract fund is a fund that exists to report the results of a number of program contracts (which are reflected individually on Schedule 1) which are restricted in use to support clients of the organization.

The Contingency fund was established by the board (internally restricted) to reserve funds necessary to pay out necessary expenses should the Cooperative ever lose its funding. 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 fund method of accounting for contributions.

Contributions and grants are recorded as revenue when earned, or as spent if earmarked for a specific use.

Interest income is recorded as it is earned periodically.

Expenditure recognition

Expenditures are recorded in the period incurred.

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 2021 fiscal year, $25,444 (2020- $21,071) was spent on capital assets and leasehold improvements which was included in expenses rather than capitalized and depreciated as an asset.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. 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.

3. Accounts receivable

	2021	2020
Accounts receivable	$ **231,187**	$ 84,908
Interest receivable	**995**	6,784
Subtotal	**232,182**	91,692
Reallocation to cover deferred revenue amounts	**(172,581)**	-
	$ **59,601**	$ 91,692

4. Contingent liability

The organization has a contingency retirement 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, 2021, the cost to the Association is $0 (nil) as no one is eligible for a retirement service award payout.

5. Short term investments

	Maturity date	Interest rate %	2021	2020
GIC	Apr 20, 2020	1.25%	$ **-**	$ 44,823
GIC	Jun 29, 2020	2.50%	**-**	100,000
GIC	Oct 26, 2020	2.05%	**-**	250,000
GIC	Jan 13, 2021	1.22%	**-**	228,863
GIC	May 24, 2021	2.00%	**500,000**	500,000
GIC	Dec 15, 2021	0.42%	**108,948**	-
GIC	Jan 13, 2022	0.20%	**155,958**	-
GIC Cash			**111,404**	2,514
Less: amounts reallocated to internally restricted fund			**(440,214)**	(265,752)
Less: amounts reallocated to offset deferred revenue			$ **(436,096)**	$ (860,448)

Total restricted cash and term deposits to be used for restricted contracts are made up of term deposits above of $436,096 plus $493,721 in cash plus $172,581 in accounts receivable , to cover all of the $1,102,398 deferred revenue. (2020 - $860,448 plus $7,156 in cash, to cover all of the $867,604 deferred revenue).

6. Share capital

Authorized:

Par value of shares is $100

			2021	2020
Issued:				
	29	Shares	**$ 2,900**	$ 2,900

7. Financial instruments

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2021.

(a) Liquidity risk

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

(b) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk through its investment in fixed investments.

8. Economic dependence

The Cooperative is dependent on government funding to carry out its mandate. At present, this funding is committed to March 31, 2022 for the Opportunity fund, December 31, 2022 for Nova Scotia Works for the operating fund, September 30, 2022 for Future Ready, New Opportunities program, and March 31, 2022 for the Career Link program both funded by Nova Scotia Labour and Advancement.

9. Contractual obligations

The Cooperative leases office space. This lease expires November 30, 2026. Minimum annual lease payments are as follows (inclusive of HST):

Contractual obligation repayment schedule:

2022	$ 350,637
2023	366,374
2024	373,349
2025	387,300
2026	387,300
	$ 1,864,960

10. Impact of COVID-19 pandemic

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

As at August 17, 2021, the organization is aware of changes in its operations as a result of the COVID-19 crisis, including the closure of its offices for a period of time in 2020-2021.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the organization's operations as at the date of these financial statements.

11. Deferred revenue

During the year the cooperative received income from various organizations. The table below shows the amount of unspent income received to be included in deferred income.

	Opening balance	Received in year	Amortized as revenue	Accounts receivable	**2021**	2020
Deferred revenue						
Province of Nova Scotia - Nova Scotia Employment Assistance Services	$ 202,741	$ 1,563,375	$ (1,905,681)	$ 139,565	**$ -**	$ 202,742
Province of Nova Scotia - Department of Labour and Advanced Education	259,684	333,819	(214,630)	-	**378,873**	259,684
Province of Nova Scotia - Capital Investment Project	-	53,554	-	-	**53,554**	-
Department of Employment and Social Development Canada	8,047	-	(8,047)	-	**-**	8,047
Department of Employment and Social Development Canada - Opportunity Fund	132,618	216,195	(181,733)	-	**167,080**	132,618
Department of Labour and Advance Education - Future Ready, Advance Opportunities	-	410,631	-	-	**410,631**	-
Diversity and Inclusion	-	10,160	-	-	**10,160**	-
Federal Government Funding	21,224	-	-	-	**21,224**	21,224
James Bartlett Fund	6,193	5,806	(2,130)	-	**9,869**	6,193

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11. Deferred revenue *(continued)*

	Opening balance	Received in year	Amortized as revenue	Accounts receivable	**2021**	2020
Department of Education - Direct Skills Links	25,396	80,476	(99,478)	-	**6,394**	25,396
Self-Employment Services	164,775	-	(164,775)	-	**-**	164,775
Accessibility coordinator	35,760	60,000	(63,175)	-	**32,585**	35,760
Canadian Association for Supported Employment	11,165	109,261	(108,398)	-	**12,028**	11,165
Deferred revenue total	$ 867,603	$ 2,843,277	$ (2,748,047)	$ 139,565	**$ 1,102,398**	$ 867,604

TEAM WORK COOPERATIVE
Schedule 1 - Operating Contracts
March 31, 2021
(Unaudited)

	Career Link	ESS Deaf and Hard of Hearing	Diversity and Inclusion	Future Ready	Internship Program	Direct Skills Link	Nova Scotia Works	Mentor Ability	Opportunity Fund	Self-Employment Services	Enterprising Youth	Skill Develop Coordinator	**2021**	2020
Funding														
HRSDC funding													**-**	201,915
Government funding	214,630	67,104	24,925	38,902	23,680	120,161	1,901,670	106,396	176,993	164,776		63,173	**2,902,410**	3,072,097
Other income								2,000					**2,000**	24,430
	214,630	67,104	24,925	38,902	23,680	120,161	1,901,670	108,396	176,993	164,776		63,173	**2,904,410**	3,298,442
Expenditures														
Accounting fees							12,154						**12,154**	16,261
Communication		300	6,052		1,643		36,488	3,766	2,834		55	1,796	**52,934**	51,746
Insurance							9,579						**9,579**	9,250
Interest and bank charges							1,095						**1,095**	4,693
Memberships							611						**611**	1,323
Office supplies and services	2,200	93	1,187	964			45,976	8,462	225				**59,107**	23,854
Participant costs	124,574	4,303				112,460	202,596	338	103,645				**547,916**	822,963
Professional development	591			31,928		7,701	20,532	1,453					**62,205**	18,243
Professional fees		9,708					42,905	5,485					**58,098**	89,281
Office improvements							341,411						**341,411**	388,455
Travel and meetings							8,337	83					**8,420**	53,468
Wages and benefits	87,265	52,700	17,686	6,010	22,037		1,179,986	88,809	70,289	49,836	1,444	61,377	**1,637,439**	1,818,944
	214,630	67,104	24,925	38,902	23,680	120,161	1,901,670	108,396	176,993	49,836	1,499	63,173	**2,790,969**	3,298,481
Income from operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	$ -	$ 114,940.00	$ (1,499)	$ -	**$ 113,441**	$ (39)

ON BEHALF OF THE BOARD

______________________ *Director*

______________________ *Director*