

TEAM WORK COOPERATIVE LIMITED
Financial Statements
Year Ended March 31, 2024

TEAM WORK COOPERATIVE LIMITED
Index to Financial Statements
Year Ended March 31, 2024

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Revenues and Expenditures	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 10
Operating contracts (<i>Schedule 1</i>)	11

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, 2024, 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, 2024, 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).

Gyle Tilley Davidson

Halifax, Nova Scotia
August 15, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

TEAM WORK COOPERATIVE LIMITED

Statement of Financial Position

March 31, 2024

	2024	2023
ASSETS		
CURRENT		
Restricted cash and term deposits (Note 4)	\$ 740,046	\$ 1,165,962
Accounts receivable (Note 5)	160,511	157,103
Harmonized sales tax recoverable	71,491	193,005
Prepaid expenses	8,120	7,997
	980,168	1,524,067
LONG TERM INVESTMENTS (Note 6)	260,082	-
INTERNALLY RESTRICTED CASH AND TERM DEPOSITS (Note 4)	764,485	691,942
	\$ 2,004,735	\$ 2,216,009
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 222,368	\$ 197,673
Deferred revenue (Note 7)	1,014,982	1,323,494
	1,237,350	1,521,167
NET ASSETS		
Member shares	2,900	2,900
Internally restricted contingency fund (Note 9)	764,485	691,942
	767,385	694,842
	\$ 2,004,735	\$ 2,216,009

LEASE COMMITMENTS (Note 10)

ON BEHALF OF THE BOARD

Director

Director

TEAM WORK COOPERATIVE LIMITED
Statement of Revenues and Expenditures
Year Ended March 31, 2024

	2024	2023
FUNDING - OPERATING FUND		
Other income (<i>Note 8</i>)	\$ 150,000	\$ 56,030
Interest income	61,054	34,994
Incentive funding	63,781	132,238
Government funding	17,252	97,571
James Bartlett fund income	11,857	22,284
	<u>303,944</u>	<u>343,117</u>
EXPENDITURES - OPERATING FUND		
Capital	-	107
Communication (recovery)	(610)	7,012
Entrepreneurial subsidies	-	4,500
Incentive fund expenses	31,683	28,191
James Bartlett fund expenses	11,857	22,284
Office supplies and services	12,972	12,536
Participant costs	16,318	1,083
Professional development	4,445	1,437
Professional fees	50	3,058
Salaries and wages	149,322	104,206
Travel (recovery)	6,017	(101)
	<u>232,054</u>	<u>184,313</u>
EXCESS OF FUNDING OVER EXPENDITURES - OPERATING FUND	<u>71,890</u>	<u>158,804</u>
PROGRAM CONTRACT FUND		
Operating contracts revenue (<i>Schedule 1</i>)	4,891,499	4,366,507
Operating contracts expenditures (<i>Schedule 1</i>)	(4,890,846)	(4,360,282)
	<u>653</u>	<u>6,225</u>
EXCESS OF FUNDING OVER EXPENDITURES FOR THE YEAR	<u>\$ 72,543</u>	<u>\$ 165,029</u>

TEAM WORK COOPERATIVE LIMITED
Statement of Changes in Net Assets
Year Ended March 31, 2024

	Unrestricted Net Assets	Internally Restricted Contingency Fund	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ -	\$ 691,942	\$ 691,942	\$ 526,913
Excess (deficiency) of funding over expenditures for the year	113,123	(40,580)	72,543	165,029
Inter-fund transfers	(113,123)	113,123	-	-
NET ASSETS - END OF YEAR	\$ -	\$ 764,485	\$ 764,485	\$ 691,942

TEAM WORK COOPERATIVE LIMITED**Statement of Cash Flows****Year Ended March 31, 2024**

	2024	2023
OPERATING ACTIVITIES		
Excess of funding over expenditures for the year	\$ 72,543	\$ 165,029
Changes in non-cash working capital:		
Accounts receivable	(3,408)	19,808
Harmonized sales tax recoverable	121,514	(51,350)
Prepaid expenses	(123)	7,132
Accounts payable and accrued liabilities	24,695	100,043
Deferred revenue	(308,512)	17,853
	(165,834)	93,486
Cash flow from (used by) operating activities	(93,291)	258,515
INVESTING ACTIVITY		
Purchase of long term investments	(260,082)	-
INCREASE (DECREASE) IN CASH FLOW	(353,373)	258,515
Cash - beginning of year	1,857,904	1,599,389
CASH - END OF YEAR	\$ 1,504,531	\$ 1,857,904
CASH CONSISTS OF:		
Restricted cash and term deposits	\$ 740,046	\$ 1,165,962
Internally restricted cash and term deposits	764,485	691,942
	\$ 1,504,531	\$ 1,857,904

TEAM WORK COOPERATIVE LIMITED

Notes to Financial Statements

Year Ended March 31, 2024

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 2024 fiscal year, \$72,870 (2023-\$47,520) 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 \$12,802; net capital assets would have been increased by \$12,802, and net assets invested in capital assets fund and capital assets would have been \$103,644.

(continues)

TEAM WORK COOPERATIVE LIMITED

Notes to Financial Statements

Year Ended March 31, 2024

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, long term investments and accounts payable and accrued liabilities. The following analysis provides information about the Cooperative's risk exposure and concentration as of March 31, 2024.

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.

(continues)

TEAM WORK COOPERATIVE LIMITED

Notes to Financial Statements

Year Ended March 31, 2024

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 interest rate 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:

	2024	2023
Chequing bank account	\$ 625,056	\$ 500,747
Investment bank account	380	351,861
Petty cash	200	200
Bank of Nova Scotia GIC matures June 17, 2024 and earns interest annually at 4.50%	259,867	-
Bank of Nova Scotia GIC matures November 7, 2024 and earns interest annually at 4.75%	101,887	-
Bank of Nova Scotia GIC matures December 7, 2024 and earns interest annually at 5.71%	259,349	-
Bank of Nova Scotia GIC matures February 10, 2025 and earns interest annually at 5.10%	257,792	-
GICs that matured in the year	-	1,005,096
Total cash and term deposits	<u>1,504,531</u>	<u>1,857,904</u>
Allocated as follows:		
Restricted cash and term deposits	740,046	1,165,962
Internally restricted cash and term deposits	764,485	691,942
	<u>\$ 1,504,531</u>	<u>\$ 1,857,904</u>

The amounts allocated annually to internally restricted cash and term deposits are amounts to cover the \$764,485 balance in internally restricted contingency fund (2023 - \$691,942).

TEAM WORK COOPERATIVE LIMITED

Notes to Financial Statements

Year Ended March 31, 2024

5. ACCOUNTS RECEIVABLE

	2024	2023
Program funding receivable	\$ 160,511	\$ 157,037
Interest receivable	-	66
	\$ 160,511	\$ 157,103

6. LONG TERM INVESTMENTS

Long term investments consists of a GIC that matures on May 17, 2025 and earns interest annually at 4.60%.

7. DEFERRED REVENUE

	Opening	Received	Revenue	Ending
Province of Nova Scotia - Career Links	\$ 423,942	\$ 333,850	\$ 440,215	\$ 317,577
Province of Nova Scotia - Self-Employment Services	403,355	301,101	482,429	222,027
Province of Nova Scotia - Nova Scotia Works	21,581	2,154,049	2,001,331	174,299
Province of Nova Scotia - S.T.R.I.V.E. Project	54,479	107,873	91,496	70,856
Social Development Canada - Opportunity Fund	790	556,136	495,702	61,224
Province of Nova Scotia - Incentive and Retirement	-	122,713	62,752	59,961
Federal Government Funding	21,224	-	-	21,224
Province of Nova Scotia - Job Fairs and Hiring	-	20,000	-	20,000
Province of Nova Scotia - Disability Specialist and Workplace Support Program	97,439	363,576	443,413	17,602
Province of Nova Scotia - Poverty and Food Funding	-	15,000	-	15,000
Accessibility Coordinator	8,220	40,637	40,542	8,315
Province of Nova Scotia - School Liaison	6,399	68,914	67,559	7,754
James Bartlett Fund	6,901	10,361	9,962	7,300
Association of Black Social Workers	4,981	-	-	4,981
Accessibility Fund	25,317	-	20,828	4,489
Province of Nova Scotia - Direct Skills Links	41,785	110,220	149,632	2,373
Ryerson University - Future Skills Centre	150,885	4,538	155,423	-
Social Development Canada - Piloting Employment	56,196	207,440	263,636	-
	\$ 1,323,494	\$ 4,416,408	\$ 4,724,920	\$ 1,014,982

TEAM WORK COOPERATIVE LIMITED**Notes to Financial Statements****Year Ended March 31, 2024****8. OTHER INCOME**

	<u>2024</u>	<u>2023</u>
Miscellaneous	\$ 120,255	\$ 43,466
Administration	19,247	12,019
Contract revenue	10,000	-
Donations	498	545
	<u>\$ 150,000</u>	<u>\$ 56,030</u>

9. 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, 2024, the cost to the Association is \$40,580 (2023 - \$nil) as one individual was eligible for a retirement service award payout during the year.

10. 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, 2024, are as follows:

2025	\$ 454,537
2026	454,537
2027	<u>303,024</u>
	<u>\$ 1,212,098</u>

TEAM WORK COOPERATIVE LIMITED
Operating Contracts (Schedule 1)
Year Ended March 31, 2024

	Piloting Employment	School Liaison	S.T.R.I.V.E.	Self employment services	Career Link	Skill Development coordinator	Mentor Ability	Practitioner Data Initiative	Assoc. of Black Social Workers	Nova Scotia Works	Accessibility Project	Opportunity Fund	Workplace Support program	Direct Skills Links	NOW program	2024	2023
Funding																	
Government funding	\$ 263,636	\$ 67,559	\$ 91,496	\$ 482,429	\$ 440,215	\$ 40,542	\$ 239,293	\$ -	\$ -	\$ 2,001,331	\$ 20,828	\$ 495,702	\$ 443,413	\$ 149,632	\$ -	\$ 4,736,076	\$ 4,202,284
Non-Government funding	-	-	-	-	-	-	-	155,423	-	-	-	-	-	-	-	155,423	164,223
	263,636	67,559	91,496	482,429	440,215	40,542	239,293	155,423	-	2,001,331	20,828	495,702	443,413	149,632	-	4,891,499	4,366,507
Expenditures																	
Accounting fees	-	-	-	-	-	-	-	5,375	-	8,474	-	-	-	-	-	13,849	18,746
Advertising and promotion	-	-	-	324	-	-	29,575	-	-	3,893	-	888	-	-	-	34,680	38,675
Bad debts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71,309	71,309	-
Communications (recovery)	1,178	918	1,123	8,283	834	-	1,508	-	-	28,773	-	(45)	1,068	-	-	43,640	36,369
Insurance	-	-	-	-	-	-	-	-	-	14,168	-	-	-	-	-	14,168	13,274
Interest and bank charges	-	-	-	-	-	-	-	-	-	196	-	-	-	-	-	196	953
Memberships	-	-	-	-	-	-	-	4,138	-	2,899	-	-	-	-	-	7,037	10,525
Non-recoverable harmonized sales tax	-	-	-	-	-	-	7,901	-	-	-	-	16,552	-	-	-	24,453	-
Office improvements and repairs	-	-	-	-	-	-	-	-	-	571	-	-	-	-	-	571	13,116
Office supplies and services	1,105	-	228	7,969	11,716	-	6,719	52,001	-	30,726	2,366	7,116	866	-	-	120,812	98,623
Participant costs	104,994	-	7,251	37,805	324,047	-	14,611	-	325	131,083	124	78,471	352,208	130,860	-	1,181,779	1,012,562
Professional development	11,200	-	1,090	-	6,998	-	-	-	-	20,916	-	12,488	-	8,494	-	61,186	157,929
Professional fees	13,328	-	-	11,119	4,838	-	80,452	797	4,013	39,424	18,338	154,315	-	10,278	-	336,902	109,219
Rent and utilities	-	-	-	68,754	-	-	-	-	-	374,051	-	-	-	-	-	442,805	418,164
Travel and meetings	411	357	566	2,896	2,450	-	2,842	2,903	-	23,691	-	3,395	61	-	-	39,572	59,776
Wages and benefits	131,420	66,284	81,238	345,279	89,332	40,542	95,685	90,209	-	1,322,466	-	146,222	89,210	-	-	2,497,887	2,372,351
	263,636	67,559	91,496	482,429	440,215	40,542	239,293	155,423	4,338	2,001,331	20,828	419,402	443,413	149,632	71,309	4,890,846	4,360,282
Excess (deficiency) of operating contract funding over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,338)	\$ -	\$ -	\$ 76,300	\$ -	\$ -	\$ (71,309)	\$ 653	\$ 6,225