

**ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT**

Operating As  
**THREADS OF LIFE**

**Financial Statements**

**As At December 31, 2013**

# **ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT**

Operating As  
**THREADS OF LIFE**

## **Index to the Financial Statements**

Page

1a. - b.	Independent Auditor's Report
2.	Statement of Financial Position
3.	Statement of Changes in Fund Balances
4.	Statement of Revenues and Expenditures
5.	Statement of Cash Flows
6.	Schedule of Cash and Inkind Expenditures
7a. - e.	Notes to the Financial Statements

**GARY E. MASON**  
CHARTERED PROFESSIONAL ACCOUNTANT

GARY E. MASON, B.A., CPA, CA  
RICK SCARBOROUGH, B.A., B.Ed., CGA  
PAUL HUSTON, B.A., CGA

526 OXFORD STREET EAST  
LONDON, CANADA N5Y 3H7  
TEL: (519) 679-9550  
FAX: (519) 679-9552

---

**INDEPENDENT AUDITOR'S REPORT**

---

To the Members of the Association for Workplace Tragedy Family Support

*Report on the Financial Statements*

I have audited the accompanying financial statements of the Association for Workplace Tragedy Family Support, which comprise the statement of financial position as at December 31, 2013, and the statements of changes in fund balances, revenues and expenditures 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, 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.

*Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

# GARY E. MASON

CHARTERED PROFESSIONAL ACCOUNTANT

GARY E. MASON, B.A., CPA, CA  
RICK SCARBOROUGH, B.A., B.Ed., CGA  
PAUL HUSTON, B.A., CGA

526 OXFORD STREET EAST  
LONDON, CANADA N5Y 3H7  
TEL: (519) 679-9550  
FAX: (519) 679-9552

---

## INDEPENDENT AUDITOR'S REPORT - continued

---

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the organization derives revenues in the form of donations, fundraising, bequests and in-kind donations from the general public, the completeness of which are not susceptible to satisfactory audit verification. Accordingly, our examination and verification of revenues from these sources was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustment might be necessary to revenue, assets or fund balances. This caused me to qualify my audit opinion on the financial statements as at and for the year ended December 31, 2013.

### *Qualified Opinion*

In my opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness and measurement of revenues referred to in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Association for Workplace Tragedy Family Support as at December 31, 2013 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



May 30, 2014  
London, Ontario

CHARTERED PROFESSIONAL ACCOUNTANT  
Authorized to practice public accounting by  
the Chartered Professional Accountants of Ontario

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2013  
WITH 2012 AND 2011 COMPARATIVES

	<u>ASSETS</u>		
	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>CURRENT ASSETS</u>			
Cash and Bank (Note 2)	\$ 150,095	\$ 39,983	\$138,501
Marketable Securities (Notes 2 & 4)	590,045	533,100	485,890
Accounts Receivable (Note 2)	75,649	41,889	29,496
GST/HST Recoverable (Note 2)	26,438	23,919	26,494
Grants and Awards Receivable (Notes 2 & 7)	23,580	35,370	35,368
Deposits and Prepaid Expenses	<u>18,711</u>	<u>9,789</u>	<u>4,808</u>
	<u>884,518</u>	<u>684,050</u>	<u>720,557</u>
 <u>TOTAL ASSETS</u>	 <u>\$ 884,518</u>	 <u>\$ 684,050</u>	 <u>\$ 720,557</u>

LIABILITIES AND FUND BALANCES

<u>CURRENT LIABILITIES</u>			
Accounts Payable & Accrued Liabilities	\$ 49,825	\$ 38,895	\$ 34,604
Deferred Grant and Award Revenue (Notes 2 & 7)	15,222	-0-	4,066
Deferred Event Revenue (Note 2)	<u>7,500</u>	<u>-0-</u>	<u>33,500</u>
	<u>72,547</u>	<u>38,895</u>	<u>72,170</u>
 <u>FUND BALANCES</u>			
LifeQuilt Fund (Note 5)	12,176	20,824	-0-
Unrestricted Operating Reserves	<u>799,795</u>	<u>624,331</u>	<u>648,387</u>
	<u>811,971</u>	<u>645,155</u>	<u>648,387</u>
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>	 <u>\$ 884,518</u>	 <u>\$ 684,050</u>	 <u>\$ 720,557</u>

Approved on behalf of the Board,



Board Chair



Treasurer

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT  
STATEMENT OF CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2013  
WITH 2012 AND 2011 COMPARATIVES

	LifeQuilt Fund (Note 5)	Unrestricted Operating Reserves	<u>2013</u>	<u>2012</u>	<u>2011</u>
Balances - Beginning of the Year	\$ 20,824	\$ 624,331	\$ 645,155	\$ 648,387	\$ 526,831
Excess Revenues ( Expenditures )	-0-	166,816	166,816	(3,232)	121,556
Transfers (Note 5)	<u>(8,648)</u>	<u>8,648</u>	_____	_____	_____
Balances - End of the Year	\$ <u>12,176</u>	\$ <u>799,795</u>	\$ <u>811,971</u>	\$ <u>645,155</u>	\$ <u>648,387</u>

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT  
STATEMENT OF REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2013  
WITH 2012 AND 2011 COMPARATIVES

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>REVENUES</u>			
Grants (Notes 2 & 7)	\$ 321,978	\$ 239,866	\$ 423,601
Creative Sentencing Awards (Notes 2 & 7)	25,000	60,000	25,000
Fundraising (Note 5)	970,461	702,896	567,381
Inkind Donations (Note 2)	332,468	214,819	229,959
Interest & Miscellaneous Income	<u>8,760</u>	<u>7,233</u>	<u>7,322</u>
<u>TOTAL REVENUES</u>	<u>1,658,667</u>	<u>1,224,814</u>	<u>1,253,263</u>
<u>EXPENDITURES</u>			
Salaries & Benefits	698,317	613,866	488,367
Purchased Support Services (Note 5)	28,021	23,765	15,934
Events - Family Forums	121,849	114,447	85,813
- Steps for Life	285,980	174,096	201,225
- Other	25,646	19,866	28,838
Publications & Printing	14,391	43,780	67,874
Publicity & Promotions	43,035	24,775	39,378
Volunteer Training & Programs	108,232	90,634	81,617
General & Office	32,154	18,567	17,015
Rent - Office & Storage	42,384	40,606	32,092
Communications	18,090	14,903	11,717
Meeting & Travel Expenses	27,258	31,595	27,909
Professional Fees (Note 6)	37,118	8,844	25,462
Board & Liability Insurance	9,376	8,302	8,391
Amortization	<u>-0-</u>	<u>-0-</u>	<u>75</u>
<u>TOTAL EXPENDITURES</u>	<u>1,491,851</u>	<u>1,228,046</u>	<u>1,131,707</u>
<u>EXCESS REVENUES ( EXPENDITURES )</u>	<u>\$ 166,816</u>	<u>\$ (3,232)</u>	<u>\$ 121,556</u>

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2013  
WITH 2012 AND 2011 COMPARATIVES

<u>CASH PROVIDED BY (USED IN):</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Operating activities:			
Excess revenue (expenditures)	\$ 166,816	\$ (3,232)	\$ 121,556
Amortization of capital assets which does not involve cash	-0-	-0-	75
Changes in non-cash operating working capital:			
Accounts Receivable	(33,760)	(12,393)	(14,714)
GST Recoverable	(2,519)	2,575	(16,195)
Grants and Awards Receivable	11,790	(2)	23,582
Deposits and Prepaid Expenses	(8,922)	(4,981)	895
Accounts Payable & Accrued Liabilities	10,930	4,291	10,276
Deferred Grant Revenue	15,222	(4,066)	(68,101)
Deferred Event Revenue	<u>7,500</u>	<u>(33,500)</u>	<u>(11,000)</u>
	<u>167,057</u>	<u>(51,308)</u>	<u>46,374</u>
Investment activities:			
Net Change in Short Term investments	(56,945)	(47,210)	(245,238)
Net Change in Long Term investments	<u>-0-</u>	<u>-0-</u>	<u>200,559</u>
	<u>(56,945)</u>	<u>(47,210)</u>	<u>(44,679)</u>
Increase (Decrease) in Cash and Bank	110,112	(98,518)	1,695
<u>CASH AND BANK</u> - Beginning of the Year	<u>39,983</u>	<u>138,501</u>	<u>136,806</u>
<u>CASH AND BANK</u> - End of the Year	\$ <u>150,095</u>	\$ <u>39,983</u>	\$ <u>138,501</u>



ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT  
SCHEDULE OF CASH AND INKIND EXPENDITURES (Note 2)  
FOR THE YEAR ENDED DECEMBER 31, 2013  
WITH 2012 COMPARATIVES

<u>EXPENDITURES</u>	<u>For The Year Ended December 31, 2013</u>		
	<u>Cash</u>	<u>Inkind</u>	<u>Total</u>
Salaries & Benefits	\$ 698,317	\$ -0-	\$ 698,317
Purchased Support Services	27,224	797	28,021
Events - Family Forums	115,429	6,420	121,849
- Steps for Life	74,711	211,269	285,980
- Other	25,581	65	25,646
Publications & Printing	14,391	-0-	14,391
Publicity & Promotions	32,980	10,055	43,035
Volunteer Training & Programs	71,896	36,336	108,232
General & Office	32,154	-0-	32,154
Rent - Office & Storage	1,384	41,000	42,384
Communications	18,090	-0-	18,090
Meeting & Travel Expenses	27,228	30	27,258
Professional Fees (Note 6)	10,622	26,496	37,118
Board & Liability Insurance	9,376	-0-	9,376
<u>TOTAL EXPENDITURES</u>	<u>\$ 1,159,383</u>	<u>\$ 332,468</u>	<u>\$ 1,491,851</u>

<u>EXPENDITURES</u>	<u>For The Year Ended December 31, 2012</u>		
	<u>Cash</u>	<u>Inkind</u>	<u>Total</u>
Salaries & Benefits	\$ 613,866	\$ -0-	\$ 613,866
Purchased Support Services	22,732	1,033	23,765
Events - Family Forums	109,352	5,095	114,447
- Steps for Life	69,493	104,603	174,096
- Other	19,866	-0-	19,866
Publications & Printing	19,872	23,908	43,780
Publicity & Promotions	20,368	4,407	24,775
Volunteer Training & Programs	56,308	34,326	90,634
General & Office	18,567	-0-	18,567
Rent - Office & Storage	1,159	39,447	40,606
Communications	14,903	-0-	14,903
Meeting & Travel Expenses	31,595	-0-	31,595
Professional Fees (Note 6)	6,844	2,000	8,844
Board & Liability Insurance	8,302	-0-	8,302
<u>TOTAL EXPENDITURES</u>	<u>\$ 1,013,227</u>	<u>\$ 214,819</u>	<u>\$ 1,228,046</u>

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2013

1. **CORPORATE ORGANIZATION**

The Association was incorporated in Ontario on May 29, 2003, as a "Corporation Without Share Capital" to support and assist families of workers who have suffered a fatal or very serious workplace injury or illness. It is currently operating under the name, "Threads of Life". It received registration as a charitable organization under the Income Tax Act (Canada) on March 21, 2007. As a registered charity the Association is exempt from income taxes and is authorized to issue charitable tax receipts provided it continues to meet certain annual requirements of the Income Tax Act (Canada).

The Mission of the Association is to help families heal through a community of support and to promote the elimination of life altering workplace injuries, illnesses and death.

Their vision is to lead and inspire a culture shift, as a result of which work related injuries, illnesses and death are morally, socially and economically unacceptable.

On January 1, 2011 the Association adopted Canadian Accounting Standards for Not-for-Profit Organizations ("ASNPO"), so all comparative information provided has been presented by applying ASNPO.

2. **SIGNIFICANT ACCOUNTING POLICIES**

**Use of Estimates**

The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions may affect the reporting amounts of assets and liabilities, the disclosure of contingent assets and liabilities as at the reporting date, and the reported amounts of revenue and expenditures during the fiscal period. Although these estimates are based on management's best knowledge of current events and actions the Association may undertake in the future, actual results could differ from the estimates and assumptions used.

**Cash and Bank**

Cash and Bank are recorded at fair market value, and consist of cash on hand and the actual bank balances adjusted for outstanding deposits and outstanding cheques at December 31st.

**Marketable Securities**

The marketable securities are recorded at fair market value at the year-end, which is considered to be their cost plus accrued interest (refer to Note 4).

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2013

2. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts Receivable / Donation Revenue Recognition**

The organization follows the deferral method of accounting to recognize and report its contribution revenue. Donor contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Accounts Receivable represent contributions related to current year activities of donors and they are recorded at cost - being the amount they are reasonably assured of receiving.

**GST/HST Recoverable**

As a registered charity the Association is eligible for a Public Service Body Rebate of a portion of GST and HST it incurs on its expenditures. The Association applies for the rebate annually after completion of its year end, and these rebate amounts are considered to be the fair market value of the asset.

**Grant & Award Receivables**

The grant and award receivables represent commitments of organizations for funding of approved current period programs and service expenditures. Payment schedules for those committed funds are based on completion and submission of interim and final program and project reports. The receivables are recorded at the committed values - which is considered to be at cost.

**Capital Assets**

Purchased capital assets are recorded at cost, and contributed capital assets recorded at their fair value at the date of contribution. Betterments which extend the estimated useful life of an asset are also capitalized. Repairs and maintenance costs are charged to expense as incurred. The Association increased its capitalization threshold from \$1,000 to \$2,500 during 2013. Assets acquired from 2008 to 2013 were less than those thresholds and therefore included as a General & Office expense for those years.

**Deferred Grant & Award Revenue / Deferred Event Revenue**

Deferred revenues represent monies received which are designated for programs, services or events of a subsequent period. These amounts have been excluded from revenues for current periods, and will be recognized as revenue in the period(s) the corresponding expenditures are incurred.

**Contributed Materials, Services and Volunteer Time (Inkind Donations & Expenditures)**

The Association records contributed services and materials as revenue and expenditures when their fair value can be reasonably estimated and when the materials and services are used in the normal course of the Association's operations and would otherwise have been purchased. This policy is intended to ensure the amounts of the various expenditures recorded on the financial statements reasonably reflect the cash requirements of the Association without those contributions (refer to the Schedule of Cash and Inkind Expenditures).

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2013

3. **FINANCIAL INSTRUMENTS**

Financial instruments (cash and bank, marketable securities, accounts receivable, GST/HST recoverable, grants and awards receivable, accounts payable, accrued liabilities and deferred revenues) are recorded at fair value (including transaction costs) on initial recognition. Subsequently investment in equity instruments are recorded at cost less any reduction for impairment, and all other financial assets and financial liabilities at amortized cost.

4. **MARKETABLE SECURITIES**

The marketable securities at December 31, 2013 were all guaranteed investment certificates, recorded at their cost plus accrued interest. Those listed as current assets had maturity dates of one year or less, with interest rates ranging from 0.65% to 1.60% per annum.

Guaranteed investment certificates are subject to interest risk. The value of the investments will generally increase if interest rates fall and decrease if interest rates rise. There is no interest rate risk when the guaranteed investments certificates are held to maturity.

5. **LIFEQUILT FUND**

During 2012 custody of the Canadian LifeQuilt was transferred to the organization. The LifeQuilt is a unique and permanent memorial dedicated to the thousands of young women and men between the ages of 15 and 24, who have been killed and injured on the job. The quilt measures 9 feet by 20 feet and commemorates 100 young workers killed on the job with individual, personalized quilt blocks.

The organization received \$21,115 from Ontario Workplace Safety and Prevention Services during 2012 for the custody, restoration and care of the LifeQuilt, and an internally restricted fund was established for that purpose. The organization will accumulate donation and grant revenue received for the LifeQuilt, and from that make expenditures for the repair, care and display of the quilt.

Revenue and expenditures for the LifeQuilt were included as follows:	<u>2013</u>	<u>2012</u>
Fund Balance - beginning of the year	\$ 20,824	\$ -0-
Revenues - Fundraising	-0-	21,115
Expenditures - Purchased Support Services	<u>(8,648)</u>	<u>(291)</u>
Fund Balance - end of the year	\$ <u>12,176</u>	\$ <u>20,824</u>

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2013

6. **PROFESSIONAL FEES**

The organization's professional fees have included significant cash and in-kind costs in recent years in connection with a number of different initiatives. These included services for copyright and trademark registrations, charitable registration for the province of Quebec, and creation of generic indemnity forms. The copyright and trademark registrations which began in 2011 related to the organization's logos, publications and events, and that process was completed in 2013. Management has determined that there is no reasonable basis or method to determining with certainty the future economic benefits attributable to the copyrights and trademarks which may flow to the organization. The decision was therefore made that current and future cash and in-kind costs related to acquiring and maintaining copyrights and trademarks will be reported as professional fees on the Statement of Revenues and Expenditures in the year incurred.

7. **GRANT AND AWARD REVENUES**

Revenues are usually recognized in the year received (including donations and fundraising). Grant and award revenues are recognized as income in the fiscal year which the expenses for which the grant and award is designated will be incurred. Grants and Awards Receivable are a result of approved expenditures being made before the grant is actually received. Deferred Grant and Award Revenue results when grant and award monies received in the current year will not be spent until a future year.

<b><u>GRANT REVENUES</u></b>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Victims of Crime - AG/MOL	\$	\$	\$ 30,000
Trillium Foundation			90,585
WSIB - Ontario		235,800	235,800
OHS Educational Trust Fund - Nova Scotia		4,066	19,580
WCB - Nova Scotia	25,000		25,000
CSST	25,000		22,636
Ministry of Labour - Ontario	235,800		
WCB - Saskatchewan	26,178		
Family Services & Labour - Manitoba	<u>10,000</u>		
	<u>\$ 321,978</u>	<u>\$ 239,866</u>	<u>\$ 423,601</u>

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2013

7. **GRANT AND AWARD REVENUES (CONTINUED)**

<b><u>AWARD REVENUES</u></b>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Alberta Creative Sentencing	\$	\$ 45,000	\$
Newfoundland Creative Sentencing	20,000		20,000
Nova Scotia Creative Sentencing	5,000		5,000
Labour Canada Creative Sentencing		<u>15,000</u>	<u>      </u>
	<u>\$ 25,000</u>	<u>\$ 60,000</u>	<u>\$ 25,000</u>