

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
(Operating as Threads of Life)
Financial Statements
Year Ended December 31, 2015

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
(Operating as Threads of Life)
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Year Ended December 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Members of Association For Workplace Tragedy Family Support (Operating as Threads of Life)

We have audited the accompanying financial statements of Association For Workplace Tragedy Family Support, (Operating as Threads of Life), which comprise the statement of financial position as at December 31, 2015 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, 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

Our 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.

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

Basis for Qualified Opinion

In common with many not-for-profit organizations, Association For Workplace Tragedy Family Support, (Operating as Threads of Life) derives revenue from donations, fundraising, bequests and in-kind donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Association For Workplace Tragedy Family Support, (Operating as Threads of Life). Therefore, we were not able to determine whether any adjustments might be necessary to donations, fundraising, bequests and in-kind donation revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2015, current assets and net assets as at January 1, 2015 and December 31, 2015.

James B. MacNeill CPA, CA Jeremy A. Giles CPA, CA Lissa Savage CPA, CA
Robert F. Edmundson CPA, CA (Retired)

INDEPENDENT AUDITOR'S REPORT (continued)

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Association For Workplace Tragedy Family Support, (Operating as Threads of Life) as at December 31, 2015 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.

Other Matter

The financial statements for the year ended December 31, 2014 were audited by another accounting firm and are presented for comparative purposes only.

London, Ontario
June 13, 2016

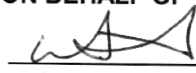

MacNeill Edmundson
PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practise public accounting by
the Chartered Professional Accountants of Ontario

James B. MacNeill CPA, CA Jeremy A. Giles CPA, CA Lissa Savage CPA, CA
Robert F. Edmundson CPA, CA (Retired)

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
(Operating as Threads of Life)
Statement of Financial Position
December 31, 2015

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 221,555	\$ 115,341
Term deposits <i>(Note 3)</i>	760,000	820,000
Accounts receivable	164,462	65,514
Grants receivable	-	23,580
Interest receivable	419	1,009
Harmonized sales tax recoverable	29,549	34,974
Prepaid expenses	5,644	13,024
	\$ 1,181,629	\$ 1,073,442
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 51,928	\$ 49,637
Deferred grants <i>(Note 4)</i>	50,000	-
Deferred event revenue	39,750	70,500
	141,678	120,137
NET ASSETS		
Operating reserve	1,045,334	947,450
LifeQuilt Fund <i>(Note 5)</i>	(5,383)	5,855
	1,039,951	953,305
	\$ 1,181,629	\$ 1,073,442

ON BEHALF OF THE BOARD

 Director
 Director

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
(Operating as Threads of Life)

Statement of Changes in Net Assets

Year Ended December 31, 2015

	Operating Reserve	LifeQuilt Fund	2015	2014
NET ASSETS - BEGINNING OF YEAR	\$ 947,450	\$ 5,855	\$ 953,305	\$ 811,970
Excess of revenues over expenditures	86,646	-	86,646	141,335
Transfer of LifeQuilt activity <i>(Note 5)</i>	11,238	(11,238)	-	-
NET ASSETS - END OF YEAR	\$ 1,045,334	\$ (5,383)	\$ 1,039,951	\$ 953,305

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
(Operating as Threads of Life)

Statement of Revenues and Expenditures

Year Ended December 31, 2015

	2015	2014
REVENUES		
Fundraising	\$ 1,101,701	\$ 1,127,356
Grants <i>(Note 4)</i>	316,450	346,022
In-kind <i>(Note 7)</i>	365,585	322,369
Interest	10,038	7,358
	1,793,774	1,803,105
EXPENDITURES <i>(note 7)</i>		
Salaries, wages and benefits	853,047	765,547
Events <i>(Note 6)</i>	453,919	453,538
Volunteer training and programs	119,588	166,196
Rental	63,531	57,035
Meeting and travel expenses	39,803	28,098
Publicity and promotion	34,202	46,452
Office	34,089	48,140
Purchased support services	33,410	30,597
Professional fees	30,773	21,190
Publications and printing	19,987	16,611
Communications	19,113	18,529
Insurance	5,666	9,837
	1,707,128	1,661,770
EXCESS OF REVENUES OVER EXPENDITURES	\$ 86,646	\$ 141,335

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
(Operating as Threads of Life)
Statement of Cash Flows
Year Ended December 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Excess of revenues over expenditures	<u>\$ 86,646</u>	<u>\$ 141,335</u>
Changes in non-cash working capital:		
Accounts receivable	(98,948)	10,135
Interest receivable	590	4,036
Accounts payable	2,290	(189)
Deferred event revenue	(30,750)	63,000
Prepaid expenses	7,381	5,687
GST payable (receivable)	5,425	(8,536)
Grants receivable	23,580	-
Deferred grants	50,000	-
Deferred income	-	(15,222)
	<u>(40,432)</u>	<u>58,911</u>
Cash flow from operating activities	<u>46,214</u>	<u>200,246</u>
INVESTING ACTIVITY		
Term deposits	<u>60,000</u>	<u>(235,000)</u>
INCREASE (DECREASE) IN CASH FLOW	106,214	(34,754)
Cash - beginning of year	<u>115,341</u>	<u>150,095</u>
CASH - END OF YEAR	<u>\$ 221,555</u>	<u>\$ 115,341</u>

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
(Operating as Threads of Life)
Notes to Financial Statements
Year Ended December 31, 2015

DESCRIPTION OF ASSOCIATION

The association was incorporated under the Ontario Business Corporations Act on May 29, 2003 as a "Corporation Without Share Capital". The association's purpose is 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 was registered as a charitable organization under the *Income Tax Act* on March 21, 2007.

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.

1. ACCOUNTING POLICIES

Basis of presentation

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

Revenue recognition

Association For Workplace Tragedy Family Support follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Grant receivables

The grant 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 are recorded at their fair value at the date of contribution.

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ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
(Operating as Threads of Life)
Notes to Financial Statements
Year Ended December 31, 2015

1. ACCOUNTING POLICIES *(continued)*

Intangible assets

The association's professional fees have included significant cash and in-kind costs in pursuit of various copyright and trademark registrations and creation of indemnity forms. Management has determined that there is no reasonable basis or method to determining with certainty the future economic benefits attributable to the association related to these that may flow to the association. Therefore, current and future expenses 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.

Contributed material and services

The association records contributed material and services 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.

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.

2. FINANCIAL INSTRUMENTS

The association 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 association's risk exposure and concentration as of December 31, 2015.

Liquidity risk

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

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 association manages exposure through its normal operating and financing activities. The association is exposed to interest rate risk primarily through its short term investments.

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
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Year Ended December 31, 2015

3. TERM DEPOSITS

The term deposits held at the end of the year were all guaranteed investment certificates, recorded at cost. All term deposits had maturity dates of one year or less, with interest rates ranging from 0.10% to 0.75%.

4. GRANT REVENUES

Revenues are usually recognized in the year received (including donations and fundraising). Grant revenues are recognized as income in the fiscal year which the expenses for which the grant is designated will be incurred.

	2015	2014
Ministry of Labour - Ontario	\$ 296,450	\$ 235,800
WCB - Saskatchewan	25,000	25,222
Department of Labour and Advanced Education - Nova Scotia	25,000	-
WorkSafe - New Brunswick	20,000	20,000
WCB - Nova Scotia	-	30,000
CSST	-	25,000
Family Services and Labour - Manitoba	-	10,000
Subtotal	366,450	346,022
Deferred grant - Ministry of Labour	(50,000)	-
	\$ 316,450	\$ 346,022

The Ontario Ministry of Labour grant now runs from April to March. As a result \$50,000 of the amount received in the current year has been deferred. In addition to the \$296,450 received from the Ontario Ministry of Labour in fiscal 2015, \$12,500 is expected to be received in April 2016.

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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.

An internally restricted fund was established for the custody, restoration, and care of the LifeQuilt. The organization accumulates donation and grant revenue received for the LifeQuilt and from that, make expenditures for the repair, care, and display of the quilt.

Revenues and expenditures for the LifeQuilt were included as follows:

	<u>2015</u>	<u>2014</u>
Donations received	\$ 5,200	\$ 375
In-kind revenue	1,830	-
Repairs and maintenance	(8,450)	(4,852)
Salaries and wages	<u>(9,818)</u>	<u>(1,844)</u>
Net Fund Activity	(11,238)	(6,321)
LifeQuilt - Beginning Balance	<u>5,855</u>	<u>12,176</u>
LifeQuilt - Ending Balance	<u>\$ (5,383)</u>	<u>\$ 5,855</u>

6. EVENTS

	<u>2015</u>	<u>2014</u>
Steps for life	\$ 295,355	\$ 273,620
Family forums	140,407	150,690
Other	<u>18,157</u>	<u>29,228</u>
	<u>\$ 453,919</u>	<u>\$ 453,538</u>

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7. SCHEDULE FOR CASH AND IN-KIND EXPENDITURES

	Cash	In-kind	Total
<u>Year Ended December 31, 2015</u>			
Salaries and wages	\$ 853,047	\$ -	\$ 853,047
Events	221,911	232,008	453,919
Volunteer training and programs	65,852	53,736	119,588
Rental	19,281	44,250	63,531
Meeting and travel expenses	39,803	-	39,803
Publicity and promotion	22,595	11,607	34,202
Office	34,089	-	34,089
Purchased support services	31,580	1,830	33,410
Professional fees	8,619	22,154	30,773
Publications and printing	19,987	-	19,987
Communications	19,113	-	19,113
Insurance	5,666	-	5,666
	<u>\$ 1,341,543</u>	<u>\$ 365,585</u>	<u>\$ 1,707,128</u>
<u>Year Ended December 31, 2014</u>			
Salaries and wages	\$ 765,247	\$ 300	\$ 765,547
Events	275,174	178,364	453,538
Volunteer training and programs	93,117	73,079	166,196
Rental	17,252	39,783	57,035
Meeting and travel expenses	28,098	-	28,098
Publicity and promotion	28,775	17,677	46,452
Office	48,140	-	48,140
Purchased support services	30,597	-	30,597
Professional fees	8,024	13,166	21,190
Publications and printing	16,611	-	16,611
Communications	18,529	-	18,529
Insurance	9,837	-	9,837
	<u>\$ 1,339,401</u>	<u>\$ 322,369</u>	<u>\$ 1,661,770</u>

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
(Operating as Threads of Life)
Notes to Financial Statements
Year Ended December 31, 2015

8. CONTRACTUAL OBLIGATIONS

The association has contractual obligations for various expenses including accommodations and a building lease. At the end of the year, the following payments on these obligations were still outstanding:

Contractual obligation repayment schedule:

2016	\$ 19,257
2017	18,107
2018	<u>18,107</u>
	<u>\$ 55,471</u>
