

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT

Operating As
THREADS OF LIFE

Financial Statements

As At December 31, 2012

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT

Operating As
THREADS OF LIFE

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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, 2012, 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.

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INDEPENDENT AUDITOR'S REPORT - continued

Basis for Qualified Opinion

In common with many charitable organizations, the organization derives revenues in the form of donations, fundraising, bequests and inkind donations from the general public, which are not susceptible to complete 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, 2012.

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, 2012 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



June 7, 2013
London, Ontario

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

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012
WITH 2011 AND 2010 COMPARATIVES

	<u>ASSETS</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>CURRENT ASSETS</u>			
Cash and Bank (Note 2)	\$ 39,983	\$ 138,501	\$ 136,806
Marketable Securities (Notes 2 & 4)	533,100	485,890	240,652
Accounts Receivable (Note 2)	41,889	29,496	14,782
GST/HST Recoverable (Note 2)	23,919	26,494	10,299
Grants and Awards Receivable (Notes 2 & 8)	35,370	35,368	58,950
Deposits and Prepaid Expenses	<u>9,789</u>	<u>4,808</u>	<u>5,703</u>
	<u>684,050</u>	<u>720,557</u>	<u>467,192</u>
<u>CAPITAL ASSETS</u> (Notes 2 & 5)	<u>-0-</u>	<u>-0-</u>	<u>75</u>
<u>LONG TERM ASSETS</u>			
Marketable Securities (Notes 2 & 4)	<u>-0-</u>	<u>-0-</u>	<u>200,559</u>
<u>TOTAL ASSETS</u>	<u>\$ 684,050</u>	<u>\$ 720,557</u>	<u>\$ 667,826</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>CURRENT LIABILITIES</u>			
Accounts Payable & Accrued Liabilities	\$ 38,895	\$ 34,604	\$ 24,328
Deferred Grant and Award Revenue (Notes 2 & 8)	-0-	4,066	72,167
Deferred Event Revenue (Note 2)	<u>-0-</u>	<u>33,500</u>	<u>44,500</u>
	<u>38,895</u>	<u>72,170</u>	<u>140,995</u>
<u>FUND BALANCES</u>			
Capital Assets	-0-	-0-	75
LifeQuilt (Note 6)	20,824	-0-	-0-
Unrestricted Operating Reserves	<u>624,331</u>	<u>648,387</u>	<u>526,756</u>
	<u>645,155</u>	<u>648,387</u>	<u>526,831</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 684,050</u>	<u>\$ 720,557</u>	<u>\$ 667,826</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, 2012
WITH 2011 AND 2010 COMPARATIVES

	LifeQuilt <u>(Note 6)</u>	Unrestricted Operating Reserves	<u>2012</u>	<u>2011</u>	<u>2010</u>
Balances - Beginning of the Year	\$ -0-	\$ 648,387	\$ 648,387	\$ 526,831	\$ 401,260
Excess Revenues (Expenditures)	-0-	(3,232)	(3,232)	121,556	125,571
Transfers	<u>20,824</u>	<u>(20,824)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Balances - End of the Year	\$ <u>20,824</u>	\$ <u>624,331</u>	\$ <u>645,155</u>	\$ <u>648,387</u>	\$ <u>526,831</u>

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2012
WITH 2011 AND 2010 COMPARATIVES

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>REVENUES</u>			
Grants (Notes 2 & 8)	\$ 239,866	\$ 423,601	\$ 354,583
Creative Sentencing Awards (Notes 2 & 8)	60,000	25,000	40,000
Fundraising (Note 6)	702,896	567,381	397,277
Inkind Donations (Note 2)	214,819	229,959	234,038
Interest & Miscellaneous Income	<u>7,233</u>	<u>7,322</u>	<u>5,537</u>
<u>TOTAL REVENUES</u>	<u>1,224,814</u>	<u>1,253,263</u>	<u>1,031,435</u>
<u>EXPENDITURES</u>			
Salaries & Benefits	613,866	488,367	390,260
Purchased Support Services (Note 6)	23,765	15,934	2,805
Events - Family Forums	114,447	85,813	75,658
- Steps for Life	174,096	201,225	179,907
- Other	19,866	28,838	27,770
Publications & Printing	43,780	67,874	66,246
Publicity & Promotions	24,775	39,378	20,015
Volunteer Training & Programs	90,634	81,617	58,074
General & Office	18,567	17,015	15,361
Rent - Office & Storage	40,606	32,092	24,162
Communications	14,903	11,717	11,500
Meeting & Travel Expenses	31,595	27,909	18,784
Professional Fees (Note 7)	8,844	25,462	5,796
Board & Liability Insurance	8,302	8,391	9,376
Amortization (Notes 2 & 5)	<u>-0-</u>	<u>75</u>	<u>150</u>
<u>TOTAL EXPENDITURES</u>	<u>1,228,046</u>	<u>1,131,707</u>	<u>905,864</u>
<u>EXCESS REVENUES (EXPENDITURES)</u>	<u>\$ (3,232)</u>	<u>\$ 121,556</u>	<u>\$ 125,571</u>

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012
WITH 2011 AND 2010 COMPARATIVES

<u>CASH PROVIDED BY (USED IN):</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Operating activities:			
Excess revenue (expenditures)	\$ (3,232)	\$ 121,556	\$ 125,571
Amortization of capital assets which does not involve cash	-0-	75	150
Changes in non-cash operating working capital:			
Accounts Receivable	(12,393)	(14,714)	(1,685)
GST Recoverable	2,575	(16,195)	(5,141)
Grants and Awards Receivable	(2)	23,582	6,550
Deposits and Prepaid Expenses	(4,981)	895	5,531
Accounts Payable & Accrued Liabilities	4,291	10,276	2,243
Deferred Grant Revenue	(4,066)	(68,101)	11,417
Deferred Event Revenue	<u>(33,500)</u>	<u>(11,000)</u>	<u>42,500</u>
	<u>(51,308)</u>	<u>46,374</u>	<u>187,136</u>
Investment activities:			
Net Change in Short Term investments	(47,210)	(245,238)	4,578
Net Change in Long Term investments	-0-	<u>200,559</u>	<u>(100,271)</u>
	<u>(47,210)</u>	<u>(44,679)</u>	<u>(95,693)</u>
Increase (Decrease) in Cash and Bank	(98,518)	1,695	91,443
<u>CASH AND BANK</u> - Beginning of the Year	<u>138,501</u>	<u>136,806</u>	<u>45,363</u>
<u>CASH AND BANK</u> - End of the Year	\$ <u><u>39,983</u></u>	\$ <u><u>138,501</u></u>	\$ <u><u>136,806</u></u>

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
SCHEDULE OF CASH AND INKIND EXPENDITURES (Note 2)
FOR THE YEAR ENDED DECEMBER 31, 2012
WITH 2011 COMPARATIVES

<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 7)	6,844	2,000	8,844
Board & Liability Insurance	8,302	-0-	8,302
Amortization (Notes 2 & 5)	-0-	-0-	-0-
<u>TOTAL EXPENDITURES</u>	<u>\$ 1,013,227</u>	<u>\$ 214,819</u>	<u>\$ 1,228,046</u>

<u>EXPENDITURES</u>	<u>For The Year Ended December 31, 2011</u>		
	<u>Cash</u>	<u>Inkind</u>	<u>Total</u>
Salaries & Benefits	\$ 488,367	\$ -0-	\$ 488,367
Purchased Support Services	15,934	-0-	15,934
Events - Family Forums	82,227	3,586	85,813
- Steps for Life	84,313	116,912	201,225
- Other	21,998	6,840	28,838
Publications & Printing	39,274	28,600	67,874
Publicity & Promotions	36,619	2,759	39,378
Volunteer Training & Programs	59,141	22,476	81,617
General & Office	17,015	-0-	17,015
Rent - Office & Storage	128	31,964	32,092
Communications	11,717	-0-	11,717
Meeting & Travel Expenses	27,909	-0-	27,909
Professional Fees (Note 7)	8,640	16,822	25,462
Board & Liability Insurance	8,391	-0-	8,391
Amortization (Notes 2 & 5)	75	-0-	75
<u>TOTAL EXPENDITURES</u>	<u>\$ 901,748</u>	<u>\$ 229,959</u>	<u>\$ 1,131,707</u>

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012

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, 2012

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 reasonable 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. Contributed capital assets are to be recorded at their fair value at the date of contribution. Repairs and maintenance costs are charged to expense as incurred. Betterments which extend the estimated useful life of an asset will be capitalized. When an asset no longer contributes to the Association's ability to provide services, its carrying amount will be written down to its residual value.

A capitalization threshold of \$1,000 is used by the Association. Amortization is provided at rates sufficient to amortize the cost of equipment over the estimated useful lives of the assets, as follows:

Furniture & Office Equipment	25% Straight-Line
Computer Equipment	25% Straight-Line

Amortization for one-half of the year is provided on assets acquired during the year (refer to Note 5).

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.

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012

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

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).

3. **FINANCIAL INSTRUMENTS**

Cash and bank, and marketable securities are classified as held-for-trading and are measured at fair market value. Accounts receivable, GST recoverable and grants receivable are classified as loans and receivables, which are measured at cost. Accounts payable & accrued liabilities and deferred revenue are classified as other financial liabilities, which are measured at amortized cost.

4. **MARKETABLE SECURITIES**

The marketable securities at December 31, 2012 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 1.80% per annum. At December 31, 2010 there were some with maturity dates of greater than one year, and they were reported as long term assets.

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. **CAPITAL ASSETS**

A capitalization threshold of \$1,000 per individual asset is used by the Association, and as a result there have been no additions to capital assets since 2007. The cost of any office equipment that was acquired from 2008 to 2012 was less than the threshold and therefore included as a General & Office expense for that year.

Amortization is recorded on a straight-line basis over the estimated useful life of the assets, but for only one-half of that rate in the year acquired.

	<u>RATE</u>	<u>COST</u>	<u>ACCUM DEPREC</u>	<u>2012 NBV</u>	<u>2011 NBV</u>	<u>2010 NBV</u>
Furniture & Office Equipment	25%	\$ 2,087	\$ 2,087	\$ -0-	\$ -0-	\$ 75
Computer Equipment	25%	<u>14,944</u>	<u>14,944</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
		<u>\$ 17,031</u>	<u>\$ 17,031</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 75</u>

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012

6. **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 for the custody, restoration and care of the LifeQuilt, and an internally restricted fund has been 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.

During 2012, revenue and expenditures for the LifeQuilt were included as follows:

Revenues - Fundraising	\$ 21,115
Expenditures - Purchased Support Services	<u>291</u>
Surplus Revenues (Expenditures)	\$ <u>20,824</u>

7. **PROFESSIONAL FEES**

For 2011 the organization's professional fees included significant cash and in-kind services 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 is expected to continue over the next few years. 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 inkind costs related to acquiring copyrights and trademarks will be reported as professional fees on the Statement of Revenues and Expenditures in the year incurred

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012

8. **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.

<u>GRANT REVENUES</u>	<u>Revenue Recognition</u>					<u>Total</u>
	<u>2009 & Prior</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Deferred to 2013</u>	
WSIB - Ontario (2004 - 2005)	\$ 122,480	\$	\$	\$	\$	\$ 122,480
HRDC	77,250					77,250
WSIB - Ontario (2005 - 2008)	748,782					748,782
Victims of Crime - AG/MOL	100,000		30,000			130,000
Trillium Foundation	169,750	75,065	90,585			335,400
WSIB - Ontario (2009 - 2011)	262,000	235,800	235,800	235,800		969,400
Victims of Crime	149,970					149,970
Nova Scotia OHS Educational Trust Fund	25,000	16,354	19,580	4,066		65,000
WCB - Nova Scotia	45,000	25,000	25,000			95,000
CSST		2,364	22,636			25,000
		<u>354,583</u>	<u>423,601</u>	<u>239,866</u>	<u>-0-</u>	

<u>AWARD REVENUES</u>	<u>Revenue Recognition</u>					<u>Total</u>
	<u>2009 & Prior</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Deferred to 2013</u>	
Alberta Creative Sentencing	\$ 95,000	\$ 40,000	\$	\$ 45,000	\$	\$ 180,000
Newfoundland Creative Sentencing			20,000			20,000
Nova Scotia Creative Sentencing			5,000			5,000
Labour Canada Creative Sentencing				15,000		15,000
		<u>40,000</u>	<u>25,000</u>	<u>60,000</u>	<u>-0-</u>	