

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT

Operating As
THREADS OF LIFE

Financial Statements

As At December 31, 2014

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

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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, 2014, 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 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, 2014.

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, 2014 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 5, 2015
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, 2014
WITH 2012 AND 2013 COMPARATIVES

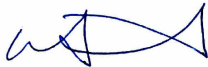
	<u>ASSETS</u>		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>CURRENT ASSETS</u>			
Cash and Bank (Note 2)	\$ 115,341	\$ 150,095	\$ 39,983
Marketable Securities (Notes 2 & 4)	821,009	590,045	533,100
Accounts Receivable (Note 2)	65,514	75,649	41,889
GST/HST Recoverable (Note 2)	34,974	26,438	23,919
Grants and Awards Receivable (Notes 2 & 7)	23,580	23,580	35,370
Deposits and Prepaid Expenses	<u>13,024</u>	<u>18,711</u>	<u>9,789</u>
	<u>1,073,442</u>	<u>884,518</u>	<u>684,050</u>
 <u>TOTAL ASSETS</u>	 <u>\$ 1,073,442</u>	 <u>\$ 884,518</u>	 <u>\$ 684,050</u>

LIABILITIES AND FUND BALANCES

<u>CURRENT LIABILITIES</u>			
Accounts Payable & Accrued Liabilities	\$ 49,637	\$ 49,825	\$ 38,895
Deferred Grant and Award Revenue (Notes 2 & 7)	-0-	15,222	-0-
Deferred Event Revenue (Note 2)	<u>70,500</u>	<u>7,500</u>	<u>-0-</u>
	<u>120,137</u>	<u>72,547</u>	<u>38,895</u>
 <u>FUND BALANCES</u>			
LifeQuilt Fund (Note 5)	5,855	12,176	20,824
Unrestricted Operating Reserves	<u>947,450</u>	<u>799,795</u>	<u>624,331</u>
	<u>953,305</u>	<u>811,971</u>	<u>645,155</u>
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>	 <u>\$ 1,073,442</u>	 <u>\$ 884,518</u>	 <u>\$ 684,050</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, 2014
WITH 2012 AND 2013 COMPARATIVES

	LifeQuilt Fund (Note 5)	Unrestricted Operating Reserves	<u>2014</u>	<u>2013</u>	<u>2012</u>
Balances - Beginning of the Year	\$ 12,176	\$ 799,795	\$ 811,971	\$ 645,155	\$ 648,387
Excess Revenues (Expenditures)	-0-	141,334	141,334	166,816	(3,232)
Transfers (Note 5)	<u>(6,321)</u>	<u>6,321</u>	_____	_____	_____
Balances - End of the Year	\$ <u>5,855</u>	\$ <u>947,450</u>	\$ <u>953,305</u>	\$ <u>811,971</u>	\$ <u>645,155</u>

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014
WITH 2012 AND 2013 COMPARATIVES

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>REVENUES</u>			
Grants (Notes 2 & 7)	\$ 346,022	\$ 321,978	\$ 239,866
Creative Sentencing Awards (Notes 2 & 7)	-0-	25,000	60,000
Fundraising	1,127,356	970,461	702,896
Inkind Donations (Note 2)	322,369	332,468	214,819
Interest & Miscellaneous Income	<u>7,358</u>	<u>8,760</u>	<u>7,233</u>
<u>TOTAL REVENUES</u>	<u>1,803,105</u>	<u>1,658,667</u>	<u>1,224,814</u>
<u>EXPENDITURES</u>			
Salaries & Benefits	765,548	698,317	613,866
Purchased Support Services	30,597	28,021	23,765
Events - Family Forums	150,691	121,849	114,447
- Steps for Life	273,620	285,980	174,096
- Other	29,228	25,646	19,866
Publications & Printing	16,611	14,391	43,780
Publicity & Promotions	46,452	43,035	24,775
Volunteer Training & Programs	166,196	108,232	90,634
General & Office	48,139	32,154	18,567
Rent - Office & Storage	57,035	42,384	40,606
Communications	18,529	18,090	14,903
Meeting & Travel Expenses	28,098	27,258	31,595
Professional Fees (Note 6)	21,190	37,118	8,844
Board & Liability Insurance	<u>9,837</u>	<u>9,376</u>	<u>8,302</u>
<u>TOTAL EXPENDITURES</u>	<u>1,661,771</u>	<u>1,491,851</u>	<u>1,228,046</u>
<u>EXCESS REVENUES (EXPENDITURES)</u>	<u>\$ 141,334</u>	<u>\$ 166,816</u>	<u>\$ (3,232)</u>

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014
WITH 2012 AND 2013 COMPARATIVES

<u>CASH PROVIDED BY (USED IN):</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Operating activities:			
Excess revenue (expenditures)	\$ 141,334	\$ 166,816	\$ (3,232)
Changes in non-cash operating working capital:			
Accounts Receivable	10,135	(33,760)	(12,393)
GST Recoverable	(8,536)	(2,519)	2,575
Grants and Awards Receivable	-0-	11,790	(2)
Deposits and Prepaid Expenses	5,687	(8,922)	(4,981)
Accounts Payable & Accrued Liabilities	(188)	10,930	4,291
Deferred Grant Revenue	(15,222)	15,222	(4,066)
Deferred Event Revenue	<u>63,000</u>	<u>7,500</u>	<u>(33,500)</u>
	<u>196,210</u>	<u>167,057</u>	<u>(51,308)</u>
Investment activities:			
Net Change in Short Term investments	(230,964)	(56,945)	(47,210)
Increase (Decrease) in Cash and Bank	(34,754)	110,112	(98,518)
<u>CASH AND BANK</u> - Beginning of the Year	<u>150,095</u>	<u>39,983</u>	<u>138,501</u>
<u>CASH AND BANK</u> - End of the Year	\$ <u>115,341</u>	\$ <u>150,095</u>	\$ <u>39,983</u>

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
SCHEDULE OF CASH AND INKIND EXPENDITURES (Note 2)
FOR THE YEAR ENDED DECEMBER 31, 2014
WITH 2013 COMPARATIVES

<u>EXPENDITURES</u>	<u>For The Year Ended December 31, 2014</u>		
	<u>Cash</u>	<u>Inkind</u>	<u>Total</u>
Salaries & Benefits	\$ 765,248	\$ 300	\$ 765,548
Purchased Support Services	30,597	-0-	30,597
Events - Family Forums	144,471	6,220	150,691
- Steps for Life	101,476	172,144	273,620
- Other	29,228	-0-	29,228
Publications & Printing	16,611	-0-	16,611
Publicity & Promotions	28,775	17,677	46,452
Volunteer Training & Programs	93,117	73,079	166,196
General & Office	48,139	-0-	48,139
Rent - Office & Storage	17,252	39,783	57,035
Communications	18,529	-0-	18,529
Meeting & Travel Expenses	28,098	-0-	28,098
Professional Fees (Note 6)	8,024	13,166	21,190
Board & Liability Insurance	9,837	-0-	9,837
<u>TOTAL EXPENDITURES</u>	<u>\$ 1,339,402</u>	<u>\$ 322,369</u>	<u>\$ 1,661,771</u>

<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>

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014

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, 2014

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 2014 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, 2014

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, 2014 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 0.20% to 1.30% 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>2014</u>	<u>2013</u>	<u>2012</u>
Fund Balance - beginning of the year	\$ <u>12,176</u>	\$ <u>20,824</u>	\$ <u>-0-</u>
Current Year Activity:			
Revenues - Fundraising	375	-0-	21,115
Expenditures - Salaries & Benefits	(1,844)	-0-	-0-
Expenditures - Purchased Support Services	<u>(4,852)</u>	<u>(8,648)</u>	<u>(291)</u>
Net Fund Activity	<u>(6,321)</u>	<u>(8,648)</u>	<u>20,824</u>
Fund Balance - end of the year	\$ <u>5,855</u>	\$ <u>12,176</u>	\$ <u>20,824</u>

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014

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.

<u>GRANT REVENUES</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
WSIB - Ontario	\$	\$	\$ 235,800
OHS Educational Trust Fund - Nova Scotia			4,066
WCB - Nova Scotia	30,000	25,000	
CSST	25,000	25,000	
Ministry of Labour - Ontario	235,800	235,800	
WCB - Saskatchewan	25,222	26,178	
Family Services & Labour - Manitoba	10,000	10,000	
WorkSafe - New Brunswick	<u>20,000</u>	<u> </u>	<u> </u>
	<u>\$ 346,022</u>	<u>\$ 321,978</u>	<u>\$ 239,866</u>

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014

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

<u>AWARD REVENUES</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Alberta Creative Sentencing	\$	\$	\$ 45,000
Newfoundland Creative Sentencing		20,000	
Nova Scotia Creative Sentencing		5,000	
Labour Canada Creative Sentencing	<u> </u>	<u> </u>	<u>15,000</u>
	\$ <u>-0-</u>	\$ <u>25,000</u>	\$ <u>60,000</u>