

**ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT**  
*(Operating as Threads of Life)*  
**Financial Statements**  
**Year Ended December 31, 2016**

**ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT**  
*(Operating as Threads of Life)*  
**Index to Financial Statements**  
**Year Ended December 31, 2016**

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**INDEPENDENT AUDITOR'S REPORT**

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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, 2016 and the statements of revenues and expenditures, changes in net assets and cash flow 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, 2016, current assets and net assets as at January 1, 2016 and December 31, 2016.

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

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INDEPENDENT AUDITOR'S REPORT (continued)

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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, 2016 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

London, Ontario  
June 16, 2017

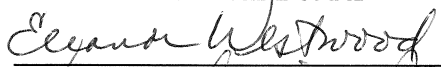
*MacNeill Edmundson*  
PROFESSIONAL CORPORATION  
CHARTERED PROFESSIONAL ACCOUNTANTS  
Authorized to practise public accounting by  
the Chartered Professional Accountants of Ontario

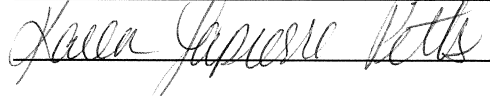
*James B. MacNeill CPA, CA    Jeremy A. Giles CPA, CA    Lissa Savage CPA, CA*  
*Robert F. Edmundson CPA, CA (Retired)*

**ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT**  
*(Operating as Threads of Life)*  
**Statement of Financial Position**  
**December 31, 2016**

|                                   | 2016                | 2015                |
|-----------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                     |                     |                     |
| <b>CURRENT</b>                    |                     |                     |
| Cash                              | \$ 246,456          | \$ 221,555          |
| Term deposits (Note 3)            | 800,000             | 760,000             |
| Accounts receivable               | 80,897              | 164,462             |
| Interest receivable               | 3,458               | 419                 |
| Harmonized sales tax recoverable  | 13,455              | 29,549              |
| Prepaid expenses                  | 7,746               | 5,644               |
|                                   | <u>\$ 1,152,012</u> | <u>\$ 1,181,629</u> |
| <b>LIABILITIES AND NET ASSETS</b> |                     |                     |
| <b>CURRENT</b>                    |                     |                     |
| Accounts payable                  | \$ 68,187           | \$ 51,928           |
| Deferred grants (Note 4)          | -                   | 50,000              |
| Deferred event revenue            | 88,000              | 39,750              |
|                                   | <u>156,187</u>      | <u>141,678</u>      |
| <b>NET ASSETS</b>                 |                     |                     |
| Operating reserve                 | 995,825             | 1,045,334           |
| LifeQuilt Fund (Note 5)           | -                   | (5,383)             |
|                                   | <u>995,825</u>      | <u>1,039,951</u>    |
|                                   | <u>\$ 1,152,012</u> | <u>\$ 1,181,629</u> |

**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, 2016**

|   | Operating<br>Reserve | LifeQuilt<br>Fund | <b>2016</b>         | 2015                |
|---|----------------------|-------------------|---------------------|---------------------|
| <b>NET ASSETS - BEGINNING OF YEAR</b>                   | \$ 1,045,334         | \$ (5,383)        | <b>\$ 1,039,951</b> | \$ 953,305          |
| Deficiency of revenues over expenditures                | (44,126)             | -                 | <b>(44,126)</b>     | 86,646              |
| Transfer to close the LifeQuilt<br>Fund <i>(Note 5)</i> | (5,383)              | 5,383             | -                   | -                   |
| <b>NET ASSETS - END OF YEAR</b>                         | <b>\$ 995,825</b>    | <b>\$ -</b>       | <b>\$ 995,825</b>   | <b>\$ 1,039,951</b> |

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

**Statement of Revenues and Expenditures**

**Year Ended December 31, 2016**

|  | 2016               | 2015             |
|--|--------------------|------------------|
| <b>REVENUES</b>  |                    |                  |
| Fundraising  | \$ 1,052,187       | \$ 1,101,701     |
| In-kind <i>(Note 7)</i>                                  | 365,426            | 365,585          |
| Grants <i>(Note 4)</i>                                   | 341,000            | 316,450          |
| Interest   | 8,424              | 10,038           |
|  | <u>1,767,037</u>   | <u>1,793,774</u> |
| <b>EXPENDITURES <i>(Note 7)</i></b>                      |                    |                  |
| Salaries, wages and benefits                             | 959,983            | 853,047          |
| Events   | 427,534            | 453,919          |
| Volunteer training and programs                          | 136,381            | 119,588          |
| Rental   | 65,702             | 63,531           |
| Publicity and promotion                                  | 61,595             | 34,202           |
| Office   | 41,638             | 34,089           |
| Meeting and travel expenses                              | 40,790             | 39,803           |
| Purchased support services                               | 21,035             | 33,410           |
| Publications and printing                                | 20,173             | 19,987           |
| Communications   | 19,463             | 19,113           |
| Professional fees  | 13,964             | 30,773           |
| Insurance  | 2,905              | 5,666            |
|  | <u>1,811,163</u>   | <u>1,707,128</u> |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b> | <b>\$ (44,126)</b> | <b>\$ 86,646</b> |

**ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT**  
*(Operating as Threads of Life)*  
**Statement of Cash Flow**  
**Year Ended December 31, 2016**

|   | 2016              | 2015              |
|---|-------------------|-------------------|
| <b>OPERATING ACTIVITIES</b>                       |                   |                   |
| Excess (deficiency) of revenues over expenditures | \$ (44,126)       | \$ 86,646         |
| Changes in non-cash working capital:              |                   |                   |
| Accounts receivable                               | 83,565            | (98,948)          |
| Interest receivable                               | (3,039)           | 590               |
| Accounts payable                                  | 16,259            | 2,290             |
| Deferred event revenue                            | 48,250            | (30,750)          |
| Prepaid expenses                                  | (2,102)           | 7,381             |
| Harmonized sales tax payable                      | 16,094            | 5,425             |
| Grants receivable                                 | -                 | 23,580            |
| Deferred grants                                   | (50,000)          | 50,000            |
|   | <u>109,027</u>    | <u>(40,432)</u>   |
| Cash flow from operating activities               | <u>64,901</u>     | <u>46,214</u>     |
| <b>INVESTING ACTIVITY</b>                         |                   |                   |
| Term deposits                                     | <u>(40,000)</u>   | <u>60,000</u>     |
| <b>INCREASE IN CASH FLOW</b>                      | <b>24,901</b>     | <b>106,214</b>    |
| Cash - beginning of year                          | <u>221,555</u>    | <u>115,341</u>    |
| <b>CASH - END OF YEAR</b>                         | <u>\$ 246,456</u> | <u>\$ 221,555</u> |



**ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT**  
**(Operating as Threads of Life)**  
**Notes to Financial Statements**  
**Year Ended December 31, 2016**

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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.

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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.

*(continues)*

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**ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT**  
***(Operating as Threads of Life)***  
**Notes to Financial Statements**  
**Year Ended December 31, 2016**

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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.

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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, 2016.

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.

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**ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT**  
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**Notes to Financial Statements**  
**Year Ended December 31, 2016**

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 0.12% to 0.85%.

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.

|   | <b>2016</b>       | 2015       |
|---|-------------------|------------|
| Ministry of Labour - Ontario                              | <b>\$ 250,000</b> | \$ 296,450 |
| WCB - Saskatchewan  | <b>25,000</b>     | 25,000     |
| Department of Labour and Advanced Education - Nova Scotia | <b>25,000</b>     | 25,000     |
| WorkSafe - New Brunswick                                  | <b>20,000</b>     | 20,000     |
| WorkplaceNL   | <b>21,000</b>     | -          |
|   | <b>341,000</b>    | 366,450    |
| Subtotal  | <b>341,000</b>    | 366,450    |
| Deferred grant - Ministry of Labour                       | -                 | (50,000)   |
|   | <b>\$ 341,000</b> | \$ 316,450 |

The Ontario Ministry of Labour grant runs from April to March. As a result \$nil (2015 - \$50,000) of the amount received in the current year has been deferred. \$62,500 was received with respect to 2015/2016 funding and \$187,500 was received from the Ontario Ministry of Labour with respect to 2016/2017 funding (\$250,000 in total). In addition, \$50,000 is expected to be received in February 2017 and \$12,500 is expected to be received July 2017.

**ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT**  
*(Operating as Threads of Life)*  
**Notes to Financial Statements**  
**Year Ended December 31, 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>2016</u>    | <u>2015</u>       |
|-------------------------------|----------------|-------------------|
| Donations received            | \$ -           | \$ 5,200          |
| In-kind revenue               | -              | 1,830             |
| Repairs and maintenance       | -              | (8,450)           |
| Salaries and wages            | -              | (9,817)           |
| Transfer from operating fund  | <u>5,383</u>   | -                 |
| Net Fund Activity             | <u>5,383</u>   | (11,238)          |
| LifeQuilt - Beginning Balance | <u>(5,383)</u> | 5,855             |
| LifeQuilt - Ending Balance    | <u>\$ -</u>    | <u>\$ (5,383)</u> |

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6. EVENTS

|                | <u>2016</u>       | <u>2015</u>       |
|----------------|-------------------|-------------------|
| Steps for life | \$ 263,159        | \$ 295,355        |
| Family forums  | 141,259           | 140,407           |
| Other          | <u>23,116</u>     | 18,157            |
|                | <u>\$ 427,534</u> | <u>\$ 453,919</u> |

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**ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT**  
**(Operating as Threads of Life)**  
**Notes to Financial Statements**  
**Year Ended December 31, 2016**

7. SCHEDULE FOR CASH AND IN-KIND EXPENDITURES

|                                     | Cash                | In-kind           | 2016                |
|-------------------------------------|---------------------|-------------------|---------------------|
| <u>Year Ended December 31, 2016</u> |                     |                   |                     |
| Salaries and wages                  | \$ 959,983          | \$ -              | \$ 959,983          |
| Events                              | 215,067             | 212,467           | 427,534             |
| Volunteer training and programs     | 72,029              | 64,352            | 136,381             |
| Rental                              | 19,702              | 46,000            | 65,702              |
| Publicity and promotion             | 24,530              | 37,065            | 61,595              |
| Office                              | 41,638              | -                 | 41,638              |
| Meeting and travel expenses         | 40,790              | -                 | 40,790              |
| Purchased support services          | 21,035              | -                 | 21,035              |
| Publications and printing           | 20,173              | -                 | 20,173              |
| Communications                      | 19,463              | -                 | 19,463              |
| Professional fees                   | 8,422               | 5,542             | 13,964              |
| Insurance                           | 2,905               | -                 | 2,905               |
|                                     | <u>\$ 1,445,737</u> | <u>\$ 365,426</u> | <u>\$ 1,811,163</u> |
| <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              |
| Publicity and promotion             | 22,595              | 11,607            | 34,202              |
| Office                              | 34,089              | -                 | 34,089              |
| Meeting and travel expenses         | 39,803              | -                 | 39,803              |
| Purchased support services          | 31,580              | 1,830             | 33,410              |
| Publications and printing           | 19,987              | -                 | 19,987              |
| Communications                      | 19,113              | -                 | 19,113              |
| Professional fees                   | 8,619               | 22,154            | 30,773              |
| Insurance                           | 5,666               | -                 | 5,666               |
|                                     | <u>\$ 1,341,543</u> | <u>\$ 365,585</u> | <u>\$ 1,707,128</u> |

8. CONTRACTUAL OBLIGATIONS

The association has contractual obligations for a building lease as follows.

Contractual obligation repayment schedule:

|      |                  |
|------|------------------|
| 2017 | \$ 18,107        |
| 2018 | 18,107           |
|      | <u>\$ 36,214</u> |