

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
(Operating as Threads of Life)
Financial Statements
Year Ended December 31, 2017

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
(Operating as Threads of Life)
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Year Ended December 31, 2017

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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, 2017 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.

(continues)

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)*

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 fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2017, current assets and net assets as at December 31, 2017.

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, 2017 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
April 11, 2018

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, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 396,062	\$ 246,456
Term deposits <i>(Note 3)</i>	890,126	800,000
Accounts receivable	21,499	80,897
Interest receivable	2,365	3,458
Harmonized sales tax recoverable	12,378	13,455
Prepaid expenses	25,815	7,746
	\$ 1,348,245	\$ 1,152,012
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 49,962	\$ 68,187
Deferred revenue <i>(Note 4)</i>	173,694	88,000
	223,656	156,187
NET ASSETS	1,124,589	995,825
	\$ 1,348,245	\$ 1,152,012

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, 2017

	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 995,825	\$ 1,039,951
EXCESS OF REVENUES OVER EXPENSES	128,764	(44,126)
NET ASSETS - END OF YEAR	\$ 1,124,589	\$ 995,825

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

Statement of Revenues and Expenditures

Year Ended December 31, 2017

	2017	2016
REVENUES		
Fundraising	\$ 1,080,829	\$ 1,048,187
Grants <i>(Note 5)</i>	445,000	345,000
In-kind <i>(Note 7)</i>	423,549	365,426
Interest	6,221	8,424
	<u>1,955,599</u>	<u>1,767,037</u>
EXPENSES <i>(Note 7)</i>		
Salaries, wages and benefits	936,463	959,983
Events <i>(Note 6)</i>	437,587	427,534
Volunteer training and programs	159,880	136,381
Publicity and promotion	67,662	61,595
Rental	63,385	65,702
Office	47,642	41,638
Meeting and travel expenses	40,595	40,790
Purchased support services	22,973	21,035
Communications	20,819	19,463
Publications and printing	17,005	20,173
Professional fees	9,791	13,964
Insurance	3,033	2,905
	<u>1,826,835</u>	<u>1,811,163</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 128,764</u>	<u>\$ (44,126)</u>

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
(Operating as Threads of Life)
Statement of Cash Flow
Year Ended December 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	<u>\$ 128,764</u>	<u>\$ (44,126)</u>
Changes in non-cash working capital:		
Accounts receivable	59,398	83,565
Interest receivable	1,093	(3,039)
Accounts payable and accrued liabilities	(18,225)	16,259
Deferred revenue	85,694	(1,750)
Prepaid expenses	(18,069)	(2,102)
Harmonized sales tax payable	1,077	16,094
	<u>110,968</u>	<u>109,027</u>
Cash flow from operating activities	<u>239,732</u>	<u>64,901</u>
INVESTING ACTIVITY		
Term deposits	<u>(90,126)</u>	<u>(40,000)</u>
INCREASE IN CASH FLOW	149,606	24,901
Cash - beginning of year	<u>246,456</u>	<u>221,555</u>
CASH - END OF YEAR	<u>\$ 396,062</u>	<u>\$ 246,456</u>

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
(Operating as Threads of Life)
Notes to Financial Statements
Year Ended December 31, 2017

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, 2017

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.

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
(Operating as Threads of Life)
Notes to Financial Statements
Year Ended December 31, 2017

2. FINANCIAL INSTRUMENTS

The association exposed to various risks through its financial instruments and has a comprehensive risk management framework in place to monitor, evaluate and manage these risks. The following analysis provides information about the company's risk exposure and concentration. There have been no significant change to the nature or concentration of these risks from the prior year, unless otherwise noted.

In the opinion of management, the company is not exposed to significant credit, currency, market or other price risks arising from its financial instruments.

Liquidity risk

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

The company mitigates this risk through projecting its cash flow needs on a short term and long term basis.

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

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 1%.

4. DEFERRED REVENUE

	2017	2016
Deferred events	\$ 96,194	\$ 88,000
Deferred grants	77,500	-
	\$ 173,694	\$ 88,000

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
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5. 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.

	2017	2016
Ministry of Labour - Ontario	\$ 312,500	\$ 250,000
Mark's Work Warehouse	50,000	-
NOVA Chemicals	50,000	-
WCB - Saskatchewan	25,000	25,000
Department of Labour and Advanced Education - Nova Scotia	35,000	25,000
WorkplaceNL	25,000	25,000
WorkSafe - New Brunswick	25,000	20,000
	522,500	345,000
Subtotal	522,500	345,000
Deferred grant - Ministry of Labour	(62,500)	-
Deferred grant - NOVA Chemicals	(15,000)	-
	\$ 445,000	\$ 345,000

The Ontario Ministry of Labour grant runs from April to March. As a result \$62,500 (2016 - \$nil) of the amount received in the current year has been deferred. \$62,500 was received with respect to 2017/2018 funding and \$250,000 was received from the Ontario Ministry of Labour with respect to 2016/2017 funding.

6. EVENTS

	2017	2016
Steps for life	\$ 287,608	\$ 263,159
Family forums	137,070	141,259
Other	12,909	23,116
	\$ 437,587	\$ 427,534

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7. SCHEDULE FOR CASH AND IN-KIND EXPENDITURES

	Cash	In-kind	2017
<u>Year Ended December 31, 2017</u>			
Salaries and wages	\$ 936,303	\$ 160	\$ 936,463
Events	197,185	240,402	437,587
Volunteer training and programs	77,483	82,397	159,880
Publicity and promotion	23,379	44,283	67,662
Rental	19,385	44,000	63,385
Office	36,953	10,689	47,642
Meeting and travel expenses	40,582	13	40,595
Purchased support services	22,793	180	22,973
Communications	20,819	-	20,819
Publications and printing	17,005	-	17,005
Professional fees	8,366	1,425	9,791
Insurance	3,033	-	3,033
	<u>\$ 1,403,286</u>	<u>\$ 423,549</u>	<u>\$ 1,826,835</u>
<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
Communications	19,463	-	19,463
Publications and printing	20,173	-	20,173
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>

8. CONTRACTUAL OBLIGATIONS

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

Contractual obligation repayment schedule:

2018	<u>\$ 18,107</u>
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