

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
(Operating as Threads of Life)
Financial Statements
Year Ended December 31, 2020

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(Operating as Threads of Life)
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Year Ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

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

Qualified Opinion

We have audited the financial statements of Association For Workplace Tragedy Family Support (the Association), which comprise the statement of financial position as at December 31, 2020, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2020, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association 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 the Association. 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, 2020, current assets and net assets as at December 31, 2020. Our audit opinion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

(continues)

James B. MacNeill FCPA, FCA, CFP Jeremy A. Giles CPA, CA Lissa Savage CPA, CA
Mark Snyders CPA, CA Robert F. Edmundson CPA, CA (Retired)

INDEPENDENT AUDITOR'S REPORT *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

London, Ontario
June 11, 2021

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

James B. MacNeill FCPA, FCA, CFP Jeremy A. Giles CPA, CA Lissa Savage CPA, CA
Mark Snyders 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, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 577,837	\$ 599,607
Term deposits <i>(Note 3)</i>	1,675,000	1,380,000
Accounts receivable	71,478	17,190
Interest receivable	5,959	8,428
Harmonized sales tax recoverable	18,826	16,688
Prepaid expenses	60,875	25,834
	\$ 2,409,975	\$ 2,047,747
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 47,744	\$ 55,014
Deferred revenue <i>(Note 5)</i>	202,302	211,060
	250,046	266,074
CANADIAN EMERGENCY BUSINESS ACCOUNT LOAN <i>(Note 4)</i>	60,000	-
	310,046	266,074
NET ASSETS	2,099,929	1,781,673
	\$ 2,409,975	\$ 2,047,747

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, 2020

	<u>2020</u>	<u>2019</u>
NET ASSETS - BEGINNING OF YEAR	\$ 1,781,673	\$ 1,490,581
EXCESS OF REVENUES OVER EXPENSES	<u>318,256</u>	<u>291,092</u>
NET ASSETS - END OF YEAR	<u>\$ 2,099,929</u>	<u>\$ 1,781,673</u>

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

Statement of Revenues and Expenditures

Year Ended December 31, 2020

	2020	2019
REVENUES		
Fundraising	\$ 732,598	\$ 1,249,972
Grants <i>(Note 6)</i>	515,000	495,000
In-kind <i>(Note 7)</i>	255,165	415,307
Interest	17,708	19,941
Creative Sentencing	-	150,000
	<u>1,520,471</u>	<u>2,330,220</u>
EXPENSES <i>(Note 7)</i>		
Salaries, wages and benefits	992,311	998,097
Events <i>(Note 8)</i>	155,569	558,958
Volunteer training and programs	105,770	182,588
Rental	62,144	65,070
Publicity and promotion	30,646	45,671
Professional fees	25,855	11,985
Publications and printing	24,267	23,992
Office	21,891	40,179
Purchased support services	21,723	31,203
Communications	20,607	23,521
Meeting and travel expenses	19,957	46,478
Scholarships	12,500	7,500
Insurance	4,452	3,886
	<u>1,497,692</u>	<u>2,039,128</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	22,779	291,092
OTHER INCOME		
Government subsidies	<u>295,477</u>	-
EXCESS OF REVENUES OVER EXPENSES	\$ 318,256	\$ 291,092

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
(Operating as Threads of Life)
Statement of Cash Flows
Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 318,256	\$ 291,092
Changes in non-cash working capital:		
Accounts receivable	(54,288)	(12,957)
Interest receivable	2,469	(3,820)
Accounts payable and accrued liabilities	(7,270)	(1,799)
Deferred revenue	(8,758)	54,190
Prepaid expenses	(35,041)	(1,093)
Harmonized sales tax payable	(2,138)	(1,797)
	(105,026)	32,724
Cash flow from operating activities	213,230	323,816
INVESTING ACTIVITY		
Purchase of term deposits	(295,000)	(195,000)
FINANCING ACTIVITY		
Proceeds from CEBA loan	60,000	-
INCREASE (DECREASE) IN CASH FLOW	(21,770)	128,816
Cash - beginning of year	599,607	470,791
CASH - END OF YEAR	\$ 577,837	\$ 599,607

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
(Operating as Threads of Life)
Notes to Financial Statements
Year Ended December 31, 2020

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, 2020

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 operations 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, 2020

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 association'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 association 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 association 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 association 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 association manages exposure through its normal operating and financing activities. The association 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 0.15% to 2.00%.

4. CEBA LOAN

The Association received the Canada Emergency Business Account loan which is an interest-free loan, maturing December 31, 2022. If \$40,000 is repaid by the maturation date, then the remaining \$20,000 will be forgiven and recognized as income in that period.

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
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Notes to Financial Statements
Year Ended December 31, 2020

5. DEFERRED REVENUE

	2020	2019
Deferred events	\$ 124,802	\$ 133,560
Deferred grants	77,500	77,500
	\$ 202,302	\$ 211,060

6. 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.

	2020	2019
Workplace Safety and Insurance Board	\$ 250,000	\$ 250,000
NOVA Chemicals	50,000	50,000
Mark's Work Warehouse	50,000	50,000
Department of Labour and Advanced Education - Nova Scotia	35,000	35,000
Ministry of Labour - Alberta	30,000	10,000
WorkplaceNL	25,000	25,000
WorkSafe - New Brunswick	25,000	25,000
The Board of Canadian Registered Safety Professionals	25,000	25,000
WCB - Saskatchewan	25,000	25,000
Ministry of Labour - Ontario	-	12,500
	515,000	507,500
Subtotal	515,000	507,500
Deferred grant - WSIB	(62,500)	(62,500)
Deferred grant - WSIB from previous year	62,500	-
Deferred grant - NOVA Chemicals	(15,000)	(15,000)
Deferred grant - NOVA Chemicals from previous year	15,000	15,000
Deferred grant - Ministry of Labour	-	(62,500)
Deferred grant - Ministry of Labour from previous year	-	50,000
	\$ 515,000	\$ 495,000

The Workplace Safety and Insurance Board grant (formerly the Ministry of Labour - Ontario grant) runs from April to March. As a result \$62,500 (2019 - \$62,500) of the amount received in the current year has been deferred. \$250,000 (2019 - \$250,000) was received with respect to 2020/2021 funding.

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7. SCHEDULE FOR CASH AND IN-KIND EXPENDITURES

	Cash	In-kind	2020
<u>Year Ended December 31, 2020</u>			
Salaries, wages and benefits	\$ 992,311	\$ -	\$ 992,311
Events	14,448	141,121	155,569
Volunteer training and programs	58,834	46,936	105,770
Rental	17,644	44,500	62,144
Publicity and promotion	25,542	5,104	30,646
Professional fees	8,351	17,504	25,855
Publications and printing	24,267	-	24,267
Office	21,891	-	21,891
Purchased support services	21,723	-	21,723
Communications	20,607	-	20,607
Meeting and travel expenses	19,957	-	19,957
Scholarships	12,500	-	12,500
Insurance	4,452	-	4,452
	<u>\$ 1,242,527</u>	<u>\$ 255,165</u>	<u>\$ 1,497,692</u>
<u>Year Ended December 31, 2019</u>			
Salaries, wages and benefits	\$ 998,097	\$ -	\$ 998,097
Events	275,839	283,119	558,958
Volunteer training and programs	109,457	73,131	182,588
Rental	18,820	46,250	65,070
Publicity and promotion	36,534	9,137	45,671
Professional fees	8,315	3,670	11,985
Publications and printing	23,992	-	23,992
Office	40,179	-	40,179
Purchased support services	31,203	-	31,203
Communications	23,521	-	23,521
Meeting and travel expenses	46,478	-	46,478
Scholarships	7,500	-	7,500
Insurance	3,886	-	3,886
	<u>\$ 1,623,821</u>	<u>\$ 415,307</u>	<u>\$ 2,039,128</u>

ASSOCIATION FOR WORKPLACE TRAGEDY FAMILY SUPPORT
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Notes to Financial Statements
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8. EVENTS

	2020	2019
Steps for life	\$ 149,473	\$ 338,243
Other	4,008	22,558
Family forums	2,088	198,157
	\$ 155,569	\$ 558,958

9. CONTRACTUAL OBLIGATIONS

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

Contractual obligation repayment schedule:

2021	\$ 18,820
2022	18,820
2023	18,820
2024	1,568
	\$ 58,028

10. COVID-19

The outbreak of Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the association or its members, employees, contractors, suppliers, and other partners may be unable to conduct regular activities for an indefinite period of time. While it is not possible at this time to estimate the impact that COVID-19 could have on the association's activities, the continued spread of COVID-19 and the measures taken by the federal, provincial, and municipal governments to contain its impact could adversely impact the association's activities, financial condition or results of operations.

Specifically, the association had to move its "Steps for Life" event from in person to virtual, as well as cancel all in-person family forums and move them to one virtual forum during the year. This caused a reduction in revenues, which was partially offset by a reduction in expenses to run the events. To further offset the revenue decreases that occurred, the association applied for and received \$295,477 from the government for wage and rent subsidies. As a result of COVID-19, the organization expects a reduction in revenues for fiscal 2021 as well, but will continue to take steps to help mitigate the impact.

The extent to which the COVID-19 outbreak impacts the association's future financial results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.