

**HEMOPHILIA ONTARIO**

**Financial Statements**

**December 31, 2012**

## **CONTENTS**

<b>Independent Auditors' Report</b>	<b>1</b>
<b>Statements of Financial Position</b>	<b>2</b>
<b>Statements of Operations and Changes in Net Assets</b>	<b>3</b>
<b>Statements of Cash Flows</b>	<b>4</b>
<b>Notes to Financial Statements</b>	<b>5 - 7</b>

**Marinucci & Company**  
Chartered Accountants

171 John Street  
Suite 101  
Toronto Ontario M5T 1X3

Tel 416 214 1555 Fax 416 596 1520  
E-mail sam@marinucci.ca

## **Independent Auditors' Report**

To the Directors of **Hemophilia Ontario**

We have audited the accompanying financial statements of **Hemophilia Ontario**, which comprise the statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011 and the statements of operations and changes in net assets and cash flows for the years ended December 31, 2012 and December 31, 2011, 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian 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 in our audit is sufficient and appropriate to provide for a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hemophilia Ontario as at December 31, 2012, December 31, 2011 and January 1, 2011 and the results of its operations, changes in net assets and cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

*Marinucci & Company*

Toronto, Ontario

**Chartered Accountants**

March 17, 2013

Licensed Public Accountants

**HEMOPHILIA ONTARIO**

**Statements of Financial Position**



**As at December 31, 2012, December 31, 2011 and January 1, 2011**

---

	December 31 2012	December 31 2011	January 1 2011
<b>ASSETS</b>			
Current:			
Cash and cash equivalents (Notes 2, 4 and 5)	\$ 662,188	\$ 565,219	\$ 554,547
Accounts receivable	63,233	72,208	78,457
Prepaid expenses and other assets	<u>8,121</u>	<u>8,297</u>	<u>18,049</u>
	<u>\$ 733,542</u>	<u>\$ 645,724</u>	<u>\$ 651,053</u>
<b>LIABILITIES</b>			
Current:			
Accounts payable and accrued liabilities	\$ 18,740	\$ 12,413	\$ 10,509
Deferred contributions (Note 5)	<u>116,476</u>	<u>45,520</u>	<u>59,934</u>
	<u>135,216</u>	<u>57,933</u>	<u>70,443</u>
<b>NET ASSETS</b>			
Internally Restricted (Note 4)	50,000	50,000	50,000
Unrestricted	<u>548,326</u>	<u>537,791</u>	<u>530,610</u>
	<u>598,326</u>	<u>587,791</u>	<u>580,610</u>
	<u>\$ 733,542</u>	<u>\$ 645,724</u>	<u>\$ 651,053</u>

*Commitments (Note 7)*

**Approved on behalf of the Board of Directors:**

  
\_\_\_\_\_  
  
\_\_\_\_\_

Director

Director

See accompanying Notes to Financial Statements

## HEMOPHILIA ONTARIO

### Statements of Operations and Changes in Net Assets

Years ended December 31, 2012 and 2011

	General Program	AIDS Bureau Program	2012 Total	2011 Total
<b>REVENUES</b>				
Grants:				
Ontario	\$ -	\$ 400,793	\$ 400,793	\$ 436,262
Programs and events	150,693	-	150,693	207,629
Donations:				
Federated Health Charities	79,897	-	79,897	81,973
Individuals and bequests	35,380	-	35,380	50,383
Other contributions	13,330	-	13,330	31,581
Fundraising and gaming activities:				
CHS national revenue sharing	58,361	-	58,361	61,140
Bingo and Provincial Nevada	38,808	-	38,808	21,413
Interest	5,147	-	5,147	5,985
Municipal property tax rebate	3,250	-	3,250	5,799
Other	378	-	378	736
	<u>385,244</u>	<u>400,793</u>	<u>786,037</u>	<u>902,901</u>
<b>EXPENSES</b>				
Staffing costs	114,571	306,470	421,041	464,458
Programs	148,664	54,423	203,087	233,186
Office supplies and expenses	48,820	-	48,820	90,577
Building occupancy (Notes 6 and 7)	18,329	29,000	47,329	48,907
Staff and volunteer development	9,914	10,900	20,814	12,625
Travel	11,766	-	11,766	14,986
Insurance	10,779	-	10,779	10,547
Professional fees	8,200	-	8,200	10,925
Board and committee meetings	3,666	-	3,666	9,509
	<u>374,709</u>	<u>400,793</u>	<u>775,502</u>	<u>895,720</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	10,535	-	10,535	7,181
<b>NET ASSETS, beginning of year</b>	<u>587,791</u>	<u>-</u>	<u>587,791</u>	<u>580,610</u>
<b>NET ASSETS, end of year</b>	<u>\$ 598,326</u>	<u>\$ -</u>	<u>\$ 598,326</u>	<u>\$ 587,791</u>

See accompanying Notes to Financial Statements

**HEMOPHILIA ONTARIO**  
(A not-for-profit organization)

**Statements of Cash Flows**

**Years ended December 31, 2012 and 2011**

---

	2012	2011
<b>Cash generated (used in)</b>		
<b>OPERATING ACTIVITIES:</b>		
Excess of revenues over expenses	\$ 10,535	\$ 7,181
Impact on cash of changes in non-cash working capital items:		
Amounts receivable	8,975	6,249
Prepaid expenses and other assets	176	9,752
Accounts payable and accrued liabilities	6,327	1,904
Deferred contributions	<u>70,956</u>	<u>(14,414)</u>
	<u>96,969</u>	<u>10,672</u>
<b>INCREASE IN CASH</b>	<b>96,969</b>	<b>10,672</b>
<b>CASH, Beginning of year</b>	<u>565,219</u>	<u>554,547</u>
<b>CASH, End of year</b>	<u>\$ 662,188</u>	<u>\$ 565,219</u>

See accompanying Notes to Financial Statements

# HEMOPHILIA ONTARIO

## Notes to Financial Statements

**December 31, 2012**

---

### 1. NATURE AND PURPOSE OF THE ORGANIZATION

Hemophilia Ontario is incorporated without share capital under the Ontario Business Corporations Act as a not-for-profit organization. Its objective is to promote opportunities for improving the quality of life and health for all affected with bleeding disorders. The ultimate aim is cure. Towards those ends, the organization is committed to provide and support programs of research, consumer, public and professional education; and consumer, family and community services.

The organization is a registered charity under the Income Tax Act (Canada) and, as such, is exempt from income taxes provided that it continues to fulfill the requirements and regulations of the Act in respect to registered charities.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements reflect the assets, liabilities, revenues, expenses and cash flows of Hemophilia Ontario and Hemophilia Ontario regions consisting of the Central West Ontario Region (CWOR), the Sudbury & North-Eastern Ontario Region (NOR), the Ottawa & Eastern Ontario Region (OEOR) and the South Western Ontario Region (SWOR).

These financial statements do not include the assets, liabilities, revenues, expenses and cash flows of the Toronto and Central Ontario Regional Hemophilia Society ("TCOR"), as it is a separate legal entity. Financial statements for TCOR are presented and reported on separately.

The financial statements were prepared in accordance with the Canadian accounting standards for not-for-profit organizations in Part III of the *CICA Handbook* and include the following significant accounting policies. The impact of the change in basis of accounting is set out in Note 3.

#### Measurement uncertainty

The preparation of financial statements in conformity with the Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These estimates are reviewed periodically and adjustments are made to revenues and expenses as appropriate in the period they become known.

#### Contributed services

The organization would not be able to carry out its activities without the services of many volunteers who contribute a considerable amount of their time and services. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

# HEMOPHILIA ONTARIO

## Notes to Financial Statements

**December 31, 2012**

---

### 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Revenue recognition

The organization follows the deferral method of accounting for contributions, which include donations, fundraising and government grants.

Unrestricted contributions are recognized as revenues in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions received for programs and expenses of the current period are recognized as revenues in the year received. Restricted contributions received for programs and expenses of future years are recognized initially as deferred revenues on the statement of financial position in the year received and then recognized as revenues in the year in which the related program takes place and expenses are incurred.

#### Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash and cash equivalents and accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term investments.

Cash consists of cash on hand and bank deposits residing in interest and non-interest-bearing accounts at major Canadian financial institutions. The interest-bearing account has a balance of \$536,943 at a floating interest rate, which was 1.00% at December 31, 2012.

Short-term investments at December 31, 2012 consist of a cashable guaranteed investment certificate of \$19,651, issued by a major Canadian financial institution, with a maturity date of February 1, 2013 and an interest rate of 1.15%.

### 3. IMPACT OF THE CHANGE IN BASIS OF ACCOUNTING

The organization has elected to apply Canadian accounting standards for not-for-profit organizations.

These financial statements are the first financial statements for which the organization has applied Canadian accounting standards for not-for-profit organizations. The financial statements for the year ended December 31, 2012 were prepared in accordance with the accounting principles and provisions set out in Section 1501, *First-time Adoption by Not-for-Profit Organizations*, for first-time adopters of this basis of accounting.

First-time adoption of this new basis of accounting had no impact on the organization's assets, liabilities, revenues, expenses and net assets for the years ended December 31, 2012 and December 31, 2011, or on net assets at January 1, 2011, the date of transition. The organization made none of the voluntary elections on transition. The opening balance sheet at January 1, 2011 is identical to the balance sheet at December 31, 2010 as reported under the former basis of accounting.

# HEMOPHILIA ONTARIO

## Notes to Financial Statements

**December 31, 2012**

---

### 4. INTERNALLY RESTRICTED NET ASSETS

The Board of Directors of the organization has internally restricted net assets in the amount of \$50,000 as a general contingency to protect against the possibility of a serious disruption in operations or reduction in funding.

Cash and cash equivalents include amounts to support these internally restricted amounts.

### 5. DEFERRED CONTRIBUTIONS

Deferred contributions are as follows:

	December 31 2012	December 31 2011	January 1 2011
Contributions for future programs and expenses	\$ 67,210	\$ 15,823	\$ 40,646
AIDS Bureau	34,000	-	-
Unspent proceeds from gaming activities:			
Bingo	5,074	8,653	7,201
Provincial Nevada	<u>10,192</u>	<u>21,044</u>	<u>12,087</u>
	<u>\$ 116,476</u>	<u>\$ 45,520</u>	<u>\$ 59,934</u>

Cash and cash equivalents include balances held in separate bank accounts for unspent Bingo and Provincial Nevada proceeds.

### 6. RELATED PARTY TRANSACTIONS

During the year, the organization received from TCOR rent for its share of premises in the amount of \$ 30,097 (2011 - \$ 27,082). The amount received is recorded as a reduction of occupancy costs in the Statements of Operations and Changes in Net Assets.

### 7. PREMISES LEASE COMMITMENT

The organization is committed under an operating lease agreement to January 31, 2016 for premises, requiring minimum annual payments (exclusive of requirements to pay its proportionate share of realty taxes, utilities and maintenance costs) as follows:

2013	\$ 28,418
2014	30,230
2015	32,225
2016	2,699

In addition to the minimum base rent above, the organization pays its proportionate share of realty taxes, utilities and maintenance costs, which in 2012 was approximately \$32,000.

The organization shares the premises with TCOR and receives contributions from TCOR for its proportionate share of lease costs (see Note 6). As the organization is the legal tenant of the premises, the lease commitment figures noted above are the total minimum rental payments, before recovery of amounts from TCOR.