

HEMOPHILIA ONTARIO

Financial Statements

December 31, 2013

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Independent Auditors' Report

To the Directors of **Hemophilia Ontario**

We have audited the accompanying financial statements of **Hemophilia Ontario**, which comprise the statement of financial position as at December 31, 2013 and the statements of operations and changes in net assets 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.

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, 2013 and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Toronto, Ontario
April 7, 2014

Marinucci & Company
Chartered Accountants
Licensed Public Accountants


HEMOPHILIA ONTARIO


Statement of Financial Position

As at December 31, 2013

	2013	2012
ASSETS		
Current:		
Cash and cash equivalents (Notes 3 and 5)	\$ 756,186	\$ 757,369
Accounts receivable	62,375	67,622
Prepaid expenses and other assets	<u>16,417</u>	<u>8,121</u>
	<u>\$ 834,978</u>	<u>\$ 833,112</u>
LIABILITIES		
Current:		
Accounts payable and accrued liabilities	\$ 28,954	\$ 21,821
Deferred contributions (Note 4)	<u>150,645</u>	<u>176,941</u>
	<u>179,599</u>	<u>198,762</u>
NET ASSETS (Note 7)		
Internally restricted (Note 5)	50,000	50,000
Unrestricted	<u>605,379</u>	<u>584,350</u>
	<u>655,379</u>	<u>634,350</u>
	<u>\$ 834,978</u>	<u>\$ 833,112</u>
<i>Commitments (Note 6)</i>		

Approved on behalf of the Board of Directors:





Director

Director

See accompanying Notes to Financial Statements

HEMOPHILIA ONTARIO

Statement of Operations and Changes in Net Assets

Year ended December 31, 2013

	General Program	TCOR	AIDS Bureau Program	2013 Total	2012 Total
REVENUES					
Grants:					
Ontario	\$ -	\$ -	\$ 453,543	\$ 453,543	\$ 400,793
Municipal		24,840		24,840	31,845
Programs and events	156,725	-		156,725	166,390
Donations:					
Federated Health Charities	76,945	-		76,945	79,897
Individuals and bequests	47,936	-		47,936	64,200
Other contributions	40,685	-		40,685	18,330
Fundraising and gaming activities:					
CHS national revenue sharing	60,399	-		60,399	58,361
Bingo and Provincial Nevada	68,422	-		68,422	73,941
Interest	5,925	-		5,925	5,478
Municipal property tax rebate	3,946	-		3,946	3,250
Other	799	-		799	378
	<u>461,782</u>	<u>24,840</u>	<u>453,543</u>	<u>940,165</u>	<u>902,863</u>
EXPENSES					
Staffing costs	91,390	-	319,203	410,593	423,046
Programs	196,465	24,840	55,922	277,227	272,137
Office supplies and expenses	61,318	-	28,550	89,868	57,646
Building occupancy (Note 6)	50,841	-	29,000	79,841	77,426
Staff and volunteer development	427	-	14,218	14,645	20,864
Travel	13,790	-	2,200	15,990	11,976
Insurance	10,954	-	3,000	13,954	10,779
Professional fees	11,165	-	1,450	12,615	11,279
Board and committee meetings	4,403	-		4,403	4,943
	<u>440,753</u>	<u>24,840</u>	<u>453,543</u>	<u>919,136</u>	<u>890,096</u>
EXCESS OF REVENUES OVER EXPENSES	21,029	-	-	21,029	12,767
NET ASSETS, beginning of year	<u>634,350</u>	<u>-</u>	<u>-</u>	<u>634,350</u>	<u>621,583</u>
NET ASSETS, end of year	<u>\$ 655,379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 655,379</u>	<u>\$ 634,350</u>

See accompanying Notes to Financial Statements

HEMOPHILIA ONTARIO

Statement of Cash Flows

Year ended December 31, 2013

	2013	2012
Cash generated (used in)		
OPERATING ACTIVITIES:		
Excess of revenues over expenses	\$ 21,029	\$ 12,767
Impact on cash of changes in non-cash working capital items:		
Accounts receivable	5,247	7,853
Prepaid expenses and other assets	(8,296)	176
Accounts payable and accrued liabilities	7,133	5,881
Deferred contributions	<u>(26,296)</u>	<u>70,689</u>
	<u>(1,183)</u>	<u>97,366</u>
INCREASE (DECREASE) IN CASH	(1,183)	97,366
CASH, beginning of year	<u>757,369</u>	<u>660,003</u>
CASH, end of year	<u>\$ 756,186</u>	<u>\$ 757,369</u>

See accompanying Notes to Financial Statements

HEMOPHILIA ONTARIO

Notes to Financial Statements

December 31, 2013

1. NATURE AND PURPOSE OF THE ORGANIZATION

Hemophilia Ontario was incorporated without share capital by Letters Patent under the Corporations Act of Ontario as a not-for-profit organization in 1988. 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.

On May 24, 2013, Hemophilia Ontario and Toronto and Central Ontario Regional Hemophilia Society (TCOR) were amalgamated and continued as a corporation without share capital under the name of Hemophilia Ontario by Letters Patent under the Corporations Act of Ontario.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the *CICA Handbook*.

Amalgamation

The financial statements have been prepared based on the continuity of interests principle with respect to Hemophilia Ontario and TCOR, which requires the continuing entity, Hemophilia Ontario, to report the current and comparative financial statements as if the two entities had been combined since inception. Hemophilia Ontario and TCOR had complementary operating mandates prior to the amalgamation, which are being continued by Hemophilia Ontario. All assets and liabilities of TCOR were transferred to Hemophilia Ontario on amalgamation.

Accordingly, the current and comparative year financial statements include the entire year of operations for Hemophilia Ontario and TCOR.

Management estimates

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 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, 2013

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.

Capital asset expenditures

The organization has adopted a policy of expensing individual capital asset purchases of \$5,000 or less. Individual expenditures in excess of \$5,000 are capitalized and amortized over the useful life of the asset.

In 2013, the organization acquired computer equipment and related hardware for each of its regional branches. Total expenditures for this equipment was \$25,879 (2012 - \$ nil). In accordance with the organization's accounting policy, these purchases have been expensed and are classified in the statement of operations and changes in net assets as office supplies and expenses.

3. FINANCIAL INSTRUMENTS

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 \$557,471 at a floating interest rate, which was 1.00% at December 31, 2013.

Short-term investments at December 31, 2013 consist of a cashable guaranteed investment certificate of \$19,814, issued by a major Canadian financial institution, with a maturity date of February 1, 2014 and an interest rate of .8%.

Accounts receivable consists principally of GST/HST rebates recoverable and the 4th quarter proceeds from CHS national revenue sharing.

The fair value of the organization's financial instruments approximates its carrying value due to the immediate or short term maturity of these instruments.

It is management's opinion that the organization is not subject to significant interest rate or credit risk on its financial instruments.

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Notes to Financial Statements

December 31, 2013

4. DEFERRED CONTRIBUTIONS

Deferred contributions are as follows:

	2013	2012
Contributions for future programs and expenses	\$ 111,491	\$ 67,210
Ontario Ministry of Health and Long-Term Care - AIDS Bureau	9,000	34,000
Unspent proceeds from gaming activities:		
Bingo	31,505	5,074
Provincial Nevada	<u>7,649</u>	<u>10,192</u>
	<u>\$ 150,645</u>	<u>\$ 116,476</u>

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

5. 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.

6. 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:

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 2013 was approximately \$32,000.

HEMOPHILIA ONTARIO

Notes to Financial Statements

December 31, 2013

7. AMALGAMATION

As explained in Note 2, the amalgamation of Hemophilia Ontario and TCOR has been accounted for using the continuity of interests method. Under this method, the carrying value of the assets and liabilities of each of the combining entities have been carried forward at their book values. Accordingly, these financial statements, including the comparative figures, are presented as if Hemophilia Ontario and TCOR had been combined since their inception.

The net assets of each of the combining entities as at January 1, 2013 were as follows:

	Hemophilia	TCOR	Combined
Cash	\$ 662,188	\$ 95,181	\$ 757,369
Accounts receivable	63,233	4,389	67,622
Prepaid expenses and other assets	<u>8,121</u>	<u>-</u>	<u>8,121</u>
	733,542	99,570	833,112
Accounts payable and accrued liabilities	(18,740)	(3,081)	(21,821)
Deferred contributions	<u>(116,476)</u>	<u>(60,465)</u>	<u>(176,941)</u>
<i>Net assets</i>	<u>\$ 598,326</u>	<u>\$ 36,024</u>	<u>\$ 634,350</u>