

**HEMOPHILIA ONTARIO**

**Financial Statements**

**December 31, 2014**

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Chartered Accountants

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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, 2014 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 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 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, 2014 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, 2015

*Marinucci & Company*  
Chartered Accountants  
Licensed Public Accountants

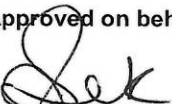
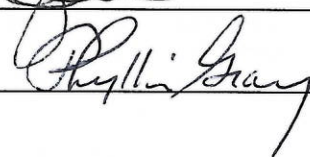
**HEMOPHILIA ONTARIO**

**Statement of Financial Position**

**As at December 31, 2014**

	2014	2013
<b>ASSETS</b>		
Current:		
Cash and cash equivalents (Notes 3 and 5)	\$ 841,782	\$ 756,186
Accounts receivable	68,369	62,375
Prepaid expenses and other assets	<u>22,278</u>	<u>16,417</u>
	<u>\$ 932,429</u>	<u>\$ 834,978</u>
<b>LIABILITIES</b>		
Current:		
Accounts payable and accrued liabilities	\$ 64,906	\$ 28,954
Deferred contributions (Note 4)	<u>135,609</u>	<u>150,645</u>
	<u>200,515</u>	<u>179,599</u>
<b>NET ASSETS</b>		
Internally restricted (Note 5)	50,000	50,000
Unrestricted	<u>681,914</u>	<u>605,379</u>
	<u>731,914</u>	<u>655,379</u>
	<u>\$ 932,429</u>	<u>\$ 834,978</u>
<i>Commitments (Note 6)</i>		

Approved on behalf of the Board of Directors:

  
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\_\_\_\_\_

Director *Julia Sek*

Director

See accompanying Notes to Financial Statements

# HEMOPHILIA ONTARIO

## Statement of Operations and Changes in Net Assets

Year ended December 31, 2014

	General Program	AIDS Bureau Program	City of Toronto	2014 Total	2013 Total
<b>REVENUES</b>					
Grants:					
Ontario	\$ -	\$ 408,593	\$ -	\$ 408,593	\$ 453,543
Municipal	-	-	25,390	25,390	24,840
Programs and events	226,481	-	-	226,481	156,725
Donations:					
Federated Health Charities	77,190	-	-	77,190	76,945
Individuals and bequests	120,365	-	-	120,365	47,936
Other contributions	53,635	-	-	53,635	40,685
Fundraising and gaming activities:					
CHS national revenue sharing	55,416	-	-	55,416	60,399
Bingo and Provincial Nevada	50,050	-	-	50,050	68,422
Interest	6,631	-	-	6,631	5,925
Municipal property tax rebate	3,464	-	-	3,464	3,946
Other	1,040	-	-	1,040	799
	<u>594,272</u>	<u>408,593</u>	<u>25,390</u>	<u>1,028,255</u>	<u>940,165</u>
<b>EXPENSES</b>					
Staffing costs	98,533	335,667	-	434,200	410,593
Programs	276,232	4,000	25,390	305,622	277,227
Office supplies and expenses	42,419	19,730	-	62,149	89,868
Building occupancy (Note 6)	56,035	25,300	-	81,335	79,841
Staff and volunteer development	24,538	200	-	24,738	14,645
Travel	-	14,196	-	14,196	15,990
Insurance	10,878	2,500	-	13,378	13,954
Professional fees	2,493	7,000	-	9,493	12,615
Board and committee meetings	6,609	-	-	6,609	4,403
	<u>517,737</u>	<u>408,593</u>	<u>25,390</u>	<u>951,720</u>	<u>919,136</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>					
	76,535	-	-	76,535	21,029
<b>NET ASSETS, beginning of year</b>	<u>655,379</u>	<u>-</u>	<u>-</u>	<u>655,379</u>	<u>634,350</u>
<b>NET ASSETS, end of year</b>	\$ <u>731,914</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>731,914</u>	\$ <u>655,379</u>

See accompanying Notes to Financial Statements

**HEMOPHILIA ONTARIO**

**Statement of Cash Flows**

**Year ended December 31, 2014**

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	2014	2013
<b>Cash generated (used in)</b>		
<b>OPERATING ACTIVITIES:</b>		
Excess of revenues over expenses	\$ 76,535	\$ 21,029
Impact on cash of changes in non-cash working capital items:		
Accounts receivable	(5,994)	5,247
Prepaid expenses and other assets	(5,861)	(8,296)
Accounts payable and accrued liabilities	35,952	7,133
Deferred contributions	(15,036)	(26,296)
	<u>85,596</u>	<u>(1,183)</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>85,596</b>	<b>(1,183)</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u><b>756,186</b></u>	<u><b>757,369</b></u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u><b>\$ 841,782</b></u>	<u><b>\$ 756,186</b></u>

See accompanying Notes to Financial Statements

# HEMOPHILIA ONTARIO

## Notes to Financial Statements

**December 31, 2014**

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### 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.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of accounting

These financial statements are the representation of management and were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the *CPA Canada Handbook* and include the following significant accounting policies.

#### 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 2014, the organization acquired computer equipment and related hardware for each of its regional branches. Total expenditures for this equipment was \$6,748 (2013 - \$ 25,879). 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.

# HEMOPHILIA ONTARIO

## Notes to Financial Statements

December 31, 2014

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

#### 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.

### 3. FINANCIAL INSTRUMENTS

Cash and cash equivalents comprise cash and short-term investments. Cash balances are sufficient to provide for accounts payable as they become due.

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 \$624,071 at a floating interest rate, which was 1.00% at December 31, 2014.

Short-term investments at December 31, 2014 consist of a cashable guaranteed investment certificate of \$19,814, issued by a major Canadian financial institution, with a maturity date of February 3, 2015 and an interest rate of .8%.

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

The fair value of the organization's financial instruments approximates their 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, credit or liquidity risk on its financial instruments.

### 4. DEFERRED CONTRIBUTIONS

Deferred contributions are as follows:

	2014	2013
Contributions for future programs and expenses	\$ 50,415	\$ 111,491
Ontario Ministry of Health and Long-Term Care - AIDS Bureau	35,200	9,000
Unspent proceeds from gaming activities:		
Bingo	29,466	31,505
Provincial Nevada	20,528	7,649
	<u>\$ 135,609</u>	<u>\$ 150,645</u>

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

# HEMOPHILIA ONTARIO

## Notes to Financial Statements

December 31, 2014

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### 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:

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 2014 was approximately \$33,000.

