

**HEMOPHILIA ONTARIO**

**Financial Statements**

**December 31, 2016**

**HEMOPHILIA ONTARIO**  
**Index to Financial Statements**  
**Year Ended December 31, 2016**

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Professional Corporation, CPAs  
Tax | Audit | Advisory

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## INDEPENDENT AUDITOR'S REPORT

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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, 2016 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.

### *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 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, 2016 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.

*Hogg, Shain & Scheck PC*

Toronto, Ontario  
March 26, 2017

Authorized to practise public accounting by the  
Chartered Professional Accountants of Ontario

**HEMOPHILIA ONTARIO**  
**Statement of Financial Position**  
**As at December 31, 2016**

	2016	2015
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Notes 3, 4 and 5)	\$ 802,810	\$ 861,291
Short-term investments (Note 3)	20,123	20,123
Accounts receivable	15,764	19,280
Harmonized Sales Tax recoverable	32,958	40,995
Prepaid expenses and other assets	19,826	18,878
	<b>\$ 891,481</b>	<b>\$ 960,567</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 19,904	\$ 45,593
Deferred contributions (Note 4)	125,300	166,389
	<b>145,204</b>	<b>211,982</b>
<b>NET ASSETS</b>		
<b>INTERNALLY RESTRICTED (Note 5)</b>	<b>50,000</b>	<b>50,000</b>
<b>UNRESTRICTED</b>	<b>696,277</b>	<b>698,585</b>
	<b>746,277</b>	<b>748,585</b>
	<b>\$ 891,481</b>	<b>\$ 960,567</b>

**APPROVED ON BEHALF OF THE BOARD**

 \_\_\_\_\_ Director

 \_\_\_\_\_ Director

See the accompanying notes to these financial statements

**HEMOPHILIA ONTARIO**  
**Statement of Operations and Changes in Net Assets**  
**Year Ended December 31, 2016**

	General Program 2016	AIDS Bureau Program 2016	City of Toronto 2016	Total 2016	Total 2015
<b>REVENUES</b>					
Grants:					
Ontario	\$ -	\$ 304,921	\$ -	\$ 304,921	\$ 379,690
Municipal	-	-	26,495	26,495	25,925
Programs and events	191,595	-	-	191,595	211,245
Donations:					
Federal Health Charities	71,340	-	-	71,340	68,250
Individuals and bequests	60,381	-	-	60,381	54,518
Other contributions	46,685	-	-	46,685	28,051
Fundraising and gaming activities:					
Bingo and Provincial Nevada	47,866	-	-	47,866	41,560
CHS national revenue sharing	20,540	-	-	20,540	55,780
Interest and other	11,062	-	-	11,062	11,113
	449,469	304,921	26,495	780,885	876,132
<b>EXPENSES</b>					
Staffing costs	102,047	268,498	-	370,545	356,508
Programs	246,022	6,683	26,495	279,200	297,928
Office supplies and expenses	33,273	14,190	-	47,463	53,528
Building occupancy	24,062	8,250	-	32,312	85,365
Staff and volunteer development	13,491	-	-	13,491	20,785
Insurance	10,017	2,000	-	12,017	13,617
Board and committee meetings	11,711	-	-	11,711	7,418
Professional fees	5,555	5,300	-	10,855	9,847
Travel	5,599	-	-	5,599	14,465
	451,777	304,921	26,495	783,193	859,461
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	(2,308)	-	-	(2,308)	16,671
<b>NET ASSETS - BEGINNING OF YEAR</b>	748,585	-	-	748,585	731,914
<b>NET ASSETS - END OF YEAR</b>	\$ 746,277	\$ -	\$ -	\$ 746,277	\$ 748,585

See the accompanying notes to these financial statements

**HEMOPHILIA ONTARIO**  
**Statement of Cash Flows**  
**Year Ended December 31, 2016**

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ (2,308)	\$ 16,671
Changes in non-cash working capital items:		
Accounts receivable	3,516	1,735
Harmonized Sales Tax recoverable	8,037	6,359
Prepaid expenses and other assets	(948)	3,400
Accounts payable and accrued liabilities	(25,689)	(19,313)
Deferred contributions	(41,089)	30,780
	<u>(56,173)</u>	<u>22,961</u>
Cash flows from (used in) operating activities	<u>(58,481)</u>	<u>39,632</u>
<b>INVESTING ACTIVITY</b>		
Purchase of short-term investments	-	(309)
<b>INCREASE (DECREASE) IN CASH FLOWS</b>	<b>(58,481)</b>	<b>39,323</b>
<b>CASH - BEGINNING OF YEAR</b>	<b><u>861,291</u></b>	<b><u>821,968</u></b>
<b>CASH - END OF YEAR</b>	<b><u>\$ 802,810</u></b>	<b><u>\$ 861,291</u></b>

*See the accompanying notes to these financial statements*

**HEMOPHILIA ONTARIO**  
**Notes to Financial Statements**  
**Year Ended December 31, 2016**

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**1. NATURE AND PURPOSE OF THE ORGANIZATION**

Hemophilia Ontario (the "Organization") 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.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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, short-term investments 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 2016, the Organization acquired computer equipment and related hardware for each of its regional branches. Total expenditures for this equipment was \$1,575 (2015 - \$3,723). 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.

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**HEMOPHILIA ONTARIO**  
**Notes to Financial Statements**  
**Year Ended December 31, 2016**

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

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.

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. For accounting purposes, contributed services are not recognized in these financial statements.

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**3. FINANCIAL INSTRUMENTS**

Cash balances are sufficient to provide for accounts payable as they come 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 \$631,815 (2015 - \$728,670) at a floating interest rate, which was 0.35% (2015 - 0.50%) per annum at December 31, 2016.

Short-term investments at December 31, 2016 consist of a cashable guaranteed investment certificate of \$20,123 (2015 - \$20,123), issued by a major Canadian financial institution, with a maturity date of January 6, 2017 and an interest rate of 0.55% per annum.

Accounts receivable include the fourth quarter proceeds from CHS national revenue sharing of \$6,152 (2015 - \$13,945).

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.

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**4. DEFERRED CONTRIBUTIONS**

Deferred contributions are as follows:

	<u>2016</u>	<u>2015</u>
Contributions for future programs and expenses	\$ 65,843	\$ 72,244
Ontario Ministry of Health and Long-Term Care - AIDS Bureau	-	30,902
Unspent proceeds from gaming activities:		
Bingo	27,006	32,396
Provincial Nevada	32,451	30,847
	<u>\$ 125,300</u>	<u>\$ 166,389</u>

Cash includes balances held in separate bank accounts for unspent Bingo and Provincial Nevada proceeds.

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**HEMOPHILIA ONTARIO**  
**Notes to Financial Statements**  
**Year Ended December 31, 2016**

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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 includes amounts to support these internally restricted amounts.

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**6. MINISTRY OF HEALTH AND LONG-TERM CARE**

In June 2015, the Ministry of Health and Long-Term Care (“MOH”) notified the Organization of reductions in annualized base funding, starting with the MOH funding year ended March 31, 2016, due to a reduction of program costs.

As a result of this permanent reduction, the maximum funding available from MOH is \$285,560 for the 2016/2017 funding year and \$189,430 for the 2017/2018 and subsequent years.

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**7. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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