

HEMOPHILIA ONTARIO

Financial Statements

December 31, 2017

HEMOPHILIA ONTARIO
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Year Ended December 31, 2017

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INDEPENDENT AUDITOR'S 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, 2017 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, 2017 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.

Hogg, Shain & Scheck PC

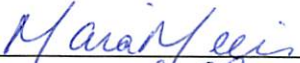

Toronto, Ontario
April 11, 2018

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

HEMOPHILIA ONTARIO
Statement of Financial Position
As at December 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash (Notes 3, 4 and 5)	\$ 805,486	\$ 802,810
Short-term investments (Note 3)	20,123	20,123
Accounts receivable (Note 3)	15,393	15,764
Harmonized Sales Tax recoverable	21,243	32,958
Prepaid expenses and other assets	18,934	19,826
	\$ 881,179	\$ 891,481
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 23,795	\$ 19,904
Deferred contributions (Note 4)	122,124	125,300
	145,919	145,204
NET ASSETS		
INTERNALLY RESTRICTED (Note 5)	50,000	50,000
UNRESTRICTED	685,260	696,277
	735,260	746,277
	\$ 881,179	\$ 891,481

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, 2017

	General Program 2017	AIDS Bureau Program 2017	City of Toronto 2017	Total 2017	Total 2016
REVENUES					
Grants:					
Federal	\$ 3,799	\$ -	\$ -	\$ 3,799	\$ -
Ontario (Note 4)	33,149	222,694	-	255,843	304,921
Municipal	-	-	27,025	27,025	26,495
Programs and events	196,312	-	-	196,312	191,595
Donations:					
Federal Health Charities	70,013	-	-	70,013	71,340
Individuals and bequests	34,800	-	-	34,800	60,381
Other contributions	39,531	-	-	39,531	46,685
Fundraising and gaming activities:					
Bingo and Provincial Nevada	52,976	-	-	52,976	47,866
CHS national revenue sharing	24,608	-	-	24,608	20,540
Interest and other	3,977	-	-	3,977	11,062
	<u>459,165</u>	<u>222,694</u>	<u>27,025</u>	<u>708,884</u>	<u>780,885</u>
EXPENSES					
Staffing costs	127,855	170,990	-	298,845	370,545
Programs	235,319	18,587	27,025	280,931	279,200
Office supplies and expenses	31,788	9,500	-	41,288	47,463
Building occupancy	26,777	3,000	-	29,777	32,312
Travel	7,993	12,600	-	20,593	5,599
Board and committee meetings	16,025	-	-	16,025	11,711
Insurance	10,002	2,717	-	12,719	12,017
Professional fees	4,655	5,300	-	9,955	10,855
Staff and volunteer development	9,768	-	-	9,768	13,491
	<u>470,182</u>	<u>222,694</u>	<u>27,025</u>	<u>719,901</u>	<u>783,193</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(11,017)	-	-	(11,017)	(2,308)
NET ASSETS - BEGINNING OF YEAR	<u>746,277</u>	<u>-</u>	<u>-</u>	<u>746,277</u>	<u>748,585</u>
NET ASSETS - END OF YEAR	<u>\$ 735,260</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 735,260</u>	<u>\$ 746,277</u>

See the accompanying notes to these financial statements

HEMOPHILIA ONTARIO
Statement of Cash Flows
Year Ended December 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (11,017)	\$ (2,308)
Changes in non-cash working capital items:		
Accounts receivable	371	3,516
Harmonized Sales Tax recoverable	11,715	8,037
Prepaid expenses and other assets	892	(948)
Accounts payable and accrued liabilities	3,891	(25,689)
Deferred contributions	(3,176)	(41,089)
	<u>13,693</u>	<u>(56,173)</u>
INCREASE (DECREASE) IN CASH FLOWS	2,676	(58,481)
CASH - BEGINNING OF YEAR	802,810	861,291
CASH - END OF YEAR	\$ 805,486	\$ 802,810

See the accompanying notes to these financial statements

HEMOPHILIA ONTARIO
Notes to Financial Statements
Year Ended December 31, 2017

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.

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 2017, the Organization acquired computer equipment and related hardware for each of its regional branches. Total expenditures for this equipment was \$4,927 (2016 - \$1,575). 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.

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.

(continues)

HEMOPHILIA ONTARIO
Notes to Financial Statements
Year Ended December 31, 2017

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 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 year they become known. Actual results could differ from these estimates.

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 \$669,364 (2016 - \$631,815) at a floating interest rate, which was 0.55% (2016 - 0.35%) per annum at December 31, 2017.

Short-term investments at December 31, 2017 consist of a cashable guaranteed investment certificate of \$20,123 (2016 - \$20,123), issued by a major Canadian financial institution, with a maturity date of February 11, 2018 and an interest rate of 0.6% per annum.

Accounts receivable include the fourth quarter proceeds from CHS national revenue sharing of \$6,152 (2016 - \$6,152).

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:

	<u>2017</u>	<u>2016</u>
Contributions for future programs and expenses		
Ontario Trillium	\$ 26,861	\$ -
Other	46,574	65,843
Unspent proceeds from gaming activities:		
Bingo	24,035	27,006
Provincial Nevada	24,654	32,451
	<u>\$ 122,124</u>	<u>\$ 125,300</u>

Cash includes 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 includes amounts to support these internally restricted amounts.

HEMOPHILIA ONTARIO
Notes to Financial Statements
Year Ended December 31, 2017

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 \$189,430 for the 2017/2018 funding year and subsequent years.

7. LEASE COMMITMENTS

The Organization leases premises under a long term lease that expires on January 31, 2019. Under the lease, the Organization is required to pay \$1,200 a month. In addition to the above base rent, the Organization must pay for its proportionate share of utilities, property taxes, maintenance and other related costs for the leased premises.

2018	\$	14,360
2019		<u>1,200</u>
	\$	<u>15,560</u>
