

**HEMOPHILIA ONTARIO**

**Financial Statements**

**December 31, 2018**

**HEMOPHILIA ONTARIO**  
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**Year Ended December 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

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To the Directors of Hemophilia Ontario

### *Opinion*

We have audited the financial statements of Hemophilia Ontario (the "Organization"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2018, 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.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Toronto, Ontario  
April 12, 2019



*Hogg, Shain and Scheck PC*

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

**HEMOPHILIA ONTARIO**  
**Statement of Financial Position**  
**As at December 31, 2018**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Notes 3, 4 and 5)	\$ 680,562	\$ 805,486
Short-term investments (Note 3)	20,123	20,123
Accounts receivable (Note 3)	16,738	15,393
Harmonized Sales Tax recoverable	29,589	21,243
Prepaid expenses and other assets	26,944	18,934
	<b>\$ 773,956</b>	<b>\$ 881,179</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 18,242	\$ 23,795
Deferred contributions (Note 4)	81,261	122,124
	<b>99,503</b>	<b>145,919</b>
<b>NET ASSETS</b>		
<b>INTERNALLY RESTRICTED (Note 5)</b>	<b>50,000</b>	<b>50,000</b>
<b>UNRESTRICTED</b>	<b>624,453</b>	<b>685,260</b>
	<b>674,453</b>	<b>735,260</b>
	<b>\$ 773,956</b>	<b>\$ 881,179</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, 2018**

	General Program 2018	AIDS Bureau Program 2018	City of Toronto 2018	Total 2018	Total 2017
<b>REVENUES</b>					
Grants:					
Federal	-	-	-	-	3,799
Ontario (Note 4)	56,259	203,974	-	260,233	255,843
Municipal	-	-	27,595	27,595	27,025
Programs and events	150,671	-	-	150,671	196,312
Donations:					
Federal Health Charities	63,169	-	-	63,169	70,013
Individuals and bequests	32,731	-	-	32,731	34,800
Other contributions	37,283	-	-	37,283	39,531
Fundraising and gaming activities:					
Bingo and Provincial Nevada	53,666	-	-	53,666	52,976
CHS national revenue sharing	-	-	-	-	24,608
Interest and other	7,406	-	-	7,406	3,977
	<u>401,185</u>	<u>203,974</u>	<u>27,595</u>	<u>632,754</u>	<u>708,884</u>
<b>EXPENSES</b>					
Staffing costs	207,320	149,107	-	356,427	298,845
Programs	164,041	29,367	27,595	221,003	280,931
Office supplies and expenses	34,548	4,500	-	39,048	41,288
Building occupancy	17,258	3,000	-	20,258	29,777
Travel	9,109	8,000	-	17,109	20,593
Board and committee meetings	14,432	-	-	14,432	16,025
Insurance	4,440	7,000	-	11,440	12,719
Professional fees	6,492	3,000	-	9,492	9,955
Staff and volunteer development	4,352	-	-	4,352	9,768
	<u>461,992</u>	<u>203,974</u>	<u>27,595</u>	<u>693,561</u>	<u>719,901</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	(60,807)	-	-	(60,807)	(11,017)
<b>NET ASSETS - BEGINNING OF YEAR</b>	735,260	-	-	735,260	746,277
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 674,453</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 674,453</u>	<u>\$ 735,260</u>

See the accompanying notes to these financial statements

**HEMOPHILIA ONTARIO**  
**Statement of Cash Flows**  
**Year Ended December 31, 2018**

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenses	\$ (60,807)	\$ (11,017)
Changes in non-cash working capital items:		
Accounts receivable	(1,345)	371
Harmonized Sales Tax recoverable	(8,346)	11,715
Prepaid expenses and other assets	(8,010)	892
Accounts payable and accrued liabilities	(5,553)	3,891
Deferred contributions	(40,863)	(3,176)
	<u>(64,117)</u>	<u>13,693</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>(124,924)</b>	<b>2,676</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>805,486</b>	<b>802,810</b>
<b>CASH - END OF YEAR</b>	<b>\$ 680,562</b>	<b>\$ 805,486</b>

*See the accompanying notes to these financial statements*

**HEMOPHILIA ONTARIO**  
**Notes to Financial Statements**  
**Year Ended December 31, 2018**

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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 2018, the Organization acquired computer equipment and related hardware for each of its regional branches. Total expenditures for this equipment was \$4,008 (2017 - \$4,927). 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.

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**HEMOPHILIA ONTARIO**  
**Notes to Financial Statements**  
**Year Ended December 31, 2018**

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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 at the date of the financial statements and the reported amounts of revenues and expenses during the year. 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.

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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 \$554,815 (2017 - \$669,364) at a floating interest rate, which was 1.5% (2017 - 0.55%) per annum at December 31, 2018.

Short-term investments at December 31, 2018 consist of a cashable guaranteed investment certificate of \$20,123 (2017 - \$20,123), issued by a major Canadian financial institution, with a maturity date of March 20, 2019 and an interest rate of 1.2% per annum.

Accounts receivable include the fourth quarter proceeds from CHS national revenue sharing of \$nil (2017 - \$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.

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**4. DEFERRED CONTRIBUTIONS**

Deferred contributions are as follows:

	<u>2018</u>	<u>2017</u>
Contributions for future programs and expenses:		
Other	\$ 45,073	\$ 46,574
Ontario Trillium Foundation	-	26,861
Unspent proceeds from gaming activities:		
Bingo	18,374	24,035
Provincial Nevada	17,814	24,654
	<u>\$ 81,261</u>	<u>\$ 122,124</u>

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

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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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**HEMOPHILIA ONTARIO**  
**Notes to Financial Statements**  
**Year Ended December 31, 2018**

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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.

The Organization’s approved funding from MOH for the period from April 1, 2018 to March 31, 2019 is \$204,730. The Organization expects to receive funding of a similar amount for the period from April 1, 2019 to March 31, 2020.

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**7. LEASE COMMITMENTS**

The Organization leases premises under a long term lease that expires on January 31, 2020. Under the lease, the Organization is required to pay \$879 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.

2019	\$	10,869
2020		<u>879</u>
	\$	<u>11,748</u>

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