

HEMOPHILIA ONTARIO

Financial Statements

December 31, 2009

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AUDITORS' REPORT

To the Board of Directors of
Hemophilia Ontario

We have audited the statement of financial position of **Hemophilia Ontario** as at December 31, 2009 and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2009 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
March 5, 2010



Chartered Accountants
Licensed Public Accountants

HEMOPHILIA ONTARIO

Statement of Financial Position

As at December 31

	2009	2008
ASSETS		
Current:		
Cash and cash equivalents (Notes 3 and 4)	\$ 567,260	\$ 708,492
Accounts receivable	51,997	42,072
Prepaid expenses and other assets	<u>27,911</u>	<u>11,644</u>
	<u>\$ 647,168</u>	<u>\$ 762,208</u>
LIABILITIES		
Current:		
Accounts payable and accrued liabilities	\$ 14,219	\$ 29,543
Deferred contributions (Note 4)	<u>52,724</u>	<u>128,894</u>
	<u>66,943</u>	<u>158,437</u>
NET ASSETS		
Internally restricted (Note 3)	50,000	50,000
Unrestricted	<u>530,225</u>	<u>553,771</u>
	<u>580,225</u>	<u>603,771</u>
	<u>\$ 647,168</u>	<u>\$ 762,208</u>

Commitments (Note 6)

Approved by the Board:  Director
 Director

See accompanying Notes to Financial Statements

HEMOPHILIA ONTARIO

Statement of Operations and Changes in Net Assets

Year ended December 31

	General Program	AIDS Bureau Program	2009 Total	2008 Total
REVENUES				
Grants:				
Ontario	\$ -	\$ 419,717	\$ 419,717	\$ 412,978
Fundraising and gaming activities:				
Bingo and Provincial Nevada	80,743	-	80,743	69,586
CHS national revenue sharing	52,478	-	52,478	50,671
Programs and events	219,346	-	219,346	186,422
Donations:				
Federated Health Charities	75,308	-	75,308	77,702
Individuals and bequests	82,815	-	82,815	59,329
Other contributions	25,068	-	25,068	39,285
Regional assessments (Note 5)	24,000	-	24,000	24,000
Interest	3,615	-	3,615	9,670
Municipal property tax rebate	5,619	-	5,619	4,200
Other	-	-	-	5,156
	<u>568,992</u>	<u>419,717</u>	<u>988,709</u>	<u>938,999</u>
EXPENSES				
Staffing costs	201,063	337,908	538,971	505,192
Programs	234,000	-	234,000	174,586
Professional fees	13,575	10,000	23,575	9,400
Office supplies and expenses	49,118	20,200	69,318	70,450
Staff and volunteer development	28,731	4,500	33,231	72,195
Building occupancy (Note 6)	22,678	25,000	47,678	49,249
Board and committee meetings	27,310	-	27,310	23,923
Insurance	8,817	10,000	18,817	18,966
Travel	7,246	12,109	19,355	19,094
	<u>592,538</u>	<u>419,717</u>	<u>1,012,255</u>	<u>943,055</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(23,546)	-	(23,546)	(4,056)
NET ASSETS, beginning of year	<u>603,771</u>	<u>-</u>	<u>603,771</u>	<u>607,827</u>
NET ASSETS, end of year	<u>\$ 580,225</u>	<u>\$ -</u>	<u>\$ 580,225</u>	<u>\$ 603,771</u>

See accompanying Notes to Financial Statements

HEMOPHILIA ONTARIO

Notes to Financial Statements

December 31, 2009

1. NATURE AND PURPOSE OF THE ORGANIZATION

Hemophilia Ontario is incorporated without share capital under the Ontario Business Corporations Act as a not-for-profit organization. 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. SIGNIFICANT ACCOUNTING POLICIES

These financial statements reflect the assets, liabilities, revenues, expenses and cash flows of Hemophilia Ontario and Hemophilia Ontario regions consisting of the Central West Ontario Region (CWOR), the Sudbury & North-Eastern Ontario Region (NEOR), the Ottawa & Eastern Ontario Region (OEOR) and the South Western Ontario Region (SWOR).

These financial statements do not include the assets, liabilities, revenues, expenses and cash flows of the Toronto and Central Ontario Regional Hemophilia Society ("TCOR"), as it is a separate legal entity. Financial statements for TCOR are presented and reported on separately.

These financial statements are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles. The following is a summary of significant accounting policies used in the preparation of these financial statements.

Comparative amounts

Certain 2008 comparative amounts have been reclassified to conform with 2009 financial statement presentation. These reclassifications have no impact on the excess (deficiency) of revenues over expenses previously reported.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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.

Statement of cash flows

A statement of cash flows has not been presented as it would not provide additional meaningful information.

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Notes to Financial Statements

December 31, 2009

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term investments, and are reported at fair value.

Cash consists of cash on hand and bank deposits residing in interest and non-interest-bearing accounts at major Canadian financial institutions.

Short-term investments at December 31, 2009 consist of term deposits and guaranteed investment certificates issued by major Canadian financial institutions with an initial term to maturity ranging from one to two years from the date of issue, and an average interest rate of 1.44%.

Financial instruments

The organization classifies its cash and cash equivalents as financial assets held for trading; accounts receivable are classified as loans and receivables; and, accounts payable and accrued liabilities are classified as other liabilities. Financial instruments classified as held for trading are reported at fair value at the balance sheet date, and any change in fair value is recognized in the statement of revenues and expenses in the period in which the change occurs. Financial instruments classified as loans and receivables and other liabilities are carried at amortized cost using the effective interest method.

The carrying value of the organization's accounts receivable and accounts payable and accrued liabilities approximates their fair value due to the relatively short term to maturity of those instruments.

The organization does not have significant credit risk in respect to its accounts receivable, and has no currency risk. The organization manages its cash and cash equivalents based on its cash flow needs and with a view to optimizing its interest income.

3. 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.

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Notes to Financial Statements

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4. DEFERRED CONTRIBUTIONS

Deferred contributions at December 31 are as follows:

	2009	2008
Ontario Ministry of Health and Long-Term Care AIDS Bureau grant	\$ -	\$ 2,675
Contributions for future programs and expenses	27,576	43,462
Unspent proceeds from gaming activities:		
Bingo	7,216	27,856
Provincial Nevada	<u>17,932</u>	<u>54,901</u>
	<u>\$ 52,724</u>	<u>\$ 128,894</u>

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

5. RELATED PARTY TRANSACTIONS

During the year, the organization received from TCOR assessment fees of \$ 24,000 (2008 - \$ 24,000) and rent for its share of premises of \$ 26,422 (2008 - \$ 19,648). Assessment fees are classified as revenues, and rent for premises is recorded as a reduction of occupancy costs in the Statement of Operations and Changes in Net Assets.

6. PREMISES LEASE COMMITMENT

The organization is committed under operating leases for premises requiring minimum annual payments (exclusive of requirements to pay its proportionate share of realty taxes, utilities and maintenance costs) for each of the years ended December 31 as follows:

2010	\$ 78,413
2011	76,102
2012	18,674

The organization shares the premises with TCOR and the Canadian Hemophilia Society and receives contributions from them for their proportionate share of lease costs. As the organization is the legal tenant of the premises, the lease commitment figures noted above are the total minimum rental payments, before recovery of amounts from shared tenants.