

**HEMOPHILIA ONTARIO**

**Financial Statements**

**December 31, 2011**

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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, 2011, and the statement of operations and changes in net assets 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 generally accepted accounting principles, 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 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, 2011, and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Marinucci & Company*

**Toronto, Ontario**

**Chartered Accountants**

April 18, 2012

Licensed Public Accountants

# HEMOPHILIA ONTARIO

## Statement of Financial Position

As at December 31

	2011	2010
<b>ASSETS</b>		
Current:		
Cash and cash equivalents (Notes 3 and 4)	\$ 565,219	\$ 554,547
Accounts receivable	72,209	78,457
Prepaid expenses and other assets	<u>8,297</u>	<u>18,049</u>
	<u>\$ 645,724</u>	<u>\$ 651,053</u>
<b>LIABILITIES</b>		
Current:		
Accounts payable and accrued liabilities	\$ 12,413	\$ 10,509
Deferred contributions (Note 4)	<u>45,520</u>	<u>59,934</u>
	<u>57,933</u>	<u>70,443</u>
<b>NET ASSETS</b>		
Internally restricted (Note 3)	50,000	50,000
Unrestricted	<u>537,791</u>	<u>530,610</u>
	<u>587,791</u>	<u>580,610</u>
	<u>\$ 645,724</u>	<u>\$ 651,053</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	2011 Total	2010 Total
<b>REVENUES</b>				
Grants:				
Ontario	\$ -	\$ 436,262	\$ 436,262	\$ 450,481
Fundraising and gaming activities:				
Bingo and Provincial Nevada	21,413	-	21,413	41,101
CHS national revenue sharing	61,140	-	61,140	57,621
Programs and events	207,629	-	207,629	207,204
Donations:				
Federated Health Charities	81,973	-	81,973	78,279
Individuals and bequests	50,383	-	50,383	63,044
Other contributions	31,581	-	31,581	20,248
Regional assessments (Note 5)	-	-	-	24,000
Interest	5,985	-	5,985	3,813
Municipal property tax rebate	5,799	-	5,799	4,601
Other	736	-	736	8
	<u>466,639</u>	<u>436,262</u>	<u>902,901</u>	<u>950,400</u>
<b>EXPENSES</b>				
Staffing costs	131,318	333,140	464,458	542,260
Programs	200,064	33,122	233,186	238,650
Professional fees	3,925	7,000	10,925	8,200
Office supplies and expenses	75,577	15,000	90,577	66,748
Staff and volunteer development	2,625	10,000	12,625	6,143
Building occupancy (Note 6)	20,907	28,000	48,907	45,844
Board and committee meetings	9,509	-	9,509	24,471
Insurance	5,547	5,000	10,547	12,567
Travel	9,986	5,000	14,986	5,132
	<u>459,458</u>	<u>436,262</u>	<u>895,720</u>	<u>950,015</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	7,181	-	7,181	385
<b>NET ASSETS, beginning of year</b>	<u>580,610</u>	<u>-</u>	<u>580,610</u>	<u>580,225</u>
<b>NET ASSETS, end of year</b>	<u>\$ 587,791</u>	<u>\$ -</u>	<u>\$ 587,791</u>	<u>\$ 580,610</u>

See accompanying Notes to Financial Statements

# HEMOPHILIA ONTARIO

## Notes to Financial Statements

**December 31, 2011**

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### 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 (NOR), 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.

#### 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.

# HEMOPHILIA ONTARIO

## Notes to Financial Statements

**December 31, 2011**

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### 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. The interest-bearing account has a balance of \$442,022 at a floating interest rate, which was 1.25% at December 31, 2011.

Short-term investments at December 31, 2011 consist of a cashable guaranteed investment certificate of \$19,429, issued by a major Canadian financial institution, with a maturity date of May 4, 2012 and an interest rate of 1.00%.

#### 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.

# HEMOPHILIA ONTARIO

## Notes to Financial Statements

December 31, 2011

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### 4. DEFERRED CONTRIBUTIONS

Deferred contributions at December 31 are as follows:

	2011	2010
Contributions for future programs and expenses	\$ 15,823	\$ 40,646
Unspent proceeds from gaming activities:		
Bingo	8,653	7,201
Provincial Nevada	<u>21,044</u>	<u>12,087</u>
	<u>\$ 45,520</u>	<u>\$ 59,934</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 \$ nil (2010 - \$ 24,000) and rent for its share of premises of \$ 27,082 (2010 - \$ 26,423). 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 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:

2012	\$ 26,511
2013	28,418
2014	30,230
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 2011 was approximately \$32,000.

The organization shares the premises with TCOR and receives contributions from TCOR for its proportionate share of lease costs (see Note 5). 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 TCOR.