

Financial Statements

**HEMOPHILIA FOUNDATION OF
GREATER FLORIDA, INC.**

December 31, 2018 and 2017

HEMOPHILIA FOUNDATION OF GREATER FLORIDA, INC.

Financial Statements

December 31, 2018 and 2017

(With Independent Auditor's Report Thereon)

HEMOPHILIA FOUNDATION OF GREATER FLORIDA, INC.

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Independent Auditor's Report

The Board of Directors
Hemophilia Foundation of Greater Florida, Inc.:

We have audited the accompanying financial statements of Hemophilia Foundation of Greater Florida, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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 referred to above present fairly, in all material respects, the financial position of Hemophilia Foundation of Greater Florida, Inc. as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Schatz, Tschopp, Whitcomb, Mitchell & Shuidan, LLP

May 3, 2019

HEMOPHILIA FOUNDATION OF GREATER FLORIDA, INC.

Statements of Financial Position

December 31, 2018 and 2017

Assets

	<u>2018</u>	<u>2017</u>
Current assets		
Cash and cash equivalents	\$ 1,138,926	1,099,946
Prepaid expense	97,139	81,037
Total current assets	1,236,065	1,180,983
Property and equipment, net (note 3)	1,163	1,577
Other assets	1,440	1,440
Total assets	<u>\$ 1,238,668</u>	<u>1,184,000</u>

Liabilities and Net Assets

Current liabilities:		
Accrued expenses	\$ 14,229	13,580
Deferred revenue	38,162	14,500
Total current liabilities	52,391	28,080
Commitment (note 4)		
Net assets:		
Without donor restrictions	1,007,190	1,018,195
With donor restrictions (note 5)	179,087	137,725
Total liabilities and net assets	<u>\$ 1,238,668</u>	<u>1,184,000</u>

See accompanying notes to financial statements.

HEMOPHILIA FOUNDATION OF GREATER FLORIDA, INC.

Statements of Activities and Changes in Net Assets

Years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Without donor restrictions:		
Public support and revenue:		
Public support:		
Contributions	\$ 494,099	528,847
Sponsorships	5,000	7,000
Special events	305,080	319,766
Less benefits to donors	(60,548)	(70,792)
Revenue:		
Investment income	5,999	5,519
Total unrestricted support and revenue	<u>749,630</u>	<u>790,340</u>
Net assets released from restrictions	<u>103,638</u>	<u>109,350</u>
Total unrestricted support, revenue and other gains	853,268	899,690
Expenses:		
Program services	770,669	730,460
Supporting services:		
Management and general	60,155	47,087
Fund raising	33,449	28,081
Total expenses	<u>864,273</u>	<u>805,628</u>
With donor restrictions:		
Contributions	145,000	137,725
Net assets released from restriction	<u>(103,638)</u>	<u>(109,350)</u>
Net assets with donor restrictions	<u>41,362</u>	<u>28,375</u>
Change in net assets	30,357	122,437
Net assets at beginning of year	<u>1,155,920</u>	<u>1,033,483</u>
Net assets at end of year	<u>\$ 1,186,277</u>	<u>1,155,920</u>

See accompanying notes to financial statements.

HEMOPHILIA FOUNDATION OF GREATER FLORIDA, INC.

Statement of Functional Expenses

Year ended December 31, 2018

Expense	Summer Camp	Family Retreat Program	Support for Individuals	Emergency Financial Services	Scholarships	Public Health Education	Management and General	Fundraising	Total
Camp Spirit	\$ 56,550	-	-	-	-	-	-	-	56,550
Camp transportation	4,995	-	-	-	-	-	-	-	4,995
Compassionate care	-	-	-	30,751	-	-	-	-	30,751
Outreach	-	-	84,099	-	-	-	-	-	84,099
Support groups	-	-	218,941	-	-	-	-	-	218,941
Seminars	-	-	-	-	-	32,762	-	-	32,762
Salaries	37,286	37,286	35,215	35,215	12,428	49,715	31,844	19,940	258,929
Payroll taxes	2,976	2,976	2,790	2,790	992	3,968	2,562	1,613	20,667
Printing	614	614	588	588	206	823	515	343	4,291
Postage	555	555	520	520	183	738	473	337	3,881
Newsletter	-	-	-	-	-	1,605	-	-	1,605
Depreciation	-	-	-	-	-	-	414	-	414
Insurance	2,585	2,585	2,547	2,547	868	3,584	2,283	1,867	18,866
Memberships	-	-	-	-	-	2,180	-	-	2,180
Office supplies	1,206	1,206	1,138	1,138	402	1,616	1,021	646	8,373
Other expenses	-	-	-	-	-	-	7,572	-	7,572
Professional fees	7,775	7,775	7,344	7,344	2,591	10,366	6,641	4,161	53,997
Rent	5,812	5,812	5,489	5,489	1,937	7,749	5,005	3,069	40,362
Telephone	747	747	706	706	248	1,001	643	387	5,185
Travel	1,379	1,379	1,280	1,280	394	1,873	1,182	1,086	9,853
Totals	\$ 122,480	60,935	360,657	88,368	20,249	117,980	60,155	33,449	864,273

See accompanying notes to financial statements.

HEMOPHILIA FOUNDATION OF GREATER FLORIDA, INC.

Statement of Functional Expenses

Year ended December 31, 2017

Expense	Summer Camp	Family Retreat Program	Support for Individuals	Emergency Financial Services	Scholarships	Public Health Education	Management and General	Fundraising	Total
Camp Spirit	\$ 52,374	-	-	-	-	-	-	-	52,374
Camp transportation	4,548	-	-	-	-	-	-	-	4,548
Compassionate care	-	-	-	69,088	-	-	-	-	69,088
Outreach	-	-	104,468	-	-	-	-	-	104,468
Support groups	-	-	200,542	-	-	-	-	-	200,542
Seminars	-	-	-	-	-	16,731	-	-	16,731
Salaries	31,662	31,662	29,903	29,903	10,554	42,216	27,041	16,932	219,873
Payroll taxes	2,656	2,656	2,490	2,490	885	3,541	2,287	1,440	18,445
Printing	745	745	713	713	250	999	625	417	5,207
Postage	257	257	241	241	85	342	219	156	1,798
Newsletter	-	-	-	-	-	1,213	-	-	1,213
Depreciation	-	-	-	-	-	-	414	-	414
Insurance	2,482	2,482	2,446	2,446	834	3,442	2,192	1,793	18,117
Memberships	-	-	-	-	-	1,734	-	-	1,734
Office supplies	959	959	905	905	320	1,285	812	513	6,658
Other expenses	-	-	-	-	-	-	3,568	-	3,568
Professional fees	2,488	2,488	2,350	2,350	829	3,317	2,125	1,331	17,278
Rent	5,629	5,629	5,316	5,316	1,876	7,505	4,847	2,971	39,089
Telephone	683	683	645	645	227	915	588	354	4,740
Travel	2,764	2,764	2,566	2,566	789	3,751	2,369	2,174	19,743
Totals	\$ 107,247	50,325	352,585	116,663	16,649	86,991	47,087	28,081	805,628

See accompanying notes to financial statements.

HEMOPHILIA FOUNDATION OF GREATER FLORIDA, INC.

Statements of Cash Flows

Years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ 30,357	122,437
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	414	414
Change in operating assets and liabilities:		
Prepaid expense	(16,102)	(7,158)
Accrued expenses	649	(408)
Deferred revenue	23,662	3,657
Net cash provided by operating activities	<u>38,980</u>	<u>118,942</u>
Cash flows from investing activities:		
Purchase of equipment	-	(1,306)
Net cash used in investing activities	<u>-</u>	<u>(1,306)</u>
Change in cash and cash equivalents	38,980	117,636
Cash and cash equivalents at beginning of year	<u>1,099,946</u>	<u>982,310</u>
Cash and cash equivalents at end of year	<u>\$ 1,138,926</u>	<u>1,099,946</u>

See accompanying notes to financial statements.

HEMOPHILIA FOUNDATION OF GREATER FLORIDA, INC.

Notes to Financial Statements

December 31, 2018 and 2017

(1) Summary of Significant Accounting Policies

(a) General

Hemophilia Foundation of Greater Florida, Inc. (the Organization) is a not-for-profit corporation formed to be a pro-active service organization dedicated to elevating the quality of life for the Hemophilia and Bleeding Disorder community. The Organization was formed in 1996 and services the needs of individuals in the state of Florida.

(b) Basis of Presentation

Unconditional promises to give (pledges) are recorded as receivables and revenue, and the Organization distinguishes between promises received for each net asset category in accordance with donor restrictions, if any.

Net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- ◆ Net assets without donor restrictions---Net assets that are not subject to donor-imposed stipulations.
- ◆ Net assets with donor restrictions---Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donors impose restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions.

(c) Property and Equipment

Property and equipment are stated at cost, or estimated market value at the date of receipt if donated, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. All property expenditures in excess of \$500 are capitalized; maintenance and renewals are charged to expense as incurred.

(Continued)

HEMOPHILIA FOUNDATION OF GREATER FLORIDA, INC.

Notes to Financial Statements

December 31, 2018 and 2017

(1) **Summary of Significant Accounting Policies - Continued**

(d) **Public Support and Revenue**

All contributions are considered available for the general programs of the Organization, unless specifically restricted by the donor.

(e) **Contributions**

Contributions of services are recognized when they are received if the services (a) create or enhance non-financial assets or (b) require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

(f) **Long-Lived Assets**

The Organization follows the policy of lifting restrictions on contributions of cash and other assets received for the acquisition of long-lived assets when the long-lived assets are acquired.

(g) **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(h) **Functional Allocation of Expenses**

The costs of providing Organization programs and the administration of the Organization have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(i) **Cash and Cash Equivalents**

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

(Continued)

HEMOPHILIA FOUNDATION OF GREATER FLORIDA, INC.

Notes to Financial Statements

December 31, 2018 and 2017

(1) Summary of Significant Accounting Policies - Continued

(j) Income Taxes

The Organization is exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. Consequently, no provision for income taxes has been included in the accompanying financial statements.

The Organization adopted the provisions of the Income Tax Topic of the ASC. These provisions clarify the accounting for uncertainty in tax positions and prescribe guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the statement of activities. As of December 31, 2018, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

The Organization's income tax returns are subject to review and examination by federal authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income, excise or other taxes. The tax returns for the fiscal years ended from 2015 to 2017 are open to examination by federal authorities.

(k) Financial Instruments Fair Value, Concentration of Business and Credit Risks

The carrying amount reported in the balance sheet for cash and cash equivalents, accounts receivable, and accrued expenses approximates fair value because of the immediate or short-term maturity of these financial instruments.

(Continued)

HEMOPHILIA FOUNDATION OF GREATER FLORIDA, INC.

Notes to Financial Statements

December 31, 2018 and 2017

(1) Summary of Significant Accounting Policies - Continued

(l) Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. We have implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

(m) Subsequent Events

In preparing these financial statements, the Organization has evaluated subsequent events and transactions for potential recognition and disclosure through May 3, 2019, which is the date the financial statements were available to be issued.

(2) Liquidity and Availability

As of December 31, 2018, the Organization has \$959,839 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. Financial assets subject to donor restrictions that make them unavailable for general expenditure within one year of the balance sheet date were \$25,000 as of December 31, 2018. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following table reflects the Organization's financial assets as of December 31, 2018 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date.

Cash and cash equivalents	\$ 1,138,926
Assets with donor restrictions	<u>(25,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,113,926</u>

HEMOPHILIA FOUNDATION OF GREATER FLORIDA, INC.

Notes to Financial Statements

December 31, 2018 and 2017

(3) **Property and Equipment**

Property and equipment consist of the following at December 31:

	<u>2018</u>	<u>2017</u>
Office equipment	\$ 10,467	10,467
Less accumulated depreciation	<u>(9,304)</u>	<u>(8,890)</u>
	<u>\$ 1,163</u>	<u>1,577</u>

(4) **Commitment**

The Organization leases its office space under an operating lease agreement through December 2021. Future minimum rent payments are as follows:

<u>Year ended December 31,</u>	
2019	\$ 41,469
2020	42,700
2021	44,000

Total rent expense for the years ended December 31, 2018 and 2017 amounted to \$40,362 and \$39,089, respectively.

(5) **Net Assets With Donor Restrictions**

Net assets with donor restrictions are available for specific purposes. Their use is limited by donor-imposed stipulations that either expire with the passage of time or the fulfillment of specific obligations. Restricted net assets with donor restrictions are restricted for the following purposes:

	<u>2018</u>	<u>2017</u>
Emergency financial assistance	\$ 25,000	
Hemophilia awareness	<u>154,087</u>	<u>137,725</u>
	<u>\$ 179,087</u>	<u>137,725</u>