



HEMOPHILIA FEDERATION OF AMERICA, INC.

FINANCIAL REPORT

DECEMBER 31, 2015

Winter, Kloman, Moter & Repp, S.C.

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Winter, Kloman, Moter & Repp, S.C.

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Independent Auditor's Report

To the Board of Directors
Hemophilia Federation of America, Inc.
Washington, D.C.

Report on the Financial Statements

We have audited the accompanying financial statements of Hemophilia Federation of America, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, cash flows and functional expenses for the year 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 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 Federation of America, Inc. as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2014 financial statements, and our report dated July 17, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by *The U.S. Department of Health and Human Services, Centers for Disease Control and Prevention*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2016 on our consideration of Hemophilia Federation of America, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hemophilia Federation of America, Inc.'s internal control over financial reporting and compliance.

White, K. Loman, Mote & Repp, S.C.

Brookfield, WI
July 21, 2016

HEMOPHILIA FEDERATION OF AMERICA, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2015 and 2014

	2015	2014
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$1,479,869	\$ 426,700
Investments	255,354	261,555
Receivables	814,745	265,656
Prepaid expenses	<u>19,022</u>	<u>9,832</u>
Total current assets	2,568,990	963,743
PROPERTY AND EQUIPMENT		
Office furniture and equipment, net of accumulated depreciation of \$19,578 and \$15,078 in 2015 and 2014, respectively	<u>10,255</u>	<u>14,754</u>
Total assets	<u>\$2,579,245</u>	<u>\$ 978,497</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 134,313	\$ 80,470
Accrued liabilities	31,609	37,343
Deferred revenue	<u>1,269,910</u>	<u>234,825</u>
Total current liabilities	<u>1,435,832</u>	<u>352,638</u>
NET ASSETS		
Unrestricted	1,129,486	610,869
Temporarily restricted	<u>13,927</u>	<u>14,990</u>
Total net assets	<u>1,143,413</u>	<u>625,859</u>
Total liabilities and net assets	<u>\$2,579,245</u>	<u>\$ 978,497</u>

The Notes to Financial Statements are an integral part of these statements.

HEMOPHILIA FEDERATION OF AMERICA, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2015 with Comparative Totals for 2014

	Unrestricted	Temporarily Restricted	----- Total -----	
			2015	2014
<u>REVENUES</u>				
Grants and donations	\$1,688,367	\$ 0	\$1,688,367	\$1,255,313
Member dues	55,477	0	55,477	53,408
Symposium revenue	1,077,538	0	1,077,538	695,569
Directory and advertising	330,500	0	330,500	201,125
Interest and dividends	10,267	0	10,267	7,745
Loss on investments, net	<u>(13,736)</u>	<u>0</u>	<u>(13,736)</u>	<u>(7,969)</u>
	3,148,413	0	3,148,413	2,205,191
Net assets released from restrictions	<u>1,063</u>	<u>(1,063)</u>	<u>0</u>	<u>0</u>
Total revenues	<u>3,149,476</u>	<u>(1,063)</u>	<u>3,148,413</u>	<u>2,205,191</u>
 <u>EXPENSES</u>				
Program services	2,443,273	0	2,443,273	2,128,222
Supporting services:				
Management and general	120,869	0	120,869	112,979
Fundraising	<u>66,717</u>	<u>0</u>	<u>66,717</u>	<u>64,549</u>
	<u>2,630,859</u>	<u>0</u>	<u>2,630,859</u>	<u>2,305,750</u>
Change in net assets	518,617	(1,063)	517,554	(100,559)
 <u>NET ASSETS</u>				
Beginning of year	<u>610,869</u>	<u>14,990</u>	<u>625,859</u>	<u>726,418</u>
End of year	<u>\$ 1,129,486</u>	<u>\$ 13,927</u>	<u>\$ 1,143,413</u>	<u>\$ 625,859</u>

The Notes to Financial Statements are an integral part of these statements.

HEMOPHILIA FEDERATION OF AMERICA, INC.

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2015 and 2014

	2015	2014
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 517,554	\$ (100,559)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	4,499	5,890
Loss on asset disposal	0	4,270
Loss on investments, net	13,736	7,969
(Increase) decrease in:		
Receivables	(549,089)	111,920
Prepaid expenses	(9,190)	(7,735)
Increase (decrease) in:		
Accounts payable	53,843	3,786
Accrued liabilities	(5,734)	16,208
Deferred revenue	<u>1,035,085</u>	<u>(47,155)</u>
Net cash flows from operating activities	<u>1,060,704</u>	<u>(5,406)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from sale of investments	50,329	1,144
Purchase of investments	(57,864)	(270,667)
Purchase of property and equipment	<u>0</u>	<u>(6,339)</u>
Net cash flows from investing activities	<u>(7,535)</u>	<u>(275,862)</u>
Net change in cash and cash equivalents	1,053,169	(281,268)
Cash and cash equivalents - beginning of year	<u>426,700</u>	<u>707,968</u>
Cash and cash equivalents - end of year	<u>\$1,479,869</u>	<u>\$ 426,700</u>

The Notes to Financial Statements are an integral part of these statements.

HEMOPHILIA FEDERATION OF AMERICA, INC.

STATEMENT OF FUNTIONAL EXPENSES
For the Year Ended December 31, 2015 with Comparative Totals for 2014

	Program Services	-----Supporting Services -----		----- Total -----	
		Management and General	Fundraising	2015	2014
Wages and salaries	\$ 824,715	\$ 37,712	\$ 51,740	\$ 914,167	\$ 797,904
Payroll taxes and benefits	70,879	32,535	3,966	107,380	85,262
Insurance	3,300	3,905	0	7,205	6,058
Program expenses	284,755	0	0	284,755	250,720
Specific assistance	190,215	1,438	225	191,878	146,854
Scholarships	10,000	0	0	10,000	15,000
Professional fees	48,331	3,051	0	51,382	41,404
Conference and meetings	60,982	1,440	327	62,749	88,586
Speaker fees	28,811	0	0	28,811	21,046
Advertising	58,986	0	0	58,986	10,889
Supplies and postage	106,744	1,799	3,172	111,715	113,003
Printing and publications	77,294	0	1,287	78,581	82,790
Dues and subscriptions	48,779	2,041	669	51,489	51,436
Taxes and licenses	0	0	0	0	917
Telephone	22,722	82	597	23,401	22,151
Rent	79,512	24,803	0	104,315	64,322
Office expense	8,040	6,348	61	14,449	15,233
Travel	473,717	915	4,673	479,305	452,462
Equipment rental and maintenance	44,069	20	0	44,089	28,796
Depreciation	0	4,499	0	4,499	5,890
Loss on asset disposal	0	0	0	0	4,270
Miscellaneous	1,422	281	0	1,703	757
Total functional expenses	<u>\$2,443,273</u>	<u>\$ 120,869</u>	<u>\$ 66,717</u>	<u>\$2,630,859</u>	<u>\$2,305,750</u>

The Notes to Financial Statements are an integral part of these statements.

HEMOPHILIA FEDERATION OF AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Nature of business and basis of presentation

Hemophilia Federation of America, Inc. (the Organization) is a national nonprofit organization that assists and advocates for the bleeding community and numbers 36 chapters in its national network with approximately 12,000 members in total and is headquartered in Washington, D.C. The Organization receives the majority of its funding through private donations along with sponsorship income from a symposium it holds annually. The Organization promotes blood safety education, undertaking joint efforts with other bleeding-disorders and blood-safety groups. The following is a description of the various programs and initiatives:

Blood Brotherhood –

Blood Brotherhood is a national program for adult men, living with hemophilia or von Willebrand disease. It is designed to be a multi-avenue outreach, to provide education and support, promote good health, and establish a sense of community for adult men.

Blood Sisterhood –

Blood Sisterhood is a national program to educate and support women and girls who have a doctor diagnosed bleeding disorder or who experience symptoms of a bleeding disorder. The Blood Sisters stay connected and supported through a variety of mediums including face to face events at local partnering member organizations, educational webcasts, online story sharing. Ultimately, through furthering the conversation among women, we seek better health outcomes and a better quality of life for women with bleeding disorders.

Families: Dads in Action / Moms In Action –

Dads in Action was created to connect dads of children with bleeding disorders. The idea is to help dads build a network of support and engage their children in the process. Face to face events at local partnering member organizations, educational webcasts and a book of shared stories provide dads with the support they need to be their children's champion.

Moms in Action is dedicated to providing education, support and outreach through resources that help strengthen a family living with a bleeding disorder. The program offers these resources through face to face events at local partnering member organizations, educational tool kits and Infusing Love: A Mom's View: a weekly mom's blog written by community members.

Outreach Education -

Through in-person and online training, HFA helps individuals with bleeding disorders and caregivers learn how to become better advocates on their own behalf. HFA offers these resources through face to face events at local partnering member organizations as well as educational tool kits and web resources. Education and tools are provided to participate in monitoring, learning to self-advocate, and educating about federal and state public policies that impact the lives of people living with bleeding disorders.

HEMOPHILIA FEDERATION OF AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

Nature of business and basis of presentation (continued)

CHOICE Project –

CHOICE (Community Having Opportunity to Influence Care Equity) is a project that collects information through an online and paper-based survey. This survey collects information regarding health experiences of people who have a doctor-diagnosed bleeding disorder and do not receive care at a federally-funded hemophilia treatment center (HTC). HFA's goal for the CHOICE Project is to put the survey results to work to improve the lives of those in the bleeding disorders community.

Helping Hands Program –

The Helping Hands program is designed to establish a rapid, non-invasive source of relief for emergency situations for individuals and families in the bleeding disorders community. Each application is given careful consideration to the personal circumstances, while ensuring a minimum invasion of privacy for community members. The program also assists individuals with the cost of medically necessary items and durable medical equipment.

Gears for Good -

HFA encourages people with bleeding disorders to live healthy, active lifestyles. Gears for Good is a charity bike ride offered to raise funds for HFA's Helping Hands financial assistance program. Riders enjoy meeting new people and building stronger friendships along the way while raising funds for this important cause.

FitFactor –

FitFactor: Strength, Flexibility and Wellness offers a blend of services designed to improve health, fitness, and quality of life for individuals with a bleeding disorder through regular physical activity and proper nutrition.

Symposium –

Symposium is an annual community-centered educational conference event that draws hundreds of patients and their families. This national educational meeting is a place where community members come together to share information, learn new advancements, and build a network of support.

Other Activities –

The Organization provides educational and artistic scholarships to members of the bleeding disorders community, a resource guide for consumers and maintains a website with information about its programs and services.

HEMOPHILIA FEDERATION OF AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

Nature of business and basis of presentation (continued)

Other Activities (continued):

The Organization also produces a newsletter called Dateline Federation, which is published quarterly. In addition, the Organization covers the cost of attendance to meetings of the Department of Health and Human Services, the Blood Products Advisory Committee of the FDA, the Advisory Committee on Blood Safety and Availability, and participation in conferences at the invitation of the Center for Disease Control.

Method of accounting:

The Organization follows the accrual basis of accounting wherein revenues and expenses are reflected in the period earned or incurred.

Basis of presentation:

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Under these provisions, net assets and revenues, 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:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. When the donor restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted support earned in the same period as received are reported as unrestricted support.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. There were no permanently restricted net assets at December 31, 2015 and 2014.

Cash and cash equivalents:

The Organization defines cash and cash equivalents as highly liquid, short-term investments with a maturity of three months or less. The Organization maintains cash balances at two financial institutions. Cash deposits periodically exceed the Federal Deposit Insurance Corporation (FDIC) limit.

Investments:

Investments are recorded at fair value. Interest and dividend income is recorded when received. Gains or losses are reported in the accompanying statement of activities. Investments are exposed to various risks such as interest rate, market, and credit risks.

HEMOPHILIA FEDERATION OF AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

Property and equipment:

Property and equipment are stated at cost if purchased or fair market value at date of the gift if donated. All acquisitions of property and equipment and all expenditures for improvements and betterments that materially prolong the useful lives of assets are capitalized. Maintenance, repairs and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in the change in net assets.

Depreciation is computed using the straight-line method over the estimated useful life of five to seven years for office furniture and equipment.

Impairment of long-lived assets:

The Organization reviews long-lived assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. There have been no such losses in 2015 or 2014.

Expense allocation:

The cost of providing program, management and general, and fundraising has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Contributions and grants received and made:

Unconditional contributions and grants are recorded as revenue when received or earned net of allowances for uncollectible amounts and unamortized discounts. There were no allowances or unamortized discounts at December 31, 2015 or 2014.

Conditional contributions and grants received are not recorded until the conditions are met. There were no conditional contributions or grants received in 2015 or 2014.

Unconditional contributions and grants to others are recorded as expenses when made. Conditional contributions and grants to others are not recorded as expenses until the conditions have been met. The Organization made no conditional contributions or grants in 2015 or 2014.

Donated goods and services:

The financial statements do not include amounts for donated services, since the Organization pays for most services requiring specific expertise. However, many volunteers have donated their time to the Organization for its program services.

Deferred revenue:

Service fees and other revenue billed and/or collected during the year relative to an event or service performed in a subsequent year are recorded as deferred revenue.

HEMOPHILIA FEDERATION OF AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income taxes:

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying financial statements do not include any amounts for capital stock and corporate income taxes.

The federal information tax returns for 2015, 2014 and 2013 are subject to examination by the IRS, generally for three years after the returns are filed.

Date of management's review:

Management evaluated subsequent events through July 21, 2016, the date the financial statements were available to be issued.

Note 2. Investments and Fair Value Measurements

The Organization follows fair value measurement accounting standards, which provide a comprehensive framework for measuring fair value and expands disclosures which are required about fair value measurements. Specifically, this accounting standard sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value inputs. The levels within the hierarchy are as follows:

Level 1 – Unadjusted quoted prices for identical assets and liabilities in active markets;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Valuation derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

HEMOPHILIA FEDERATION OF AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 2. Investments and Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of December 31, 2015.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Commodities Broad Basket	\$ 2,627	0	0	\$ 2,627
Diversified Emerging Mkts	12,332	0	0	12,332
Emerging Markets Bond	3,115	0	0	3,115
Foreign Large Blend	11,690	0	0	11,690
Foreign Large Growth	8,123	0	0	8,123
Global Real Estate	11,697	0	0	11,697
Intermediate-Term Bond	83,032	0	0	83,032
Large Blend	4,936	0	0	4,936
Large Growth	12,373	0	0	12,373
Large Value	25,322	0	0	25,322
Mid-Cap Growth	8,932	0	0	8,932
Mid-Cap Value	3,778	0	0	3,778
Multisector Bond	14,091	0	0	14,091
Nontraditional Bond	9,347	0	0	9,347
Short-Term Bond	12,515	0	0	12,515
Small Growth	5,629	0	0	5,629
Small Value	8,070	0	0	8,070
Ultrashort Bond	11,017	0	0	11,017
US Money Market-Taxable	3,550	0	0	3,550
World Bond	3,178	0	0	3,178
Total	<u>\$ 255,354</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 255,354</u>

Net investment income consists of the following for the year ended December 31, 2015:

Interest and dividends	\$ 10,267
Realized and unrealized gains (losses)	<u>(13,736)</u>
	<u>\$ (3,469)</u>

HEMOPHILIA FEDERATION OF AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 2. Investments and Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of December 31, 2014.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and sweep accounts	\$ 520	\$ 0	\$ 0	\$ 520
Mutual funds				
Commodities Broad Basket	2,670	0	0	2,670
Diversified Emerging Mkts	11,282	0	0	11,282
Emerging Markets Bond	2,954	0	0	2,954
Foreign Large Blend	11,778	0	0	11,778
Foreign Large Growth	8,042	0	0	8,042
Global Real Estate	2,177	0	0	2,177
Intermediate-Term Bond	87,167	0	0	87,167
Large Blend	18,418	0	0	18,418
Large Growth	13,058	0	0	13,058
Large Value	12,772	0	0	12,772
Mid-Cap Growth	10,578	0	0	10,578
Mid-Cap Value	2,124	0	0	2,124
Multisector Bond	12,451	0	0	12,451
Nontraditional Bond	9,426	0	0	9,426
Real Estate	5,123	0	0	5,123
Short-Term Bond	12,513	0	0	12,513
Small Blend	4,279	0	0	4,279
Small Growth	7,761	0	0	7,761
Small Value	8,440	0	0	8,440
Ultrashort Bond	10,984	0	0	10,984
US Money Market-Taxable	3,962	0	0	3,962
World Bond	<u>3,076</u>	<u>0</u>	<u>0</u>	<u>3,076</u>
Total	<u>\$ 261,555</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 261,555</u>

Net investment income consists of the following for the year ended December 31, 2014:

Interest and dividends	\$ 7,745
Realized and unrealized gains (losses)	<u>(7,969)</u>
	<u>\$ (224)</u>

The Organization's investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the values of investments, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts disclosed at fair value in these financial statements.

HEMOPHILIA FEDERATION OF AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 3. Lease Commitments

The Organization leases its office facilities under a lease that expires in December 2020 with a base rent of \$7,812 plus annual increases as stipulated by the lease agreement. Total rent expense was \$104,315 and \$64,322, including monthly parking rent, for 2015 and 2014, respectively.

Estimated minimum lease payments required as of December 31 are as follows:

2016	\$ 93,982
2017	96,802
2018	99,706
2019	102,697
2020	<u>105,778</u>
	<u>\$ 498,965</u>

Note 4. Temporarily Restricted Net Assets

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or the expiration of time. Net assets released from restrictions were \$1,063 and \$207,509 in 2015 and 2014, respectively.

Temporarily restricted net assets at December 31, are available for the following purposes:

	2015	2014
Disaster Relief Funds	<u>\$13,927</u>	<u>\$ 14,990</u>

Note 5. Potential Public Support Redetermination and Major Funding Sources

The Organization has entered into a contractual relationship with a governmental agency which provides, in part, for the potential audit and adjustment by the agency of payments made to the Organization. No governmental audits or proposed adjustments of payments are pending at this time.

The Organization received 11% and 22% of its total revenues from this governmental agency in 2015 and 2014, respectively. In 2015, 2% of its total accounts receivable balance is from this governmental agency.

In 2015, the Organization received 52% of its total revenues from three private funding sources. In 2014, the Organization received 35% of its total revenues from two private funding sources. In 2015, 16% of its total accounts receivable balance is from one private funding source. In 2014, 48% of its total accounts receivable balance is from two private funding sources.

In addition, the Organization received donations of \$39,320 and \$78,000 in 2015 and 2014, respectively, from organizations related to various board members.

HEMOPHILIA FEDERATION OF AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 6. Prior Year Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

HEMOPHILIA FEDERATION OF AMERICA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2015

Federal Grant or Program Title	Federal CFDA Number	Cumulative Grant Award	Costs Incurred Prior to January 1, 2015	Costs Incurred Year Ended December 31, 2015	Cumulative Costs Incurred	Unexpended Funds on Expired Grants	Unexpended Funds on Unexpired Grants
U.S. Department of Health and Human Services, Centers for Disease Control and Prevention							
Module A:							
Collection of information on patients who do not receive care in HTCS: Budget period September 30, 2014 through September 29, 2015	93.184	200,000	37,987	162,513	200,000	0	0
H1A:							
Evaluation of health promotion and prevention for blood disorders Budget period September 30, 2014 through September 29, 2015	93.080	173,165	34,740	158,425	173,165	0	0
Budget period September 30, 2015 through September 29, 2016	93.080	550,000	0	41,131	41,131	0	508,869
		<u>\$ 923,165</u>	<u>\$ 72,727</u>	<u>\$ 342,069</u>	<u>\$ 414,296</u>	<u>\$ 0</u>	<u>\$ 508,869</u>

HEMOPHILIA FEDERATION OF AMERICA, INC.

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2015

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Hemophilia Federation of America, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Government Auditing Standards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See Independent Auditor's Report.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Hemophilia Federation of America, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Hemophilia Federation of America, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 21, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hemophilia Federation of America, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hemophilia Federation of America, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency: 2015-01.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hemophilia Federation of America, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Hemophilia Federation of America, Inc.'s Response to Finding

Hemophilia Federation of America, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and responses and corrective action plan. Hemophilia Federation of America, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

White, Klemm, Mote & Repp, S.C.

Brookfield, WI
July 21, 2016

HEMOPHILIA FEDERATION OF AMERICA, INC.

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2015

A. Summary of Auditor's Results

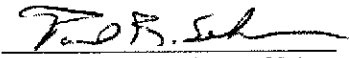
Financial Statements

- | | |
|--|------------|
| 1. Type of auditor's report issued? | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency identified not considered to be material weaknesses? | Yes |
| 3. Noncompliance material to the financial statements noted? | No |

B. Financial Statement Findings

See pages 21 - 22

C. Other Issues

- | | |
|--|--|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? | No |
| 2. Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the <i>Government Auditing Standards</i> :
U.S. Department of Health and Human Services | Yes |
| 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? | No |
| 4. Name and signature of partner | 
Paul R. Sehmer, CPA |
| 5. Date of report | July 21, 2016 |

HEMOPHILIA FEDERATION OF AMERICA, INC.
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
For the Year Ended December 31, 2015

2015-01: Significant deficiency – internal control:

Preparation of full disclosure financial statements

Condition: The Organization has not demonstrated the ability to prepare and assemble a full set of financial statements, with required disclosures, in accordance with accounting principles generally accepted in the United States of America (GAAP) without the assistance of us as your independent auditor.

Criteria: The Organization should be able to prepare their own GAAP financial statements and provide oversight of the financial reporting process.

Effect: A lack of internal oversight of the financial reporting process could affect the Organization's ability to prepare accurate financial statements.

Recommendation: This deficiency is not uncommon with small, nonprofit entities that do not have the financial resources to justify adding a financial professional to its accounting department who has the necessary knowledge and experience with GAAP and other financial reporting requirements. We also do not consider this significant deficiency to be a material weakness since the Organization's internal control structure would currently not allow a GAAP basis financial report to be issued to any outside users without the review or audit of the financial statements by an independent CPA firm.

Comments: The Organization concurs with the finding and recommendation.

This same finding was reported in the previous year.

CORRECTIVE ACTION PLAN

Winter, Kloman, Moter & Repp, S.C.
December 31, 2015

Section I - Internal Control

Preparation of full disclosure financial statements

- A. Comments on Findings and Recommendation:
The Organization agrees with the auditor's finding and recommendation.
- B. Actions Taken or Planned:
The Organization will continue to not allow a GAAP basis financial report to be issued to any outside users without the review or audit of the financial statements by an independent CPA firm.

Section II - Compliance

No matters noted.

Hemophilia Federation of America, Inc.

By:


Kimberly Haugstad, Executive Director 8-2-16

