



HEMOPHILIA FEDERATION OF AMERICA, INC.

FINANCIAL REPORT

DECEMBER 31, 2013

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, 2013, 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, 2013, 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 2012 financial statements, and our report dated May 7, 2013, 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, 2012, 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 *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* 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 May 6, 2014 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.

Wente, K. Lerman, Mate & Rego, S.C.

Brookfield, WI
May 6, 2014

HEMOPHILIA FEDERATION OF AMERICA, INC.

**STATEMENTS OF FINANCIAL POSITION
December 31, 2013 and 2012**

	2013	2012
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 707,968	\$ 616,311
Receivables	377,576	238,513
Prepaid expenses	<u>2,097</u>	<u>0</u>
Total current assets	1,087,641	854,824
PROPERTY AND EQUIPMENT		
Office furniture and equipment, net of accumulated depreciation of \$21,243 and \$19,621 in 2013 and 2012, respectively	<u>18,576</u>	<u>21,057</u>
	<u>\$1,106,217</u>	<u>\$ 875,881</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 76,684	\$ 63,855
Accrued liabilities	21,135	21,589
Deferred revenue	<u>281,980</u>	<u>50,000</u>
Total current liabilities	<u>379,799</u>	<u>135,444</u>
NET ASSETS		
Unrestricted	503,919	580,942
Temporarily restricted	<u>222,499</u>	<u>159,495</u>
Total net assets	<u>726,418</u>	<u>740,437</u>
	<u>\$1,106,217</u>	<u>\$ 875,881</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, 2013 with Comparative Totals for 2012

	Unrestricted	Temporarily Restricted	----- Total ----- 2013	----- 2012
<u>REVENUES</u>				
Grants and donations	\$1,065,063	\$ 389,424	\$1,454,487	\$1,442,638
Member dues	40,900	0	40,900	44,213
Symposium revenue	515,800	0	515,800	596,500
Directory and advertising	81,000	0	81,000	123,000
Interest income and other	609	0	609	2,176
	<u>1,703,372</u>	<u>389,424</u>	<u>2,092,796</u>	<u>2,208,527</u>
Net assets released from restrictions	<u>326,420</u>	<u>(326,420)</u>	<u>0</u>	<u>0</u>
Total revenues	<u>2,029,792</u>	<u>63,004</u>	<u>2,092,796</u>	<u>2,208,527</u>
 <u>EXPENSES</u>				
Program services	1,990,001	0	1,990,001	1,985,197
Supporting services:				
Management and general	69,149	0	69,149	91,339
Fundraising	47,665	0	47,665	39,745
	<u>2,106,815</u>	<u>0</u>	<u>2,106,815</u>	<u>2,116,281</u>
Change in net assets	(77,023)	63,004	(14,019)	92,246
 <u>NET ASSETS</u>				
Beginning of year	<u>580,942</u>	<u>159,495</u>	<u>740,437</u>	<u>648,191</u>
End of year	<u>\$ 503,919</u>	<u>\$ 222,499</u>	<u>\$ 726,418</u>	<u>\$ 740,437</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, 2013 and 2012

	2013	2012
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (14,019)	\$ 92,246
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	7,196	5,913
Loss on asset disposal	3,472	899
(Increase) decrease in:		
Receivables	(139,063)	(176,765)
Prepaid expenses	(2,097)	0
Increase (decrease) in:		
Accounts payable	12,829	33,201
Accrued liabilities	(454)	10,026
Deferred revenue	<u>231,980</u>	<u>50,000</u>
Net cash flows from operating activities	<u>99,844</u>	<u>15,520</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Redemption (purchase) of investments in bank certificates of deposit	0	300,000
Purchase of property and equipment	<u>(8,187)</u>	<u>(9,828)</u>
Net cash flows from investing activities	<u>(8,187)</u>	<u>290,172</u>
Net change in cash and cash equivalents	91,657	305,692
Cash and cash equivalents - beginning of year	<u>616,311</u>	<u>310,619</u>
Cash and cash equivalents - end of year	<u>\$707,968</u>	<u>\$616,311</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, 2013 with Comparative Totals for 2012**

	Program Services	-----Supporting Services -----		----- Total -----	
		Management and General	Fundraising	2013	2012
Wages and salaries	\$ 702,070	\$ 20,258	\$ 31,297	\$ 753,625	\$ 634,594
Payroll taxes and benefits	60,135	4,901	2,391	67,427	55,650
Insurance	3,574	1,253	113	4,940	4,312
Program expenses	274,384	0	0	274,384	308,091
Specific assistance	238,347	1,680	4,003	244,030	250,844
Scholarships	15,013	0	0	15,013	15,000
Professional fees	35,020	7,005	240	42,265	41,925
Conference and meetings	61,230	1,470	110	62,810	81,776
Speaker fees	27,507	0	0	27,507	20,460
Advertising	30,408	0	0	30,408	22,792
Supplies and postage	57,218	3,242	1,205	61,665	59,492
Printing and publications	64,375	1,017	1,692	67,084	61,201
Dues and subscriptions	25,258	2,310	407	27,975	67,547
Taxes and licenses	0	3,717	0	3,717	2,599
Telephone	17,401	624	664	18,689	22,476
Rent	34,888	5,687	805	41,380	42,907
Utilities	1,220	377	0	1,597	2,047
Office expense	6,926	381	70	7,377	5,796
Travel	309,543	1,052	4,268	314,863	400,730
Equipment rental and maintenance	24,045	247	400	24,692	5,256
Depreciation	0	7,196	0	7,196	5,913
Loss on asset disposal	0	3,472	0	3,472	899
Miscellaneous	1,439	3,260	0	4,699	3,974
Total functional expenses	<u>\$1,990,001</u>	<u>\$ 69,149</u>	<u>\$ 47,665</u>	<u>\$2,106,815</u>	<u>\$2,116,281</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:

Helping Hands Program –

The Helping Hands program is designed to establish a rapid, non-invasive source of relief to the bleeding disorders community facing a financial crisis. Each application gives careful consideration to the personal circumstances, while ensuring a minimum invasion of privacy for community members.

Families (formerly Dads in Action) –

At this time our families initiative is led by the Dads in Action program, which contains resources geared to both parents, as well as information about local events for Dads and children. HFA's Dads in Action program was created in 2003 as a result of a group of committed dads, who wanted a forum to connect with other dads, build a network and engage their children in the process. Identifying specific needs and interests of other family members is a natural next step in growing HFA's programs and services for the bleeding disorders community.

Blood Sisterhood –

Blood Sisterhood is a peer network of women who support women with bleeding disorders on their life's journey through diagnosis, treatment and day to day living. Ultimately, through furthering the conversation among women, we seek better health outcomes and a better quality of life for women with bleeding disorders.

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.

HEMOPHILIA FEDERATION OF AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

FitFactor –

FitFactor aims to promote physical activity and the importance of maintaining a healthy weight in individuals with hemophilia. The program offers services designed to improve health, fitness, and quality of life 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.

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.

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.

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.

HEMOPHILIA FEDERATION OF AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

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.

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, 2013 and 2012.

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 2013 or 2012.

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.

HEMOPHILIA FEDERATION OF AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

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, 2013 or 2012.

Conditional contributions and grants received are not recorded until the conditions are met. There were no conditional contributions or grants received in 2013 or 2012.

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 2013 or 2012.

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.

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.

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 2013, 2012 and 2011 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 May 6, 2014, the date the financial statements were available to be issued.

HEMOPHILIA FEDERATION OF AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 2. 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 \$41,380 and \$42,907 for 2013 and 2012, respectively. Estimated minimum lease payments required as of December 31 are as follows:

2014	\$ 70,311
2015	93,748
2016	93,982
2017	96,802
2018	99,706
2019 and thereafter	<u>208,475</u>
	<u>\$ 663,024</u>

Note 3. 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 are as follows:

	2013	2012
Satisfaction of purpose restrictions	<u>\$326,420</u>	<u>\$571,605</u>

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

Future program support received in current year	\$207,509	\$144,505
Remaining Hurricane Katrina/Disaster Relief Funds	<u>14,990</u>	<u>14,990</u>
	<u>\$222,499</u>	<u>\$159,495</u>

Temporarily restricted net assets are restricted to cover a specific geographic area and designated program expenses.

HEMOPHILIA FEDERATION OF AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS

Note 4. 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 26% of its total revenues from this governmental agency in 2013 and 2012. In 2013, 11% of its total accounts receivable balance is from this governmental agency.

In 2013, the Organization received 43% of its total revenues from three private funding sources. In 2012, the Organization received 28% of its total revenues from two private funding sources. In 2013, 64% of its total accounts receivable balance is from three private funding sources. In 2012, 46% of its total accounts receivable balance is from two private funding sources.

In addition, the Organization received donations of \$32,375 and \$57,250 in 2013 and 2012, respectively, from organizations related to various board members.

Note 5. 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, 2012, from which the summarized information was derived.

HEMOPHILIA FEDERATION OF AMERICA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

Federal Grantor/ Program Title	Federal CFDA Number	Cumulative Grant Award	Costs Incurred Prior To January 1, 2013	Costs Incurred Year Ended December 31, 2013	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							
HFA Fellowship Program:							
Transition of Young Adults to Adulthood HFA							
FitFactor Program:							
Budget period September 30, 2012 through September 29, 2013	93.283	\$ 345,194	\$ 103,171	\$ 242,023	\$ 345,194	\$ 0	\$ 0
Budget period September 30, 2013 through September 29, 2014	93.283	336,165	0	86,387	86,387	0	249,778
Module A:							
Collection of information on patients who do not receive care in HTCS:							
Budget period September 30, 2012 through September 29, 2013	93.184	200,000	45,207	154,793	200,000	0	0
Budget period September 30, 2013 through September 29, 2014	93.184	<u>190,000</u>	<u>0</u>	<u>37,853</u>	<u>37,853</u>	<u>0</u>	<u>152,147</u>
		<u>\$ 1,071,359</u>	<u>\$ 148,378</u>	<u>\$ 521,056</u>	<u>\$ 669,434</u>	<u>\$ 0</u>	<u>\$ 401,925</u>

HEMOPHILIA FEDERATION OF AMERICA, INC.

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

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, 2013, 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 May 6, 2014.

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. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency.

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. 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 questioned costs 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.

Winters, K. Lomen, Mota & Repp, S.C.

Brookfield, WI
May 6, 2014

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited Hemophilia Federation of America, Inc.'s (a nonprofit organization) compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Hemophilia Federation of America, Inc.'s major federal programs for the year ended December 31, 2013. Hemophilia Federation of America, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Hemophilia Federation of America, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Hemophilia Federation of America, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Hemophilia Federation of America, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Hemophilia Federation of America, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of Hemophilia Federation of America, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Hemophilia Federation of America, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hemophilia Federation of America, Inc.'s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

Brookfield, WI
May 6, 2014

HEMOPHILIA FEDERATION OF AMERICA, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2013**

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

Federal Awards

4.	Internal control over major programs:	
	a. Material weakness(es) identified:	No
	b. Significant deficiency(ies) identified not considered to be material weaknesses?	No
5.	Type of auditor's report issued on compliance for major programs?	Unmodified
6.	Any audit findings disclosed that are required to be reported in accordance With section 510(a) of Circular A-133	No
7.	Identification of major programs:	
	a. HFA Fellowship Program	93.283
	b. CDC Module A	93.184
8.	Dollar threshold used to distinguish between type A and type B programs?	\$300,000
9.	Auditee qualified as low-risk auditee?	No

B. Financial Statement Finding

Significant deficiency – internal control:

Item 1. 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 who 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.

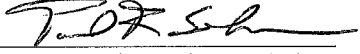
No other items were noted that are required to be disclosed as findings or questioned costs.

HEMOPHILIA FEDERATION OF AMERICA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

For the Year Ended December 31, 2013

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 *Government Auditing Standards*:
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 May 6, 2014

CORRECTIVE ACTION PLAN

Winter, Kloman, Moter & Repp, S.C.
December 31, 2013

Section I - Internal Control

Item 1: Preparation of full disclosure financial statements

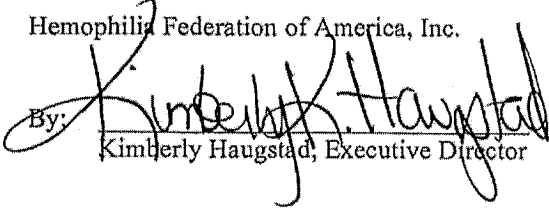
- A. Comments on Findings and Recommendation:
The Organization agrees with the auditor's finding and recommendation.
- B. Actions Taken or Planned:
The Organization will continue to not allow a GAAP basis financial report to be issued to any outside users without the review or audit of the financial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

Section II - Compliance

No matters noted.

Hemophilia Federation of America, Inc.

By:


Kimberly Haugstad, Executive Director