

**World Federation of Hemophilia
Financial Statements
For the year ended December 31, 2023**

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Financial Statements
For the year ended December 31, 2023**

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Independent Auditor's Report

**To the Members of
the World Federation of Hemophilia**

Opinion

We have audited the financial statements of the World Federation of Hemophilia (the "Entity"), which comprise the statement of financial position as at December 31, 2023, the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and its results of operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 9, 2023.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



Independent Auditor's Report

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Independent Auditor's Report

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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BDO Canada s.r.l./S.E.N.C.R.L./LLP

Montréal, Québec
June 20, 2024

¹ CPA auditor, public accountancy permit No. A128349

World Federation of Hemophilia Statement of Financial Position

December 31	2023	2022
Assets		
Current		
Cash and cash equivalents (Note 2)	\$ 7,849,626	\$ 5,161,885
Short-term investments (Note 2)	6,790,291	3,670,694
Contributions and other receivables (Note 3)	363,502	1,107,900
Accounts receivable from the affiliated organization, World Federation of Hemophilia USA	409,966	448,777
Prepaid expenditures (Note 1)	570,837	95,083
	15,984,222	10,484,339
Long-term investments (Note 2)	9,656,497	10,659,887
Capital assets (Note 4)	99,935	119,199
	\$25,740,654	\$ 21,263,425
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 2,159,570	\$ 2,247,209
Accounts payable to the affiliated organization, World Federation of Hemophilia USA	47,123	55,210
Deferred contributions (Note 6)	8,646,299	3,415,699
	10,852,992	5,718,118
Deferred lease inducement	155,178	172,487
	11,008,170	5,890,605
Net Assets (Note 7)		
Invested in capital assets	99,936	119,199
Internally restricted	5,000,000	5,000,000
Unrestricted	9,632,548	10,253,621
	14,732,484	15,372,820
	\$25,740,654	\$ 21,263,425

Subsequent Event (Note 12)
Commitment (Note 12)

On behalf of the Board:

DocuSigned by:

Alain Baumann

Director

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World Federation of Hemophilia Statement of Changes in Net Assets

For the year ended December 31, 2023	Invested in Capital Assets	Internally Restricted	Unrestricted	Total
Balance, beginning of the year	\$ 119,199	\$ 5,000,000	\$10,253,621	\$15,372,820
Deficiency of revenues over expenditures for the year	(47,194) ⁽¹⁾	-	(593,142)	(640,336)
Acquisition of capital assets	27,931	-	(27,931)	-
Balance, end of the year	\$ 99,936	\$ 5,000,000	\$ 9,632,548	\$14,732,484

⁽¹⁾ Represents amortization of capital assets.

For the year ended December 31, 2022	Invested in Capital Assets	Internally Restricted	Unrestricted	Total
Balance, beginning of the year	\$ 147,164	\$ 5,000,000	\$ 10,100,128	\$ 15,247,292
Excess of revenues over expenditures for the year	(56,596) ⁽¹⁾	-	182,124	125,528
Acquisition of capital assets	28,631	-	(28,631)	-
Balance, end of the year	\$ 119,199	\$ 5,000,000	\$ 10,253,621	\$ 15,372,820

⁽¹⁾ Represents amortization of capital assets.

World Federation of Hemophilia Statement of Operations

For the year ended December 31	2023	2022
Revenues		
Contributions:		
Sponsored programs	\$ 4,911,696	\$ 5,090,730
Corporate donors	2,315,712	2,371,857
Donations	1,069,488	1,301,912
Humanitarian Aid Program (Note 11)	4,037,174	4,065,513
Total contributions	<u>12,334,070</u>	<u>12,830,012</u>
Events registration and housing fees	92,858	-
World Federation of Hemophilia USA (Note 11)	262,053	266,248
Publications	165,711	130,081
National member organizations	63,374	93,807
Investment income (loss) and other	1,092,517	(66,329)
Total revenues before product donations	<u>14,010,583</u>	<u>13,253,819</u>
Product donations (Note 8)	311,534,109	273,574,144
Total revenues before congresses	<u>325,544,692</u>	<u>286,827,963</u>
Expenditures (Note 9)		
Health care development programs:		
PACT / Country / Cornerstone programs	1,516,690	1,182,725
National member organizations development	1,201,391	1,487,161
Multidisciplinary activities	441,830	495,769
Twinning programs	204,031	167,107
International training fellowships	215,220	181,756
Total health care development programs	<u>3,579,162</u>	<u>3,514,518</u>
Research and education:		
Research program, data and demographics	2,094,339	2,415,242
Educational materials	628,565	554,206
Blood products - Safety and supply	411,833	42,101
Total research and education	<u>3,134,737</u>	<u>3,011,549</u>
Humanitarian aid and products:		
Value of product donations (Note 8)	311,534,109	273,574,144
Humanitarian Aid Program	4,681,476	5,584,572
Total humanitarian aid and products	<u>316,215,585</u>	<u>279,158,716</u>
Total expenditures before the following items	<u>322,929,484</u>	<u>285,684,783</u>
Fundraising and corporate relations	616,952	701,647
Administration	1,294,262	1,043,380
Governance and communications	608,068	681,498
Foreign exchange gain	(26,900)	(138,846)
Total expenditures before congresses	<u>325,421,866</u>	<u>287,972,462</u>
Excess (deficiency) of revenues over expenditures before congresses	<u>122,826</u>	<u>(1,144,499)</u>
Congresses		
Congress cancellation insurance claim	-	285,529
Revenues	1,127,650	4,716,662
Expenditures	(1,890,812)	(3,732,164)
Total congresses	<u>(763,162)</u>	<u>1,270,027</u>
(Deficiency) excess of revenues over expenditures for the year	<u>\$ (640,336)</u>	<u>\$ 125,528</u>

The accompanying notes are an integral part of these financial statements.

World Federation of Hemophilia Statement of Cash Flows

For the year ended December 31	2023	2022
Cash flows from operating activities		
(Deficiency) excess of revenues over expenditures for the year	\$ (640,336)	\$ 125,528
Items not affecting cash:		
Amortization of capital assets	47,194	56,596
Amortization of deferred lease inducement	(17,309)	(17,313)
Loss (gain) on disposal of investments	67,245	(28,561)
(Increase) decrease in unrealized gain on investments	(311,618)	583,539
	(854,824)	719,789
Changes in non-cash operating working capital items (Note 10)	5,442,329	(1,315,617)
	4,587,505	(595,828)
Cash flows from investing activities		
Purchase of capital assets	(27,930)	(28,631)
Acquisition of investments	(5,762,789)	(3,155,146)
Proceeds from disposal of investments	3,890,955	1,986,978
	(1,899,764)	(1,196,799)
Net increase (decrease) in cash and cash equivalents	2,687,741	(1,792,627)
Cash and cash equivalents, beginning of the year	5,161,885	6,954,512
Cash and cash equivalents, end of the year	\$ 7,849,626	\$ 5,161,885

World Federation of Hemophilia Notes to Financial Statements

December 31, 2023

1. Significant Accounting Policies

Incorporation and Purpose of Federation The World Federation of Hemophilia (the "Federation") was incorporated under Part II of the *Canada Corporations Act*. The Federation became a registered charity under the *Income Tax Act (Canada)* in 2005. On July 3, 2014, the Federation obtained its articles of continuance under Section 211 of the *Canada Not-for-Profit Corporations Act*.

The Federation is composed of representatives from hemophilia organizations in 147 countries. The mission of the Federation is to improve and sustain care for people with inherited bleeding disorders around the world. As part of its activities, the Federation receives product donations in the form of medicine from product manufacturers, treatment centres and homecare companies, and distributes those products to national member organizations ("NMOs") and recognized hemophilia treatment centres ("HTCs") around the world.

The Federation is not required to pay income taxes on the excess of revenues over expenditures as it is a registered not-for-profit organization.

Basis of Accounting The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Revenue Recognition The Federation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or as receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donated products are recognized as revenue when shipped to beneficiaries, and are recorded at their fair market value if those amounts can be reasonably estimated. Distributions of product donations are recognized as expenditures when shipped by the Federation to the beneficiaries, or sent directly by donating companies to the beneficiaries.

World Federation of Hemophilia Notes to Financial Statements

December 31, 2023

1. Significant Accounting Policies (continued)

Revenue Recognition (continued)	<p>A Hemophilia World Congress (the "Congress") is held every two years. This major event is planned in advance such that significant expenditures are incurred in the years preceding the Congress year. Revenues received prior to the Congress year follow the deferral method of accounting for contributions. Expenditures occurring prior to the Congress year are recognized in the statement of operations when they occur, except for the refundable deposits which are deferred until the year during which the Congress is held, and are presented as prepaid expenditures in the statement of financial position.</p> <p>Contributions from NMOs are recognized when received or receivable. An allowance for possible uncollectible amounts is also provided for accordingly.</p>
Foreign Currency Translation	<p>The financial statements are expressed in Canadian dollars. Assets and liabilities, except non-monetary assets and liabilities in foreign currencies, are translated into Canadian dollars at the rate of exchange in effect at year-end. Non-monetary assets and liabilities are translated into Canadian dollars at historical rate of exchange in effect at the transaction date. Revenues and expenditures in foreign currencies are translated into Canadian dollars at the rates of exchange in effect at the transaction dates. Gains and losses on translation of foreign currencies are included in the statement of operations.</p>
Financial Instruments	<p>Arm's length financial instruments are recorded at fair value at initial recognition.</p> <p>Related party financial instruments quoted in an active market or those with observable inputs significant to the determination of fair value or derivative contracts are recorded at fair value at initial recognition. All other related party financial instruments are recorded at cost at initial recognition.</p>

World Federation of Hemophilia Notes to Financial Statements

December 31, 2023

1. Significant Accounting Policies (continued)

Financial Instruments (continued)	<p>In subsequent periods, equities traded in an active market are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. The Federation has elected to carry its investments in mutual funds, bonds and guaranteed investment certificates at fair value. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.</p> <p>Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in deficiency of revenues over expenditures. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in deficiency of revenues over expenditures.</p>										
Cash and Cash Equivalents	<p>Cash and cash equivalents include cash on hand, bank balances less outstanding cheques and investments with a maturity period of three months or less when purchased.</p>										
Capital Assets	<p>Capital assets are stated at cost less accumulated amortization. Repairs and maintenance costs are charged to expenditures. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Federation's ability to provide services, its carrying amount is written down to its residual value.</p> <p>Capital assets are amortized on a straight-line basis using the following period and annual rates:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: right;">Rates and Period</th> </tr> </thead> <tbody> <tr> <td>Office equipment</td> <td style="text-align: right;">20%</td> </tr> <tr> <td>Computer hardware</td> <td style="text-align: right;">33 1/3%</td> </tr> <tr> <td>Computer software</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>Leasehold improvements</td> <td style="text-align: right;">Term of lease</td> </tr> </tbody> </table>		Rates and Period	Office equipment	20%	Computer hardware	33 1/3%	Computer software	100%	Leasehold improvements	Term of lease
	Rates and Period										
Office equipment	20%										
Computer hardware	33 1/3%										
Computer software	100%										
Leasehold improvements	Term of lease										

World Federation of Hemophilia Notes to Financial Statements

December 31, 2023

1. Significant Accounting Policies (continued)

Deferred Contributions	Deferred contributions represent unspent resources for designated activities.
Deferred Lease Inducement	The incentive benefits for the Federation's lease are recognized on a straight-line basis over the term of the lease. The difference between the recorded expenditures and the amounts payable under the term of the lease is presented in the liabilities under deferred lease inducement.
International Hemophilia Training Centres ("IHTC") - Fellowships	Fellowships are expensed in the year of approval by the IHTC Committee.
Contributed Materials and Services	Contributed materials, including product donations, are recognized in the financial statements when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would otherwise have been purchased. The fair value is established at the date of receipt. Contributions of volunteers are not recognized in the financial statements because of the difficulty of determining the fair value of the contributed services.
Allocation of Expenditures	The mission of the Federation is to improve and sustain care for people with inherited bleeding disorders around the world. As part of its activities, the Federation is engaged in various programs. The costs of each program include the costs of personnel, premises and other expenditures that are directly related to providing the program, as well as general support expenditures that are common to the administration of the organization. Costs of personnel are being allocated to the programs on the basis of employees' time spent on the particular program, and applied on that basis consistently each year. General support expenditures are allocated as a percentage of the direct costs of the programs.
Presentation of the Controlled Organization	As the sole voting member of the World Federation of Hemophilia USA ("WFH USA"), the Federation controls the governance of WFH USA. The Federation has elected not to consolidate WFH USA's financial statements.

World Federation of Hemophilia Notes to Financial Statements

December 31, 2023

1. Significant Accounting Policies (continued)

Related Party Transactions

Monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of operations, except when the transaction is an exchange of a property held for sale in the normal course of operations. When the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Significant items subject to estimates and assumptions include, but are not limited to, accruals. Actual results could differ from management's best estimates.

World Federation of Hemophilia Notes to Financial Statements

December 31, 2023

2. Investments

The carrying amounts of investments are comprised of the following:

	2023		
	Effective Rate	Book Value	Fair Value
Guaranteed investment certificates	4.25% - 5.10%	\$ 6,575,250	\$ 6,790,291
Total short-term investments		6,575,250	6,790,291
Mutual funds:			
Canadian equities		528,891	610,352
Global equities		638,471	967,575
Bonds and hedge strategies		3,764,855	3,596,561
		4,932,217	5,174,488
Guaranteed investment certificates	1.90% - 5.00%	2,710,553	2,805,054
Bonds	0.50% - 4.65%	1,604,479	1,676,955
Total long-term investments		9,247,249	9,656,497
Total investments		\$ 15,822,499	\$16,446,788
			2022
	Effective Rate	Book Value	Fair Value
Guaranteed investment certificates	2.45% - 3.85%	\$ 3,598,423	\$ 3,670,694
Total short-term investments		3,598,423	3,670,694
Mutual funds:			
Canadian equities		536,588	618,603
Global equities		641,946	877,448
Bonds and hedge strategies		3,668,757	3,412,853
		4,847,291	4,908,904
Guaranteed investment certificates	1.90% - 4.50%	4,210,553	4,374,992
Bonds	0.50% - 3.75%	1,461,826	1,375,991
Total long-term investments		10,519,670	10,659,887
Total investments		\$ 14,118,093	\$ 14,330,581

World Federation of Hemophilia Notes to Financial Statements

December 31, 2023

2. Investments (continued)

As at December 31, 2023, included in cash and cash equivalents is an amount of \$5,787,073 (2022 - \$3,226,084) that has been invested in a Treasury Account, bearing variable interest, with funds remaining very liquid and available at any time upon the Federation's cash flow needs.

3. Contributions and Other Receivables

	2023	2022
Corporate receivables	\$ 130,539	\$ 777,869
Sales taxes receivable	146,038	279,218
Other receivables	86,925	50,813
	\$ 363,502	\$ 1,107,900

4. Capital Assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Office equipment	\$ 81,358	\$ 78,182	\$ 81,358	\$ 71,545
Computer hardware	444,453	404,059	416,523	374,774
Computer software	37,194	37,194	37,194	37,194
Leasehold improvements	198,626	142,261	198,625	130,988
	761,631	661,696	733,700	614,501
Net book value		\$ 99,935		\$ 119,199

5. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$11,596 (2022 - \$10,051), which represent amounts payable for payroll-related taxes.

World Federation of Hemophilia Notes to Financial Statements

December 31, 2023

6. Deferred Contributions

Deferred contributions related to expenditures of future years represent unspent externally restricted grants and donations for specific programs.

	2023	2022
Sponsored programs	\$ 6,246,677	\$ 3,415,699
Congress 2024	2,399,622	-
	\$ 8,646,299	\$ 3,415,699

7. Net Assets

The Federation manages its funds with the objective of:

- Safeguarding its ability to continue to support various program expenditures;
- Funding current and future operations; and
- Ensuring that it is able to meet its financial obligations as they become due.

The internally restricted net assets are considered as a reserve for future operations. This amount cannot be reduced below \$5,000,000 without the Board of Directors' approval.

8. Product Donations

The Humanitarian Aid Program of the Federation provides donations of treatment products to people with bleeding disorders around the world. Donations obtained from U.S.-based companies are distributed by WFH USA and are recorded in the financial statements of WFH USA (Note 11). Other donations that are not from U.S.-based companies are also recorded in the financial statements of WFH USA unless a Canadian charitable receipt would be requested or there are legal reasons not to channel these donations through WFH USA.

Product donations are priced using the current year's *Red Book*, a reference document used by pharmacists to help them, among other things, determine the pricing of most common drugs. For products not listed in the *Red Book*, the Federation establishes prices based on products with similar characteristics listed in the *Red Book*.

World Federation of Hemophilia Notes to Financial Statements

December 31, 2023

9. Allocation of Expenditures

Costs of administrative salaries, benefits and administrative general support expenditures (including rent, heating and electricity, professional services, insurance, office and computer expenditures) amounting to \$2,735,214 (2022 - \$2,946,227) have been allocated as follows:

	2023	2022
Health care development programs:		
PACT / Country / Cornerstone programs	\$ 78,700	\$ 62,679
NMOs development	56,790	78,394
Multidisciplinary activities	27,047	31,002
Twinning programs	11,349	10,038
International training fellowships	11,707	9,721
Research and education:		
Research program, data and demographics	178,685	217,050
Educational materials	70,810	52,640
Blood products - Safety and supply	25,000	2,901
Humanitarian aid and products	422,294	507,688
Fundraising and corporate relations	215,367	247,379
Administration	1,212,964	1,150,972
Governance and communications	175,911	216,910
Congresses	248,590	358,853
	\$ 2,735,214	\$ 2,946,227

10. Changes in Non-cash Operating Working Capital Items

	2023	2022
Contributions and other receivables	\$ 744,398	\$ (460,827)
Accounts receivable from the affiliated organization, World Federation of Hemophilia USA	38,811	(189,187)
Prepaid expenditures	(475,754)	46,760
Accounts payable and accrued liabilities	(87,639)	617,063
Accounts payable to the affiliated organization, World Federation of Hemophilia USA	(8,087)	4,820
Deferred contributions	5,230,600	(1,334,246)
	\$ 5,442,329	\$ (1,315,617)

World Federation of Hemophilia Notes to Financial Statements

December 31, 2023

11. Related Party Transactions

The Federation improves and sustains care for people with inherited bleeding disorders around the world. WFH USA advances the global mission of the Federation within the United States, developing resources to support this mission and building U.S. awareness for the global vision of Treatment for All.

WFH USA was incorporated as a non-for-profit corporation in the State of New York on April 29, 1996. The sole voting member of WFH USA is the Federation, which is responsible for the election of directors and officers of WFH USA. WFH USA qualifies as a tax-exempt organization under Section 501(c)(3) of the U.S. *Internal Revenue Code*.

The accounts of WFH USA expressed in U.S. dollars have not been consolidated in the financial statements.

(a) Service Agreement:

Effective September 9, 2018, WFH USA and the Federation signed a Service Agreement whereby the Federation performs various services for WFH USA. As full consideration for the Federation's performance of the services, WFH USA reimburses the Federation for the costs, without any markup, incurred and paid by the Federation in providing the services to WFH USA.

In 2023, the total reimbursements relating to employee salaries amounted to \$262,053 (2022 - \$266,248) and is presented as revenues in the statement of operations. These transactions are measured at the exchange amount, which is the amount of consideration agreed upon by the parties.

(b) Collaboration Agreement:

Effective September 9, 2018, WFH USA and the Federation signed a Collaboration Agreement which defines joint and coordinated activities (the "Joint Programs") to support their common charitable goal. The Joint Programs currently include the WFH Humanitarian Aid Program, the WFH Research Program, the WFH Training and Education Program and the Solidarity Program.

As per the Collaboration Agreement, donors may designate contributions to WFH USA solely to be used to financially support the WFH Joint Programs. These donations, less reasonable costs of administration and management incurred by WFH USA, are periodically granted by WFH USA to the Federation as needed to carry out the Federation's responsibilities with respect to the Joint Programs.

In 2023, the total amount of contributions for the Joint Programs received by WFH USA and granted to the Federation amounted to \$6,903,258 (2022 - \$5,643,828).

World Federation of Hemophilia Notes to Financial Statements

December 31, 2023

11. Related Party Transactions (continued)

(c) Financial summary:

A financial summary expressed in U.S. dollars for WFH USA as at December 31, 2023 and for the year then ended is as follows:

Statement of Financial Position

	2023	2022
	(USD)	(USD)
Assets		
Current		
Cash and cash equivalents	\$ 236,937	\$ 463,569
Short-term investments	465,682	439,161
Accounts receivable	319,100	167,100
Accounts receivable from the affiliated organization, World Federation of Hemophilia	35,629	40,764
	1,057,348	1,110,594
Long-term investments	881,346	745,858
	\$ 1,938,694	\$ 1,856,452
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ -	\$ 2,428
Accounts payable to the affiliated organization, World Federation of Hemophilia	309,970	331,348
Deferred contributions	191,131	292,822
Deferred investment income	173,715	94,267
	674,816	720,865
Net Assets		
Restricted for endowment purposes	723,197	665,083
Unrestricted	540,681	470,504
	1,263,878	1,135,587
	\$ 1,938,694	\$ 1,856,452

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11. Related Party Transactions (continued)

Statement of Operations

	2023	2022
	(USD)	(USD)
Revenues		
Donations	\$ 94,966	\$ 117,853
Chapters - HTC contributions	128,852	139,316
Contributions - Joint Programs	5,264,044	4,531,728
	5,487,862	4,788,897
Product donations	831,537,101	679,771,855
	837,024,963	684,560,752
Expenditures		
Joint Programs:		
Humanitarian Aid Program	4,493,594	3,540,328
Training and Education Program	530,600	575,000
Research Program	201,000	230,000
Solidarity Program	46,600	186,400
	5,271,794	4,531,728
Value of product donations	831,537,101	679,771,855
Awareness building	40,973	51,798
Fundraising	49,466	61,078
Administration	55,453	87,579
	836,954,787	684,504,038
Excess of revenues over expenditures for the year	\$ 70,176	\$ 56,714

Statement of Cash Flows

	2023	2022
	(USD)	(USD)
Cash flows from operating activities	\$ (122,738)	\$ (141,183)
Cash flows from financing activities	\$ 58,114	\$ 53,369
Cash flows from investing activities	\$ (162,008)	\$ 332,463

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12. Commitment

The minimal annual rental payments under the terms of the operating lease for premises ending December 31, 2028, are as follows:

2024	135 872 \$
2025	135 872 \$
2026	157 113 \$
2027	157 113 \$
2028	157 113 \$

Subsequent to year-end the Federation exercised a right of cancellation clause in the lease to end its lease as at December 31, 2024.

13. Financial Instruments

Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Federation is exposed to credit risk with respect to the contributions and other receivables. The Federation assesses, on a continuous basis, these receivables and provides for any amounts that are not collectible in the allowance for doubtful accounts.

There have not been any changes in the risk from the prior year.

Liquidity risk

Liquidity risk is the risk that the Federation will encounter difficulty in meeting its obligations associated with financial liabilities. The Federation manages its liquidity risk by monitoring its operating requirements. The Federation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There have not been any changes in the risk from the prior year.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Each of these risks is discussed hereunder.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Federation is exposed to interest rate risk on its fixed rate investments. Further details about the fixed rate investments are included in Note 2.

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13. Financial Instruments (continued)

The Federation mitigates interest rate risk on investments by diversifying the durations of the fixed-income investments that are held at a given time.

There have not been any changes in the risk from the prior year.

Currency risk

The Federation is exposed to currency risk as a result of exchange rate fluctuations and the volatility of these rates.

As at December 31, 2023 and 2022, the financial assets and liabilities (converted into Canadian dollars) exposed to foreign exchange fluctuations are as follows:

	2023	2022
Cash and cash equivalents		
U.S. dollars	\$ 1,060,828	\$ 1,098,844
Euros	\$ 38,032	\$ 1,880
Contributions and other receivables		
U.S. dollars	\$ -	\$ 711,060
Euros	\$ 58,416	\$ 10,843
British pounds	\$ 72,123	\$ 66,809
Accounts receivable from the affiliated organization, World Federation of Hemophilia USA		
U.S. dollars	\$ 409,966	\$ 448,777
Accounts payable and accrued liabilities		
U.S. dollars	\$ 501,701	\$ 938,196
Euros	\$ 83,881	\$ -
Accounts payable to the affiliated organization, World Federation of Hemophilia USA		
U.S. dollars	\$ 47,123	\$ 55,210

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Federation is exposed to other price risk from its investment portfolio. The Federation moderates this risk through the selection and diversification of securities held within their portfolios.

There have not been any changes in the risk from the prior year.
