

THE NATIONAL HEMOPHILIA FOUNDATION

**FINANCIAL REPORT
FOR THE SIX MONTHS ENDED
DECEMBER 31, 2009**

THE NATIONAL HEMOPHILIA FOUNDATION

DECEMBER 31, 2009

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The National Hemophilia Foundation
New York, New York

We have audited the accompanying statement of financial position of The National Hemophilia Foundation (the "Foundation") as of December 31, 2009 and the related statements of activities, cash flows, and functional expenses for the six months then ended. These financial statements are the responsibility of Management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Foundation as of June 30, 2009 were audited by other auditors whose report dated October 26, 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2009, and the changes in its net assets, its cash flows and functional expenses for the six months then ended in conformity with accounting principles generally accepted in the United States of America.

Wiss & Company

WISS & COMPANY, LLP

Livingston, New Jersey
September 29, 2010

THE NATIONAL HEMOPHILIA FOUNDATION

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2009

ASSETS		Unrestricted	Temporarily Restricted	Permanently Restricted	Total
CURRENT ASSETS:					
Cash and cash equivalents	\$ 1,539,278	\$ 1,066,613	\$ -	\$ -	\$ 2,605,891
Investments at fair value	2,437,838	1,999,113	250,000	-	4,686,951
Government grants receivable	155,125	-	-	-	155,125
Grants and other receivables, less uncollectible account of \$-0- in 2009	608,467	-	-	-	608,467
Prepaid expenses and other assets	66,920	-	-	-	66,920
Total Current Assets	<u>4,807,628</u>	<u>3,065,726</u>	<u>250,000</u>	<u>-</u>	<u>8,123,354</u>
NONCURRENT ASSETS:					
Security deposit	52,638	-	-	-	52,638
Fixed assets, net	16,875	-	-	-	16,875
Total Noncurrent Assets	<u>69,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,513</u>
	<u>\$ 4,877,141</u>	<u>\$ 3,065,726</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 8,192,867</u>
 LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES:					
Accounts payable	\$ 857,671	\$ -	\$ -	\$ -	\$ 857,671
Accrued expenses	753,511	-	-	-	753,511
Accrued payroll and vacation	310,551	-	-	-	310,551
Deferred rent payable	50,091	-	-	-	50,091
Deferred support and revenue	525,653	1,066,613	-	-	1,592,266
Total Current Liabilities	<u>2,497,477</u>	<u>1,066,613</u>	<u>-</u>	<u>-</u>	<u>3,564,090</u>
 COMMITMENT					
NET ASSETS:					
Unrestricted	2,317,211	-	-	-	2,317,211
Unrestricted - board reserve	62,453	-	-	-	62,453
Temporarily restricted	-	1,999,113	-	-	1,999,113
Permanently restricted	-	-	250,000	-	250,000
Total Net Assets	<u>2,379,664</u>	<u>1,999,113</u>	<u>250,000</u>	<u>-</u>	<u>4,628,777</u>
	<u>\$ 4,877,141</u>	<u>\$ 3,065,726</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 8,192,867</u>

See accompanying notes to financial statement.

THE NATIONAL HEMOPHILIA FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE:				
Special event revenue	\$ 545,436	\$ -	\$ -	545,436
Less: Direct costs	<u>(228,963)</u>	<u>-</u>	<u>-</u>	<u>(228,963)</u>
	316,473	-	-	316,473
Government grants	561,411	-	-	561,411
Contributions and grants	1,198,234	293,135	-	1,491,369
Legacies and bequests	27,453	-	-	27,453
Revenues generated from affiliated chapters	18,231	63,750	-	81,981
Contributions from combined federal campaign	14,005	-	-	14,005
Educational seminars and programs	2,246,515	-	-	2,246,515
Investment income	79,315	3,750	-	83,065
Realized losses on investments	(150,064)	-	-	(150,064)
Unrealized gains on investments	556,400	99	-	556,499
Memberships	26,275	-	-	26,275
Publication income	6,139	-	-	6,139
Educational/medical literature	585,590	-	-	585,590
Other income	65,090	-	-	65,090
Net assets released from restrictions	<u>997,124</u>	<u>(997,124)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>6,548,191</u>	<u>(636,390)</u>	<u>-</u>	<u>5,911,801</u>
EXPENSES:				
Program services:				
Health education and training	1,859,384	-	-	1,859,384
Community services	834,377	-	-	834,377
Chapter services	519,615	-	-	519,615
Research	<u>1,152,878</u>	<u>-</u>	<u>-</u>	<u>1,152,878</u>
Total Program Services	<u>4,366,254</u>	<u>-</u>	<u>-</u>	<u>4,366,254</u>
Supporting services:				
Management and general	448,309	-	-	448,309
Fundraising	<u>308,072</u>	<u>-</u>	<u>-</u>	<u>308,072</u>
Total Supporting Services	<u>756,381</u>	<u>-</u>	<u>-</u>	<u>756,381</u>
Total Expenses	<u>5,122,635</u>	<u>-</u>	<u>-</u>	<u>5,122,635</u>
CHANGE IN NET ASSETS	1,425,556	(636,390)	-	789,166
NET ASSETS, BEGINNING OF YEAR	<u>954,108</u>	<u>2,635,503</u>	<u>250,000</u>	<u>3,839,611</u>
NET ASSETS, END OF YEAR	<u>\$ 2,379,664</u>	<u>\$ 1,999,113</u>	<u>\$ 250,000</u>	<u>\$ 4,628,777</u>

See accompanying notes to financial statement.

THE NATIONAL HEMOPHILIA FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 789,166
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation and amortization	1,811
Realized losses from investments	150,064
Unrealized gains from investments	(556,499)
Deferred rent payable	50,091
(Increase) decrease in assets:	
Government grants receivable	(34,000)
Grants and other receivables	(385,070)
Prepaid expenses and other assets	58,112
Increase (decrease) in liabilities:	
Accounts payable	182,386
Accrued expenses	202,736
Accrued payroll and vacation	(100,938)
Deferred support and revenue	(416,026)
Net Cash Utilized by Operating Activities	<u>(58,167)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investments	(874,836)
Proceeds from sale of investments	<u>1,421,111</u>
Net Cash Provided by Investing Activities	<u>546,275</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	488,108
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>2,117,783</u>
CASH AND EQUIVALENTS, END OF YEAR	<u>\$ 2,605,891</u>

See accompanying notes to financial statements.

THE NATIONAL HEMOPHILIA FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE SIX MONTHS ENDED DECEMBER 31, 2009

	Program Services			Support Services		Total		
	Health Education and Training	Community Services	Chapter Services	Research	Management and General		Fundraising	
SALARIES AND RELATED EXPENSES:								
Salaries	\$ 454,117	\$ 275,428	\$ 231,377	\$ 90,444	\$ 294,266	\$ 144,422	\$ 438,688	\$ 1,490,054
Employee benefits and payroll taxes	118,693	49,867	57,100	21,569	16,947	25,926	42,873	290,102
Pension expense	42,742	21,854	10,931	11,073	11,340	11,186	22,526	109,126
Total Salaries and Related Expenses	615,552	347,149	299,408	123,086	322,553	181,534	504,087	1,889,282
OTHER EXPENSES:								
Supplies	23,162	493	1,490	1,843	4,853	2,555	7,408	34,396
Stationery and printing	52,840	167,721	1,646	870	1,179	11,517	12,696	235,773
Telephone and postage	9,245	4,471	8,123	949	11,575	3,132	14,707	37,495
Rent and utilities	120,374	38,284	25,169	16,117	21,411	26,100	47,511	247,455
Insurance	5,619	2,565	2,294	1,215	787	1,854	2,641	14,334
Equipment rental and maintenance	79,443	13,045	8,492	9,335	4,331	8,364	12,695	123,010
Travel, conferences, conventions	644,546	27,298	35,970	50,254	17,744	27,069	44,813	802,881
Accounting and auditing	18,484	10,087	9,225	3,737	11,749	6,027	17,776	59,309
Consulting and professional fees	129,177	182,599	26,210	18,232	16,109	10,332	26,441	382,659
Legal fees	33,235	18,481	43,014	6,619	23,212	10,570	33,782	135,131
Membership dues	10,938	6,775	4,004	1,462	5,126	9,899	15,025	38,204
Awards and grants	68,193	-	49,334	917,083	-	-	-	1,034,610
Postage and shipping	25,558	11,438	1,291	217	2,137	6,377	8,514	47,018
Employment recruiting	535	447	273	107	373	320	693	2,055
Depreciation and amortization	552	307	281	110	385	176	561	1,811
In-kind expenses	-	-	-	490	745	-	745	1,235
Banking and investment fees	21,593	3,029	3,150	1,085	3,805	2,131	5,936	34,793
Miscellaneous	338	188	241	67	235	115	350	1,184
Total Expenses	\$ 1,859,384	\$ 834,377	\$ 519,615	\$ 1,152,878	\$ 448,309	\$ 308,072	\$ 756,381	\$ 5,122,635

See accompanying notes to financial statements.

THE NATIONAL HEMOPHILIA FOUNDATION

NOTE TO FINANCIAL STATEMENTS

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies:

The National Hemophilia Foundation (the "Foundation") ("NHF") was incorporated in the State of New York on June 15, 1948.

The Foundation is dedicated to finding better treatments and cures for bleeding and clotting disorders and to prevent the complications of these disorders through education, advocacy and research.

The Foundation and other independent organizations (member chapters) actively collaborate in furthering the Foundation's mission throughout the United States. These financial statements represent only the financial position and activities of the National Hemophilia Foundation and do not include the accounts of the member chapters.

Basis of Presentation - The financial statements of the Foundation are prepared on the accrual basis of accounting.

Financial Statement Presentation - The Foundation conforms to Statement of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Topic 958, "Financial Statements for Not-for-Profit Organizations. Under FASB ASC Topic 958, the Foundation is required to report 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.

The Foundation is also in conformity with FASB ASC Topic 958-605 "Accounting for Contributions Received and Contributions Made". In conformity with FASB ASC 958-605, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

The classes are defined as follows:

Permanently Restricted - Net assets resulting from contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Foundation.

Temporarily Restricted - Net assets resulting from contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities.

Unrestricted - The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

Contributions and Grants Receivables - Contributions and grants, including unconditional promises to give that are expected to be collected within one year, are recognized as revenues in the period earned and are either classified as temporarily restricted or unrestricted. Conditional contributions, including conditional promises to give, are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. An allowance for uncollectible accounts is recorded by management, if necessary, for reimbursable expenses either in dispute with the funding agency or deemed uncollectible. As of December 31, 2009, the Foundation's conditional promise to give amounted to \$1,010,634, for the purpose of funding its Clinical Fellowship Program.

THE NATIONAL HEMOPHILIA FOUNDATION

NOTE TO FINANCIAL STATEMENTS

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

Cash and Cash Equivalents - The Foundation considers money market accounts, certificates of deposit and all highly liquid debt securities purchased with original maturities of three months or less to be cash and cash equivalents.

Investments - Investments in equity securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Fair Value of Financial Instruments - On July 1, 2008, the Foundation adopted Statement of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Topic 820-10, "Fair Value Measurements". FASB ASC 820-10 provides a common definition of fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements, but did not require any new fair value measurements. The adoption had no impact on the Foundation's financial statements, but the adoption did result in additional required disclosures as set forth in Note 2.

Fixed Assets - Fixed assets are recorded at cost or, if donated, at their fair value at the date of the gift. Fixed assets are depreciated using the straight-line method over the estimated useful life of the assets ranging from five to seven years. Leasehold improvements are amortized over the shorter of the life of the lease or their useful lives.

The Foundation capitalizes fixed asset purchases greater than \$5,000 with an estimated useful life greater than one year.

Membership Dues - Under the terms of the Foundation's bylaw provisions, local nonprofit organizations concerned with inherited bleeding disorders are offered the opportunity to become NHF chapter members, entitled to all the rights and privileges designated in Article III of such bylaws. Individuals may also become non-voting members by paying an annual fee ranging from \$25 to \$100, based on their status as either consumers or providers. These annual fees are determined by the Board of Directors.

Subcontracts and Chapter Support Funding - Subcontracts and chapter support funding represent chapter outreach grants and treatment center monies designated for research. These subcontracts are funded through the Federal government and other agencies and are administered by the Foundation.

Deferred Rent Payable - The Foundation has an operating lease which contains predetermined increases in the rentals payable during the term of the lease. For these leases, the aggregate rental expense over the lease term is recognized on a straight-line basis over the lease term. The difference between the expense charged to operations in any period and the amount payable under the lease during that period is recorded as deferred rent payable on the Foundation's statement of financial position, which will reverse over the lease term.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

THE NATIONAL HEMOPHILIA FOUNDATION

NOTE TO FINANCIAL STATEMENTS

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

Income Taxes - The Foundation is a nonprofit voluntary health organization exempt from Federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. The Foundation has been classified by the IRS as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code. There was no unrelated business income tax payable for the six months ended December 31, 2009.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events - Management has reviewed and evaluated all events and transactions from December 31, 2009 through September 29, 2010, the date that the financial statements were available for issuance. The effects of those events and transactions that provide additional pertinent information about conditions that existed at the statement of financial position date have been recognized in the accompanying financial statements.

Change in Fiscal Year - Effective July 1, 2009, the Foundation changed its fiscal year end from June to December, consequently this financial statements covers a six month period from July 1, 2009 to December 31, 2009.

Note 2 - Investments at Fair Value:

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures FASB ASC 820, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The carrying amounts of cash and cash equivalents, government grants receivable, grants and other receivables, accounts payable and accrued expenses included in the accompanying statement of financial position approximated fair value at December 31, 2009. These assets and liabilities are not presented in the following tables. The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

THE NATIONAL HEMOPHILIA FOUNDATION

NOTE TO FINANCIAL STATEMENTS

Note 2 - Investments at Fair Value (continued):

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

- Common Stocks and Other Assets: Valued at the closing price reported on the New York Stock Exchange.
- Corporate Bonds: Valued based upon the activity in similar corporate bonds.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2009:

	<i>Assets at Fair Value as of December 31, 2009</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Corporate Bonds				
AA	\$ -	\$ 1,458,887	\$ -	\$ 1,458,887
A	-	848,006	-	848,006
Common Stocks				
Energy	88,127	-	-	88,127
Materials	24,180	-	-	24,180
Industrial	75,065	-	-	75,065
Consumer Discretionary	101,888	-	-	101,888
Consumer Staples	103,683	-	-	103,683
Healthcare	156,855	-	-	156,855
Technology	107,532	-	-	107,532
Telecommunications	33,636	-	-	33,636
Mutual Funds				
Bonds	367,696	-	-	367,696
Equities	1,654	-	-	1,654
Exchange Traded Equity Funds (ETF)				
Mid-Cap Equity Sector	472,962	-	-	472,962
Small Cap Equity Sector	323,460	-	-	323,460
Non-U.S. Equity Securities	523,320	-	-	523,320
Total	\$ 2,380,058	\$ 2,306,893	\$ -	\$ 4,686,951

THE NATIONAL HEMOPHILIA FOUNDATION

NOTE TO FINANCIAL STATEMENTS

Note 2 - Investments at Fair Value (continued):

Investments - The following is summary of investments at fair value and cost at December 31, 2009:

	Fair Value	Cost
Corporate Bonds	\$ 2,306,893	\$ 2,229,029
Common Stocks	690,966	619,474
Mutual Funds	369,350	360,983
Exchange Traded Equity Funds	1,319,742	1,422,827
	\$ 4,686,951	\$ 4,632,313

Note 3 - Fixed Assets:

The Foundation's fixed assets consist of the following:

Furniture, fixtures and equipment	\$ 187,759
Computers	996,922
Leasehold improvements	150,982
	1,335,663
Less: Accumulated depreciation and amortization	1,318,788
	\$ 16,875

Note 4 - Temporarily Restricted Net Assets:

Temporarily restricted net assets represent contributions received and income related to the following:

Research	\$ 1,095,489
Soozie Courter Memorial Fund	76,466
Scholarship Fund	9,593
Clinical Fellowship	800,787
Dale Smith Endowment Fund	11,250
Katrina Relief Fund	877
Planned Giving	4,651
	\$ 1,999,113

THE NATIONAL HEMOPHILIA FOUNDATION

NOTE TO FINANCIAL STATEMENTS

Note 5 - Net Assets Released from Restrictions:

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows:

Research	\$ 705,782
Soozie Courter Memorial Fund	4,500
Scholarship Fund	1,017
Clinical Fellowship	<u>285,825</u>
	<u>\$ 997,124</u>

Note 6 - Permanently Restricted Net Assets (Endowment Funds):

The Foundation maintains a donor-restricted fund whose purpose is to provide long term support for its qualifying fellowship and training programs. In classifying such funds for financial statement purposes as either permanently restricted, temporarily restricted or unrestricted net assets, the Board of Directors look to the explicit directions of the donor where applicable and the provisions of the laws of the State of New York. The Board determined that, absent donor stipulations to the contrary, the provisions of New York State law do not impose either a permanent or temporary restriction on the income or capital appreciation derived from the original gift.

Investment Objectives

The Foundation has adopted an investment policy that primarily emphasizes the preservation of the capital and secondarily maximizes the total return. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. Investment returns are expected to provide adequate funds to sufficiently support designated needs and preserve or enhance the real value of the Foundation. In establishing the investment objectives of the Foundation, the investment advisory committee has taken into account the time horizon available for investment, the nature of the Foundation's cash flows and liabilities, and other factors that affect the Foundation's risk tolerance.

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives, the Foundation will ensure appropriate diversification to marketable equity securities. There shall be no Securities and Exchange Commission unregistered securities, private placement, venture capital, or direct investments in real or personal property. Approved investments include among others equity securities and fixed income securities.

Spending Policy

As governed in the agreement between the donor and the Foundation, the Foundation allocates an annual amount of at least \$7,500 representing income from the fund to be used as a research grant. This amount is recorded as temporary restricted assets until the award of the research grant. As of December 31, 2009, total under temporarily restricted net assets for \$11,250 represents income for fiscal year ending June 30, 2009 and the six months period ended December 31, 2009. Income allocated from the fund from fiscal year ending June 30, 2004 to June 30, 2008 totaling to \$37,500 was awarded as a grant during fiscal year ending June 30, 2008.

THE NATIONAL HEMOPHILIA FOUNDATION

NOTE TO FINANCIAL STATEMENTS

Note 6 - Permanently Restricted Net Assets (Endowment Funds) (continued):

Endowment Net Asset Composition by Type of Fund as of December 31, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 11,250	\$ 250,000	\$ 261,250

Changes in Endowment Net Assets for the Six Month period Ended December 31, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, July 1, 2009	\$ -	\$ 7,500	\$ 250,000	\$ 257,500
Investment return	-	3,750	-	3,750
Endowment net assets, December 31, 2009	\$ -	\$ 11,250	\$ 250,000	\$ 261,250

Note 7 - Commitment:

The Foundation leases office space under operating leases. Rent expense for the six months ended December 31, 2009 was \$192,762. At December 31, 2009, future minimum rental payments under these operating leases, inclusive of the effect of the office lease escalation clause, are as follows:

<u>Year Ending December 31,</u>	
2010	\$ 371,011
2011	382,070
2012	391,060
2013	402,791
2014	414,875
Thereafter	104,480
	<u>\$ 2,066,287</u>

Note 8 - Pension Plan:

The Foundation has a defined contribution plan organized under Section 403(b) of the Internal Revenue Code administered by TIAA-CREF Individual and Institutional Services, Inc. covering substantially all of its employees. The Foundation makes contributions for each participant in the amount of a stated percentage of annual compensation based on the number of years such participant is in the employ of the Foundation. Employees may contribute to the plan subject to the maximum annual contribution limit prescribed by the Employee Retirement Income Security Act of 1974 guidelines.

For the six months ended December 31, 2009, benefit plan expense was \$112,606.

THE NATIONAL HEMOPHILIA FOUNDATION

NOTE TO FINANCIAL STATEMENTS

Note 9 - Concentration of Credit Risk:

The financial instruments that potentially subject the Foundation concentration of credit risk consist primarily of cash and cash equivalent accounts in financial institutions, which from time to time exceed the Federal Depository Insurance Coverage ("FDIC") limit.