

SAVE A CHILD'S HEART FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2009

SAVE A CHILD'S HEART FOUNDATION

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AUDITOR'S REPORT

To the Directors of:
Save A Child's Heart Foundation

I have audited the balance sheet of Save A Child's Heart Foundation as at December 31, 2009 and the statements of revenue and expenses, fund balances and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. 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.

In common with many other charitable organizations, the organization derives part of its revenue from donations, and other revenues, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my examination of revenue from these sources was limited to accounting for the amounts recorded in accounts of the organization, and I was not able to determine whether adjustments, if any, might be necessary to revenues, excess of revenue over expenditures, assets and fund balances.

In my opinion, except for the effect of adjustments, if any which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the donations, grants and program revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2009 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
February 23, 2010

Jake Kuperhause
Chartered Accountant

SAVE A CHILD'S HEART FOUNDATION

BALANCE SHEET
AS AT DECEMBER 31, 2009

	Note	2009
ASSETS		
CURRENT		
Cash		\$ 125,492
Accounts receivable		5,717
Prepaid expenses		1,476
		<hr/>
		132,685
		<hr/>
		\$ 132,685
LIABILITIES & FUND BALANCES		
CURRENT		
Accounts payable and accrued liabilities		\$ 4,570
		<hr/>
FUND BALANCES		
Operating balance		128,115
		<hr/>
		\$ 132,685
		<hr/>

Approved on Behalf of the Board

_____ Director

_____ Director

SAVE A CHILD'S HEART FOUNDATION

STATEMENT OF REVENUE AND EXPENSES AND OPERATING BALANCE

FOR THE YEAR ENDED DECEMBER 31, 2009

	2009
REVENUE	
Donations	\$ 715,233
Merchandise sales	10,751
Other income	9,378
	735,362
EXPENSES	
Salaries and wages	41,014
General and administrative	13,255
Promotion and entertainment	12,187
Interest and bank charges	7,435
Travel and automotive	6,042
Merchandise purchases	4,721
Communication	2,848
Professional fees	2,500
Insurance	1,008
	91,010
Excess of revenue over expenses before donation to Save A Child's Heart - Israel	644,352
Donation - Save A Child's Heart - Israel	(605,000)
EXCESS OF REVENUE OVER EXPENSES	39,352
OPERATING BALANCE beginning of year	88,763
OPERATING BALANCE, end of year	\$ 128,115

SAVE A CHILD'S HEART FOUNDATION

Statement of Cash Flows

DECEMBER 31, 2009

	2009
CASH PROVIDED BY OPERATING ACTIVITIES	
Excess of revenue over expenses	\$ 39,352
	<u>39,352</u>
CHANGES IN NON-CASH WORKING CAPITAL	
Account receivable	(5,717)
Prepaid expenses	(1,476)
Accounts payable and accrued charges	4,570
	<u>36,729</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	36,729
NET INCREASE IN CASH AND CASH EQUIVALENTS	36,729
NET CASH AND CASH EQUIVALENTS, beginning of year	88,763
NET CASH AND CASH EQUIVALENTS, end of year	\$ 125,492

SAVE A CHILD'S HEART FOUNDATION

Notes to the Financial Statements

DECEMBER 31, 2009

1. INCORPORATION AND OBJECTIVES

Save A Child's Heart Foundation, was incorporated under the Canada Corporation Act as a corporation without share capital on December 15, 1999 and is registered as a charitable organization under the Income Tax Act. The objectives of Save A Child's Heart Foundation are to provide and support the provision of medical care to, and the treatment of, children from developing countries requiring medical care and treatment which may not be available or accessible in their homeland; to promote and support medical research to aid children from developing countries; and to promote and support the advancement of education and training of persons from developing countries in medicine and medical research in order to enable them to acquire and develop skills and other resources to provide medical care and treatment to children in developing countries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue

Donations are recorded as income on a cash basis.

(b) Expenses

All expenditures are recorded on a accrual basis of accounting.

(c) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

(d) Financial Instruments

It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from its financial instruments. The fair value of these financial instruments approximates their carrying values.

(e) Fund Accounting

The organization follows the deferral method of accounting for contributions.

The operating fund reports all contributions and expenses related to the operation of the organization.