

KIDS-N-HOPE

FINANCIAL STATEMENTS
(Reviewed)

DECEMBER 31, 2011



REINSEL KUNTZ LESHER
certified public accountants & consultants

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT ON THE FINANCIAL STATEMENTS

**To the Members of the Board
Kids-N-Hope
Philadelphia, Pennsylvania**

We have reviewed the accompanying statements of cash receipts and disbursements of Kids-N-Hope as of and for the years ended December 31, 2011 and 2010. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting, as described in Note 1 to the financial statements, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the basis of accounting described in Note 1 to the financial statements.

Reinsel Kuntz Lesher LLP

**Wyomissing, Pennsylvania
October 19, 2012**

KIDS-N-HOPE

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS

Years Ended December 31, 2011 and 2010

See Independent Accountant's Review Report

	2011	2010
RECEIPTS		
Special events, net of direct expenses 2011 \$ 28,758; 2010 \$ 27,349	\$ 79,135	\$ 81,591
Dividends	<u>57</u>	<u>69</u>
Total receipts	<u>79,192</u>	<u>81,660</u>
DISBURSEMENTS		
Program expenses, contributions	80,000	75,000
Management and general, including state registration fee	<u>2,514</u>	<u>375</u>
Total disbursements	<u>82,514</u>	<u>75,375</u>
Increase (decrease) in cash	(3,322)	6,285
Cash, beginning	<u>11,900</u>	<u>5,615</u>
Cash, ending	<u>\$ 8,578</u>	<u>\$ 11,900</u>

See Notes to Financial Statements.

KIDS-N-HOPE

NOTES TO FINANCIAL STATEMENTS

See Independent Accountant's Review Report

Note 1. Nature of Activity and Significant Accounting Policies

Nature of activity:

Kids-N-Hope (the "Organization") is dedicated to seeking individual and corporate bequests, mainly through special events, in order to support donations to the Children's Seashore House. The Children's Seashore House is a hospital providing specialized care and rehabilitation to children with developmental disabilities and chronic illnesses.

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

A summary of the Organization's significant accounting policies follows:

Basis of accounting:

The Organization's accounts are maintained on the cash basis, and the statements of cash receipts and disbursements reflect only cash received and cash disbursed. Therefore, receivables, payables, inventories, long-lived assets, accrued income and expenses, and amortization and depreciation, which would be recognized under accounting principles generally accepted in the United States of America and which may be material in amount, are not recognized in the accompanying financial statements.

Cash:

Cash consists of cash held in checking and savings accounts reduced by checks issued that have not cleared as of December 31. Management believes the Organization is not exposed to any significant credit risk on cash.

Note 2. Support

The Organization receives contributions from American Heritage Federal Credit Union, its employees and its directors in support of its mission. These contributions amounted to approximately \$ 26,800 and \$ 29,700 for the years ended December 31, 2011 and 2010, respectively.

Note 3. Subsequent Events

The Organization has evaluated subsequent events through October 19, 2012. This date is the date the financial statements were available to be issued. No material events subsequent to December 31, 2011 and through October 19, 2012 were noted.