

HOPE & HEROES CHILDREN'S CANCER FUND

Financial Statements

June 30, 2011

HOPE & HEROES CHILDREN'S CANCER FUND

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Hope & Heroes Children's Cancer Fund

We have audited the accompanying statements of assets and unrestricted net assets - cash basis of Hope & Heroes Children's Cancer Fund (a non-profit organization) as of June 30, 2011 and 2010, and the related statements of revenue and expenses and change in unrestricted net assets - cash basis for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and unrestricted net assets of Hope & Heroes Children's Cancer Fund as of June 30, 2011 and 2010, and its revenue and expenses for the years then ended, on the basis of accounting described in Note 2.

/s/ Mayer Hoffman McCann CPAs

New York, New York
May 14, 2012

HOPE & HEROES CHILDREN'S CANCER FUND
Statements of Assets and Unrestricted Net Assets - Cash Basis
June 30, 2011 and 2010

ASSETS

	<u>2011</u>	<u>2010</u>
Cash	\$ 338,389	\$ 150,342
Other	2,187	1,173
	<u>\$ 340,576</u>	<u>\$ 151,515</u>

UNRESTRICTED NET ASSETS

Unrestricted net assets	<u>\$ 340,576</u>	<u>\$ 151,515</u>
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See accompanying notes.

HOPE & HEROES CHILDREN'S CANCER FUND
 Statements of Revenue and Expenses and Change in Unrestricted Net Assets - Cash Basis
 For the Years Ended June 30, 2011 and 2010

	2011	2010
Revenue:		
Special events	\$ 1,015,152	\$ 914,815
Contributions	1,712,361	1,141,635
Total revenue	<u>2,727,513</u>	<u>2,056,450</u>
Expenses:		
Grants	2,003,992	1,390,709
Fundraising expenses	285,353	437,017
Office expenses	60,567	48,726
Postage and delivery	24,734	12,130
Advertising and promotions	111,266	114,420
Professional fees	30,656	27,565
Travel and entertainment	20,487	17,554
Miscellaneous	1,397	532
Total expenses	<u>2,538,452</u>	<u>2,048,653</u>
Increase in unrestricted net assets	189,061	7,797
Unrestricted net assets, beginning of year	<u>151,515</u>	<u>143,718</u>
Unrestricted net assets, end of year	<u>\$ 340,576</u>	<u>\$ 151,515</u>

See accompanying notes.

HOPE & HEROES CHILDREN'S CANCER FUND
Notes to Financial Statements

Note 1 - Organization and Business

Hope & Heroes Children's Cancer Fund (the "Organization") was organized in 2002 to solicit funds for the benefit of, and to provide financial resources for, program support and development, patient services, education and research at Herbert Irving Division of Child and Adolescent Oncology at the Children's Hospital of New York-Presbyterian, Columbia University, College of Physicians and Surgeons or other organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code. The Organization operates as a non-profit organization under the laws of the State of New York and is exempt from federal income taxes pursuant to Section 501(a) of the Internal Revenue Code. The Organization is not a private foundation. Morgan Stanley Children's Hospital of New York-Presbyterian provides office space and employee services to the Organization for which no fee is charged.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements present financial results on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. That basis differs from accounting principles generally accepted in the United States of America in that revenue is recognized when cash is received instead of when an unconditional promise to give is made and expenses are recognized when paid instead of when they are incurred.

Concentration of Credit Risk

The Organization maintains cash balances at two separate banks. Interest bearing accounts at each of these institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000 through December 31, 2013. To date, the Organization has not experienced any losses on such amounts.

Unrestricted Net Assets

Revenue is reported as increases in unrestricted net assets unless its use is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. The Organization reports donor-restricted contributions where restrictions are met in the same reporting period as changes in unrestricted net assets.

HOPE & HEROES CHILDREN'S CANCER FUND
Notes to Financial Statements

Note 3 - Functional Expenses

Expenses by their functional classifications for the years ended June 30, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Program services	\$ 2,165,064	\$ 1,530,528
Supporting services	88,035	81,108
Fundraising expenses	<u>285,353</u>	<u>437,017</u>
	<u>\$ 2,538,452</u>	<u>\$ 2,048,653</u>

Note 4 - Subsequent Events

The Organization has evaluated subsequent events through May 14, 2012, which is the date the financial statements were available to be issued, and has concluded that no such events or transactions took place which would require disclosure herein.