

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Love Helps, Inc.
Nashville, Tennessee

We have reviewed the accompanying statement of financial position of Love Helps, Inc. (a nonprofit organization) as of June 30, 2012, and the related statements of activities and cash flows for the year then ended. 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 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 accounting principles generally accepted in the United States of America 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 review 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 review, 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 generally accepted accounting principles in the United States of America.

November 8, 2012

McCeney & Martin

LOVE HELPS

Statement of Financial Position

As of June 30, 2012

Assets

Current assets:

Cash	\$ 59,824.71	
Total current assets		\$ 59,824.71

Fixed assets:

Furniture and equipment	40,037.00	
Less accum. depr.	(22,045.00)	
Net fixed assets		17,992.00

Other assets:

Books	1,829.41	
	(1,581.39)	
Total other assets		248.02

Total assets		<u>\$ 78,064.73</u>
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Liabilities and Net Assets

Current liabilities:

Accounts payable	\$ 9.00	
Total current liabilities		\$ 9.00

Total net assets		78,055.73
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Total liabilities and net assets		<u>\$ 78,064.73</u>
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LOVE HELPS

Statement of Activities

For the Year Ended June 30, 2012

Receipts:

Organizations	\$ 13,092.46
Events	109,681.93
Foundations	6,798.00
Individual contributions	25,307.66
Total revenues	<u>154,880.05</u>

Disbursements:

Wages	72,000.00
Payroll taxes	5,508.00
Employee benefits	22,434.48
Postage	1,330.13
Depreciation	5,645.07
Dues and fees	2,433.05
Food & entertainment	245.20
Gifts	290.84
Events- Direct expenses	20,007.02
Miscellaneous	429.21
Transportation	3,638.99
Prizes	1,555.46
Office supplies	4,743.54
Printing	8,186.31
Rent	12,000.00
Telephone	3,606.78
Insurance	2,303.00
Total expenses	<u>166,357.08</u>
Change in net assets	<u><u>\$ (11,477.03)</u></u>

LOVE HELPS

Statement of Cash Flows For the Year Ended June 30, 2012

Cash flows from operations:	
Change in net assets	\$ (11,477.03)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	5,645.07
Changes in operating assets and liabilities:	
Increase in accounts payable	<u>(7,822.94)</u>
Net cash provided by operating activities	<u>(13,654.90)</u>
Cash flows from investments	
Purchase of fixed assets	<u>(10,363.18)</u>
Net cash used by investing activities	<u>(10,363.18)</u>
Net increase in cash	(24,018.08)
Cash at beginning of year	<u>83,842.79</u>
Cash at end of year	<u><u>\$ 59,824.71</u></u>

See notes to financial statements and accountant's review report.

LOVE HELPS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – ORGANIZATION

Love Helps, Inc (the Company) is a non-profit Tennessee corporation organized and incorporated in 1995. The Company was established for the purpose of helping underprivileged children. The programs of Love Helps, Inc. encourage and affirm children toward responsible behavior through positive character development. Existing programs include in-class reading volunteers, student awards, and encouraging personal letters to students.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements of the Company are prepared on the accrual basis of accounting whereby revenues are recognized when they are earned and expenditures are recognized when they are incurred.

(b) Income Taxes

Love Helps, Inc., a non-profit organization operating under Section 501(c)(3) of the Internal Revenue Code, is exempt from federal, state, and local income taxes and, accordingly, no provision for income taxes is included in the financial statements.

(c) Cash and Cash Equivalents

For the statement of financial position and statement of cash flows, cash and cash equivalents are defined as all monies in petty cash, checking, savings and money market accounts and certificates of deposit.

(d) Fixed Assets

Fixed assets consist of computer and office equipment and are recorded at cost, when purchased, or if donated, at their estimated fair market value at date of donation. All acquisitions of property and equipment in excess of \$100 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Depreciation is provided on the straight-line method over estimated useful lives of seven years. There are no lease/purchase contracts.

(e) Subsequent Events

The Company evaluates events or transactions that occur subsequent to year end for potential recognition or disclosure in the financial statements through the date on which the financial statements are available to be issued. The financial statements were approved by management and available to be issued on November 8, 2012.