

**MESSENGERS OF LOVE
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012**

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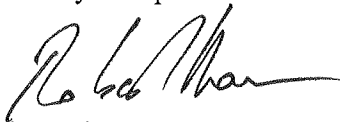
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Messengers of Love

We have audited the accompanying statement of financial position of Messengers of Love (a nonprofit organization) as of March 31, 2012, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of Messengers of Love's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 to 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 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 Messengers of Love as of March 31, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Robert Pham, CPA
Houston, Texas
December 31, 2012

Robert Pham, CPA

Certified Public Accountant

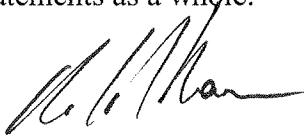
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INDEPENDENT AUDITOR'S REPORT
ON ADDITIONAL INFORMATION

To the Board of Directors of
Messengers of Love

We have audited the financial statements of Messengers of Love as of and for the year ended March 31, 2012 and have issued our report thereon dated December 31, 2012, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of function expenses is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Robert Pham, CPA
Houston, Texas
December 31, 2012

**MESSENGERS OF LOVE
STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31 2012**

ASSETS

Current Assets

Cash	\$ 23,024
Account Receivable	245

Total Current Assets	20,269
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Fixed Assets	4,461
Accumulated Depreciation	(3,409)

Total Fixed Assets	1,052
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Other Assets	50,416
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Total Other Assets	-0-
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Total Assets	74,737
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LIABILITIES AND NET ASSETS

Current Liabilities

A/P	-0-
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Long-term Liabilities	-0-
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Total Liabilities	-0-
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Net Assets

Unrestricted Net Assets	74,737
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Temporary Restricted Net Assets

Total Net Assets	74,737
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Total Liabilities and Net Assets	74,737
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See accompanying notes to financial statements

**MESSENGERS OF LOVE
STATEMENT OF ACTIVITIES
AS OF MARCH 31 2012**

REVENUES		UNRESTRICTED
Contribution & Special Events		\$ 125,139
Total Revenue		125,139
EXPENSES		
Program Costs		70,531
Administrative Costs		1,511
Fund Raising Costs		2,206
Depreciation Expenses		813
Total Expenses		75,061
CHANGES IN ASSETS		50,078
NET ASSETS AS OF BEGINNING OF YEAR		24,659
ADJUSTMENTS TO NET ASSETS		-0-
NET ASSETS AS OF END OF YEAR		74,737

See accompanying notes to financial statements

**MESSENGERS OF LOVE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2012**

Operating Activities			
Change in Net Assets			50,078
Adjustments to reconcile change in net assets To net cash provided by operating activities:			
Increase in Other Assets			(50,416)
Decrease in Account Payable			(5,444)
Depreciation and Amortization			813
Increase in Account Receivable			(25)
Net cash provided by operating activities			(4,994)
Investing Activities			
Land & Building			-0-
Equipment			-0-
Net cash provided by investing activities			-0-
Financing Activities			
Loan			-0-
Adjustment of Net Assets			-0-
Net cash provided by financing activities			-0-
Net increase (decrease) in cash and cash equivalent			(4,994)
Cash and cash equivalent as of beginning of year			28,018
Cash and cash equivalent as of the end of year			23,024

See accompanying notes to financial statements

**MESSENGERS OF LOVE
STATEMENT OF FUNCTIONAL EXPENSES
AS OF MARCH 31 2012**

	Administrative	Program Cost	Fund Raising	Total Expenses
	Cost		Cost	
Grants		68,449		68,449
Advertising & Promotion			2,206	2,206
Bank Fees				
Insurance				
Licenses & Fees				
Postage				
Professional Fees		2,000		2,000
Management	122			122
Supplies	1,389			1,389
Telephone				
Travel				
Others		82		82
Total before depreciation	1,511	70,531	2,206	74,248
Depreciation		813		813
Total	1,511	71,344	2,206	75,061

See accompanying notes to financial statements

**MESSENGERS OF LOVE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012**

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

Messengers of Love (the Organization) was chartered as a non-profit corporation in the City of Houston, State of Texas. The Organization's mission is to provide human and social supports, services and sponsorships to underserved and underprivileged within the United States, Vietnam and other Southeast Asia countries. Funding for these said programs is primarily through contributions from individuals.

Promise to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the calendar year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises receivables. The allowance is based on prior years' experience and management's analysis of specific promises made.

Contributions

The Organization has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted, and permanently restricted support depending on the existing or nature or any donor restrictions.

Contributed Services

During the year ended March 31, 2012, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization such as fund raising activities at the residents' facilities, but these services do not meet the criteria for recognition as contributed services. The Organization receives more than 1,000 volunteer hours per year.

Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial positions and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, the Organization does not use fund accounting.

Income tax status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501© (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contribution of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates