

Robert Pham, CPA

**MESSENGERS OF LOVE
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2009**

Certified Public Accountant

9700 Highway 2904, Suite 1111
Houston, Texas 77054


Telephone: (713) 776-3303
Facsimile: (713) 776-2312

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Messengers of Love	<u>PAGE</u>
AUDITOR'S REPORT ON FINANCIAL STATEMENTS	2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES AND STATEMENT OF CASH FLOWS	4-5
NOTES TO FINANCIAL STATEMENTS	6-7

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, 2009, 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
January 12, 2010

Robert Pham, CPA

Certified Public Accountant

9999 Bellaire Blvd., Suite 1122
Houston, Texas 77036

Telephone: (713) 776-3333
Facsimile: (713) 776-3335

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, 2009, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. 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, 2009, 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
January 13, 2010

MESSENGERS OF LOVE
STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31 2009

	UNRESTRICTED
ASSETS	
Current Assets	
Cash	\$ 3,379
Prepaid Expenses	-0-
Total Current Assets	3,379
Fixed Assets	2,865
Accumulated Depreciation	(988)
Total Fixed Assets	1,877
Other Assets	-0-
Total Other Assets	-0-
Total Assets	5,256
LIABILITIES AND NET ASSETS	
Current Liabilities	
A/P	-0-
Long-term Liabilities	-0-
Total Liabilities	-0-
Net Assets	
Unrestricted Net Assets	5,256
Temporary Restricted Net Assets	-0-
Total Net Assets	5,256
Total Liabilities and Net Assets	\$ 5,256

See accompanying notes to financial statements

**MESSENGERS OF LOVE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2009**

Operating Activities			
Change in Net Assets			(6,342)
Adjustments to reconcile change in net assets To net cash provided by operating activities:			
Depreciation and Amortization			494
Net cash provided by operating activities			(5,848)
Investing Activities			
Land			
Building			
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			(5,848)
Cash and cash equivalent as of beginning of year			9,227
Cash and cash equivalent as of the end of year			3,379

See accompanying notes to financial statements

**MESSENGERS OF LOVE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2009**

NOTES 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, 2009, 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 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