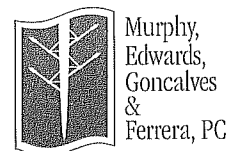


AGAPE INTERNATIONAL, INC.

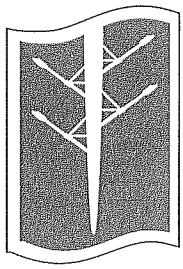
FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009



AGAPE INTERNATIONAL, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2010 AND 2009

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Murphy,
Edwards,
Goncalves
&
Ferrera, PC

*Certified Public Accountants
and Business Advisors*

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Agape International, Inc.
Ashland, Massachusetts 01721

We have reviewed the accompanying statements of assets, liabilities and net assets - modified cash basis of Agape International, Inc. (a nonprofit organization) as of March 31, 2010 and 2009, and the related statements of support, revenue and expenses - modified cash basis and cash flows-modified cash basis for the years then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of management of Agape International, Inc.

A review consists principally of inquires of organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, 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.

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

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 2.

Murphy, Edwards, Goncalves & Ferrera, PC

Southborough, MA
August 8, 2012

AGAPE INTERNATIONAL, INC.

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS

FOR THE YEARS ENDED MARCH 31, 2010 AND 2009

	2010	2009
ASSETS		
CURRENT ASSETS:		
Cash	\$ 451,594	\$ 260,741
PROPERTY AND EQUIPMENT, NET (Notes 2 and 4)	-	-
OTHER ASSETS:		
Security Deposits	19,100	-
Investments (Note 3 and 5)	<u>459,996</u>	<u>422,992</u>
Total Other Assets	<u>479,096</u>	<u>422,992</u>
TOTAL ASSETS	<u>\$ 930,690</u>	<u>\$ 683,733</u>
NET ASSETS		
UNRESTRICTED - NET ASSETS	<u>930,690</u>	<u>683,733</u>
TOTAL NET ASSETS	<u>\$ 930,690</u>	<u>\$ 683,733</u>

See Accompanying Notes and Accountants' Review Report

AGAPE INTERNATIONAL, INC.

STATEMENTS OF SUPPORT, REVENUE AND EXPENSES - MODIFIED CASH BASIS

FOR THE YEARS ENDED MARCH 31, 2010 AND 2009

	2010	2009
SUPPORT AND REVENUE:		
Contributions	\$ 371,833	\$ 287,453
Program Services	30,063	19,000
Special Events, Net	88,259	76,544
Investment Income	5,594	12,044
Net Unrealized Gain (Loss)	29,847	(45,774)
Net Realized Gain	<u>1,563</u>	<u>-</u>
Total Support	<u>527,159</u>	<u>349,267</u>
FUNCTIONAL EXPENSES:		
Program Services:		
Orphanages	140,519	130,420
Education	51,363	72,143
Medical Clinics	<u>53,154</u>	<u>37,408</u>
Total Program Services	<u>245,036</u>	<u>239,971</u>
Support Services:		
Administrative	19,987	11,836
Fundraising	<u>15,179</u>	<u>16,306</u>
Total Support Services	<u>35,166</u>	<u>28,142</u>
Total Functional Expenses	<u>280,202</u>	<u>268,113</u>
INCREASE IN NET ASSETS	246,957	81,154
NET ASSETS - BEGINNING OF YEAR	<u>683,733</u>	<u>602,579</u>
NET ASSETS - END OF YEAR	<u>\$ 930,690</u>	<u>\$ 683,733</u>

See Accompanying Notes and Independent Accountants' Review Report

AGAPE INTERNATIONAL, INC.

STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS

FOR THE YEARS ENDED MARCH 31, 2010 AND 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in Net Assets	\$ 246,957	\$ 81,154
Adjustments to Reconcile the Above to Net Cash Provided by Operating Activities:		
Depreciation	-	47,209
Net Realized Gain on Investments	(1,563)	-
Unrealized (Gain) Loss on Investments	<u>(29,847)</u>	<u>45,774</u>
Net Cash Provided by Operating Activities	<u>215,547</u>	<u>174,137</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital Expenditures	-	(47,209)
Purchase of Securities, Net	<u>(24,694)</u>	<u>(154,183)</u>
Net Cash Used by Investing Activities	<u>(24,694)</u>	<u>(201,392)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 190,853	 (27,255)
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	 <u>260,741</u>	 <u>287,996</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	 <u>\$ 451,594</u>	 <u>\$ 260,741</u>

See Accompanying Notes and Accountants' Review Report

AGAPE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2010 AND 2009

NOTE 1 ORGANIZATION AND NATURE OF ACTIVITIES

Agape International, Inc. (the Organization) is a nonprofit organization in Ashland, Massachusetts. The Organization cares for children in India orphaned as a result of AIDS. Currently there are three orphanages located in Hyderabad, a city in South Central India. The primary revenue sources are donations from the general public, grants and corporate solicitations.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization maintains its accounting records and prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under the cash basis of accounting public support and revenues are recognized when received and expenses are recognized when paid.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

AGAPE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009

(Continued)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. All contributions received are classified as unrestricted if the donor restrictions are met in the same annual reporting period. For the year ended March 31, 2010, all contributions were unrestricted.

Donated Services

The Organization receives some contributed services from individuals in carrying out some of its operations. The value of these services is not reflected in the financial statements because the contributed services do not meet the recognition criteria under FASB ASC 958-605-50-1.

Income Taxes

The Organization is exempt from income taxes pursuant to Section 501(c)(3) of the U.S. Internal Revenue Code. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(A) of the Code.

Under FASB ASC 740-10, an organization should recognize the tax benefit associated with uncertain tax positions taken for tax return purposes only when it is more likely than not the position will be sustained. The implementation of the financial accounting standard had no impact on Agape International Inc.'s financial statements. Management does not believe there are any material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax benefits, interest or penalties. Fiscal years 2008 – 2010 are currently open for examination by taxing authorities.

AGAPE INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009

(Continued)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through August 8, 2012, the date the financial statements were available to be issued.

Cash and Cash Equivalents

Management considers equivalent to cash all money market funds and other deposits with a maturity date of ninety days or less from the date of purchase. Cash equivalents are stated at cost which approximates market.

Property and Equipment

The Organization follows the practice of capitalizing all significant expenditures at cost, or if donated, at the approximate fair market value at the date of the donation. Depreciation expense is computed using various methods, including the straight line method over the estimated useful lives of the related assets. Depreciation expense is \$0 and \$47,209 for the years ended March 31, 2010 and 2009, respectively.

Foreign Currency Exchange and Translation

The Organization's foreign operations are primarily conducted in Indian rupees. Generally foreign currency exchange transactions which are converted to U. S. dollars result in a gain or loss that is recognized at the point of conversion within the financial statements.

All assets, liabilities and net assets of the foreign operations are valued in U. S. dollars as of March 31, 2010, which generally results in a foreign currency translation adjustment applied directly to net assets within the financial statements.

The foreign currency was stable for the year ended March 31, 2010 and had no material gain or loss on exchange or translation, so therefore, no gain or loss was recognized.

AGAPE INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009

(Continued)

NOTE 3 INVESTMENTS

Investments are valued at market in accordance with the provisions of the Financial Accounting Standards Board Accounting Standards Codification 958-320.

Investments in equity securities with readily determinable fair values are reported at their fair value based on quoted market prices in the statement of financial position. Investment in certificates of deposit are reported at surrender value, which approximates fair value. Realized and unrealized gains and losses are included in investment return, along with interest and dividends, in the statement of activities.

Investments consisted of the following as of March 31, 2010 and 2009:

	2010		2009	
	Cost	Market	Cost	Market
Money Market Funds	\$ 355,942	\$ 355,942	\$172,166	\$ 172,166
Stocks	14,480	12,768	14,480	9,486
Mutual Funds	109,068	91,286	107,520	66,340
Certificates of Deposit	-	-	175,000	175,000
	<u>\$ 479,490</u>	<u>\$ 459,996</u>	<u>\$469,166</u>	<u>\$422,992</u>

NOTE 4 PROPERTY AND EQUIPMENT, NET

Property and Equipment consist of the following as of March 31, 2010:

School Bus	\$ 25,000
Motor Vehicle	<u>22,209</u>
Total	47,209
Less: Accumulated Depreciation	(47,209)
Net Property and Equipment	<u>\$ 0</u>

AGAPE INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009

(Continued)

NOTE 5 FAIR VALUE

In accordance with Financial Accounting Standards Board ASC 820-10, the Council measures its investments at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy consists of three-broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of quoted prices for identical or similar assets in inactive markets, and Level 3 inputs have the lowest priority. The inputs and methodology used for valuing the Council's investments are not indicators of the risks associated with those instruments. The following table provides fair value measurement information for financial assets measured at fair value on a recurring basis as of March 31, 2010:

Description	2010	2009
Level 1: Quoted Prices	<u>\$459,996</u>	<u>\$422,992</u>