

A.G.C., Ltd.
(All God's Children)

Financial Statements

December 31, 2010

With Independent Auditors' Report



Evenhouse & Co., P.C.

Certified Public Accountants
& Consultants for Business

Independent Auditors' Report

To the Board of Directors
A.G.C., Ltd. (All God's Children)

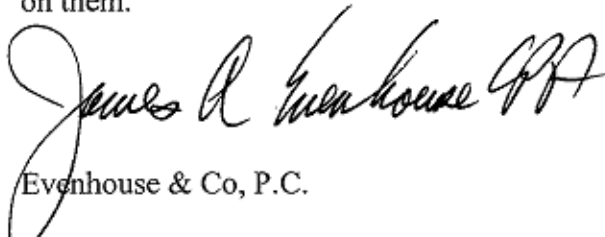
We have audited the accompanying statement of assets, liabilities, and net assets (modified cash basis) of A.G.C., Ltd. (All God's Children) (a nonprofit organization) as of **December 31, 2010**, and the related statements of revenues collected, expenses paid and change in net assets (modified cash basis), and cash flows (modified cash basis) for the year 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 audit.

We conducted our audit in accordance with United States generally accepted auditing standards. Those standards require that we plan and perform the audit 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 audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of A.G.C., Ltd. (All God's Children) as of December 31, 2010, and the related statements of revenues collected, expenses paid and change in net assets, and cash flows for the year then ended on the basis of accounting described in Note A.

The schedules of expenses are presented for purposes of supplemental information and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.



Evenhouse & Co, P.C.
September 7, 2011

A.G.C., Ltd.
(All God's Children)

Statement of Assets, Liabilities, and Net Assets
Modified Cash Basis

December 31, 2010

Assets

Current Assets:

Cash & cash equivalents (See Note)	\$ 378,903.41
Investments, at fair market value (See Note)	<u>183,521.75</u>
Total Current Assets	<u>\$ 562,425.16</u>
Total Assets	<u>\$ 562,425.16</u>

Liabilities and Net Assets

Current Liabilities:

Total Current Liabilities	<u>\$ 0.00</u>
Total Liabilities	<u>\$ 0.00</u>

Net Assets:

Unrestricted, available for general use (See Note)	<u>\$ 562,425.16</u>
Total Net Assets	<u>\$ 562,425.16</u>
Total Liabilities and Net Assets	<u>\$ 562,425.16</u>

The accompanying notes are an integral part of these statements.

A.G.C., Ltd.
(All God's Children)

Statement of Revenues Collected, Expenses Paid and Change in Net Assets
Modified Cash Basis

For the Year Ended December 31, 2010

Unrestricted Net Assets

Support:

Individuals & Churches	\$ 1,096,107.99
Dividends & Interest	3,088.30
Unrealized Gain on Investments	<u>14,161.58</u>

Total Support \$ 1,113,357.87

Expenses:

Program Service (See Schedule A)	\$ 1,051,425.09
Management & General (See Schedule B)	86,994.66
Fund Raising (See Schedule C)	<u>6,610.29</u>

Total Expenses \$ 1,145,030.04

Change in Net Assets \$ (31,672.17)

Unrestricted Net Assets, Beginning of Year 594,097.33

Unrestricted Net Assets, End of Year \$ 562,425.16

A.G.C., Ltd.
(All God's Children)

Statement of Cash Flows
Modified Cash Basis

For the Year Ended December 31, 2010

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows From Operating Activities:

Change in Unrestricted Net Assets \$ (31,672.17)

Adjustments to Reconcile Changes in Net Assets to

Net Cash Used in Operating Activities:

Unrealized gain on investments (14,161.58)

Total Adjustments

\$ (14,161.58)

Net Cash Used in Operating Activities

\$ (45,833.75)

Cash Flows From Investing Activities:

Investment purchases \$ (12,525.66)

Net Cash Used in Investing Activities

\$ (12,525.66)

Change in Cash and Cash Equivalents

\$ (58,359.41)

Cash and Cash Equivalents, Beginning of Year

437,262.82

Cash and Cash Equivalents, End of Year

\$ 378,903.41

The accompanying notes are an integral part of these statements.

A.G.C., Ltd.
(All God's Children)

Notes to the Financial Statements

December 31, 2010

Note A – Summary of Significant Accounting Policies

Nature of Activities

A.G.C., Ltd. (a.k.a. All God's Children) (the Organization) is a Christian organization organized as a Michigan nonprofit corporation. The purpose of A.G.C., Ltd. is sponsorship of abandoned, orphaned children primarily in third world countries. Initial efforts have been in support of a Christian children's home in Honduras, known as Hogar De Ninos Nazareth. A.G.C., Ltd. has been a primary sponsor of this home, providing financial and volunteer support for health care and medical supplies, construction of facilities through volunteers and by purchase of building supplies, educational supplies, food, clothing, furnishings and wages for the caregivers. A secondary mission has been to support a handicapped woman who runs a school for handicapped children also located in Honduras. Support is given through both financial and volunteer aid.

Basis of Accounting

A.G.C., Ltd. prepares its financial statements on the modified cash basis method of accounting; consequently, revenues are recognized when received rather than when earned, and expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions.

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board's Accounting Standards Codification. The Organization is required to report 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.

Cash & Cash Equivalents

For purposes of these financial statements, the Organization considers all highly liquid investments with maturities of three months or less when purchased, to be cash equivalents. The Organization maintains cash balances in two institutions; at times, balances exceed the \$250,000.00 federally insured limit.

A.G.C., Ltd.
(All God's Children)

Notes to the Financial Statements

December 31, 2010

Note A – Summary of Significant Accounting Policies (continued)

Investments

Investments are carried at fair market value. Net unrealized gains and losses are reported in investment income for the current year. Net realized gains and losses on sales of securities are based on the average cost of securities. Fair market values for marketable securities traded on national securities exchanges are determined by the last sales price on the last business day of the year. A.G.C., Ltd. had unrealized gains of \$14,161.58 and no realized gains or losses during 2010. Investment expenses totaled \$3,135.22 and have been netted against dividend and interest income.

The Organization follows the recommendations of the Financial Accounting Standards Board ("FASB") in its Accounting Standards Codification ("ASC") 820-10, Fair Value Measurements. Under FASB ASC 820-10, the Organization is required to report investments at fair market value. FASB ASC 820-10 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs that may be used to measure fair value:

Level 1 – Level 1 inputs are quoted prices in active markets for identical assets or liabilities.

Level 2 – Level 2 inputs generally are available indirect information, such as quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3 – Level 3 inputs are valuations derived from valuation techniques in which one or more significant value drivers are unobservable. All level 3 assets are carried at fair value based on estimates using appropriate valuation techniques such as the market approach, the income approach and finally the cost approach.

Investments, held at Barnabas Foundation, as of December 31, 2010 are as follows:

	<u>Original Cost</u>		<u>Fair Market Value</u>
REIT Fund	\$ 15,307.73	\$	\$ 15,751.60
Equity Fund	89,793.20		103,671.75
Bond Fund	54,180.15		55,436.27
High Yield Bond Fund	<u>8,454.58</u>		<u>8,662.13</u>
Total	<u>\$ 167,735.66</u>	\$	<u>183,521.75</u>

A.G.C., Ltd.
(All God's Children)

Notes to the Financial Statements

December 31, 2010

Note A – Summary of Significant Accounting Policies (continued)

Investments (continued)

	Fair Value	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>December 31, 2010</u>				
Mutual Funds	\$ 183,521.75	\$ -0-	\$ 183,521.75	\$ -0-
Total	<u>\$ 183,521.75</u>	<u>\$ -0-</u>	<u>\$ 183,521.75</u>	<u>\$ -0-</u>

Support

The Organization receives its support from individual donor/sponsors, churches, private special donations from individuals and businesses, and fund raising activities. Volunteers conduct all fundraising activities. The Organization solicits sponsors primarily through churches and other personal contacts. They also distribute newsletters to donors on a regular basis requesting continued or increased support.

A substantial number of unpaid volunteers have made significant contributions of their time. The value of these contributed services has not been recognized in the financial statements as they do not meet the definition of skilled services under the applicable accounting standards.

Estimates

The preparation of the financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributions

In accordance with the recommendations of the Financial Accounting Standards Board's Accounting Standards Codification, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Restricted contributions are required to be reported as such and are then reclassified to unrestricted net assets upon expiration of the donor restrictions.

A.G.C., Ltd.
(All God's Children)

Notes to the Financial Statements

December 31, 2010

Note A – Summary of Significant Accounting Policies (continued)

Income Tax Status

A.G.C., Ltd. is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law, except for taxes pertaining to unrelated business income, if any. The Organization has been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). The Organization did not have any taxable unrelated business income during the year ended December 31, 2010. The Organization has not been examined by any major tax jurisdiction, therefore, all eligible years (2007-2009) are subject to examination.

The Organization has adopted the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Examples of tax positions include the tax-exempt status of the Organization and the continued tax-exempt status of various positions related to the potential sources of unrelated business taxable income (UBIT). At December 31, 2010, there were no unrecognized tax benefits identified or recorded as liabilities.

Compensated Absences

The Organization does not accrue vacation time.

Subsequent Events

Management has evaluated subsequent events through September 7, 2011, the date the financial statements were available to be issued.

Note B - Unrestricted Net Assets Subject to Board Designation

There are no board designated unrestricted net assets as of December 31, 2010.

Supplemental Information

A.G.C., Ltd.
(All God's Children)

Schedules of Expenses
Modified Cash Basis

For the Year Ended December 31, 2010

Schedule A

Program Service:

Hogar General Fund	\$ 747,138.52
Serve 2009	2,500.00
Serve 2010	<u>301,786.57</u>
Total Program Service	<u>\$ 1,051,425.09</u>

Schedule B

Management & General:

Bank Charges	\$ 2,091.49
Telephone	4,613.48
Legal & Professional	6,625.00
Office Expense	569.00
Foreign Exchange Difference	273.23
Insurance	18,997.42
Salaries & Wages	50,000.00
Payroll Taxes	<u>3,825.04</u>
Total Management & General	<u>\$ 86,994.66</u>

Schedule C

Fund Raising:

Postage	\$ 4,895.00
Promotion	<u>1,715.29</u>
Total Fund Raising	<u>\$ 6,610.29</u>

See independent auditors' report.