

SRI RANGANATHA TEMPLE

FINANCIAL STATEMENTS

DECEMBER 31, 2023

RAM ASSOCIATES, CPAS

3240 East State Street Ext,

Hamilton, NJ 08619

Phone: (609) 631-9552/53

Fax: (888) 319-8898

email: pkram@ramassociates.us

www.ramassociates.cpa

SRI RANGANATHA TEMPLE

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Ram Associates

CERTIFIED PUBLIC ACCOUNTANTS



**Aprio Firm
Alliance**

INDEPENDENTLY OWNED MEMBER

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
of Sri Ranganatha Temple

Opinion

We have audited the accompanying financial statements of Sri Ranganatha Temple (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sri Ranganatha Temple as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sri Ranganatha Temple and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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 the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sri Ranganatha Temple's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but

is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sri Ranganatha Temple's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sri Ranganatha Temple's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Ram Associates

Ram Associates

Hamilton, New Jersey

October 18, 2024

SRI RANGANATHA TEMPLE
Statement of Financial Position
December 31, 2023

ASSETS

Current assets:	
Cash and cash equivalents	\$ 1,806,576
Certificate of deposits	2,581,491
Total current assets	<u>4,388,067</u>
Investments	1,991
Fixed assets, net	5,461,456
TOTAL ASSETS	<u><u>\$ 9,851,514</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable and accrued expenses	\$ 31,305
Total liabilities	<u>31,305</u>
Net assets:	
With donor restrictions:	
Purpose restricted	380,001
Without donor restrictions:	
Undesignated	9,440,208
Total net assets	<u>9,820,209</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 9,851,514</u></u>

SRI RANGANATHA TEMPLE
Statement of Activities
For The Year Ended December 31, 2023

	Without donor restriction	With donor restriction	Total
Operating revenue			
Donations/contributions	\$ 1,341,378	\$ -	\$ 1,341,378
Total operating revenue	1,341,378	-	1,341,378
Operating expenses			
Program services:			
Puja, education and outreach expenses	151,382	-	151,382
Free food services	87,122	-	87,122
Maintenance	285,231	-	285,231
Office Expenses and Supplies	61,800	-	61,800
Payroll Expenses	96,856	-	96,856
Insurance	20,137	-	20,137
Total program services	702,528	-	702,528
Supporting services:			
General and administrative expenses	130,240	-	130,240
Total supporting services	130,240	-	130,240
Total operating expenses	832,768	-	832,768
Non-operating activities			
Interest income	143,703	-	143,703
Bank charges/Penalty CD Acc.	(45,402)	-	(45,402)
Total non-operating activities	98,301	-	98,301
Change in net assets before depreciation	606,911	-	606,911
Depreciation	166,098	-	166,098
Change in net assets	440,813	-	440,813
Net assets at beginning of the year	8,999,395	380,001	9,379,396
Net assets at end of the year	\$ 9,440,208	\$ 380,001	\$ 9,820,209

- See accompanying notes to financial statements-

SRI RANGANATHA TEMPLE
Statement of Functional Expenses
For The Year Ended December 31, 2023

	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Program Activities</u>	<u>Management and General</u>	<u>Total</u>
Flowers	\$ 81,051	\$ -	\$ 81,051
Repair and Maintenance	285,231	21,245	306,476
Festivals	1,313	-	1,313
Office Expenses and Supplies	61,800	16,113	77,913
Operating Expenses	-	30,065	30,065
Professional Fees	-	18,075	18,075
Payroll Expenses	96,856	41,503	138,359
Insurance	20,137	3,239	23,376
Prasadam	87,122	-	87,122
Utilities	69,018	-	69,018
Total	<u>\$ 702,528</u>	<u>\$ 130,240</u>	<u>\$ 832,768</u>

- See accompanying notes to financial statements-

SRI RANGANATHA TEMPLE
Statement of Cash Flows
For The Year Ended December 31, 2023

Cash flows from operating activities	
Change in net assets	\$ 440,813
Adjustment to reconcile change in net assets to net cash used in operating activities	
Depreciation	166,098
Changes in operating assets and liabilities	
(Increase)/Decrease in advances	10,500
(Increase)/Decrease in certificate of deposit	(821,681)
Increase / (Decrease) in other liabilities	2,535
Total adjustments	<u>(642,548)</u>
Net cash used in operating activities	<u>(201,735)</u>
Cash flows from investing activities	
Purchases of fixed assets	(158,241)
Net cash used in investing activities	<u>(158,241)</u>
Net decrease in cash and cash equivalents	(359,976)
Cash at the beginning of the year	<u>2,166,552</u>
Cash at end of the year	<u><u>\$ 1,806,576</u></u>
Supplementary disclosure of cash flows information	
Cash paid during the year for	
Interest	\$ -
Income taxes	-

- See accompanying notes financial statements-

Sri Ranganatha Temple
Notes to Financial Statements
December 31, 2023

1. ORGANIZATION

Sri Ranganatha Seva Samithi, Inc or Sri Ranganatha Temple, (the 'Organization'), a New York State Non-Profit Corporation and Rockland County Religious Corporation, is an exempt Organization under section 501(c)(3) of the Internal Revenue Code. The organization was formed for organizing, operating, and maintaining a place of worship (Temple) and for the mutual and spiritual benefit of its devotees. The Organization also promotes, fosters, preserves, and propagates the Visishtadvaita philosophy of ultimate salvation of the Hindu religion. The organization is governed by an independent, volunteer board of trustees who oversees the organization's operations. Revenues to support the organization are primarily received from devotees and membership dues.

GENERAL ACTIVITIES:

Worship and Spiritual Growth

Planning and conducting activities of worship and providing service to local and global communities to address needs of the body, mind and soul. Various philosophical lectures, self-awareness classes and discourses by prominent preachers are organized for the spiritual growth of its members and devotees.

Pilgrims and Visitors Services

Apart from spiritual activities and temple activities, the Organization also provides free meals to pilgrims and visitors of the temple every day.

Community Services

The Organization donates groceries to charitable trusts and orphanages and organizes volunteering by devotees at nearby soup kitchens and food distribution centers. In addition, the Organization also makes donations in cash and kind to other temples and not-for-profit organizations for specific charitable purposes.

The Organization through its volunteer's conducts 'Balarangam' i.e., classes for children of different ages on slokas and vedic verses. These classes include reciting of verses from Bhagavad-Gita, Valmiki Ramayana, and other religious scriptures.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of

Sri Ranganatha Temple
Notes to Financial Statements
December 31, 2023

America (GAAP). Consequently, revenue, other than contributions, is recognized when earned and expense when the obligation is incurred.

Financial Statement Presentation

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization's net assets and changes therein are classified and reported as follows:

- Without donor restrictions – net assets that are not subject to donor-imposed restrictions or the donor-imposed restrictions have expired. As reflected in the accompanying financial statements, the Organization's Board of Trustees has designated a portion of these net assets as an endowment fund to perpetually protect the Organizations aims and objectives.
- With donor restrictions – net assets that are subject to donor-imposed restrictions. These include net assets that are subject to time or purpose restrictions and donor restricted endowments. Assets with time or purpose restrictions are satisfied either by the passage of time or by actions of the Organization. Donor restricted endowments must be maintained permanently by the Organization and only the income may be used as specified by the donor.

Board Designated Net Assets

The board of trustees has established an operating fund from unrestricted net assets. The trustee's goal is to utilize this fund for construction of houses for the priests and digging a bore well to pump water for puja (act of worship) purposes. The temporarily restricted net assets balance as of December 31, 2023, is \$380,001. Except for this temporarily restricted net assets. There are no other permanently restricted assets as of December 31, 2023.

Support and Revenue

Contributions of cash and cash equivalents are recorded at the actual amount. Revenue is reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. If an expense is incurred for a purpose for which net assets with donor restrictions are available, a donor-imposed restriction is fulfilled to the extent of the expense incurred. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as release from restrictions in the consolidated statement of activities. Gains and losses on investments

Sri Ranganatha Temple
Notes to Financial Statements
December 31, 2023

are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donors or by law.

Contributed Services

During the year ended December 31, 2023, 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 in meeting its objectives. Various individuals, members and trustees have made significant contributions of their time to develop the organization and its programs. No amounts have been recognized in the accompanying statements of activities and changes in net assets because the criteria for recognition of such efforts under generally accepted accounting principles (GAAP) have not been satisfied.

Sale of Donated Items

The Organization from time to time sells donated clothes used for worship to its devotees during special occasions like festivals or other major events. All the money received from such sale is recognized as income and proceeds deposited in the financial institutions.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, office expenses and supplies, payroll expenses, insurance, have been allocated among the programs and supporting services on the basis of employee time and effort and others identifiable basis.

Allowance for Credit Losses

The Organization calculates allowance for expected credit losses on its financial assets valued at cost. Expected credit losses include losses expected based on known credit issues with specific accounts, as well as a general expected credit loss allowance based on relevant information, including historical loss rates, current conditions, and reasonable economic forecasts that affect collectability. The Organization updates its allowance for credit losses on a periodic basis with changes in the allowance recognized in income from operations. Allowance for credit losses for the year ending December 31, 2023, were \$nil respectively.

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Notes to Financial Statements
December 31, 2023

Measure of Operation

The Organization includes on its measures of operations all revenues and expenses that are integral to its program services and supporting services. The measure of operations for the year ending December 31, 2023, includes investment return appropriated for operations and excludes investment returns in excess of or less than the amount appropriated for operations.

Cash and Cash Equivalents

For the purposes of the financial statements, the organization considers all cash and highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include all monies deposited in banks, money market funds in brokerage accounts and demand deposits held at the organization. At times, the balance in the account may be more than the FDIC limit of \$250,000. As of December 31, 2023, the uninsured portion of this balance was \$ 1,234,024.

Cash and checks deposited in the Hundi's are opened periodically for counting by the treasurer in the presence of one board of trustee and at least two voluntary visitors to the temple. The trust members and visitors present at the time of opening and counting the cash, checks and other donations in the Hundis (collection box) sign a collection register maintained by the treasurer. The cash and checks are later deposited in the bank and recognized as contributions. The donations in gold, silver, diamonds, and other precious stones are valued at an estimated fair value as on that date of counting and recorded as assets. The fair value of these items could be significantly different from the cost due to high volatile prices of jewellery items.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 income and expenses during the reported period. Accordingly, actual results could differ from those estimates.

Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustment, if any, to the estimates used are made prospectively based on such periodic evaluations.

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Notes to Financial Statements
December 31, 2023

Significant Funders and Concentration of Credit Risk

The Organization does not have any significant funders, and all programs are conducted based on contributions from members, devotees, and general public. The organization maintains demand deposits, money market funds, and certificates of deposit with financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. federal government. The uninsured portions of cash and money market accounts are backed solely by the assets of the underlying institution. As such, the failure of an underlying institution could result in financial loss to the organization

Inventory

The groceries and other kitchen provisions purchased by the Organization are expensed and not carried in inventory at end of the year; various other donations of food grains, cereals, spices, deity clothes, kitchen supplies received by the organization are consumed in the ordinary course of operations and do not form part of the financial statements.

Tax Status

The Organization is generally exempt from federal and state income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation. Income, which is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. During the year ended December 31, 2023, the Organization had no taxable unrelated business income, and accordingly, no provision for income taxes is required in the accompanying financial statements. The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provisions have been made for income taxes in the accompanying financial statements.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the statements of financial position. Unrealized gains and losses are included in the change in net assets. As on December 31, 2023, there are no significant unrealized gains and losses that are required to include in the change in net assets.

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Notes to Financial Statements
December 31, 2023

Fair Value Measurements

The Organization applies Generally Accepted Accounting Principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1— inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Advertising Costs

The organization expenses advertising cost as and when incurred. Advertising expenses for the year ended December 31, 2023, was nil.

3. FIXED ASSETS

Property and equipment valued at \$1,000 or greater are recorded at cost or if donated at the approximate fair value at the date of donation. Fixed assets are depreciated on a straight- line basis over their estimated useful lives as follows:

Buildings and barn	35 - 40 years
Land and building improvements	15 - 20 years
Equipment and vehicles	3 - 7 years
Furniture and fixtures	5 - 7 years

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Notes to Financial Statements
December 31, 2023

Property and equipment comprise of:

Non-depreciable assets	
Land	\$ 619,713
Silver lamps	52,889
Jewelry and ornaments	2,183,478
Vahana's	671,456
Vigrahas	77,336
Sub- total	3,604,872
 Depreciable assets	
Buildings	3,196,443
Building and land improvements	1,547,184
Elevator system	79,871
Furniture and fixtures	78,499
Chariot	98,567
Brass lamps	4,193
Signage's	7,410
Security and sound system	7,930
Pallaki	31,723
Barn	108,457
Sub- total	5,160,277
Gross assets	8,765,149
Accumulated depreciation	(3,303,693)
Net assets	\$ 5,461,456

The depreciation expense for the year ended December 31, 2023, was \$166,098.

4. LEGAL PROCEEDINGS

Currently the Organization is not involved in any action, arbitration and/or other legal proceedings that it expects to have a material adverse effect on the financial condition, results of operations or liquidity of the Organization. All legal costs are expensed as incurred.

5. LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs and other financial commitments, while also striving to maximize the investment of its available funds. The Organization maintains a financial resources policy that outlines acceptable investment vehicles for working capital, which includes reserves to be spent in the short-term on current

Sri Ranganatha Temple
Notes to Financial Statements
December 31, 2023

activities, donor restricted funds meant to be spent down over a relatively short period of time to fund programs, and operating cash, with includes gifts without donor restrictions and with restriction or funds for operating needs. The Organization invests available cash needed for its general expenditures, liabilities, and other obligations in short-term investments, specifically interest-bearing checking accounts, money market funds, and money market mutual funds.

For purposes of analyzing resources available to meet general expenditures over a 12-months period, the Organization considers all expenditures related to its ongoing program activities of all services in the U.S as well as support those service operations to be general expenditures. In addition to the financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient funds to cover general expenditures not covered by donor restricted resources.

Financial assets for general expenditures available within one year from December 31, 2023, are as follows:

Cash and cash equivalents	\$ 1,806,576
Certificate of deposits	<u>2,581,491</u>
Total:	<u>\$ 4,388,067</u>

6. NEW ACCOUNTING PRONOUNCEMENTS

i) During 2019 the Organization adopted Accounting Standards Update (ASU) No 2016-4 *Not-for-Profit Entities* (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities (ASU 2016-4). ASU reduces the number of net assets from three to two: net assets without donor restrictions, previously reported as unrestricted net assets and net assets with donor restrictions, previously reported as temporarily restricted net assets and permanently restricted net assets. Additionally, a main provision of this guidance includes recognition of underwater endowment funds as a reduction in net assets with donor restrictions. The guidance also expands the quantitative and qualitative disclosures regarding liquidity and availability of resources and requires expenses to be reported both their natural and functional classification in one location. The organization did not have any permanently restricted net assets in the year ended December 31, 2023.

The FASB issued ASU No. 2019-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made* – This ASU is intended to clarify and improve the scope and accounting guidance for contributions received and contributions made. The ASU is effective for the year ending December 31, 2023. Adoption of

Sri Ranganatha Temple
Notes to Financial Statements
December 31, 2023

this standard did not have any material impact on the financial statements of the Organization.

ii) Accounting Standards Update No. 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (Credit Losses) - The amendment in this ASU affects entities holding financial assets and net investment in leases that are not accounted for at fair value through net income. The amendments affect loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The amendments in this update affect an entity to varying degrees depending on the credit quality of the assets held by the entity, their duration, and how the entity applies current GAAP. Accounting Standards Update 2019-10 amends the mandatory effective dates for implementation of accounting for Credit Losses for all entities as follows:

Public business entities that meet the definition of a Securities and Exchange Commission (SEC) filer, excluding entities eligible to be smaller reporting companies as defined by the SEC, for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. All other entities for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early application continues to be allowed. Adoption of this standard did not have any material impact on the financial statements of the Organization.

7. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events from December 31, 2023, through October 18, 2024, on which date the financial statements were available to be issued. No other reportable subsequent events have occurred through the issue date of October 18, 2024, which would have significant effect on the financial statements as of December 31, 2023, except as otherwise disclosed.