

SRI RANGANATHA SEVA SAMITHI, INC.

(DBA: SRI RANGANATHA TEMPLE)

FINANCIAL STATEMENTS

DECEMBER 31, 2015

Ram Associates, CPAs

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SRI RANGANATHA SEVA SAMITHI, INC

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CERTIFIED PUBLIC ACCOUNTANTS

FIRM FOUNDATION

MEMBER CPA

Independent Auditor's Report

To the Board of Trustees
Sri Ranganatha Seva Samithi, Inc
8 Ladentown Road
Pomona, NY 10970

We have audited the accompanying financial statements of Sri Ranganatha Seva Samithi, Inc., DBA Sri Ranganatha Temple (a Nonprofit Organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

As discussed in Note 4 to the financial statements, the jewelry assets held by the Organization were not subject to an expert appraisal and these assets constitute a significant portion of the total assets of the Organization. In our opinion, accounting principles generally accepted in the United States of America require fair valuation / fair market valuation of these assets by a qualified valuation specialist.

We did not observe the taking of the physical inventories at December 31, 2015, since those dates were prior to the time we were initially engaged as auditors for the Organization. We were unable to obtain sufficient appropriate audit evidence about inventory quantities by other auditing procedures.

Qualified Opinion

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion paragraphs, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Sri Ranganatha Seva Samithi, Inc., as of December 31, 2015, 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.

A handwritten signature in cursive script that reads "Ram Associates".

Hamilton, New Jersey
January 9, 2018

SRI RANGANATHA SEVA SAMITHI, INC.
STATEMENT OF FINANCIAL POSITION

December 31, 2015

ASSETS

Current assets:

Cash and cash equivalents	\$ 1,477,212
Other current assets	34,673
Total current assets	<u>1,511,885</u>

Property and equipment-net 5,088,229

Total Assets \$ 6,600,114

LIABILITIES AND NET ASSETS

Current liabilities:

Other current liabilities	\$ 7,511
Total liabilities	<u>7,511</u>

Net assets:

Unrestricted	6,512,602
Temporarily restricted	80,001
Total net assets	<u>6,592,603</u>

Total Liabilities and Net assets \$ 6,600,114

- See accompanying notes to financial statements-

SRI RANGANATHA SEVA SAMITHI, INC.
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Support/contributions	\$ 1,104,290	\$ 80,001	\$ 1,184,291
Interest income	7,826	-	7,826
Support and revenue income	<u>1,112,116</u>	<u>80,001</u>	<u>1,192,117</u>
Other income	231	-	231
Total support and revenue income	<u>1,112,347</u>	<u>80,001</u>	<u>1,192,348</u>
 EXPENSES			
Program services:			
Puja, education and outreach expenses	92,725	-	92,725
Free Food Services	81,620	-	81,620
	<u>174,345</u>	<u>-</u>	<u>174,345</u>
Supporting Activities:			
General and administrative expenses	488,318	-	488,318
Total expenses	<u>662,663</u>	<u>-</u>	<u>662,663</u>
Change in net assets from operations before depreciation	<u>449,684</u>	<u>80,001</u>	<u>529,685</u>
Depreciation	187,710	-	187,710
Change in net assets	<u>261,974</u>	<u>80,001</u>	<u>341,975</u>
NET ASSETS AT BEGINNING OF THE YEAR	<u>6,250,628</u>	<u>-</u>	<u>6,250,628</u>
NET ASSETS AT END OF THE YEAR	<u>\$ 6,512,602</u>	<u>\$ 80,001</u>	<u>\$ 6,592,603</u>

- See accompanying notes to financial statements-

SRI RANGANATHA SEVA SAMITHI, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015

Cash flows from operating activities:	
Change in net assets	\$ 341,975
Adjustment to reconcile, change in net assets to net cash provided (used) by operating activities:	
Depreciation	187,710
Changes in operating assets and liabilities	
(Increase) / Decrease in current assets	1,322
Increase / (Decrease) in other liabilities	(295)
Total adjustments	188,737
Net cash provided by operating activities	530,712
Cash flows from investing activities:	
Purchase of fixed assets	(116,578)
Net cash used in investing activities	(116,578)
Net increase / (decrease) in cash	414,134
Cash at the beginning of the year	1,063,078
Cash at the end of the year	\$ 1,477,212
Supplementary disclosure of cash flows information	
Cash paid during the year for	
Interest	-
Income taxes paid	-

- See accompanying notes financial statements-

SRI RANGANATHA SEVA SAMITHI, INC
(DBA: SRI RANGANATHA TEMPLE)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

1. ORGANIZATION

Sri Ranganatha Seva Samithi, Inc., (the 'Organization') a New York State non-profit 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 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 received.

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, 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.

SRI RANGANATHA SEVA SAMITHI, INC
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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

Financial Statement Presentation

Under Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations, the Organization is required to report information regarding its financial position and activities per three classes of net assets:

- **Unrestricted net assets:** Net assets not subject to donor-imposed restrictions
- **Temporarily restricted net assets:** Net assets subject to donor-imposed restrictions that will be met by actions of the organization and/or the passage of time
- **Permanently restricted net assets:** Net assets subject to donor-imposed restrictions that they be maintained permanently by the organization.

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 Pooja purposes. The temporarily restricted net assets balance as of December 31, 2015 is \$80,001 and the Organization had no permanently restricted net assets as of December 31, 2015.

Support and Revenue

Contributions of cash and cash equivalents are recorded at actual amount. Contributions of gifts as and when received are measured at their fair values on the date of donation and are reported as an increase in net assets. The board of trustees voluntarily set aside certain amount for special purpose projects from time to time and these contributions are classified as temporarily restricted net

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assets. When the special purpose project is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of revenues expenses of revenues and changes in fund balance as net assets released from restrictions.

Contributed Services

During the year ended December 31, 2015, 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 deposited in the collection boxes (Hundi).

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 includes all monies deposited in banks, money market funds in brokerage accounts and demand deposits held at the organization. From time to time during the year, the Organization's cash balance in the financials has exceeded the FDIC insurance limits. As at December 31, 2015 the organization has deposits with financial institutions/banks that exceeded FDIC insurance limit.

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 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,

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silver, diamonds and other precious stones are valued at a 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.

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 and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk

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.

Federal Income Taxes

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Therefore, no provisions have been made for Federal 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, 2015 there are no significant unrealized gains and losses that are required to include in the change in net assets.

Advertising Costs

The organization expenses advertising cost as and when incurred. Advertising expenses for the year ended December 31, 2015 was Nil.

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3. PROPERTY AND EQUIPEMENT

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

Property and equipment comprises of:

Non-depreciable assets	
Land	\$ 619,713
Silver lamps	52,889
Jewelry & ornaments	835,984
Vahanams	703,179
Vigrahas	52,395
 Depreciable assets	
Buildings	2,977,372
Building & land improvements	1,196,251
Elevator system	79,871
Furniture & fixtures	67,249
Chariot	98,567
Brass lamps	4,193
Signage's	7,410
Sound system	5,300
Barn	108,457
Gross assets	6,808,830
Accumulated depreciation	1,720,601
Net assets	<u>\$ 5,088,229</u>

The depreciation expense for the year ended December 31, 2015 was \$187,710.

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4. INVENTORY:

Gold, diamonds, precious stones and other jewellery items has been valued by the management at a fair value and not by a certified expert appraiser. The actual quality in karats of gold, carats of diamonds, precious stones are not specified and these factors may affect the value of the assets.

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 are received by the organization are consumed in the ordinary course of operations and do not form part of the financial statements.

5. RECENT ACCOUNTING PRONOUNCEMENTS:

1. On November 17, 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. It is intended to reduce diversity in the presentation of restricted cash and restricted cash equivalents in the statement of cash flows. The new standard requires that restricted cash and restricted cash equivalents be included as components of total cash and cash equivalents as presented on the statement of cash flows. As a result, entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows. ASU 2016-18 is effective for annual periods beginning after December 15, 2017 including interim periods within those fiscal years. Earlier adoption is permitted.

6. SUBSEQUENT EVENTS:

The organization has evaluated subsequent events through the date January 9, 2018 which the financial statements were available to be issued. The organization has developed the land purchased for construction of housing facility to priests and completed improvements to the temple building since December 2015. No reportable subsequent events have occurred through January 9, 2018 which would have a significant effect on the financial statements as of December 31, 2015, except as otherwise disclosed.