

FINANCIAL REPORT

2001

Prepared For:

SIKH GURDWARA – SAN JOSE

Prepared By:

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Certified Public Accountant

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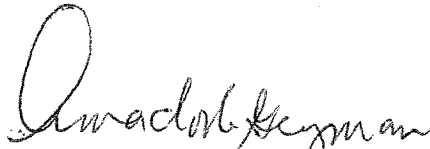
- ▶ Bookkeeping
- ▶ Payroll
- ▶ Tax Services
- ▶ Business Mgmt
- ▶ Consultation

January 20, 2003

The Board of Directors
Sikh Gurdwara – San Jose

I have compiled the accompanying statement of financial position of Sikh Gurdwara – San Jose as of December 31, 2001 and the related statements of activities, functional expenses, and cash flows for the year then ended, in accordance with Statements 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 the Sikh Gurdwara – San Jose.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.



Amado B. De Guzman, CPA

"Ideas that help you grow and information you need to succeed!"

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SIKH GURDWARA – SAN JOSE

Financial Statements – 2001

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SIKH GURDWARA - SAN JOSE
Statement of Financial Position
December 31, 2001

Assets		
Current assets		
Cash and cash equivalents		\$ 633,390
Land, Building and Equipment		
Land, Building and Equipment	\$ 8,884,702	
Less Accumulated Depreciation	<u>(356,825)</u>	<u>8,527,877</u>
Total assets		<u>\$ 9,161,267</u>

Liabilities and Net Assets		
Current Liabilities		
Accrued expenses	\$ 8,016	
Bank Loan Advance	1,813,522	
Interest Payable	<u>20,214</u>	<u>1,841,752</u>
Long Term Liabilities		
Notes Payable		1,894,500
Net Assets		
Unrestricted		
Undesignated	(3,102,862.00)	
Represented by Land, Building and Equipment	<u>8,527,877.00</u>	<u>5,425,015</u>
Total liabilities and net assets		<u>\$ 9,161,267</u>

See accompanying accountant's compilation report

SIKH GURDWARA - SAN JOSE
Statement of Activities
For the year ended December 31, 2001

Revenue and other support:	
Contributions	\$ 910,349
Khalsa School Fee	45,217
Interest Income	<u>27,515</u>
Total unrestricted revenues	<u>983,081</u>
Expenses	
Program Services	
Program A (Path & Kirtan Bheta)	95,225
Program B (Khalsa School)	60,144
Program C (Mela)	15,646
Support Activities	
Management and General	<u>600,207</u>
Total Expenses	<u>771,222</u>
Change in net assets	<u>211,859</u>
Net assets, December 31, 2000	<u>5,213,156</u>
Net assets, December 31, 2001	<u><u>\$ 5,425,015</u></u>

See accompanying accountant's compilation report

SIKH GURDWARA - SAN JOSE
Schedule of Functional Expenses
December 31, 2001

	Program A	Program B	Program C	Management and General	TOTAL
Advertising				30,270	30,270
Bank Service Charges				523	523
Books		7,832			7,832
Camp		5,218			5,218
Contributions				28,015	28,015
Cultural Programs/Special Event		3,567	15,646		19,213
Depreciation Expenses				143,579	143,579
Dues & Subscription				6,669	6,669
Education		31,757			31,757
Equipment Rental				2,143	2,143
Insurance				21,732	21,732
Interest Expense				219,774	219,774
Religious Services	95,225				95,225
Miscellaneous		6,749		2,515	9,264
Office Expenses				1,780	1,780
Office Supplies				8,250	8,250
Postage and Delivery				532	532
Repairs				13,559	13,559
Snacks		5,021			5,021
Taxes				61,945	61,945
Telephone				29,025	29,025
Utilities				29,896	29,896
	95,225	60,144	15,646	600,207	771,222

See accompanying accountant's compilation report

SIKH GURDWARA - SAN JOSE
Statement of Cash Flows
For the year ended December 31, 2001

Cash Flows from Operating Activities	
Net Income	\$ 211,859
Adjustments to reconcile net income to net cash provided by operations	
Depreciation	143,579
Increase (Decrease) in	
Accrued expenses	1,783
WFB - Credit Line	1,796,000
Net Cash Provided by Operating Activities	<u>2,153,221</u>
 Cash Flows from Investing Activities	
Capitalized Land, Building and Equipment cost	<u>(2,115,243)</u>
Net Cash Provided by Investing Activities	<u>(2,115,243)</u>
 Cash Flows from Financing Activities	
Notes Payable	<u>12,500</u>
Net Cash Provided by Financing Activities	<u>12,500</u>
 Net increase in Cash and Cash Equivalent	50,478
 Cash and Cash Equivalents as of January 1, 2001	582,912
 Cash and Cash Equivalents as of December 31, 2001	<u><u>\$ 633,390</u></u>

See accompanying accountant's compilation report

Sikh Gurdwara – San Jose
Notes to Financial Statements
December 31, 2001

Note 1 – Nature of Activities

Sikh Gurdwara – San Jose is an organization committed to providing religious services to the Sikh community of San Jose. There are three programs that account for a majority of the Gurdwara's activities.

Program A – Path and Kirtan Bheta

On going religious activities are conducted as path and kirtan bheta. Direct costs are shown as program expenses.

Program B – Khalsa School

Educational services are provided through Khalsa School. Kalsa School is funded and controlled by the Gurdwara.

Program C – Mela

Mela is the annual religious festival. All direct cost of organizing the mela is shown under Program Services as Program C.

Note 2 – Significant Accounting Policies

The financial statements of Sikh Gurdwara – San Jose have been prepared on the accrual basis. The significant policies followed are described below to enhance the usefulness of the financial statements to the reader

Classes of Net Assets

There are no restrictions placed on the assets by the donors and therefore are available at the discretion of the board for use in the organizations operation or investment in building and equipment in accordance with the policies of the organization.

Cash and Cash Equivalentents

Cash and cash equivalentents consist of cash in checking, savings, money market accounts, and deposits held by other third parties.

Land Building and Equipment Depreciation

Expenditure on building and equipment are capitalized at cost. Depreciation is computed on the straight-line method over the estimated useful lives of assets (5 years for equipment and 30 years for building and improvements). The cost of land and building included engineering, architectural, and legal costs and fee

necessary to bring the land to its intended purpose. During 2001, \$ 2,115,243 of such cost was capitalized and included in the amount shown as Land, Building and Equipment.

Revenues and Expenses

Unrestricted contributions are recognized when cash or ownership of donated assets is unconditionally promised to the organization. As of the date of the financial statements the donors on donated assets placed no restrictions.

Other income is recognized when earned. Expenses are recognized when incurred in accordance with the accrual basis of accounting.

Note 4 – Contributed Services

A substantial number of unpaid volunteers have made significant contributions of their time. The value of this contributed time is not susceptible to objective measurements or valuation and accordingly is not reflected in the financial statements.

Note 5 – Land, Building and Equipment

Land, Building and Equipment at December 31, 2001 consisted of the following:

	2001
Furniture and Equipment	\$ 48,967
Land and Building	
Building Improvement	494,524
Land (Current Location)	1,100,000
New property	7,241,211
	<hr/>
	8,884,702
Less Depreciation	- 356,825
	<hr/>
Total Land, Building and Equipment	<u><u>\$ 8,527,877</u></u>