

# FINANCIAL REPORT

2000

Prepared For:

**SIKH GURDWARA – SAN JOSE**

Prepared By:

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CONFIDENTIAL

# SIKH GURDWARA – SAN JOSE

Financial Statements – 2000

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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, 2000 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**  
**Statement of Financial Position**  
**December 31, 2000**

<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents		\$ 582,912
Land, Building and Equipment		
Land, Building and Equipment	\$ 6,769,459	
Less Accumulated Depreciation	<u>(213,246)</u>	<u>6,556,213</u>
Total assets		<u><u>\$ 7,139,125</u></u>

<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accrued expenses	6,233	
Interest Payable	20,214	
WFB - Credit Line	<u>17,522</u>	43,969
Long Term Liabilities		
Notes Payable		1,882,000
Net Assets		
Unrestricted		
Undesignated	(1,343,057)	
Represented by Land, Building and Equipment	<u>6,556,213</u>	<u>5,213,156</u>
Total liabilities and net assets		<u><u>\$ 7,139,125</u></u>

See accompanying accountant's compilation report

**SIKH GURDWARA - SAN JOSE**  
**Statement of Activities**  
**For the year ended December 31, 2000**

Revenue and other support:	
Contributions	\$ 1,108,654
Khalsa School Fee	49,893
Interest Income	<u>38,794</u>
Total unrestricted revenues	<u>1,197,341</u>
Expenses	
Program Services	
Program A (Path & Kirtan Bheta)	79,453
Program B (Khalsa School)	46,797
Program C (Mela)	19,929
Support Activities	
Management and General	<u>439,453</u>
Total Expenses	<u>585,632</u>
Change in net assets	611,709
Net assets, December 31, 1999	<u>4,601,447</u>
Net assets, December 31, 2000	<u><u>\$ 5,213,156</u></u>

See accompanying accountant's compilation report

**SIKH GURDWARA - SAN JOSE**  
**Statement of Cash Flows**  
**For the year ended December 31, 2000**

Cash Flows from Operating Activities	
Net Income	\$ 611,709
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	73,071
Increase (Decrease) in:	
Accrued expenses	6,233
Interest payable	5,859
WFB - Credit Line	17,522
Net cash provided by operating activities	<u>714,394</u>
 Cash Flows from Investing Activities	
Capitalized Land, Building and Equipment cost	<u>(1,466,530)</u>
Net Cash Provided by Investing Activities	<u>(1,466,530)</u>
 Cash flows from financing activities	
Proceeds from loans	104,000
Payments of loans	<u>(162,000)</u>
Net cash provided by financing activities	<u>(58,000)</u>
 Net Increase in Cash and Cash Equivalent	(810,136)
 Cash and Cash Equivalents as of January 1, 2000	<u>1,393,048</u>
 Cash and Cash Equivalents as of December 31, 2000	<u><u>\$ 582,912</u></u>

See accompanying accountant's compilation report

**SIKH GURDWARA - SAN JOSE**  
**Schedule of Functional Expenses**  
**December 31, 2000**

	Program A	Program B	Program C	Management and General	TOTAL
Advertising				44,436	44,436
Bank Service Charges				15,854	15,854
Books		3,363			3,363
Commitment Fee				11,450	11,450
Camp		13,073			13,073
Contributions				9,794	9,794
Cultural Programs/Special Event		3,519	19,929		23,448
Depreciation Expenses				73,071	73,071
Dues & Subscription				278	278
Education		15,285			15,285
Insurance				6,046	6,046
Interest Expense				196,299	196,299
Religious Services	79,453				79,453
Miscellaneous		7,093		7,806	14,899
Office Expenses				369	369
Office Supplies				7,013	7,013
Postage and Delivery				765	765
Repairs				5,984	5,984
Snacks		4,464			4,464
Taxes & Licenses				33,925	33,925
Telephone				3,810	3,810
Utilities				22,553	22,553
	<u>79,453</u>	<u>46,797</u>	<u>19,929</u>	<u>439,453</u>	<u>585,632</u>

See accompanying accountant's compilation report

**Sikh Gurdwara – San Jose**  
**Notes to Financial Statements**  
**December 31, 2000**

**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 Equivalents**

Cash and cash equivalents 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 2000, \$1,466,530 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, 2000 consisted of the following:

	2000
Furniture and Equipment	\$ 48,967
Land and Building	
Building Improvement	494,524
Land (Current Location)	1,100,000
New property	5,125,968
	<hr/>
	6,769,459
Less Depreciation	- 213,246
	<hr/>
Total Land, Building and Equipment	<u><u>\$ 6,556,213</u></u>