

**Sikh Gurdwara - San Jose
Statement of Financial Position
December 31, 1999**

②

Assets

Current assets		
Cash and cash equivalents		\$1,393,048
Total current assets		<u>1,393,048</u>
Land building and equipment	5,302,929	
Less Depreciation	<u>(140,175)</u>	<u>5,162,754</u>
Total assets		<u><u>\$6,555,802</u></u>

Liabilities and Net Assets

Notes Payable		\$1,940,000
Interest Payable		14,355
Net Assets		
Unrestricted		
Undesignated		(561,307)
Represented by land, building and equipment		5,162,754
Total Unrestricted		
Total net assets		<u>4,601,447</u>
Total liabilities and net assets		<u><u>\$6,555,802</u></u>

See notes to financial statements

**Sikh Gurdwara - San Jose
Statement of Activities
For The Year December 31, 1999**

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Revenue and other support:	
Contributions	\$954,479
Khalsa School Fee	<u>\$47,704</u>
Total unrestricted revenues	1,002,183
Expenses	
Program services	
Program A (Path & Kirtan Bheta)	81,082
Program B (Khalsa School)	48,856
Program C (Mela)	26,036
Support activities	
Management and general	<u>270,288</u>
Total expenses	426,262
Change in net assets	<u>575,921</u>
Net assets, December 31, 1998	4,025,526
Net assets, December 31, 1999	<u><u>\$4,601,447</u></u>

See notes to financial statements

Sikh Gurdwara - San Jose
Statement of Cash Flows
For The Year Ended December 31, 1999

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Cash flows from operating activities

Cash received from donors	\$954,479
Cash From Fee	\$47,704
Cash paid to suppliers	(287,384)
Interest Paid	(109,524)
Net cash provided by operating activities	605,275

Cash flows from investing activities

Capitalized Land Building & Equipment Cost	(81,085)
Net cash used in investing activities	(81,085)

Cash flows from financing activities

Repayment of loans	(254,000)
Procceds from loans	1,188,000
Net cash provided by financing activities	934,000

Net Increase in cash and cash equivalent	1,458,190
Cash and cash equivalents as of January 1, 1999	62,649
Cash and cash equivalents as of May 31, 1999	\$1,520,839

Reconciliation of change in net assets to net cash from operating activities

Change in net assets	575,921
Adjustments to reconcile change in net assets to net cash Provided by operating activities	
Depreciation	24,187
Net chnage in interest payable	5,167
Net cash provided by operating activities	\$605,275

127,791

See notes to financial statements

Sikh Gurdwara - San Jose
 Schedule of Functional Expenses
 December 31, 1999

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	<u>Program A</u>	<u>Program B</u>	<u>Program C</u>	<u>Management And General</u>	<u>Total</u>
Interest				\$123,878	\$123,878
Mela Administration			\$26,036		26,036
Food		\$3,691		513	4,204
Education		16,800			16,800
Religious services	\$81,082	6,585			87,667
Utilities				26,115	26,115
Depreciation				24,187	24,187
Maintenance & Repair				17,867	17,867
Donation				16,539	16,539
Insurance				6,551	6,551
Books		8,855		187	9,042
Office Expense				1,308	1,308
Taxes & Fee				39,549	39,549
Telephone					0
Advertisement				8,880	8,880
Small Equipment				3,981	3,981
Miscellaneous		12,925		733	13,658
	<u>\$81,082</u>	<u>\$48,856</u>	<u>\$26,036</u>	<u>\$270,288</u>	<u>\$426,262</u>

Sikh Gurdwara - San Jose
Noted to Financial Statements
December 31, 1999

⑥

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 which 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 expenditure.

Program B - Khalsa School

Educational services are provided through Khalsa School. Khalsa 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 included engineering, architectural, and legal costs and fee necessary to bring the land to its intended purpose. During 1999, \$208,876 of such cost was capitalized and included in the amount shown as Land Building and Equipment.

Sikh Gurdwara - San Jose
Noted to Financial Statements
December 31, 1999

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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 no restrictions were placed by the donors on donated assets.

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, 1999 consisted of the following:

	1998	1999
Furniture and Equipment	48,967	48,967
Building Improvement	494,524	494,524
Land -		
Current Location	1,100,000	1,100,000
New Property	2,970,875	3,179,751
	4,614,366	4,823,242
Less Depreciation	(115,987)	(140,175)
	<u>\$4,498,379</u>	<u>\$4,683,067</u>

The change in land cost represents capitalized engineering, architectural, and legal costs and fees.