

SRI RANGANATHA SEVA SAMITHI, INC.

(DBA: SRI RANGANATHA TEMPLE)

FINANCIAL STATEMENTS

DECEMBER 31, 2019

Ram Associates, CPAs

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SRI RANGANATHA SEVA SAMITHI, INC.

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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, 2019, 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 audit opinion.

Opinion

In our opinion, 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, 2019, 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.

Ram Associates

Hamilton, NJ
May 18, 2020

SRI RANGANATHA SEVA SAMITHI, INC.
Statement of Financial Position
December 31, 2019

ASSETS

Current assets:	
Cash and cash equivalents	\$2,787,846
Investments	1,991
Land	619,713
Property and equipment - net	4,338,361
Total Assets	<u><u>\$7,747,911</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable and accrued expenses	\$ 26,058
Total liabilities	<u>26,058</u>
Net assets:	
With donor restrictions:	
Purpose restricted	380,001
Without donor restrictions:	
Undesignated	7,341,852
Total Net assets	<u>7,721,853</u>
Total Liabilities and Net assets	<u><u>\$7,747,911</u></u>

SRI RANGANATHA SEVA SAMITHI, INC.
Statement of Activities and Change in Net Assets
Year ended December 31, 2019

	Without donor restriction	With donor restriction	<u>Total</u>
Operating revenue			
Donations/contributions	\$ 1,089,460	\$ -	\$ 1,089,460
Total operating revenue	1,089,460	-	1,089,460
Operating expenses			
Program services:			
Puja, education and outreach expenses	120,310	-	120,310
Free food services	172,027	-	172,027
Total program services	292,336	-	292,336
Supporting activities:			
General and administrative expenses	479,858	-	479,858
Total supporting services	479,858	-	479,858
Total operating expenses	772,195	-	772,195
Non-operating activities			
Interest income	6,215	-	6,215
Miscellaneous income	4,026	-	4,026
Total nonoperating activities	10,241	-	10,241
Change in net assets before depreciation	327,506	-	327,506
Depreciation	208,086	-	208,086
Change in net assets	119,420	-	119,420
Net assets at beginning of the year	7,222,432	380,001	7,602,433
Net assets at end of the year	\$ 7,341,852	\$ 380,001	\$ 7,721,853

- See accompanying notes to financial statements-

SRI RANGANATHA SEVA SAMITHI, INC.

Statement of Functional Expenses
For the year ended December 31, 2019

	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Program Activities</u>	<u>Management and General</u>	<u>Total</u>
Flowers	\$ 59,386	\$ -	\$ 59,386
Maintenance	-	56,935	56,935
Contract Labor	-	62,157	62,157
Festivals	60,923	-	60,923
Office Expenses	-	2,023	2,023
Operating Expenses	-	32,322	32,322
Outside Services	-	7,550	7,550
Payroll Expenses	-	255,188	255,188
Insurance	-	20,261	20,261
Supplies	65,121	-	65,121
Utilities	106,905	43,423	150,328
Total	<u>\$ 292,336</u>	<u>\$ 479,858</u>	<u>\$ 772,195</u>

- See accompanying notes to financial statements-

SRI RANGANATHA SEVA SAMITHI, INC.
STATEMENT OF CASH FLOWS
Year ended December 31, 2019

Cash flows from operating activities:	
Change in net assets	\$ 119,420
Adjustment to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	208,086
Changes in operating assets and liabilities	
(Increase) / Decrease in current assets	12,750
Increase / (Decrease) in other liabilities	4,307
Total adjustments	225,142
Net cash provided by operating activities	344,562
 Cash flows from investing activities:	
Purchase of fixed assets	(156,420)
Net cash used in investing activities	(156,420)
Net increase in cash and cash equivalents	188,143
Cash at the beginning of the year	2,599,703
Cash at the end of the year	\$ 2,787,846
 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
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Notes to Financial Statements
December 31, 2019

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 (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 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 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

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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.

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

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, 2019 is \$380,001 and the Organization had no permanently restricted net assets as of December 31, 2019.

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Support and Revenue

Contributions of cash and cash equivalents are recorded at 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 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, 2019, 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).

Functional Expenses

The Organization allocates expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program or supporting service are reported accordingly. Other expenses that are common to several functions are allocated by various statistical bases which attribute the cost to functional categories. Statistical bases utilized include square footage occupied by business units and estimated time and effort supporting other functions. Other represents the aggregate of various other program service and items not individually

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classified in the accompanying statement of functional expenses due to their varying nature and amount from year to year.

Measure of Operations

The Organization includes in its measure of operations all revenues and expenses that are integral to its program services and supporting services. The measure of operations for the years ended December 31, 2018 includes investment return 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. 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, 2019 the organization had 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, 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.

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.

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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 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, 2019, 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, 2019 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, 2019 was Nil.

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 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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Property and equipment comprise of:

Non-depreciable assets	
Land	\$ 619,713
Silver lamps	52,889
Jewelry and ornaments	977,751
Vahanams	703,179
Vigrahas	52,395
Depreciable assets	
Buildings	3,196,443
Building and land improvements	1,510,327
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
Barn	108,457
	7,497,624
Gross assets	7,497,624
Accumulated depreciation	(2,539,550)
Net assets	\$ 4,958,074

The depreciation expense for the year ended December 31, 2019 was \$208,086.

The Organization has valued all its jewellery, gold, diamonds and other items by an independent graduate gemmologist during 2019 and the fair market value of all the items appraised was valued at \$978,662. The Organization has purchased a gold kireetam and custom-made gold feet valued at \$123,227 during 2019. There were various items that were not appraised by the gemmologist. These items have been recorded in the appraisal report with zero value with detailed description of each item. The value of other jewellery items is valued by the management and these items have been included in the financial statements at book value. These items are included under Property and Equipment.

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

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5. 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.

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2019:

	Level 1	Level 2	Level 3
Money Market Funds	\$ 1,397,528	\$ -	\$ -
Equities	-	-	-
Fixed Income	-	-	-
Total	\$1,397,528	\$ -	\$ -

6. LEGAL PROCEEDINGS

The Organization expenses all legal costs as incurred and there are no open legal matters as of December 31, 2019.

7. 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

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activities, donor restricted funds meant to be spent down over a relatively short period of time to fund programs, and operating cash, which 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.

Financial assets for general expenditures available within one year from December 31, 2019 are as follows:

Cash and cash equivalents	\$ 2,787,846
Investments	<u>1,386</u>
Total	<u>\$ 2,789,837</u>

In addition to the financial assets available for general expenditure within one year, the Organization has donor restricted investments of \$333,702 that can only be utilized by the board of trustees as per specific instructions from the donor.

8. RECENT ACCOUNTING PRONOUNCEMENTS

- During 2018, the Organization adopted Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14). ASU 2016-14 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.
- The FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606) – This ASU clarifies the principles for recognizing revenue and creates a common revenue standard for U.S. GAAP and International Financial Reporting Standards. This ASU is effective for the year ending December 31, 2019.
- The FASB issued ASU No. 2016-02, Leases (Topic 842) – This guidance is designed to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing agreements. This ASU is effective for the year ending December 31, 2020.
- The FASB issued ASU No. 2018-08, 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, 2019.

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9. SUBSEQUENT EVENTS:

The organization has evaluated subsequent events through the May 18, 2020 which the financial statements were available to be issued. The organization has applied for a loan under SBA Paycheck Protection Program and received \$48,625 in May 2020.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the organization operates. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic.

It is unknown how long the adverse conditions associated with the coronavirus will last and what will be the financial impact to the organization. Since the temple is locked down during this pandemic, the hundi collections of the organization has substantially gone down. However, the organization continues to receive contributions through PayPal and has not experienced any loss of contributions which will materially impact its financial conditions.

No reportable subsequent events have occurred through May 18, 2020 which would have a significant effect on the financial statements as of March 31, 2020, except as otherwise disclosed.