

SINGH SABHA GURDWARA
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009, 2008 AND 2007
AND
ACCOUNTANT'S REVIEW REPORT

SINGH SABHA GURDWARA
YEARS ENDED DECEMBER 31, 2009, 2008 AND 2007

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Singh Sabha Gurdwara
Fairfax, Virginia

ACCOUNTANT'S REVIEW REPORT

I have reviewed and compiled the accompanying statements of financial position of Singh Sabha Gurdwara as of December 31, 2009, 2008 and 2007, and the related statements of activities, and cash flows for the years then ended, in accordance with Statements of Standards 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 the management of Singh Sabha Gurdwara.

A review consists principally of inquires of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

A handwritten signature in black ink, appearing to read "Preet S. Virk". The signature is fluid and cursive, with a long horizontal stroke at the end.

Preet Mohinder Singh Virk, CPA
April 16, 2010

SINGH SABHA GURDWARA
STATEMENT OF FINANCIAL POSITION
YEARS ENDED DECEMBER 31, 2009, 2008 AND 2007

	<u>2009</u>	<u>2008</u>	<u>2007</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents-unrestricted	58,960.80	67,875.71	188,647.69
	<u>58,960.80</u>	<u>67,875.71</u>	<u>188,647.69</u>
PROPERTY & EQUIPMENT - Note 2			
Land	835,367.19	835,367.19	835,367.19
Building & equipment	162,332.81	156,832.81	150,832.81
Less accumulated depreciation	<u>(44,717.90)</u>	<u>(37,934.22)</u>	<u>(32,129.12)</u>
Property, net	952,982.10	954,265.78	954,070.88
Building in Progress	<u>935,297.83</u>	<u>522,244.15</u>	<u>198,105.29</u>
	<u>1,888,279.93</u>	<u>1,476,509.93</u>	<u>1,152,176.17</u>
TOTAL ASSETS	<u><u>1,947,240.73</u></u>	<u><u>1,544,385.64</u></u>	<u><u>1,340,823.86</u></u>
LIABILITIES & NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	25,151.00	14,688.63	8,122.79
Loans payable	<u>125,000.00</u>	<u>-</u>	<u>-</u>
	<u>150,151.00</u>	<u>14,688.63</u>	<u>8,122.79</u>
LONG-TERM DEBT			
Mortgage	64,544.29	104,609.14	141,816.07
TOTAL LIABILITIES	<u>214,695.29</u>	<u>119,297.77</u>	<u>149,938.86</u>
TOTAL UNRESTRICTED NET ASSETS	1,732,545.44	1,425,087.87	1,190,885.00
TOTAL LIABILITIES & NET ASSETS	<u><u>1,947,240.73</u></u>	<u><u>1,544,385.64</u></u>	<u><u>1,340,823.86</u></u>

See accountant's review report and accompanying notes to financial statements.

SINGH SABHA GURDWARA
STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2009, 2008 AND 2007

	<u>2009</u>	<u>2008</u>	<u>2007</u>
REVENUE			
Contributions	415,508.28	335,805.07	279,216.82
TOTAL UNRESTRICTED REVENUE	415,508.28	335,805.07	279,216.82
EXPENSES			
Program services:			
Compensation	19,635.44	12,993.00	26,512.87
Gurdwara Sahib programs	12,337.39	13,823.40	10,142.00
	<u>31,972.83</u>	<u>26,816.40</u>	<u>36,654.87</u>
Supporting services:			
Building Operations			
Utilities	26,815.67	26,919.96	28,055.62
Repair & Maintenance	2,805.00	3,301.87	2,020.15
Rent	10,176.00	10,176.00	9,328.00
Interest	6,355.59	9,213.51	11,815.75
Real Estate Taxes	14,068.70	11,134.13	15,530.83
Office Supplies & Expense	9,073.25	8,235.22	7,937.07
Depreciation	6,783.68	5,805.11	5,019.39
	<u>76,077.89</u>	<u>74,785.80</u>	<u>79,706.81</u>
TOTAL EXPENSES	<u>108,050.72</u>	<u>101,602.20</u>	<u>116,361.68</u>
CHANGE IN UNRESTRICTED NET ASSETS	307,457.56	234,202.87	162,855.14
NET ASSETS BEGINNING OF YEAR	<u>1,425,087.87</u>	<u>1,190,885.00</u>	<u>1,028,029.86</u>
NET ASSETS, END OF YEAR	<u><u>1,732,545.44</u></u>	<u><u>1,425,087.87</u></u>	<u><u>1,190,885.00</u></u>

See accountant's review report and accompanying notes to financial statements.

SINGH SABHA GURDWARA
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2009, 2008 AND 2007

	2009	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of Revenue over Expenses	307,457.56	234,202.87	162,855.14
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation	6,783.68	5,805.11	5,019.39
Changes in:			
Accounts payable	10,462.37	6,565.84	3,868.27
Net Cash Provided by Operating Activities	324,703.61	246,573.82	171,742.80
CASH FLOWS (USED) BY INVESTING ACTIVITIES			
Building in progress	(413,053.68)	(324,138.86)	(76,858.97)
Assets purchased	(5,500.00)	(6,000.00)	(5,000.00)
Net Cash (Used) by Investing Activities	(418,553.68)	(330,138.86)	(81,858.97)
CASH FLOWS PROVIDED OR (USED) BY FINANCING ACTIVITIES			
Receipt of short-term debt	125,000.00	-	-
Payment of long-term debt	(40,064.85)	(37,206.93)	(34,604.69)
Net Cash Provided or (Used) by Financing Activities	84,935.15	(37,206.93)	(34,604.69)
Net Change in Cash and Cash Equivalents	(8,914.92)	(120,771.97)	55,279.14
CASH AND CASH EQUIVALENTS:			
BEGINNING OF PERIOD	67,875.71	188,647.69	133,368.55
END OF PERIOD	58,960.79	67,875.72	188,647.69

See accountant's review report and accompanying notes to financial statements.

SINGH SABHA GURDWARA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009, 2008 AND 2007

1. Summary of Significant Accounting Policies

Organization

Singh Sabha Gurdwara (“the Gurdwara”), located in Fairfax, Virginia, was incorporated in Virginia in 1998. The Gurdwara’s primary source of revenue is from contributions.

The Gurdwara has received a determination from the Internal Revenue Services that it is tax exempt under Section 501(c)(3) of the Internal Revenue Code.

Basis of Accounting

The Gurdwara’s policy is to prepare its financial statements on the accrual basis in conformity with generally accepted accounting principles.

Financial Statement Presentation

The Gurdwara has adopted Statement of Financial Accounting Standards (SFAS) No. 117, “Financial Statements of Not-for-Profit Organizations.”

Contributions

The Gurdwara has also adopted SFAS No. 116, “Accounting for Contributions Received and Contributions Made.” Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. As of December 31, 2009, 2008 and 2007, there were no donor restricted donations.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and certificates of deposit which mature within one year. As of December 31, 2009, cash held by the Gurdwara did not exceed the FDIC insured limit. The Gurdwara did not hold any investments at the end of 2009.

Donated Services

Gurdwara members provide volunteer service in many activities but are not reflected herein as the amount of services provided is indeterminable.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management estimates and assumptions that affect the reported

amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of financial statements. Actual results could differ from these estimates.

2. Property and Equipment

Property and equipment are carried at cost. Depreciation is computed using the straight-line method over the life of the asset and is computed when the asset is placed in service. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. A reduction is made for retirements resulting from renewals or betterments.

Building, improvements, and approximately 13 acres of land located in Fairfax, VA, were purchased from 1999 to 2002, and are used for the Gurdwara's programs. The Gurdwara is also in the process of constructing a new building. The funds used for constructing this building are placed into a balance sheet account, "building in progress." The balance in the account for the year ending 2009 was \$935,297.83. Depreciation for this building will start once it is placed into service.

Property and equipment excluding the building in progress at December 31, 2009, are as follows:

	<u>Useful Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
Land	n/a	835,367.19	
Buildings	40 years	139,632.81	36,653.61
Furniture & equipment	5-7 years	22,700.00	8,064.29
Total		997,700.00	44,717.90

3. Lease Commitments

The Gurdwara is not committed to any leases.

4. Property at Fair Market Value

The Fairfax County assessed value for the existing building and land owned by the Gurdwara for the year ended 2009 was \$2,179,390, for the year ended 2008 was \$2,322,690 and for the year ended 2007 was \$2,524,650.