

BHARATIYA TEMPLE OF LANSING, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
AND
INDEPENDENT AUDITORS' REPORT

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Layton & Richardson, P.C.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Bharatiya Temple of Lansing, Inc.
Haslett, Michigan

We have audited the accompanying balance sheets of BHARATIYA TEMPLE OF LANSING, INC. (a nonprofit corporation) as of December 31, 2008 and 2007, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Temple's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U. S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bharatiya Temple of Lansing, Inc. as of December 31, 2008 and 2007, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Layton & Richardson, P.C.

Certified Public Accountants

East Lansing, Michigan
November 23, 2009

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BHARATIYA TEMPLE OF LANSING, INC.

BALANCE SHEETS

ASSETS

	DECEMBER 31,	
	2008	2007
CURRENT ASSETS		
Cash and cash equivalents	\$ 24,935	\$ 181,492
Priest advances	3,500	1,500
Investments	862	1,497
	<u>29,297</u>	<u>184,489</u>
TOTAL CURRENT ASSETS		
PROPERTY, AND EQUIPMENT		
Land	115,715	115,715
Construction in process		319,389
Buildings and improvements	2,096,413	1,039,266
Temple furnishings, equipment and other	74,771	71,791
	<u>2,286,899</u>	<u>1,546,161</u>
Less: accumulated depreciation	<u>(388,425)</u>	<u>(348,853)</u>
NET PROPERTY AND EQUIPMENT	<u>1,898,474</u>	<u>1,197,308</u>
TOTAL ASSETS	<u>\$ 1,927,771</u>	<u>\$ 1,381,797</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 68,000	\$ 138,251
Line of Credit	15,000	
Current portion of long-term debt	16,584	78,570
Accrued liabilities	3,518	225
	<u>103,102</u>	<u>217,046</u>
TOTAL CURRENT LIABILITIES		
NON-CURRENT LIABILITIES		
Notes payable	673,650	78,570
Less: current portion of long-term debt	(16,584)	(78,570)
Accrued non-current liabilities	12,263	12,263
	<u>669,329</u>	<u>12,263</u>
TOTAL NON-CURRENT LIABILITIES		
NET ASSETS		
Unrestricted	1,155,340	773,968
Temporarily restricted		378,520
	<u>1,155,340</u>	<u>1,152,488</u>
TOTAL NET ASSETS		
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,927,771</u>	<u>\$ 1,381,797</u>

BHARATIYA TEMPLE OF LANSING, INC.

STATEMENTS OF ACTIVITIES AND

CHANGES IN NET ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008		
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUE AND SUPPORT			
Contributions and bequests	\$ 76,563	\$ 49,163	\$ 125,726
In-kind contributions		36,000	36,000
Priest services	33,685		33,685
Special event - Navgraha Pran Pratishta		2,751	2,751
Membership dues	8,102		8,102
Other income	35,903		35,903
Net assets released from restrictions	466,434	(466,434)	
TOTAL REVENUE AND SUPPORT	620,687	(378,520)	242,167
EXPENSES			
Program services			
Priest salaries and benefits	72,982		72,982
Supplies	3,250		3,250
Flowers and fruits	4,498		4,498
Equipment rental	182		182
Printing	384		384
General and administrative			
Advertising - website	30		30
Depreciation	39,572		39,572
Interest	17,928		17,928
Insurance	12,132		12,132
Utilities	9,803		9,803
Repairs and maintenance	19,870		19,870
Professional fees	5,400		5,400
Professional fees, in-kind	36,000		36,000
Telephone	717		717
Postage and delivery	765		765
Rent	46		46
Other	15,121		15,121
TOTAL EXPENSES	238,680		238,680
INCREASE (DECREASE) IN NET ASSETS BEFORE OTHER CHANGES IN NET ASSETS	382,007	(378,520)	3,487
OTHER CHANGES IN NET ASSETS			
Unrealized gain (loss) on investments	(635)		(635)
INCREASE (DECREASE) IN NET ASSETS	381,372	(378,520)	2,852
NET ASSETS, JANUARY 1	773,968	378,520	1,152,488
NET ASSETS, DECEMBER 31	\$ 1,155,340	\$	\$ 1,155,340

See accompanying notes to financial statements.

2007

UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
\$ 56,015	\$ 194,997	\$ 251,012
38,758	42,000	42,000
7,384	25,800	38,758
30,615	(42,000)	25,800
42,000	220,797	7,384
<u>174,772</u>	<u>220,797</u>	30,615
64,750		64,750
2,750		2,750
3,387		3,387
3,733		3,733
941		941
9		9
31,462		31,462
4,950		4,950
3,785		3,785
11,410		11,410
11,908		11,908
9,500		9,500
42,000		42,000
606		606
964		964
40		40
<u>20,521</u>		<u>20,521</u>
<u>212,716</u>		<u>212,716</u>
<u>(37,944)</u>	<u>220,797</u>	<u>182,853</u>
<u>(153)</u>		<u>(153)</u>
(38,097)	220,797	182,700
<u>812,065</u>	<u>157,723</u>	<u>969,788</u>
<u>\$ 773,968</u>	<u>\$ 378,520</u>	<u>\$ 1,152,488</u>

BHARATIYA TEMPLE OF LANSING, INC.

STATEMENTS OF CASH FLOWS

	DECEMBER 31,	
	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 2,852	\$ 182,700
Adjustments to reconcile increase in net assets to in net assets to net cash provided by operating activities		
Depreciation	39,572	31,462
Net unrealized and realized (gains) losses on investments	635	153
Contributions received for capital improvements	(79,314)	(81,815)
(Increase) decrease in current assets		
Priest advances	(2,000)	(1,250)
Increase (decrease) in current liabilities		
Accounts payable	(70,251)	133,615
Other accrued liabilities	3,293	(13,518)
	<u>(105,213)</u>	<u>251,347</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(740,738)</u>	<u>(319,389)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	(4,920)	(5,130)
Increase in accrued non-current liabilities		12,263
Proceeds from borrowings	615,000	
Contributions received for capital improvements	79,314	81,815
	<u>689,394</u>	<u>88,948</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(156,557)</u>	<u>20,906</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>181,492</u>	<u>160,586</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 24,935</u>	<u>\$ 181,492</u>

Supplemental disclosures of cash flow information

Cash paid during the year for:

Interest	\$ 20,520	\$ 4,950
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See accompanying notes to financial statements.

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BHARATIYA TEMPLE OF LANSING, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008 AND 2007

NOTE 1: BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

Bharatiya Temple of Lansing, Inc., (the Temple) is located in Haslett, Michigan. The purposes of the Temple are to provide a place of worship for the Hindu faith; uphold and nurture Hinduism, Indian culture and values; provide humanitarian services to local and worldwide communities; and study other religious faith and promote harmonious relations. The corporate organization of the Temple manages and controls property and secular affairs of the Temple under the laws of the State of Michigan. The Temple's primary source of support is voluntary contributions from its members.

Basis of Accounting

Except as described in the following paragraph, the accompanying financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles.

Promises to give are not recorded at the time a pledge is received, but rather at the time payment is received. Accordingly, no amounts are included in the financial statements for pledges received for which payment has not been received as of December 31.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations. Under SFAS No. 117, the Temple is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- * Unrestricted net assets represent the resources available for use in carrying on the operations of the Temple. The unrestricted portion is under the discretionary control of the Board of Trustees, and it is against this fund that all expenditures for current operations are charged.
- * Temporarily restricted net assets represent contributions and other income that has been received, but is temporarily restricted for future activities.
- * Permanently restricted net assets represent donor and board stipulated instruments that are to be maintained, with only the income from the instruments expended.

BHARATIYA TEMPLE OF LANSING, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2008 AND 2007

NOTE 1: **BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Contributions

Contributions of cash and other assets are reported as revenue when received and measured at fair value. Contributions without donor-imposed restrictions are reported as unrestricted revenue. Contributions related to the construction and capital improvements campaign are temporarily restricted.

Donated Assets and Services

Donations of equipment and specialized services are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

Numerous volunteers have donated significant amounts of time to the Temple in various Temple programs. No amounts have been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer effort under SFAS No. 116 have not been satisfied.

Restricted and Unrestricted Revenue

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the related support is reported in the statement of activities as net assets released from restrictions. Contributions with donor-imposed restrictions that are met in the same year as the gifts are received, are reported as revenue in the unrestricted net asset class. Contributions of assets other than cash are recorded at their estimated fair value.

Financial Instruments

The Temple has received donation of investments in corporate equities, some of which are still held at December 31, 2008 and 2007. Cash in banks was in excess of federally insured limits at December 31, 2007.

The carrying amounts of cash and cash equivalents, accounts payable and amounts included in investments and accruals meet the definition of financial instruments approximate fair value.

BHARATIYA TEMPLE OF LANSING, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2008 AND 2007

NOTE 1: **BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -**
Continued

Investments

The Temple follows SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. The Temple uses the specific identification method to determine cost.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Temple considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Advertising

Advertising costs are expensed as incurred.

Income Tax Status

The Temple is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It is not classified as a private foundation by the Internal Revenue Service. No income taxes were paid during the years ended December 31, 2008 and 2007.

Property and Equipment

Property and equipment are recorded at cost. The Temple records depreciation using the straight-line method based on estimated useful lives ranging from 10 to 40 years. Expenditures for repairs and maintenance are charged to operations when incurred.

Priest Advances

The priest advances related to loans originally given to the Temple's priests during 2008 and 2007. The loans are stated at the net amount due. The priests are repaying the loans in monthly installments to the Temple.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses, and other changes in net assets during the reporting period. Accordingly, actual results could differ from those estimates.

BHARATIYA TEMPLE OF LANSING, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2008 AND 2007

NOTE 1: BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Concluded

Functional Allocation of Expenses

The costs of providing program and support services have been reported on a functional basis in the statement of activities and changes in net assets. Costs are allocated between the various programs and support services on an actual basis, or based upon reasonable methods. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits with financial institutions are detailed as follows:

ACCOUNT TYPE	BOOK BALANCE	BANK BALANCE	FDIC INSURED
DECEMBER 31, 2008			
Checking	\$ 23,755	\$ 17,055	\$ 17,055
Savings	1,263	1,263	1,263
Equity investments	<u>780</u>	<u>780</u>	<u> </u>
	<u>\$ 25,798</u>	<u>\$ 19,098</u>	<u>\$ 18,318</u>
DECEMBER 31, 2007			
Checking	\$ 9,223	\$ 18,552	\$ 18,552
Savings	172,381	172,381	81,560
Equity investments	<u>1,385</u>	<u>1,385</u>	<u> </u>
	<u>\$ 182,989</u>	<u>\$ 192,318</u>	<u>\$ 100,112</u>

Deposits and investments are reported in the financial statements are as follows:

	2008	2007
Cash and cash equivalents	\$ 24,935	\$ 181,492
Investments	<u>862</u>	<u>1,497</u>
	<u>\$ 25,797</u>	<u>\$ 182,989</u>

BHARATIYA TEMPLE OF LANSING, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2008 AND 2007

NOTE 3: PROPERTY AND EQUIPMENT

Major classes of property and equipment are as follows:

	USEFUL LIFE	2008	2007
Assets not being depreciated			
Land		\$ 115,715	\$ 115,715
Construction in progress		<u> </u>	<u>319,389</u>
		<u>115,715</u>	<u>435,104</u>
Assets being depreciated			
Building and improvements	40 years	2,096,413	1,039,266
Temple furnishings, equipment and other	10 years	<u>74,771</u>	<u>71,791</u>
		2,171,184	1,111,057
Accumulated depreciation		(388,425)	(348,853)
		<u>1,782,759</u>	<u>762,204</u>
NET ASSETS		<u>\$1,898,474</u>	<u>\$1,197,308</u>

Depreciation expense for the years ended December 31, 2008 and 2007 was \$39,573 and \$31,462, respectively.

NOTE 4: CONTRIBUTED SERVICES

The Temple received contributed professional services totaling \$36,000 and \$42,000 for the years ended December 31, 2008 and 2007, respectively.

Non-cash contributions included as support and expenses in the accompanying financial statements are as follows:

	SUPPORT	EXPENSES
DECEMBER 31, 2008		
Construction management services	\$ <u>36,000</u>	\$ <u>36,000</u>

The value of the donated professional services is based on an average compensation of \$75 per hour for construction management services.

Additionally, many volunteers have donated significant amounts of time in various Temple programs, however no amounts have been recognized in the financial statements for these services as the criteria under Financial Accounting Standard No. 116 have not been met.

BHARATIYA TEMPLE OF LANSING, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2008 AND 2007

NOTE 5: **LONG-TERM DEBT**

The details of long-term debt are as follows:

	2008	2007
Mortgage payable to Fifth Third Bank, secured by Priest's home. Payable in monthly installments of \$840, including interest at 6.00%. Remaining unpaid balance is due September 1, 2008.	\$	\$ 78,570
Mortgage payable to Fifth Third Bank, secured by Priest's home. Payable in monthly installments of \$875, including interest at 6.71%. Remaining unpaid balance is due September 3, 2015.	73,650	
Commercial loan payable to Fifth Third Bank, secured by real estate. Interest at 6.81% is payable until March 3, 2009, at which time monthly installments of \$4,584, including interest at 6.81% become payable. Remaining unpaid balance is due February 3, 2016.	<u>600,000</u>	<u> </u>
	673,650	78,570
Less: current maturities	(<u>16,584</u>)	(<u>78,570</u>)
LONG-TERM DEBT	<u>\$ 657,066</u>	<u>\$ </u>

Future minimum principle payments as of December 31, 2008 are as follows:

YEAR ENDED	AMOUNT
December 31, 2009	\$ 16,584
December 31, 2010	21,485
December 31, 2011	22,988
December 31, 2012	24,596
December 31, 2013	26,317
Thereafter	<u>561,680</u>
	<u>\$ 673,650</u>

BHARATIYA TEMPLE OF LANSING, INC.
NOTES TO FINANCIAL STATEMENTS - Concluded
DECEMBER 31, 2008 AND 2007

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

During 2006, the Temple started a capital campaign to obtain pledges from members for upcoming construction and capital improvements. The contributions that have been collected by the Temple are reported as temporarily restricted.

Temporarily restricted net assets for capital improvements were \$0 and \$378,520 as of December 31, 2008 and 2007, respectively.

The construction and renovation project has been completed. The Temple received a permit to occupy the new facilities effective September 1, 2008.

NOTE 7: LINE OF CREDIT

The Temple has a line of credit with a bank with maximum borrowings of \$50,000. The balance on this line of credit at December 31, 2008 and 2007 was \$15,000 and \$0, respectively.

