

**United Sikhs**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2010**

**UNITED SIKHS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

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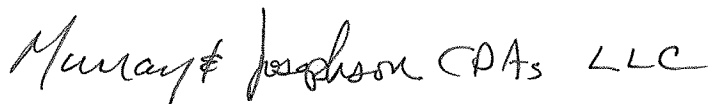
## **Independent Auditors' Report**

To the Board of Directors of the  
United Sikhs

We have audited the accompanying statement of financial position of the United Sikhs (a non-profit organization) as of December 31, 2010, and the related statement of activities and changes in net assets, statement of cash flows, and statement of functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. 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 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 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 the United Sikhs as of December 31, 2010, and the results of its activities, changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



MURRAY & JOSEPHSON, CPA's, LLC

New York, NY  
September 30, 2011

**UNITED SIKHS  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2010**

**Assets**

**CURRENT ASSETS:**

Cash - unrestricted \$ 518,868

Equipment and Leasehold Improvements 871

Less: Accumulated depreciation 220

651

**OTHER ASSETS:**

Security deposits 6,000

**Total Assets** \$ 525,519

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES:**

Payables and accrued expenses \$ 14,737

**NET ASSETS**

Unrestricted Net Assets 510,782

**Total Liabilities and Net Assets** \$ 525,519

See accompanying notes.

**UNITED SIKHS  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**Support and Revenue:**

Contributions	\$ 816,018
Interest Income	<u>394</u>
<b>Total Support and Revenue</b>	<u>816,412</u>

**Expenses:**

Program Services	406,965
Fund Raising	19,997
Supporting Services	<u>62,673</u>
<b>Total Expenses</b>	<u>489,635</u>

<b>Changes in Net Assets</b>	326,777
Net Assets, Beginning of Year	<u>184,005</u>
<b>Net Assets, End of Year</b>	<u>\$ 510,782</u>

See accompanying notes.

**UNITED SIKHS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**Cash Flows from Operating Activities**

Changes in Net Assets	\$ 326,777.00
Adjustments to reconcile changes in net assets to cash provided by operating activities	
Depreciation	174
Accrued Expenses	<u>6,761</u>
<b>Net cash used by Operating Activities</b>	<b>333,712</b>
<b>Change in Cash</b>	<u>333,712</u>
<b>Cash, Beginning of the Year</b>	<u>185,156</u>
<b>Cash, End of Year</b>	<u><u>\$ 518,868</u></u>

See accompanying notes.

**UNITED SIKHS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
Salaries	\$ 102,286	\$ 20,577	\$ 122,863
Payroll Taxes	13,692	1,551	15,243
<b>Total Salaries and Related Expenses</b>	<b>115,978</b>	<b>22,128</b>	<b>138,106</b>
Advertising	12,940	959	13,899
Outside Services	-	1,232	1,232
Camp Costs	23,242	-	23,242
Rent	41,688	-	41,688
Meetings and Events	13,544	3,000	16,544
Professional Fees	50,159	8,170	58,329
Insurance	-	9,785	9,785
Continuing Education	19,302	-	19,302
Depreciation	-	174	174
Bank Charges and Related Fees	4,402	3,214	7,616
Telephone	1,845	1,411	3,256
Books and Periodicals	-	417	417
Supplies	12,546	1,472	14,018
Promotions	2,588	-	2,588
Postage and Delivery	374	122	496
Volunteer Expenses	4,831	-	4,831
Relief Supplies and Expense	72,149	-	72,149
Office Expense	625	1,547	2,172
Travel and Entertainment	18,169	5,211	23,380
Computer and Internet Expenses	1,606	-	1,606
Utilities	4,372	1,355	5,727
Printing and Reproduction	2,700	-	2,700
Dues and Subscriptions	-	2,476	2,476
Reimbursed expenses	3,905	-	3,905
	<u>290,987</u>	<u>40,545</u>	<u>331,532</u>
<b>Total Expenses</b>	<b><u>\$ 406,965</u></b>	<b><u>\$ 62,673</u></b>	<b><u>\$ 469,638</u></b>

See accompanying notes.

**UNITED SIKHS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE A - THE ORGANIZATION**

The United Sikhs was organized in 1999 as an international non-profit, non-governmental, humanitarian relief, human development and advocacy organization, aimed at empowering those in need, especially disadvantaged and minority communities across the world. In 2010 the organization collected more than \$200,000 for humanitarian relief and medical assistance for victims of natural disaster in Haiti.

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES**

**[1] Basis of Presentation:**

The Organization follows the requirements of Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-For-Profit Organizations*. Under FASB Statement No. 117, the Organization 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.

**[2] Basis of Accounting:**

The accounts of the Organization are maintained on the accrual basis in accordance with the principles of fund accounting. Separate accounts are maintained for each fund.

**[3] Cash and cash equivalents:**

The Organization considers all highly liquid investments with an initial maturity of three months or less when purchased and not held within the investment portfolio for investing purposes as cash and cash equivalents. Cash and cash equivalents in the investment portfolio are not included in cash and cash equivalents as they are held for investment purposes.



**UNITED SIKHS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE B - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**[4] Fair Value:**

The Organization adopted SFAS 157, *Fair Value Measurements* (ASC Topic 820-10) for its financial assets and liabilities on January 1, 2010 for its nonfinancial assets and liabilities. The adoption of this standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined based on a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value which are as follows:

**Level 1** - Quoted prices in active markets for identical assets or liabilities.

**Level 2** - Observable inputs other than Level 1 prices, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets.

**Level 3** - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets. Level 3 assets include investments, whose value is determined using the pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

**[5] Property and Equipment:**

Property and equipment is comprised of furniture, equipment, software, and leasehold improvements and is stated at cost or, if donated, at approximate fair value on the date of donation.

Depreciation is computed by the straight-line method over the following estimated useful lives of the assets:

	<u>Years</u>
Equipment	5
Furniture	7
Software	3
Leasehold Improvements	lease term

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**NOTE B - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**[6] Revenue Recognition:**

Cash and gift-in-kind contributions are received from individuals as well as domestic corporations and foundations. These contributions, including unconditional promises, are recognized as revenues when the donor's unconditional commitment is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted. When a restriction is fulfilled in the time period in which the contribution is received, the Organization reports the support as unrestricted.

Permanently restricted support are amounts received that are stipulated by the donor to be maintained permanently. The Organization has not received any permanently restricted support.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met.

**[7] Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the 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 revenues and expenses during the reported period. Actual results could differ from those estimates.

**[8] Income Taxes:**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, it has been determined by the Internal Revenue Service that the Organization is not a private foundation within the meaning of Section 509A of the Internal Revenue Code.

**NOTE C – CONCENTRATIONS OF CREDIT RISK**

The Organization places its cash with one financial institution, which amounts are insured by the Federal Deposit Insurance Corporation up to \$250,000.

**UNITED SIKHS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE D – COMMITMENTS AND CONTINGENCIES**

**[1] Lease:**

The Organization is leasing space in New York City, under an operating lease which in 2015, and provides for future minimum lease payments as follows:

2011	\$	41,600
2012		46,968
2013		48,846
2014		50,800
2015		<u>12,822</u>
	\$	<u>201,036</u>

**NOTE E – LITIGATION**

The Organization may be named in a lawsuit in the ordinary course of business. As of December 31, 2010, there are no lawsuits pending.

**NOTE F – SUBSEQUENT EVENTS**

For the year ended December 31, 2010, the Organization has evaluated subsequent events for potential recognition and disclosure through September 30, 2010, the date the financial statements were available to be issued.