

UNITED SIKHS

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2015**

UNITED SIKHS

INDEX

	<u>PAGE</u>
Independent Auditors' Report	1
Statement of Financial Position as of December 31, 2015	2
Statement of Activities for the Year Ended December 31, 2015.....	3
Statement of Cash Flows for the Year Ended December 31, 2015	4
Statement of Functional Expenses for the Year Ended December 31, 2015.....	5
Notes to Financial Statements	6-9

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
United Sikhs

We have audited the accompanying financial statements of United Sikhs (a nonprofit organization), which comprise the Statement of Financial Position as of December 31, 2015, and the related Statements of Activities, Cash Flows, and Functional Expenses 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 audits. We conducted our audits 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 above present fairly, in all material respects, the financial position of United Sikhs as of December 31, 2015, 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.

Kenneth Cookler, CPA, P.C.

KENNETH COOKLER, CPA, P.C.

Jericho, New York
June 20, 2016

**UNITED SIKHS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015**

ASSETS

Cash and Cash Equivalents	\$ 991,574.
Grant Receivable	42,614.
Property and Equipment, Net	0.
Security Deposits	<u>5,445.</u>
 Total Assets:	 <u>\$ 1,039,633.</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts Payable and Accrued Expenses	\$ <u>9,751.</u>
 Total Liabilities:	 <u>9,751.</u>
 Commitments and Contingencies (see notes)	
Net Assets:	
Unrestricted	1,029,882.
Temporarily Restricted	0.
Permanently Restricted	<u>0.</u>
 Total Net Assets:	 <u>1,029,882.</u>
 Total Liabilities and Net Assets:	 <u>\$ 1,039,633.</u>

See accompanying Accountants' Report and Notes to Financial Statements.

**UNITED SIKHS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015**

Support and Revenues:

Unrestricted:	
Contributions and Grants	\$ 782,424.
Interest Income	310.
In-Kind Contributions	449,700.
Temporarily Restricted:	
Contributions	<u>0.</u>
Total Support and Revenues:	<u>1,232,434.</u>

Expenses:

Program Expenses:	
Civil & Human Rights Advocacy	523,203.
Community Service	378,142.
Empowerment & Education	5,530.
Sikh Aid	<u>108,057.</u>
Total Program Expenses	1,014,932.
Management and General	12,645.
Fundraising	<u>16,755.</u>
Total Expenses:	<u>1,044,332.</u>

Increase/(Decrease) in Net Assets:

Unrestricted	188,102.
Temporarily Restricted	0.
Permanently Restricted	<u>0.</u>
Increase/(Decrease) in Net Assets	<u>188,102.</u>
Net Assets, Beginning of Year	862,698.
Prior Period Adjustment	<u>(20,918.)</u>
Net Assets, End of Year	<u>\$ 1,029,882.</u>

See accompanying Accountants' Report and Notes to Financial Statements.

UNITED SIKHS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015

Cash Flows from Operating Activities:	
Increase/(Decrease) in Net Assets	\$ 188,102.
Adjustments for Non-Cash Items included in Operating Activities:	
Depreciation	128.
Changes in Assets and Liabilities:	
Grant Receivable	(42,614.)
Accounts Payable and Accrued Expenses	(15,755.)
Deferred Income	(100,412.)
Security Deposits	(645.)
Prior Period Adjustment	<u>(20,918.)</u>
Net Cash Provided/(Used) by Operating Activities:	<u>7,886.</u>
Cash Flows from Investing Activities:	
Net Cash Provided/(Used) by Investing Activities:	<u>0.</u>
Cash Flows from Financing Activities:	
Net Cash Provided/(Used) by Financing Activities:	<u>0.</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	7,886.
Cash and Cash Equivalents at Beginning of Year:	<u>983,688.</u>
Cash and Cash Equivalents at End of Year:	<u>\$ 991,574.</u>

See accompanying Accountants' Report and Notes to Financial Statements.

**UNITED SIKHS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015**

	<u>Program Expenses</u>				<u>Supporting Services</u>			
	<u>Civil & Human Rights Advocacy</u>	<u>Community Service</u>	<u>Empowerment & Education</u>	<u>Sikh Aid</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Personnel Costs:								
Salaries	56,331.	135,546.	0.	0.	191,877.	0.	0.	191,877.
Payroll Taxes	5,022.	11,530.	0.	0.	16,552.	0.	0.	16,552.
In-Kind Expenses	385,500.	16,200.	0.	48,000.	449,700.	0.	0.	449,700.
Outside Contractors	<u>25,630.</u>	<u>104,511.</u>	<u>0.</u>	<u>27,690.</u>	<u>157,831.</u>	<u>0.</u>	<u>0.</u>	<u>157,831.</u>
Total Personnel Costs:	<u>472,483.</u>	<u>267,787.</u>	<u>0.</u>	<u>75,690.</u>	<u>815,960.</u>	<u>0.</u>	<u>0.</u>	<u>815,960.</u>
Direct Expenses:								
Advertising & Promotion	4,453.	20,300.	0.	0.	24,753.	0.	0.	24,753.
Depreciation	0.	0.	0.	0.	0.	128.	0.	128.
Insurance	880.	3,035.	599.	0.	4,514.	0.	0.	4,514.
Interest	0.	0.	0.	0.	0.	738.	0.	738.
Office Expenses	591.	3,397.	0.	286.	4,274.	4,741.	0.	9,015.
Postage & Delivery	158.	232.	0.	273.	663.	0.	0.	663.
Printing	265.	3,143.	0.	0.	3,408.	0.	0.	3,408.
Professional Fees	170.	26,374.	0.	0.	26,544.	6,875.	0.	33,419.
Recruitment & Staff Development	0.	295.	0.	0.	295.	0.	0.	295.
Rent & Utilities	41,305.	32,864.	3,625.	0.	77,794.	0.	126.	77,920.
Supplies & Equipment	43.	5,632.	860.	29,673.	36,208.	0.	468.	36,676.
Telephone & Communications	393.	5,769.	446.	25.	6,633.	64.	0.	6,697.
Travel, Conferences & Meetings	1,462.	3,354.	0.	2,110.	6,926.	99.	16,161.	23,186.
Volunteer Expenses	<u>1,000.</u>	<u>5,960.</u>	<u>0.</u>	<u>0.</u>	<u>6,960.</u>	<u>0.</u>	<u>0.</u>	<u>6,960.</u>
Total Direct Expenses:	<u>50,720.</u>	<u>110,355.</u>	<u>5,530.</u>	<u>32,367.</u>	<u>198,972.</u>	<u>12,645.</u>	<u>16,755.</u>	<u>228,372.</u>
Total Expenses:	<u>\$ 523,203.</u>	<u>\$378,142.</u>	<u>\$5,530.</u>	<u>\$108,057.</u>	<u>\$1,014,932.</u>	<u>\$ 12,645.</u>	<u>\$ 16,755.</u>	<u>\$1,044,332.</u>

See accompanying Accountants' Report and Notes to Financial Statements.

UNITED SIKHS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1: Summary of Significant Accounting Policies:

The Organization:

United Sikhs (organization), a not-for-profit organization, was incorporated in the state of New York on February 16, 1999. The organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly no provision for federal, state or local income taxes has been recorded. The Organization does not believe its financial statements contain any uncertain tax positions. The Organization primarily receives its support from contributions and grants from foundations, corporations, individuals and governmental entities.

The Organization's mission is to transform underprivileged and minority communities and individuals into informed and vibrant members of society through civic, educational and personal development programs, by fostering active participation in social and economic activity. The Organization provides the following four programs: Civil & Human Rights Advocacy – advancing economic, social and spiritual empowerment of minorities and other marginalized groups and individuals in need, regardless of race, religion, gender, sexual orientation, social status, age or ability, by enforcing civil and human rights throughout the world; Community Service – providing communities with a number of projects involving, among other things, drug awareness and rehabilitation, and fitness and healthy living; Empowerment & Education – empowering individuals and groups to help them attain their full potential and become active participants in society through education, training and community development projects; and Sikh Aid – providing non-partisan global humanitarian disaster relief services, which not only provide immediate aid but also rehabilitation help to the needy.

Basis of Accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation:

In accordance with GAAP, 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. In addition, the Organization is required to present a statement of cash flows.

Use of Estimates:

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

UNITED SIKHS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1: Summary of Significant Accounting Policies (Continued):

Cash and Cash Equivalents:

For the purposes of the statement of financial position and the statement of cash flows, the Organization considers as cash equivalents money market funds and all highly liquid resources, such as investments in certificates of deposit, with an original maturity of three months or less. At December 31, 2015, the Organization did not have any resources that were considered cash equivalents.

Advertising Costs:

The Organization uses advertising to promote its programs among the audience it serves. The production costs of advertising are expensed as incurred. During the year ended December 31, 2015, advertising costs totaled \$24,753.

Revenue Recognition:

Contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increases in the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization received several grants. In accordance with the grant provisions, the Organization either receives grant funds following the disbursement of approved expenses or is authorized to receive funds in advance of anticipated expenditures. All unreimbursed expenses as of period-end are recorded as grant receivables and all advanced funds not expended are recorded as refundable advances.

Expense Allocation:

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization allocates outside contractor fees based on estimated time, and other expenses are allocated based on usage. The Organization classifies expenses, which are not directly related to a specific program, as Management and General expenses.

UNITED SIKHS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1: Summary of Significant Accounting Policies (Continued):

Property and Equipment:

The Organization capitalizes certain property and equipment with estimated lives of three years or more. Property and equipment are stated at cost, less accumulated depreciation. Depreciation of equipment is computed by the straight-line method over estimated useful lives ranging from three to five years. Expenditures for repairs and maintenance are charged as an expense, and major renewals and betterments are capitalized.

NOTE 2: In-Kind Contributions:

The Organization recognizes contributions for individuals who volunteered their time. The value of donated services that were recognized as contributions in the Financial Statements as of December 31, 2015 amounted to \$449,700.

Sikh Aid: The Sikh Aid team provides non-partisan global humanitarian disaster relief services, which not only provide immediate aid but also rehabilitation help to the needy. The team also runs projects to help eradicate poverty and works towards creating a healthier and happier world. The Sikh Aid directorate has expanded to include blood and health drives. The food drives have taken place in Fremont, New York, New Jersey, and Dallas and other regions of the United States. The volunteers devote their time in collecting food and many a times even preparing them. For example, the soup kitchen that was recently setup served close to 3,000 people in the New York region of Richmond Hill, Queens.

Civil and Human Rights: International Civil Human Rights and Advocacy (ICHRA) helps advance the economic, social and spiritual empowerment of minorities and other marginalized groups and individuals in need, regardless of race, religion, gender, sexual orientation, social status, age or ability. This is achieved by protecting and enforcing the civil and human rights of minorities and marginalized groups in the Americas, Europe and Asia. A number of hours are spent by volunteer attorneys in preparing casework, creating press releases, communicating with the clients and then regular follow-ups until the case is resolved.

NOTE 3: Property and Equipment:

Property and equipment by major class consisted of the following at December 31, 2015:

Equipment	\$ 1,566.
Less: Accumulated Depreciation	(1,566.)
	<u>\$ 0.</u>

UNITED SIKHS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 4: Commitments and Contingencies:

The Organization maintains its checking accounts with financial institutions. Institutional balances do not include transactions which are outstanding and have not cleared their accounts. Balances that exceed the Federal Deposit Insurance Corporation are summarized for the year ended December 31, 2015 as follows:

Institutional balances	\$ 635,849.
Less: Amounts covered	<u>(250,000.)</u>
Uninsured amounts	<u>\$ 385,849.</u>

The Organization leases space under a non-cancellable operating lease. The current lease ends on March 31, 2016 and subsequently is being paid on a month-to-month basis. As of December 31, 2015 minimum aggregate annual rentals are as follows:

Year ended December 31, 2016	\$ 13,335.
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Total rent and utilities expenses charged to operations for the year ended December 31, 2015, was \$77,920.

NOTE 5: Fundraising Expenses:

The Organization conducted activities that included direct solicitations for sponsorships (fundraising). The costs of personnel conducting those sponsorship activities included fundraising, administrative and program expenses (collectively defined as joint costs). The total joint (allocated) costs for the year ended December 31, 2015 is as follows:

Program expenses	<u>\$ 155,131.</u>
Total joint costs	<u>\$ 155,131.</u>

NOTE 6: Subsequent Events:

The Organization has evaluated events subsequent to December 31, 2015 and through June 20, 2016, the date on which the financial statements were available to be issued and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.