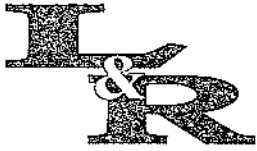


BHARATIYA TEMPLE OF LANSING, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
AND
INDEPENDENT AUDITORS' REPORT

CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1
BALANCE SHEETS	2
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	3-4
STATEMENTS OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	7-13



Layton & Richardson, P.C.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

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We have audited the accompanying balance sheets of BHARATIYA TEMPLE OF LANSING, INC. (a nonprofit corporation) as of December 31, 2010 and 2009, 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, 2010 and 2009, 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 11, 2011

BHARATIYA TEMPLE OF LANSING, INC.

BALANCE SHEETS

ASSETS

	DECEMBER 31,	
	2010	2009
CURRENT ASSETS		
Cash and cash equivalents	\$ 53,523	\$ 48,778
Prepaid expenses	251	1,049
Investments	<u>1,024</u>	<u>1,054</u>
TOTAL CURRENT ASSETS	<u>54,798</u>	<u>50,881</u>
PROPERTY AND EQUIPMENT		
Land	115,715	115,715
Buildings and improvements	2,078,913	2,078,913
Temple furnishings, equipment and other	<u>82,200</u>	<u>80,805</u>
	2,276,828	2,275,433
Less: accumulated depreciation	<u>(506,381)</u>	<u>(447,036)</u>
NET PROPERTY AND EQUIPMENT	<u>1,770,447</u>	<u>1,828,397</u>
TOTAL ASSETS	<u>\$ 1,825,245</u>	<u>\$ 1,879,278</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 1,787	\$ 21,500
Current portion of long-term debt	12,822	11,986
Accrued liabilities	<u>3,676</u>	<u>3,890</u>
TOTAL CURRENT LIABILITIES	<u>18,285</u>	<u>37,376</u>
NON-CURRENT LIABILITIES		
Notes payable	627,975	664,395
Less: current portion of long-term debt	(12,822)	(11,986)
Accrued non-current liabilities	<u>12,263</u>	<u>12,263</u>
TOTAL NON-CURRENT LIABILITIES	<u>627,416</u>	<u>664,672</u>
NET ASSETS		
Unrestricted	<u>1,179,544</u>	<u>1,177,230</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,825,245</u>	<u>\$ 1,879,278</u>

2009

UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
\$ 165,994 48,220	\$ 7,200	\$ 173,194 48,220
8,177	7,500	7,500
25,803	(14,700)	8,177
14,700		25,803
<u>262,894</u>		<u>262,894</u>
66,937		66,937
3,023		3,023
1,694		1,694
60		60
482		482
678		678
58,757		58,757
47,053		47,053
4,027		4,027
15,380		15,380
20,596		20,596
6,370		6,370
927		927
571		571
14,802		14,802
<u>241,357</u>		<u>241,357</u>
<u>21,537</u>		<u>21,537</u>
<u>207</u>		<u>207</u>
21,744		21,744
<u>1,155,486</u>		<u>1,155,486</u>
<u>\$ 1,177,230</u>	<u>\$</u>	<u>\$ 1,177,230</u>

BHARATIYA TEMPLE OF LANSING, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010		TOTAL
	UNRESTRICTED	TEMPORARILY RESTRICTED	
REVENUE AND SUPPORT			
Contributions and bequests	\$ 130,919	\$	\$ 130,919
Priest services	35,657		35,657
Special events			
Membership dues	8,679		8,679
Other income	79,948		79,948
Net assets released from restrictions			
TOTAL REVENUE AND SUPPORT	<u>255,203</u>		<u>255,203</u>
EXPENSES			
Program services			
Priest salaries and benefits	46,396		46,396
Supplies	11,214		11,214
Flowers and fruits	2,566		2,566
Pran Pratishta	400		400
Equipment rental	4,879		4,879
Food	3,978		3,978
Printing and postage	3,709		3,709
Other	2,171		2,171
Advertising	159		159
Depreciation	59,344		59,344
Interest	45,171		45,171
Insurance	3,133		3,133
Utilities	14,663		14,663
Repairs and maintenance	30,483		30,483
Professional fees	5,400		5,400
Telephone	952		952
Postage and delivery	906		906
Other	17,354		17,354
TOTAL EXPENSES	<u>252,878</u>		<u>252,878</u>
INCREASE IN NET ASSETS BEFORE OTHER CHANGES IN NET ASSETS	<u>2,325</u>		<u>2,325</u>
OTHER CHANGES IN NET ASSETS			
Gain (loss) on investments	<u>(11)</u>		<u>(11)</u>
INCREASE IN NET ASSETS	2,314		2,314
NET ASSETS, JANUARY 1	<u>1,177,230</u>		<u>1,177,230</u>
NET ASSETS, DECEMBER 31	<u>\$ 1,179,544</u>	<u>\$</u>	<u>\$ 1,179,544</u>

See accompanying notes to financial statements.

BHARATIYA TEMPLE OF LANSING, INC.

STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED DECEMBER 31,	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 2,314	\$ 21,744
Adjustments to reconcile increase in net assets to to net cash provided by operating activities		
Depreciation	59,344	58,757
Net unrealized and realized (gain) loss on investments	11	(207)
Investment fees net of dividend income	20	15
Contributions received for capital improvements		(7,200)
(Increase) decrease in current assets		
Priest advances		3,500
Prepaid expenses	798	(1,049)
Increase (decrease) in current liabilities		
Accounts payable	(19,713)	(29,000)
Other accrued liabilities	(214)	372
	<u>42,560</u>	<u>46,932</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(1,395)</u>	<u>(6,034)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	(51,420)	(44,255)
Proceeds from borrowings	15,000	20,000
Contributions received for capital improvements		<u>7,200</u>
	<u>(36,420)</u>	<u>(17,055)</u>
NET CASH USED IN FINANCING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,745	23,843
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>48,778</u>	<u>24,935</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 53,523</u>	<u>\$ 48,778</u>
 Supplemental disclosures of cash flow information		
Cash paid during the year for:		
Interest	\$ 45,384	\$ 46,682
Income taxes		

See accompanying notes to financial statements.

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BHARATIYA TEMPLE OF LANSING, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

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 faiths 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 (GAAP).

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. At December 31, 2010 and 2009, there were no material pledges unpaid.

Basis of Presentation

Financial statement presentation follows GAAP relative to *Financial Statements of Not-For-Profit Organizations*. Under GAAP, 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.

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.

BHARATIYA TEMPLE OF LANSING, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2010 AND 2009

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

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 GAAP 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.

Investments

The Temple has received donations of investments in corporate equities, some of which are still held at December 31, 2010 and 2009.

The Temple follows GAAP relative to *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under GAAP, 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.

BHARATIYA TEMPLE OF LANSING, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2010 AND 2009

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

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.

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.

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.

Date of Management's Review

Subsequent events have been evaluated through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

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, 2010			
Checking	\$ 51,641	\$ 56,294	\$ 56,294
Savings	1,940	1,940	1,940
Equity investments	<u>966</u>	<u>966</u>	<u> </u>
	<u>\$ 54,547</u>	<u>\$ 59,200</u>	<u>\$ 58,234</u>

BHARATIYA TEMPLE OF LANSING, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2010 AND 2009

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS - Concluded

ACCOUNT TYPE	BOOK BALANCE	BANK BALANCE	FDIC INSURED
DECEMBER 31, 2009			
Checking	\$ 47,833	\$ 45,071	\$ 45,071
Savings	1,013	1,013	1,013
Equity investments	<u>986</u>	<u>986</u>	<u> </u>
	<u>\$ 49,832</u>	<u>\$ 47,070</u>	<u>\$ 46,084</u>

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

	2010	2009
Cash and cash equivalents	\$ 53,523	\$ 48,778
Investments	<u>1,024</u>	<u>1,054</u>
	<u>\$ 54,547</u>	<u>\$ 49,832</u>

NOTE 3: PROPERTY AND EQUIPMENT

Major classes of property and equipment are as follows:

	USEFUL LIFE	2010	2009
Assets not being depreciated			
Land		\$ <u>115,715</u>	\$ <u>115,715</u>
Assets being depreciated			
Building and improvements	40 years	2,078,913	2,078,913
Temple furnishings, equipment and other	10 years	<u>82,200</u>	<u>80,805</u>
		2,161,113	2,159,718
Accumulated depreciation		(<u>506,381</u>)	(<u>447,036</u>)
		<u>1,654,732</u>	<u>1,712,682</u>
NET ASSETS		<u>\$ 1,770,447</u>	<u>\$ 1,828,397</u>

Depreciation expense for the years ended December 31, 2010 and 2009 was \$59,344 and \$58,757, respectively.

BHARATIYA TEMPLE OF LANSING, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2010 AND 2009

NOTE 4: CONTRIBUTED SERVICES

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 GAAP have not been met.

NOTE 5: LONG-TERM DEBT

The details of long-term debt are as follows:

	2010	2009
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.	\$ 61,925	\$ 67,986
Commercial loan payable to Fifth Third Bank, secured by real estate. Payable in monthly installments of \$3,858, including interest at 6.81%. Remaining unpaid balance is due March 3, 2016.	<u>566,050</u>	<u>596,409</u>
	627,975	664,395
Less: current maturities	(<u>12,822</u>)	(<u>11,986</u>)
LONG-TERM DEBT	\$ <u>615,153</u>	\$ <u>652,409</u>

Future minimum principle payments as of December 31, 2010 are as follows:

YEAR ENDED	AMOUNT
December 31, 2011	\$ 12,822
December 31, 2012	13,716
December 31, 2013	14,672
December 31, 2014	15,695
December 31, 2015	41,118
Thereafter	<u>529,952</u>
	\$ <u>627,975</u>

BHARATIYA TEMPLE OF LANSING, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2010 AND 2009

NOTE 6: 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, 2010 and 2009 was \$0 and \$0, respectively.

NOTE 7: INCOME TAXES

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. The Code requires that tax-exempt organizations must comply with federal tax law to maintain tax-exempt status and avoid penalties. The Temple is subject to a tax on unrelated business income from the rental of debt financed real property as defined by Section 509(a) (1) of the Code.

Professional standards prescribe a more-likely-than-not recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken. The Temple has analyzed tax positions taken for filing with the Internal Revenue Service. The Temple believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Temple's financial condition, results of operations or cash flows. Accordingly, the Temple has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2010 or 2009.

The Temple is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Temple believes it is no longer subject to income tax examinations for years prior to 2007.

The Temple's policy is to classify income tax related interest and penalties as interest expense and other expenses, respectively. Unrelated business income tax expense was \$0 for 2010 and 2009.

NOTE 8: COMMITMENTS AND CONTINGENCIES

Bharatiya Temple of Lansing, Inc. receives substantially all of its support from corporate and individual donors. A significant reduction in the level of this support, if this were to occur, may have an effect on the Temple's ability to continue its programs and activities.

BHARATIYA TEMPLE OF LANSING, INC.
NOTES TO FINANCIAL STATEMENTS - Concluded
DECEMBER 31, 2010 AND 2009

NOTE 9: **FAIR VALUE MEASUREMENTS**

FAIR VALUE OF MEASUREMENTS AT
REPORTING DATE USING:

	FAIR VALUE	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 3)
DECEMBER 31, 2010				
Cash and cash equivalents	\$ 53,581	\$ 53,581	\$	\$
Equity investments	<u>966</u>	<u>966</u>	_____	_____
	<u>\$ 54,547</u>	<u>\$ 54,547</u>	\$ _____	\$ _____
DECEMBER 31, 2009				
Cash and cash equivalents	\$ 48,846	\$ 48,846	\$	\$
Equity investments	<u>986</u>	<u>986</u>	_____	_____
	<u>\$ 49,832</u>	<u>\$ 49,832</u>	\$ _____	\$ _____

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. The Temple recognizes transfers in to and out of levels at the end of the reporting period. There were no transfers between levels in the years ended December 31, 2010 and 2009.