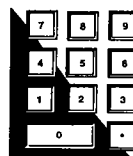


*Guru Nanak Foundation of America, Inc.*  
( GNFA )  
Comparative Audited Financial Statements

December 31, 2007 & 2008



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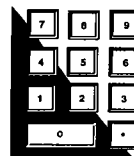
**MANJIT SINGH, CPA, P.C.**  
Certified Public Accountants

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***Tax planners not just tax preparers***  
7309 Arlington Blvd., Suite 201, Falls Church, VA 22042

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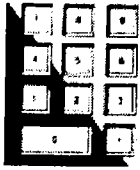


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**MANJIT SINGH CPA P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

*Member American Institute of Certified Public Accountants  
Member Virginia Society of Certified Public Accountants  
Firm Participant in AICPA Peer Review Program*

**7309 Arlington Blvd., Suite #301 • Falls Church • Virginia 22042 • Phone (703) 280-5656 • (703) 280-5666**

**INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees  
Guru Nanak Foundation of America, Inc.  
12917 Old Columbia Pike  
Silver Spring, Maryland 20904

We have audited the accompanying statement of assets, liabilities and fund balance of Guru Nanak Foundation of America, Inc. (a nonprofit organization) as of December 31, 2007 and 2008 the related statements of support, revenues and expenses on a modified cash basis for the year then ended. These financial statements are the responsibility of the organizations's management. Our responsibility is to express an opinion on these financial statements based on our audit.

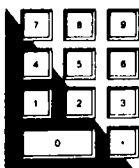
We conducted our audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of assets, liabilities and fund balance is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of assets, liabilities and fund balance. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well evaluating the overall financial statement presentation. We believe that our audit provides 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 Guru Nanak Foundation as of December 31, 2007 and 2008 on a modified cash basis of accounting in conformity with accounting principles generally accepted in the United States of America.

*Manjit Singh CPA PC*

Manjit Singh CPA PC  
Certified Public Accountants  
Falls Church, Virginia  
March 26, 2009

GNFA Audit 2008  
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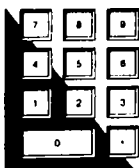


**MANJIT SINGH CPA P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**Guru Nanak Foundation of America, Inc.**  
**Statement of Assets, Liabilities and**  
**Fund Balance Modified- Cash Basis**  
**December 31,**

	<u>2007</u>	<u>2008</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Bank of America	\$142,375	\$148,096
Sun Trust Bank	13,687	28,252
Chevy Chase Bank	27,824	62,229
Total Cash at Bank	<u>\$183,885</u>	<u>\$238,577</u>
<b>TOTAL CURRENT ASSETS</b>		
<b>FIXED ASSETS</b>		
Land	1,584,817	1,584,817
Total Fixed Assets	<u>1,584,817</u>	<u>1,584,817</u>
<b>TOTAL ASSETS</b>	<u><b>\$1,768,702</b></u>	<u><b>\$1,823,394</b></u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>CURRENT LIABILITIES</b>		
Payroll Taxes Payable		3,098
Current Portion of Long Term Liabilities	\$18,636	20,010
<b>TOTAL CURRENT LIABILITIES</b>	<u>\$18,636</u>	<u>\$23,108</u>
<b>LONG TERM LIABILITIES</b>		
Mortgage Note Payable	\$1,333,149	1,313,322
<b>TOTAL LONG TERM LIABILITIES</b>	1,351,785	1,336,430
<b>FUND BALANCE</b>	416,917	486,964
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><b>1,768,702</b></u>	<u><b>\$1,823,394</b></u>

See Independent Auditors' Report  
The accompanying notes are an integral part of these financial statements

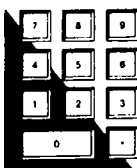


**MANJIT SINGH CPA P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**GURU NANAK FOUNDATION OF AMERICA, INC.**  
**STATEMENT OF REVENUES AND EXPENSES**  
**MODIFIED-CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	<u>2007</u>	<u>2008</u>
<b>REVENUES:</b>		
Offerings - Golak	\$125,363	\$126,195
Offerings - General	57,140	61,254
Offerings - Residences	8,598	8,238
Membership, Trustees Dues Net of Refunds	42,448	100,984
Targeted Receipts/Collections	12,808	3,360
Langar (Community Kitchen) Receipts/ Collections	51,179	49,073
Community Affairs/Cultural	11,725	8,255
Educational Activities	27,014	33,673
Dharmik/Religious Committee	896	4,225
Other Receipts/Collections	5,495	6,352
Special Religious Programs		3,376
Building & Land Offerings	6,147	4,082
Fundraising		13,404
Capital Projects & Building Maintenance	9,346	
Interest Income	5,879	3,305
Gurdawara Committee	17,195	4,341
Youth Committee	490	1,042
Mortgage Contributions	25,827	19,827
<b>TOTAL SUPPORT &amp; REVENUES</b>	<u>\$407,550</u>	<u>\$450,986</u>
<b>OPERATING EXPENSES</b>		
Gurdawara Committee	\$324,415	\$291,220
Membership Committee	62	0
Targeted Collections Disbursements	2,366	855
Langar Committee	28,134	47,841
Community Affairs/Cultural	10,387	4,295
Educational Affairs	9,608	23,587
Dharmik/ Religious	1,610	6,003
Capital Projects	15,658	503
Building Maintenance	10,022	7,964
<b>TOTAL DISBURSMENTS</b>	<u>402,262</u>	<u>382,268</u>
<b>RECEIPTS IN EXCESS OF DISBURSEMENTS</b>	\$5,288	\$68,718
<b>BEGINNING FUND BALANCE</b>	\$411,629	\$416,917
Non Cash Adjustment (Net)		1,329
<b>ENDING FUND BALANCE</b>	<u>\$416,917</u>	<u>\$486,964</u>

See Independent Auditors' Report  
The accompanying notes form an integral part of these financial statements



**MANJIT SINGH CPA P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**GURU NANAK FOUNDATION OF AMERICA, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**A. Summary of significant accounting policies.**

**1. Organization.**

Guru Nanak Foundation of America, Inc. is a non profit organization incorporated under the laws of the State of Maryland, on July 1970. The objective is to promote religious, educational, social and cultural aspects of Sikhism in the Washington DC metropolitan area.

**2. Financial Statement Presentation**

The Foundation maintains its records on the cash basis of accounting. Under this method of accounting, revenues are recognized when received and expenses are recognized when paid, except that property and equipment are capitalized and depreciated over the estimated useful lives of such assets.

**3. Income Taxes & Real Estate Taxes**

The Foundation is exempt from Federal and State income taxes under the Internal Revenue Service Code Section 501(c)(3) and therefore has made no provision for these income taxes. Furthermore, the Foundation has gained the exemption from Montgomery County for exemption from local real estate taxes effective January 1, 2005.

**B. Property & Equipment**

In October of 2001, the Foundation purchased approximately ten acres of land in Silver Spring, Maryland for \$1.8 million with the objective to construct a new building for its religious and cultural activities. As of December 31, 2005 no construction has been started and the entire amount of the purchase price has been classified as non-depreciable land. Over the years some part of the land was relinquished to the County consequently, the aggregate cost has been brought down to 1,584,817. Generally Accepted Accounting Principles require that the assets be recorded at historical cost. This is not the market value.

**C. Long Term Liabilities**

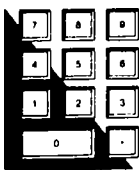
The Foundation is obligated to International Association of Machinists and Aerospace Workers for the purchase of the land. Obligation is incurred as of December 1, 2001 in an original amount of \$1,450,000 with an interest rate of 7% interest and is secured by the real estate. The monthly mortgage payment is \$ 9,640 including principal and interest, with a balloon payment after 12 years, (year 2013 ). It is estimated that the balloon payment would be \$ 1,233,584.

Statement of Revenues and Expenses reflect the interest component of the monthly payments. The principal component of the payments reduces the liability reflected on the balance sheet under long term liabilities.

<u>Year Ending December 31,</u>	<u>Amount</u>
2009	\$22,390
2010	\$24,009
2011	\$25,744
2012	\$27,605

**D. Repayment of Loans**

In the year 2007, couple of members of the congregation had loaned Guru Nanak Foundation of America, Inc \$10,000 to be able to avail of the opportunity to settle an outstanding balance due attorneys for 2001-2004 period issues. The loans were repaid in January 2008 and reflected in these statements as repayment of loans.



**GURU NANAK FOUNDATION OF AMERICA, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**E. Non Cash Contributions**

Contrary to the accepted norms and trends, GNFA, Inc has issued receipts non cash donations for Lungar and in one instance for clothes. This is not in accordance with the generally accepted accounting principles. The amount of income so recorded was \$ 34,329, the amount of non cash expenditures recorded amounted to \$ 42,954. The difference between the two has been adjusted into the fund balance on the statement of assets and liabilities and fund balances as of December 31, 2008.

**F Membership Escrow Account**

On September 23, 2008 a new account bank account was opened to collect membership dues received prior to the cut off date for participation in the general body election. There was a disagreement as to the eligibility of some of the applicants, hence the funds were put in this escrow account. This amount is \$17,632. which is a component of Cash at Bank. As of December 31, 2008, the funds were not returned.

See Independent Auditors' Report  
These notes form an integral part of the accompanying financial statements.