

For Investment Account performance, please go to page 3 & 4.

**GREATER CLEVELAND SHIVA-VISHNU TEMPLE, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2018 AND 2017**

## INDEPENDENT AUDITORS' REPORT

To The Board of Trustees  
Greater Cleveland Shiva-Vishnu Temple, Inc.

We have audited the accompanying financial statements of Greater Cleveland Shiva-Vishnu Temple, Inc., (a nonprofit organization), which comprise the statements of net assets as of December 31, 2018 and 2017, and the related statements of activities and changes in net assets, and cash flows for the years 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 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 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 Greater Cleveland Shiva-Vishnu Temple, Inc. as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Cleveland, Ohio  
January 25, 2019

**GREATER CLEVELAND SHIVA-VISHNU TEMPLE, INC.**

Statements of Net Assets  
December 31, 2018 and 2017

	<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
Current Assets:			
Cash		\$ 248,173	\$ 230,523
Investments:			
Insured Deposit Account		491,314	41,745
Comon Stocks		190,806	289,104
Mutual Funds		11,490	-
Total Investments		<u>693,610</u>	<u>330,849</u>
Total Current Assets		<u>941,783</u>	<u>561,372</u>
Fixed Assets:			
Building and Improvements		7,252,766	6,759,571
Land		150,000	150,000
Furniture, Fixtures, Idols and Alters		321,245	287,795
Jewelry		15,000	15,000
		<u>7,739,011</u>	<u>7,212,366</u>
Less: Accumulated Depreciation		<u>3,368,135</u>	<u>3,172,740</u>
Total Fixed Assets		<u>4,370,876</u>	<u>4,039,626</u>
Other Assets			
Cash Surrender Value of Life Insurance		129,010	120,860
Loan Fees, Net of Amortization		9,179	2,241
Total Other Assets		<u>138,189</u>	<u>123,101</u>
Total Assets		<u>\$ 5,450,848</u>	<u>\$ 4,724,099</u>
 <u>LIABILITIES AND NET ASSETS</u> 			
Liabilities - Current:			
Accounts Payable		\$ -	\$ 1,060
Loan Payable - Current Maturity		<u>83,803</u>	<u>34,336</u>
Total Current Liabilities		<u>83,803</u>	<u>35,396</u>
Liabilities - Long-Term:			
Loans Payable - Noncurrent Maturity		<u>831,994</u>	<u>316,397</u>
Total Liabilities		<u>915,797</u>	<u>351,793</u>
Net Assets:			
Without Donor Restrictions:			
Fixed Assets		3,464,258	3,691,134
Undesignated		1,070,793	681,172
Toal Without Donor Restrictions		<u>4,535,051</u>	<u>4,372,306</u>
Total Net Assets		<u>4,535,051</u>	<u>4,372,306</u>
Total Liabilities and and Net Assets		<u>\$ 5,450,848</u>	<u>\$ 4,724,099</u>

Notes to these financial statements are an integral part of this report.

**GREATER CLEVELAND SHIVA-VISHNU TEMPLE, INC.**

Statements of Activities and Changes in Net Assets

For the years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenues and Other Support:		
Donations and Program Revenue	\$ 877,052	\$ 789,973
Interest and Dividend Income	6,786	5,903
Gain on Sale of Investments	51,967	53,672
Increase (Decrease) in Unrealized Appreciation:		
Mutual Funds	2,337	-
Common Stocks	1,684	(4,642)
Total Revenues and Other Support	<u>939,826</u>	<u>844,906</u>
Program Related Expenses:		
Accounting and Legal	3,750	3,150
Bank Fees	1,138	1,129
Depreciation and Amortization	195,780	200,940
Discourse/Cultural/Education	27,873	38,866
Maintenance - General	157,292	86,252
Insurance - Property	13,343	12,796
Insurance - Life	23,002	23,002
Interest	14,428	16,349
Miscellaneous	23,914	17,468
Payroll Taxes	10,301	11,479
Printing and Postage	4,059	5,321
Program and Operating Supplies	108,320	64,759
Real Estate Taxes	12,162	12,086
Salary -Priests	129,739	131,917
Security	4,894	5,871
Utilities	55,235	55,517
Total Program Related Expenses	<u>785,230</u>	<u>686,902</u>
Change in Net Assets Without Donor Restrictions	154,596	158,004
Net Assets Without Donor Restrictions, Beginning of Year	4,372,306	4,202,712
Increase in Fund Balance for Cash:		
Surrender Value of Life Insurance	<u>8,149</u>	<u>11,590</u>
Net Assets Without Donor Restrictions, End of Year	<u>\$ 4,535,051</u>	<u>\$ 4,372,306</u>

Notes to these financial statements are an integral part of this report.

**GREATER CLEVELAND SHIVA-VISHNU TEMPLE, INC.**

Statements of Cash Flows

For the years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:	\$ 154,596	\$ 158,004
Adjustments to Reconcile Change in Net Assets to Net		
Cash Used by Operating Activities:		
Depreciation and Amortization	195,780	200,940
Increase (Decrease) in Accounts Payable	(1,060)	(209)
Unrealized (Gain) Loss on Investments	<u>(4,021)</u>	<u>4,642</u>
Net Cash Provided (Used) by Operating Activities	<u>345,295</u>	<u>363,377</u>
Cash Flows from Investing Activities:		
Sale (Donation/Purchase) of Investments	(358,739)	20,435
Additions of Fixed Assets	<u>(526,645)</u>	<u>(266,028)</u>
Net Cash Provided (Used) by Investing Activities	<u>(885,384)</u>	<u>(245,593)</u>
Cash Flows from Financing Activities:		
Principal of New Loan	600,000	-
Loan Servicing Fees	(7,324)	-
Principal Payments on Loan	<u>(34,937)</u>	<u>(84,225)</u>
Net Cash Provided (Used) by Financing Activities	<u>557,739</u>	<u>(84,225)</u>
Net Increase in Cash	17,650	33,559
Cash, Beginning of Year	<u>230,523</u>	<u>196,964</u>
Cash, End of Year	<u><u>\$ 248,173</u></u>	<u><u>\$ 230,523</u></u>
Interest Expense During the Year	<u><u>\$ 14,428</u></u>	<u><u>\$ 16,349</u></u>

Notes to these financial statements are an integral part of this report.

## GREATER CLEVELAND SHIVA-VISHNU TEMPLE, INC.

### Notes to Financial Statements

December 31, 2018 and 2017

#### Note A –Nature of Activities and Significant Accounting Policies

##### Nature of Activities

The Greater Cleveland Shiva-Vishnu Temple, Inc. (the Temple), a not-for-profit corporation established under the laws of the State of Ohio, operates as a religious organization. The Temple is supported primarily through contributions of cash and investments from their members.

##### Basis of Presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as recommended in the Audit and Accounting Guide for Not-for-Profit Organizations published by the American Institute of Certified Public Accountants.

##### Net Assets With and Without Donor Restrictions

Contributions are recognized as revenue when they are received or when a written pledge is obtained. In accordance with ASU 2016-14, Not-for-Profit Presentation of Financial Statements, contributions received are recorded as donations with or without restriction depending on the existence and nature of any donor restrictions. Net assets with restrictions are those whose use by the Temple has been limited by donors to a specific time period or purpose. Support that is restricted by the donor is reported as an increase in net assets without restrictions if the time restriction expires or the purpose restriction is accomplished in the reporting period in which the support is recognized. When a stipulated time restriction expires or purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. The Temple does not have any net assets with restrictions for the years ended December 31, 2018 or 2017.

##### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the trustees to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. This difference may be material.

##### Cash and Cash Equivalents

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

##### Investments:

Investments in marketable securities with readily determinable fair value are valued at their market value in the statement of net assets. Unrealized gains and losses are included in the statement of activities.

##### Furniture and Equipment

Furniture and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The policy of the Temple is to generally capitalize assets over \$500 in value. Depreciation is computed using the federally prescribed methods as follows:

Building	Straight Line over 39 Years
Property Improvements	Straight Line over 31.5 Years
Furniture and Fixtures	MACRS over 7 Years

##### Income Taxes

The Temple is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. An annual Form 990, Return of Organization Exempt from Income Tax is filed.

##### Functional Allocation of Expenses

All expenses of the Temple relate to program related expenses and have been allocated accordingly.

**GREATER CLEVELAND SHIVA-VISHNU TEMPLE, INC.**

Notes to Financial Statements

December 31, 2018 and 2017

**Note A – Nature of Activities and Significant Accounting Policies (continued)**

*Donated Services*

The Temple recognizes donated services that require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not donated. For the year ended December 31, 2018, \$900 of donated accounting and maintenance services are reflected on the Statement of Activities as Donations. A substantial number of other volunteers donate significant amounts of their time to the Temple to assist with programs and other Temple matters. No amounts have been reflected in the financial statements for these donated services because no objective basis is available to measure the value of such services.

For the year ended December 31, 2017, the Temple received donated securities with a fair market value of \$8,821. There were no donated securities received for the year ended December 31, 2018.

**Note B – Cash**

The Temple maintains various cash accounts for operating activities and for the payment of debt service obligations or improvements to the Temple. A summary of the cash balances of the various accounts are as follows:

	<b>2018</b>	<b>2017</b>
Operating Account – Checking	\$ 23,890	\$ 25,905
Operating Account – Money Market	124,249	104,598
Operating Account - Savings	100,034	100,020
Total	\$248,173	\$230,523

**Note C – Investments**

The Temple's investments are recorded at fair value in the accompanying statements of net assets. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future current values. Furthermore, although the Temple believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs are significant observables other than quoted prices in active markets; and Level 3 inputs are unobservable and have the lowest priority. The Temple uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Temple measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. The Temple did not utilize any Level 2 or 3 inputs.

*Level 1 Fair Value Measurements:* The value of common stocks and mutual funds.

**GREATER CLEVELAND SHIVA-VISHNU TEMPLE, INC.**

Notes to Financial Statements

December 31, 2018 and 2017

**Note C – Investments (continued)**

The following is the inputs used to value the Temple's investments as of December 31, 2018 and 2017:

	2018	2017
Cost – Common Stock/Mutual Funds	\$687,262	\$316,035
Fair Value: Common Stock/Mutual Funds (Level 1)	\$693,610	\$330,849

The Temple did not hold any investments that represented 5% or more of their net assets as of December 31, 2018 or 2017.

**Note D – Loan Payable**

The Temple has incurred the following loans in connection with construction and improvement projects to the Temple's facilities:

	2018	2017
Loan Payable – KeyBank, Due 6/2026		
Interest payable monthly at 4.25%	\$ 315,797	\$ 350,733
Loan Payable – KeyBank, Due 12/2028		
Interest payable monthly at 5.05%	600,000	-0-
Total	915,797	350,733
Less: Current Maturity	83,803	34,336
Net Long-term Maturity	\$ 831,994	\$ 316,397

The total interest expense incurred was \$14,428 and \$16,349 for 2018 and 2017, respectively.

**Note E – Concentration of Credit Risk**

Checking accounts are maintained at local commercial banks. The Federal Deposit Insurance Corporation (FDIC) guarantees accounts against loss up to \$250,000. The balance in the Fund's checking accounts did not exceed the FDIC limits at any time during the year.

**Note F – Subsequent Events**

The Fund did not have any subsequent events through January 25, 2019, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended December 31, 2018.

**Note G – Prior Year Reclassifications**

Certain prior year items have been reclassified to conform to the current year presentation.