

**JET USA, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**Ram Associates, CPAs**

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JET USA, Inc.

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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
JET USA Inc.,  
Cranbury, NJ.

We have audited the accompanying financial statements of JET USA Inc., (A not-for profit Organization) which comprise the Statement of Financial Position as of December 31, 2015, and the related statements of activities and changes in net assets , and cash flows for the period then ended, and the related notes to 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 misstatements.

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 the 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 JET USA Inc., as of December 31, 2015, and the results of its operations and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

*Ram Associates*

Ram Associates  
Hamilton, NJ

August 11, 2016.

**JET USA, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2015**

**ASSETS**

**Current assets:**

Cash and cash equivalents	1,799,517
Investments	167,341
Other current assets	361,169
<b>Total current assets</b>	<b>2,328,027</b>

Property and equipment-net	2,176,101
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<b>Total Assets</b>	<b>4,504,128</b>
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**LIABILITIES AND NET ASSETS**

**Current liabilities:**

Current portion of long-term loan	38,420
Other Current liabilities	2,500
<b>Total Current liabilities</b>	<b>40,920</b>

Long-term loan-net of current portion	667,390
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<b>Total Current and long-term liabilities</b>	<b>708,310</b>
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**NET ASSETS**

Unrestricted	1,523,481
Temporarily restricted	2,272,337

<b>Total Net assets</b>	<b>3,795,818</b>
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<b>Total Liabilities and Net assets</b>	<b>4,504,128</b>
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- See accompanying independent accountant's report and notes-

**JET USA, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31,2015**

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
<b><u>Revenues, Gains and Other support:</u></b>			
General contributions	27,962	-	27,962
Book sales	1,331	-	1,331
Hundi collections	10,265	-	10,265
Pooja/festival/religious events	117,038	-	117,038
JIVA and Vedic Schools	-	31,630	31,630
Building fund contributions	-	15,049	15,049
Annadanam contributions	-	3,559	3,559
Contributions for Gurukul schools	-	38,582	38,582
Contributions for School for Blind	-	76,120	76,120
Sri Ramanuja Memorial Contruction Fund	-	1,831,938	1,831,938
Contributions for Temple preservation	-	10,501	10,501
Prajna receipts	314,057	-	314,057
Contributions for Calamities Relief Fund	-	37,991	37,991
Contributions for Veterinary Services	4,049	-	4,049
Unrealised Gains	14,093	-	14,093
Gold and silver jewelry	140,071	-	140,071
Other receipts	147,040	-	147,040
<b>Total Revenue and Support</b>	<b>775,905</b>	<b>2,045,370</b>	<b>2,821,275</b>
<b>Program services:</b>			
Pooja and religious services	169,376	-	169,376
Prajna Learning Center	92,374	-	92,374
Sri Ramanuja Memorial Contruction	-	1,708,514	1,708,514
Contribution for JIVA and Vedic schoo	-	59,910	59,910
Contributions for School for Blind	-	1,250	1,250
Contribution for Calamities Relief	-	50,500	50,500
	<b>261,750</b>	<b>1,820,173</b>	<b>2,081,923</b>
<b>Supporting Activities:</b>			
General and administrative expenses	343,289	-	343,289
Fund-raising expenses	26,762	-	26,762
	<b>370,052</b>	<b>-</b>	<b>370,052</b>
<b>Total expenses</b>	<b>631,802</b>	<b>1,820,173</b>	<b>2,451,975</b>
<b>Change in net assets from operations</b>	<b>144,103</b>	<b>225,197</b>	<b>369,300</b>
Depreciation	(90,502)	-	(90,502)
<b>Change in the net assets</b>	<b>53,602</b>	<b>225,197</b>	<b>278,799</b>
Beginning net assets	1,469,120	2,047,140	3,516,260
Prior period adjustments	759	-	759
<b>Ending net assets</b>	<b>1,523,481</b>	<b>2,272,337</b>	<b>3,795,818</b>

- See accompanying independent accountant's report and notes-

**JET, USA INC.**  
**STATEMENT OF CASH FLOWS**  
**December 31, 2015**

Cash flows used for operating activities:	
Change in net assets	278,799
Adjustment to reconcile net assets to net cash provided (used ) by operating activities:	
Depreciation	90,502
Prior period Adjustments-(non-cash)	759
Changes in operating assets and liabilities	
(Increase) /Decrease in other assets	(214,843)
Increase / (Decrease) in other liabilities	(3,059)
<b>Total adjustments</b>	<u>(126,641)</u>
<b>Net cash provided by operating activities</b>	<b>152,158</b>
Cash flows from investing activities:	
Purchase of fixed assets	(180,071)
Increase in Investments	(24,428)
<b>Net cash used in investing activities</b>	<u>(204,499)</u>
Cash flows from financing activities:	
Decrease in long -term liability	(43,312)
<b>Net cash used in financing activities</b>	<u>(38,228)</u>
<b>Net increase / (decrease) in cash</b>	<b>(90,569)</b>
Cash at the beginning of the year	1,890,086
<b>Cash at the end of the year</b>	<u><u>1,799,517</u></u>
Supplementary disclosure of cash flows information	
Cash paid during the year for	
Interest	36,721
Income taxes paid	-

- See accompanying independent accountant's report and notes-

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**NOTES TO FINANCIAL STATEMENTS**  
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**1. ORGANIZATION**

JET U.S.A. INC. (the "Organization") is a private, not-for-profit organization which provide spiritual and religious services to the community, education for blind and underprivileged tribals, providing food bank, cancer and other health awareness programs, environmental awareness programs, veterinary care, and propagate Vedic studies and research through JIVA. The Organization was founded in 1994 and registered as a Non-Profit Organization under section 501© (3) of the Internal Revenue Code of 1986.

Also organizing, operating and maintaining as a place of worship and for the mutual and spiritual benefit of its membership.

**2. General Activities**

**Worship and Spiritual Growth -**

Planning and conducting activities of worship and providing service to our local and global communities to address needs of the body, mind and spirit. Vedic priests are employed for Jeeyar Asramam at head office and also at major locations to provide Vedic and spiritual services to the community.

**Education & Personality Development for today's youth -**

An Education and personality development program called 'Prajna' was introduced as weekend classes to the children and youth in USA. More than 3,000 children participate to learn the Vedic way of living through examples. With this training, the children are doing better at regular school, developing the service attitude to others and also to the environment and in general becoming better citizens of this world.

**Education and support for blind and underprivileged children -**

The organization is actively supporting in providing education for blind and visually challenged, and also for underprivileged tribals in remote and neglected areas in India. Currently, the organization is supporting the following schools.

- Primary school for blind and visually challenged at Vizag, AP.
- Junior College for blind and visually challenged at Hyderabad, Telangana.



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- Degree College for blind and visually challenged at Hyderabad, Telangana.
- Jeeyar Gurukul (school for tribals) at Allampalli, Telangana.
- Jeeyar Gurukul (school for tribals) at Beersaipet, Telangana.
- Jeeyar Gurukul (school for tribals) at Katharivaripalem, AP.

**Vedic Schools -**

The organization is actively supporting Vedic Schools and Vedic research center operated by Jeeyar Integrated Vedic Academy (JIVA). The organization is supporting the following schools.

- JIVA Gurukulam at Hyderabad, Telangana - for all four Vedas, Aagama, Prbandham, Tarkam and Nyaayam.
- Veda Viswa Vidyalayam at Sithanagaram, AP - for all four Vedas, Aagama and Prbandham.
- Veda Viswa Vidyalayam at Vizag, AP - for Rugvedam and Sukla Yajurvedam.
- Veda Viswa Vidyalayam at Karimnagar, Telangana - for Mythraayani Saakha Yajurvedam and Atharva Vedam.

**Community Health Awareness programs -**

The organization is actively supporting health awareness programs like -

- Providing general public awareness of cancer by conducting cancer awareness programs in the villages, as well as screening and providing healthcare through the participating hospitals.
- Eye and Dental screening for school children.
- JIMS (Jeeyar Integrated Medical Services) Hospital for providing low cost medical services.

**Sri Ramanuja Memorial Project -**

JET India has taken up a project to commemorate 1,000 years of Bhagavad Sri Ramanujacharya, an Icon of Equality. The memorial stands on a 50-acre land at Hyderabad, India. Main features include a 216 feet high metal statue of Sri Ramanujacharya, replicas of 108 Divya Desam temples, a Research Center, Library etc. The memorial will be named as the 'Statue of Equality'. The first phase of the project will be opened to public during 2017. JET USA is actively participating in fundraising to support the mega project. \$1,708,514 has been contributed in support of this project during the year ended December 31, 2015.

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**Other Programs –**

JET USA also supports many other programs like environmental awareness programs, veterinary care, provide support to the victims of natural calamities, food distribution services in many areas in USA and India etc.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF ACCOUNTING**

These financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP); consequently, revenue is recognized when services are rendered and expenses reflected when costs are incurred

**FEDERAL INCOME TAXES**

The organization is exempt from Federal income tax under Section 501(C) (3) of the Internal Revenue Code. Therefore no provisions have been made for Federal income taxes in the accompanying financial statements.

The Organization was determined to be exempt from federal income tax under Provisions of Section 501(c) (3) of the Internal Revenue Code of 1986 (IRC) and qualifies for the 50% charitable deduction for individual donors.

**FINANCIAL STATEMENT PRESENTATION**

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The organization is required to report information regarding its financials positions and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**CONTRIBUTIONS**

Contributions received are measured at their fair values on the date of donation and are reported as an increase in net assets. The organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations

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that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of revenues expenses of revenues and changes in fund balance as net assets released from restrictions. There are no permanently restricted funds in the organization as on December 31, 2015.

#### ESTIMATES

The preparation of financial statements in conformity with U.S. 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 end date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes all monies deposited in banks, money market funds in brokerage accounts and demand deposits held at the JET USA INC.

#### INVESTMENTS

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the statements of financial position. As on December 31, 2015 there was \$24,429 unrealized gains on the investment as per the valuation statement of Merrill Lynch wealth Management and the gain is included in the change in net assets.

#### DONATED SERVICES

The Organization receives a variety of volunteer services. The value of these services and support is not reflected in these statements as such services are not susceptible to objective measurements or valuation.

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**4. PROPERTY AND EQUIPEMENT**

Property and equipment valued at \$1,000 or greater are recorded at cost or if donated at the approximate fair value at the date of donation. Fixed assets are depreciated on a straight- line basis over their estimated useful lives as follows:

Building	40 years
Parsonage	25 years
Parking lot improvements	20 years
Furniture, pianos and organ	10 years
Equipment and vehicles	3-7 years

**Property and equipment consists of:**

Non-depreciable assets:

Land	\$ 682,278
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Depreciable Assets:

Buildings	987,282
Office equipment	42,205
Capital works-in-progress	822,290
Gross Assets	2,534,055
Less: Accumulated depreciation	(498,025)
<b>Net Assets</b>	<b>\$ 2,036,030</b>

**5. INVESTMENTS**

	Carrying Value
	<u>At Fair Value</u>
Investment fund with Bank of America (ML)	\$167,341

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**6. TEMPORARILY RESTRICTED NET ASSET**

Temporarily restricted net assets consist of:

Special Projects (buildings & other projects)	\$ 622,108
Sri Ramanuja Memorial Construction Fund	1,650,229
<b>Total</b>	<b>\$ 2,272,337</b>

**7. Long-term loan**

Long-term loan repayable monthly to Bank of America with interest of 5% per annum and it will be matured on October 20<sup>th</sup>, 2018. The outstanding loan as on December 31, 2015 was \$ 705,810 and the loan is secured against land and building of the organization.

The loan amortization as follows:

Year	Amount
2016	38,420
2017	40,341
2018	42,844
2019	45,462
2020	538,743
<b>Total</b>	<b>\$ 705,810</b>

**8. RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENT:**

In January 2010, The FASB issued ASU No. 2010-06, *Improving Disclosures about Fair Value Measurements*. Effective for years beginning after December 15, 2009, the guidance requires entities to disclose transfers of assets in and out of Levels 1 and 2 of the fair value hierarchy, and the reasons for those transfers, and to report fair values based on class rather than category. Effective for years beginning after December 15, 2010, the guidance requires separate presentation of purchases and sales in the Level 3 asset reconciliation.

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**9. GOLD AND SILVER JEWELRY:**

As on December 31, 2015, the management has listed all the gold and silver jewelry items donated by devotees and valued about \$ 140,071.

**10. SUBSEQUENT EVENTS:**

The Organization has evaluated subsequent events through the date which the financial statements were available to be issued. No reportable subsequent events have occurred through the issue date which would have significant effect on the financial statements as of December 31, 2015, except as otherwise disclosed.