

JET USA INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2014

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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, 2014, 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, 2014, 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 10, 2015.

JET USA, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2014

ASSETS

Current aseets:

Cash and cash equivalents	\$ 1,890,086
Investments	142,913
Other current assets	146,326
Total current assets	2,179,325
Property and equipment-net	2,086,532
Total Assets	\$ 4,265,857

LIABILITIES AND NET ASSETS

Current liabilities:

Current portion of term loan	\$ 33,336
Other Current liabilities	5,559
Total Current liabilities	38,895
Long-term loan-net of current portion	710,702
Total Current and long-term liabilities	749,597
NET ASSETS	
Unrestricted	1,469,120
Temporarily restricted	2,047,140
Total Net assets	3,516,260
Total Liabilities and Net assets	\$ 4,265,857

- See accompanying independent accountant's report and notes-

JET USA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenues, Gains and Other support:</u>			
General contributions	\$ 51,846	\$ -	\$ 51,846
Book sales	5,857	-	5,857
Hundi collections	9,976	-	9,976
Pooja/festival/religious events	23,266	-	23,266
JIVA and Vedic Schools	-	16,274	16,274
Building fund contributions	-	70,138	70,138
Annadanam contributions	-	1,904	1,904
Contributions for Gurukul schools	-	50,121	50,121
Contributions for School for Blind	-	27,694	27,694
Sri Ramanuja Memorial Contruction Fund	-	1,361,804	1,361,804
Prajna receipts	250,012	-	250,012
JET USA Convention	633,958	-	633,958
Veterinary Services	6,195	-	6,195
Unrealised Gains	21,273	-	21,273
Other receipts	119,373	-	119,373
Total Revenue and Support	<u>\$1,121,756</u>	<u>\$ 1,527,935</u>	<u>\$ 2,649,691</u>
Program services:			
Pooja and religious services	\$ 49,339	\$ -	\$ 49,339
Prajna Learning Center	77,947	-	77,947
JET USA Convention	744,127	-	744,127
Contribution to JIVAand Vedic school	-	-	-
Contributions to Temple Preservation	31,372	-	31,372
Contribution to Acharya Preetham	33,675	-	33,675
	<u>936,460</u>	<u>-</u>	<u>936,460</u>
Supporting Activities:			
General and administrative expenses	255,021	-	255,021
Fund-raising expenses	18,047	-	18,047
	<u>273,068</u>	<u>-</u>	<u>273,068</u>
Total expenses	<u>1,209,528</u>	<u>-</u>	<u>1,209,528</u>
Change in net assets from operations	<u>(87,772)</u>	<u>1,527,935</u>	<u>1,440,163</u>
Depreciation	(90,502)	-	(90,502)
Change in the net assets	<u>(178,274)</u>	<u>1,527,935</u>	<u>1,349,661</u>
Beginning net assets	1,597,143	519,205	2,116,348
Prior period adjustments	50,251	-	50,251
Ending net assets	<u>\$1,469,120</u>	<u>\$ 2,047,140</u>	<u>\$ 3,516,260</u>

- See accompanying independent accountant's report and notes-

JET, USA INC.
STATEMENT OF CASH FLOWS
December 31, 2014

Cash flows used for operating activities:	
Change in net assets	\$1,349,661
Adjustment to reconcile net assets to net cash provided (used) by operating activities:	
Depreciation	90,502
Prior period Adjustments-(non-cash)	50,251
Changes in operating assets and liabilities	
(Increase) / Decrease in other assets	(28,080)
Increase / (Decrease) in other liabilities	2,684
Total adjustments	<u>115,357</u>
Net cash provided by operating activities	1,465,018
Cash flows from investing activities:	
Purchase of fixed assets	(246,423)
Increase in Investments	<u>(21,273)</u>
Net cash used in investing activities	<u>(267,696)</u>
Cash flows from financing activities:	
Decrease Long term liability	(36,031)
Net cash used in financing activities	<u>(36,031)</u>
Net increase / (decrease) in cash	1,161,291
Cash at the beginning of the year	<u>728,795</u>
Cash at the end of the year	<u><u>\$1,890,086</u></u>
Supplementary disclosure of cash flows information	
Cash paid during the year for	
Interest	\$ 38,918
Income taxes paid	-

- See accompanying independent accountant's report and notes-

JET USA, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

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.

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.

Education and support for blind and underprivileged children:

The organization is actively supporting and providing education for blind and underprivileged tribals, providing food bank.

Vedic Schools

The organization is actively supporting Vedic Schools and Vedic research center operated by Jeeyar integrated Vedic academy (JIVA).

Community Hospital:

The organization has been actively mobilizing and supporting for health awareness programs through JIMS Hospital, low cost medical services to the community.

JET USA, INC
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Sri Ramanuja Memorial Project:

JET India has taken up Sri Ramanuja Memorial Educational Project, to celebrate 1,000 years of the Icon of Equality. JET USA is participating and supporting in this mega event.

Other programs:

Other programs like creating general public awareness of cancer, general health and environmental awareness programs, veterinary care, provide support to the victims of natural calamities and eye and dental screening for school children.

2. 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.

JET USA, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

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 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, 2014.

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, 2014 there was \$21,273 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

JET USA, INC
 NOTES TO FINANCIAL STATEMENTS
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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.

3. 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	782,290
Gross Assets	2,494,055
Less: Accumulated depreciation	(407,523)
Net Assets	\$ 2,086,532

4. INVESTMENTS

	Carrying Value <u>At Fair Value</u>
Investment fund with Bank of America (ML)	\$142,913

JET USA, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

5. TEMPORARILY RESTRICTED NET ASSET

Temporarily restricted net assets consist of:

Special Projects (buildings & other projects)	\$ 643,759
Sri Ramanuja Memorial Construction Fund	1,403,381
Total	\$ 2,047,140

6. 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 20th, 2018. The outstanding loan as on December 31, 2014 was \$ 744,038 and the loan is secured against land and building of the organization.

The loan amortization as follows:

Year	Amount
2015	35,003
2016	38,420
2017	40,341
2018	630,274
Total	\$ 744,038

7. 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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8. 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, 2014, except as otherwise disclosed.