

ISKCON NEW VRINDABAN, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2022

Ram Associates, CPAs

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ISKCON NEW VRINDABAN, INC.

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Independent Auditor's Report

To the Board of Directors
of ISKCON-New Vrindaban Inc

Opinion

We have audited the accompanying financial statements of ISKCON-New Vrindaban Inc (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ISKCON-New Vrindaban Inc as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ISKCON-New Vrindaban Inc and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ISKCON-New Vrindaban Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance

with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 ISKCON-New Vrindaban Inc's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ISKCON-New Vrindaban Inc's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Ram Associates

Hamilton, NJ
August 1, 2023

ISKCON NEW VRINDABAN, INC.

Statement of Financial Position

December 31, 2022

ASSETS

Current assets:

Cash and cash equivalents	\$ 1,654,768
Certificate of deposits	673,615
Account receivable	8,334
Inventory	966,726
Loans and advances	3,635

Land 955,173

Property and equipment-net 7,334,609

Total Assets \$ 11,596,860

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable and accrued expenses	\$ 176,592
Current portion of term loan	58,741
Other current liabilities	154,884
Total current liabilities	<u>390,217</u>

Long-term liabilities:

Term loan-net of current portion	<u>1,821,912</u>
Total long-term liabilities	<u>1,821,912</u>

Total current and long-term liabilities 2,212,129

Net assets:

Without donor restrictions:

Undesignated	9,384,731
Total Net assets	<u>9,384,731</u>
Total Liabilities and Net assets	<u><u>\$ 11,596,860</u></u>

- See accompanying notes and independent accountant's audit report-

ISKCON NEW VRINDABAN, INC.
Statement of Activities and Change in Net Assets
For The Year Ended December 31, 2022

	Without donor restriction	With donor restriction	Total
Operating revenue			
Puja services/general contributions	\$ 2,283,446	\$ -	\$ 2,283,446
Book sales	19,336	-	19,336
Lodge income	856,810	-	856,810
Palace donations	152,128	-	152,128
Festival donations	92,846	-	92,846
Hundi donations	109,358	-	109,358
Restricted Donation	-	419,112	419,112
Restaurant	438,686	-	438,686
Rental income	225,288	-	225,288
Credit Cards Cash back	16,514	-	16,514
Gift shop sales	1,256,100	-	1,256,100
Net transfers from donor restrictions	419,112	(419,112)	-
Total operating revenue	5,869,624	-	5,869,624
Operating expenses			
Program services	2,907,386	-	2,907,386
Total program services	2,907,386	-	2,907,386
Supporting activities:			
General and administrative expenses	1,662,406	-	1,662,406
Total supporting services	1,662,406	-	1,662,406
Total operating expenses	4,569,792	-	4,569,792
Nonoperating activities			
Royalties and signage fee	704,426	-	704,426
Interest income	4,658	-	4,658
Miscellaneous income	106,540	-	106,540
Interest expense	(32,295)	-	(32,295)
Total nonoperating activities	783,329	-	783,329
Change in net assets before depreciation	2,083,161	-	2,083,161
Depreciation	(458,603)	-	(458,603)
Change in net assets	1,624,558	-	1,624,558
Net assets at beginning of the year	7,760,173	-	7,760,173
Net assets at end of the year	\$ 9,384,732	\$ -	\$ 9,384,731

- See accompanying notes and independent accountant's audit report-

ISKCON NEW VRINDABAN, INC.

Statement of Functional Expenses

For The Year Ended December 31, 2022

	Program Services	Supporting Services	
	Program Activities	Management and General	Total
Cost of Goods Sold	\$ 672,933	\$ -	\$ 672,933
Automobile Expense	23,890	73,302	97,192
Books for Distribution	103,202	187	103,389
Building and Property Security	41,272	116,340	157,612
Contract Labor	21,578	8,014	29,592
Deity Department	114,085	2,125	116,210
Devotees	359,416	25,077	384,493
Fees Paypal	7,717	2,235	9,952
Festivals	4,339	516	4,855
Fireworks	3,000	-	3,000
GauraNitay Painting	-	16,180	16,180
Gifts for Donors	11,372	-	11,372
Legal Expense	5,200	40,195	45,395
Office Expenses	168,841	42,292	211,133
Operating Expenses	245,735	213,243	458,978
Outside Services	133,457	90,767	224,224
Payroll Expenses	851,092	574,655	1,425,747
Rent Expense	-	12,505	12,505
Small Tools & Equipment	17,177	22,090	39,267
Supplies	97,829	41,729	139,558
Utilities	25,251	373,789	399,040
VrindaVille	-	7,165	7,165
Total Expenses	\$ 2,907,386	\$ 1,662,406	\$ 4,569,792

- See accompanying notes and independent accountant's audit report-

ISKCON NEW VRINDABAN, INC.

Statement of Cash Flows

For The Year Ended December 31, 2022

Cash flows from operating activities:	
Change in net assets	\$ 1,624,558
Adjustment to reconcile, change in net assets to net cash provided (used) by operating activities:	
Depreciation	458,603
Changes in operating assets and liabilities	
(Increase) / Decrease in certificate of deposits	101,516
(Increase) / Decrease in inventory	(422,210)
(Increase) / Decrease in account receivable	(8,334)
(Increase) / Decrease in loans and advances	11,812
Increase / (Decrease) in accounts payable and accrued liabilities	153,628
Increase / (Decrease) in current portion of long term liabilities	44,883
Increase / (Decrease) in other current liabilities	(208,952)
Total adjustments	<u>130,946</u>
Net cash provided by operating activities	<u>1,755,504</u>
Cash flows from investing activities:	
Increase in fixed assets	<u>(1,999,277)</u>
Net cash used in investing activities	<u>(1,999,277)</u>
Cash flows from financing activities:	
Increase / (Decrease) in long term liabilities	<u>385,958</u>
Net cash provided by financing activities	<u>385,958</u>
Net increase in cash and cash equivalents	142,185
Cash at the beginning of the year	<u>1,512,583</u>
Cash at the end of the year	<u>\$ 1,654,768</u>
Supplementary disclosure of cash flows information	
Cash paid during the year for	
Interest	\$ 32,295
Income taxes paid	-

- See accompanying notes and independent accountant's audit report-

ISKCON NEW VRINDABAN, INC.

Notes to Financial Statements

December 31, 2022

1. ORGANIZATION

ISKCON NEW VRINDABAN, INC. (INV) is a West Virginia non-profit corporation. The organization is exempt from income tax under section 501(c)(3) of the Internal Revenue Code. INV was formed for the purpose of organizing, operating, and maintaining as a place of worship and for the mutual and spiritual benefit of its members, as it may be constituted from time to time. Originally incorporated as ISKCON New Mathura Vrindaban, Inc. there was a change in name to ISKCON New Vrindaban Inc on December 13, 2012.

ISKCON New Vrindaban Inc. is the first farm community founded in 1968 by disciples of the Founder Acharya of ISKCON, A.C. Bhaktivedanta Swami Prabhupada. Srila Prabhupada envisioned that New Vrindaban would focus on cow protection, sustainable agriculture, a simple village lifestyle, a place of pilgrimage in the West, a place of higher learning as well as a place where people develop their love for Krishna. New Vrindaban currently hosts about 250 community members. The Organization is governed by an independent, volunteer Board of Trustees/Directors who oversees the Organization's operations.

GENERAL ACTIVITIES:

Worship

Planning and conducting activities of worship and providing service to our local and global communities to address needs of the body, mind, and spirit.

Spiritual Growth

To help organization members grow in faith and Krishna consciousness.

Pilgrims and Visitors' Services:

Apart from spiritual services, the temple also provides accommodation and feeding facilities to Pilgrims and visitors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. 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);

ISKCON NEW VRINDABAN, INC.

Notes to Financial Statements

December 31, 2022

consequently, revenue is recognized when services are rendered, and expenses reflected when costs are incurred.

b. Financial Statement Presentation

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization's net assets and changes therein are classified and reported as follows:-

Without donor restrictions - net assets that are not subject to donor-imposed restrictions or the donor-imposed restrictions have expired. As reflected in the accompanying financial statements, the Organization's Board of Trustees has designated a portion of these net assets as an endowment fund to perpetually protect the Organizations aims and objectives.

With donor restrictions - net assets that are subject to donor-imposed restrictions. These include net assets that are subject to time or purpose restrictions and donor restricted endowments. Assets with time or purpose restrictions are satisfied either by the passage of time or by actions of the Organization. Donor restricted endowments must be maintained permanently by the Organization and only the income may be used as specified by the donor.

Revenue is reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. If an expense is incurred for a purpose for which net assets with donor restrictions are available, a donor-imposed restriction is fulfilled to the extent of the expense incurred. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as release from restrictions in the consolidated statement of activities. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donors or by law.

c. Contributions

Contributions of cash and cash equivalents are recorded as the actual amount. Revenue is reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. If an expense is incurred for a purpose for which net assets with donor restrictions are available, a donor-imposed restriction is fulfilled to the

ISKCON NEW VRINDABAN, INC.

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extent of the expense incurred. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as release from restrictions in the consolidated statement of activities. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donors or by law.

d. Gas Royalty Income

Royalty income received from Oil & Gas Companies is recorded in line with Paid-Up Oil and Gas Lease agreement entered into by the organization. The organization has leased the land for exploration purposes and has right to receive royalty equal to 18.75% of the gross proceeds realized by Lessee for all Oil and Gas produced and sold from the leased premises or a unit in which all or any portion of the leased premises is a part.

e. Pledges

The members and devotees promise to contribute to the Organization; however, such promises and pledges are not recognized as revenue unless such pledges are reasonably estimated, and ultimate collection is reasonably assured. Unconditional promises to give are recognized as revenue at fair value when received or pledged.

f. Donated Services

A substantial number of individuals have volunteered significant amounts of their time to program and supporting functions; however, these services do not meet the criteria for recognition in accordance with U.S. generally accepted accounting principles and, therefore, are not recorded in the accompanying financial statements.

g. Functional Expenses

The Organization allocates expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program or supporting service are reported accordingly. Other expenses that are common to several functions are allocated by various statistical bases which attribute the cost to functional categories. Statistical bases utilized include square footage occupied by business units and estimated time and effort supporting other functions. Operating expenses represent the aggregate of various other program service costs and items not individually classified in the accompanying statement of functional expenses due to their varying nature and amount from year to year.

ISKCON NEW VRINDABAN, INC.

Notes to Financial Statements

December 31, 2022

h. Measure of Operations

The Organization includes in its measure of operations all revenues and expenses that are integral to its program services and supporting services. The measure of operations for the year ended December 31, 2022, includes investment return appropriated for operations.

i. Inventory

Inventory consists of goods in the gift shop which were unsold as of December 31, 2022. Inventory is recorded at cost on purchase, while contributed inventory is recorded at fair value. Inventory is deducted and expensed when used and distributed. The inventory as of December 31, 2022, is \$966,726.

j. Investments

Investments are classified as available for sale securities and are reported at fair market value and included as a component of net assets. The specific identification method is used to determine realized gains and losses. Interest earned on the investments for the year ended December 31, 2022, was \$4,658. Unrealized gains and losses are reported in "Appreciation (depreciation)" in investment on the statement of activities and change in net assets.

Information pertaining to investment strategies is as follows:

- Cash equivalents provide short-term liquidity and serve as a funding source for distributions and rebalancing.
- The fixed income category comprises strategies that invest principally in debt instruments issued by governments or companies or through the securitization of certain types of collateral. Fixed income provides stability and protection in deflationary environments.
- The public equity category comprises investment strategies that invest principally in publicly traded equity securities. These strategies are generally designed with reference to a benchmark that itself comprises equity securities that are traded on a recognized exchange. Public equities may include hedge funds whose investment objectives are benchmarked to equity markets.
- The private equity category comprises investment strategies that invest principally in privately issued equity-related securities. This category includes strategies that participate in venture capital, leveraged buyouts and control-oriented distressed situations.

The above asset categories are managed to create a portfolio effect to balance risk and return to meet investment objectives.

ISKCON NEW VRINDABAN, INC.

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December 31, 2022

k. Cash and Cash Equivalents

The Organization considers all cash and highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include all money deposited in banks, money market funds in brokerage accounts and demand deposits held at the Organization. From time to time during the year, the Organization's cash balance in the financials has exceeded the FDIC insurance limits. The Organization maintains various operating accounts and savings accounts through which all receipts and disbursement flow. The balance at year end is the current balance of these accounts.

l. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reported period. Accordingly, actual results could differ from those estimates.

m. Advertising Costs

The Organization expenses advertising and promotional costs as and when incurred. Advertising and promotional expenses for the year ended December 31, 2022 was \$53,686.

n. Tax Status

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 income taxes in the accompanying financial statements.

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
Building Improvements	20 years
Furniture, pianos, and organ	7 years

ISKCON NEW VRINDABAN, INC.

Notes to Financial Statements

December 31, 2022

Equipment and vehicles	3-7 years
Property and equipment consist of:	
<i>Non-depreciable assets:</i>	
Land	\$ 955,173
<i>Depreciable Assets:</i>	
Temple building	\$ 1,008,601
Old Vrindaban buildings	112,751
Visnu's Workshop	168,180
Other buildings, roads, and parking lots	7,184,879
Sewage plant	209,640
Trucks and tractors	207,837
Autos and vans	105,233
Equipment and tools	309,957
Cows	47,700
Palace gift shop	13,486
Gas tank	13,364
Furniture and fixtures	287,394
Machinery and other equipment	318,434
Software	10,995
Palace project	714,778
Lodge 9 rooms	210,291
Children playground	34,923
Yoga platform	254,751
Building improvements	2,640,641
Lake Aerator	15,591
Tulsi House	317,405
New Gift Shop	228,451
Guest wing and 3 rd floor	370,681
Giftshop Warehouse	234,480
Govindas Express	23,500
Swan Boat House and Chattras	176,222
Mineral rights	<u>66,160</u>
Total Depreciable Assets	15,286,325
Less: Accumulated depreciation	<u>(7,951,716)</u>
Net Assets	<u>\$ 7,334,609</u>

The depreciation expense for the year ended December 31, 2022 was \$458,603.

Depletion of Natural Resources:

Natural gas properties, including related pipelines, are depreciated using a unit-of-production method. The cost of producing wells is amortized over proved

ISKCON NEW VRINDABAN, INC.

Notes to Financial Statements

December 31, 2022

developed reserves. License acquisition, common facilities and future decommissioning costs are amortized over total proved reserves. The unit of-production rate for the amortization of common facilities costs considers expenditures incurred to date, together with the future capital expenditure expected to be incurred in relation to these common facilities and excluding future drilling costs.

In accordance with the IRS regulations listed under Publication 535 chapter 9, the organization can't claim percentage depletion for an oil or gas well unless at least one of the following applies; the organization is either an independent producer or a royalty owner or the well produces natural gas that is either sold under a fixed contract or produced from geo-pressured brine. Since the organization is leasing the land, the natural resources are not owned by the organization and no depletion is accounted for.

4. CERTIFICATE OF DEPOSITS

The organization has investments in certificate of deposits and the balances as of December 31, 2022, are as follows:

- a. First Internet bank - \$158,703 carrying an interest rate of 2.77% per annum.
- b. Unified bank - \$257,362 carrying an interest rate of 0.31% per annum.
- c. Live Oak bank - \$257,550 carrying an interest rate of 5% per annum.

5. LONG-TERM DEBT

The organization has received from ECO-Vrindaban Inc. a total of \$1,880,653 as long-term loan (including current portion) which is outstanding and payable to as of December 31, 2022. The loan has been received for various projects currently undertaken by the organization and below is a summary of the various loans.

- a) ISKCON New Vrindaban Apartment construction loan. Total loan sanctioned, and disbursed amount was \$655,000 with an annual interest rate of 4.50% on outstanding balance. The Organization continues to repay the loan and the balance outstanding as of December 31, 2022, is \$585,304.
- b) Royalty sharing loan of \$569,766. The loan carries no interest and must be repaid when ISKCON Vrindaban has 117 net mineral acres under royalty production. There is no commencement of production, and the organization expects production to begin in 2023, accordingly the first repayment may happen from 2024 onwards. The payback of the loan is based on 25% of the royalties received from royalties greater than 117 net mineral acres.

ISKCON NEW VRINDABAN, INC.

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December 31, 2022

- c) ECO-V Bahulaban loan of \$142,115 repayable after 5 years.
- d) Warehouse loan. The total loan sanctioned, and disbursed amount was \$180,000 with an annual interest rate of 3% on outstanding balance. The Organization continues to repay the loan and the balance outstanding as of December 31, 2022, is \$137,002.

Loan repayment schedule for the loans is as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 58,741
2024	60,752
2025	62,834
2026	16,517
2027 and thereafter	1,681,809
	<u>\$1,880,653</u>

6. FAIR VALUE MEASUREMENTS

The Organization applies Generally Accepted Accounting Principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The following table presents assets that are measured at fair value on a recurring basis at December 31, 2022:

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Notes to Financial Statements

December 31, 2022

	Level 1	Level 2	Level 3
Money Market Funds	\$ -	\$ -	\$ -
Equities	-	-	-
Fixed Income	-	673,615	-
Total	\$ -	\$ 673,615	\$ -

7. SIGNIFICANT FUNDERS AND CONCENTRATION OF CREDIT RISK

The Organization does not have any significant funders and all programs are conducted based on contributions from members, devotees, and the public.

8. LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs and other financial commitments, while also striving to maximize the investment of its available funds. The Organization maintains a financial resources policy that outlines acceptable investment vehicles for working capital, which includes reserves to be spent in the short-term on current activities, donor restricted funds meant to be spent down over a relatively short period of time to fund programs, and operating cash, which includes gifts without donor restrictions and with restriction or funds for operating needs. The Organization invests available cash needed for its general expenditures, liabilities, and other obligations in short-term investments, specifically interest-bearing checking accounts, money market funds, and money market mutual funds.

Financial assets for general expenditures available within one year from December 31, 2022, are as follows:

Cash and cash equivalents	\$ 1,654,768
Certificate of deposits	<u>673,615</u>
Total	<u>\$ 2,328,383</u>

9. LEGAL MATTERS

Currently the Organization is not involved in any action, arbitration and/or other legal proceedings that it expects to have a material adverse effect on the financial condition, results of operations or liquidity of the Organization. All legal costs are expensed as incurred.

ISKCON NEW VRINDABAN, INC.

Notes to Financial Statements

December 31, 2022

10. RECENT ACCOUNTING PRONOUNCEMENTS

- i) During 2020 the Organization adopted Accounting Standards Update (ASU) No. 2016-4 *Not-for-Profit Entities* (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities (ASU 2016-4). ASU reduces the number of net assets from three to two: net assets without donor restrictions, previously reported as unrestricted net assets and net assets with donor restrictions, previously reported as temporarily restricted net assets and permanently restricted net assets. Additionally, a main provision of this guidance includes recognition of underwater endowment funds as a reduction in net assets with donor restrictions. The guidance also expands the quantitative and qualitative disclosures regarding liquidity and availability of resources and requires expenses to be reported both their natural and functional classification in one location. The Organization did not have any permanently restricted net assets in the year ended December 31, 2022.
- ii) The FASB issued ASU No. 2020-08, *Not-for-Profit Entities* (Topic 958): Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made - This ASU is intended to clarify and improve the scope and accounting guidance for contributions received and contributions made. The ASU is effective for the year ending December 31, 2022.

11. SUBSEQUENT EVENTS

The Organization has evaluated other subsequent events through August 1, 2023, the date which the financial statements were available to be issued. No reportable subsequent events have occurred through the issue date which would have a significant effect on the financial statements as of December 31, 2022, except as otherwise disclosed.