

ISKCON NEW VRINDABAN INC

FINANCIAL STATEMENTS

DECEMBER 31, 2015

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ISKCON New Vrindaban Inc.

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees/ Directors of
ISKCON-NEW VRINDABAN INC.,
New Vrindaban, WV.

We have audited the accompanying financial statements of ISKCON-New Vrindaban Inc. , (A Not -for-Profit Organization) which comprise the statement of financial position as of December 31, 2015, and the related statement of activities and change 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 ISKCON-New Vrindaban 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
July 15, 2016.

ISKCON NEW VRINDABAN, INC.
STATEMENT OF FINANCIAL POSITION

December 31, 2015

ASSETS

Current assets:

Cash and cash equivalents \$ 1,632,779

Other current assets 26,702

Total current assets 1,659,481

Property and equipment-net 3,502,937

Total Assets \$ 5,162,418

LIABILITIES AND NET ASSETS

Current liabilities:

Current portion of term loan \$ 8,800

Other current liabilities 48,795

Total current liabilities 57,595

Long-term debt

Term loan-net of current portion 514,882

Total Current and long-term liabilities 572,477

Net assets:

Unrestricted 4,353,814

Temporarily restricted 236,127

Total Net assets 4,589,941

Total Liabilities and Net assets \$ 5,162,418

- See accompanying notes and accountant's audit report-

ISKCON NEW VRINDABAN, INC.
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
YEAR ENDED DECEMBER 31,2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Puja services/general contributions	\$ 1,113,136	-	\$1,113,136
Interest income	483	-	483
Book sales	4,885	-	4,885
General donations-other non-profits	80,000	-	80,000
Rental income	426,918	-	426,918
Palace Gate-donations	120,716	-	120,716
Festival donations	110,162	-	110,162
Hundi donations	65,113	-	65,113
Food services	173,186	-	173,186
Others	1,774,667	-	1,774,667
Total support and revenue income	<u>3,869,266</u>	<u>-</u>	<u>3,869,266</u>
EXPENSES			
Program services:			
Charitable contributions	65,050	-	65,050
Puja, education and outreach expenses	75,674	-	75,674
Festival Expenses	17,304	-	17,304
Pilgrim Services	255,071	-	255,071
	<u>413,099</u>	<u>-</u>	<u>413,099</u>
Supporting Activities:			
General and administrative expenses	1,500,546	-	1,500,546
Fund-raising expenses	151,783	-	151,783
Building improvements(capitalized)	-	-	-
	<u>1,652,329</u>	<u>-</u>	<u>1,652,329</u>
Total expenses	<u>2,065,428</u>	<u>-</u>	<u>2,065,428</u>
Change in net assets from operations before depreciator	<u>1,803,838</u>	<u>-</u>	<u>1,803,838</u>
Depreciation	(273,807)	-	(273,807)
CHANGE IN NET ASSETS	<u>1,530,031</u>	<u>-</u>	<u>1,530,031</u>
NET ASSETS AT BEGINNING OF THE YEAR	<u>3,077,332</u>	<u>14,842</u>	<u>3,092,174</u>
Internal adjustments	(253,549)	221,285	(32,264)
NET ASSETS AT END OF THE YEAR	<u>\$ 4,353,814</u>	<u>\$ 236,127</u>	<u>\$ 4,589,941</u>

- See accompanying notes and accountant's audit report-

ISKCON NEW VRINDABAN, INC.
STATEMENT OF CASH FLOWS
Year ended December 31, 2015

Cash flows from operating activities:	
Change in net assets	\$ 1,530,031
Adjustment to reconcile, change in net assets to net cash provided (used) by operating activities:	
Depreciation	273,807
Prior period adjustment	(32,264)
Changes in operating assets and liabilities	
(Increase) / Decrease in other current assets	(6,849)
Increase / (Decrease) in other liabilities	(7,444)
	<u>227,250</u>
Total adjustments	<u>227,250</u>
Net cash provided by operating activities	1,757,281
 Cash flows from investing activities:	
Purchase of fixed assets	<u>(889,590)</u>
Net cash used in investing activities	<u>(889,590)</u>
 Cash flows from financing activities:	
Increase Long term liability	151,687
Net cash provided by financing activities	<u>151,687</u>
Net increase / (decrease) in cash	1,019,378
Cash at the beginning of the year	<u>613,401</u>
Cash at the end of the year	<u><u>\$ 1,632,779</u></u>
 Supplementary disclosure of cash flows information	
Cash paid during the year for	
Interest	\$ -
Income taxes paid	-

- See accompanying notes and accountant's audit report-

ISKCON NEW VRINDABAN, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

1. ORGANIZATION

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

The 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 life style, 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 200 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, temple is also providing accommodation and feeding facilities to Pilgrims and visitors.

ISKCON NEW VRINDABAN, INC
NOTES TO FINANCIAL STATEMENTS
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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 503(C) (3) of the Internal Revenue Code. Therefore no provisions have been made for Federal income taxes in the accompanying financial statements.

FINANCIAL STATEMENT PRESENTATION

The organization reports 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 AND DONOR RESTRICTIONS

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, 2015.

ESTIMATES

ISKCON NEW VRINDABAN, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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

For purposes of the financial statements, the Organization considers all cash and highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. From time to time during the year, the Organization's cash balance in the financials has exceeded the FDIC insurance limits. At December 31, 2015, the Organization has deposits with financial institutions/banks that exceeded FDIC insurance limit.

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 are no significant unrealized gains and losses that are required to include 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.

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

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Equipment and vehicles 3-7 years

Property and equipment consists of:

Non-depreciable assets:

Land \$ 815,743

Depreciable Assets:

Temple building	773,890
Old Vrindaban buildings	111,446
NVCG Apartments	118,242
Palace Project	371,969
Other buildings, roads & parking lots	5,250,956
Sewage plant	209,640
Trucks & tractors	145,337
Autos & Vans	17,810
Equipment & Tools	234,691
Cows	47,700
Generators	88,182
Building improvements	224,926
Water Supply Project	169,499
Palace Gift Shop	13,486
Gas Tank	13,326
Furniture & Fixtures	68,547
Restaurant furniture & fittings	73,534
Welcome Center building	36,519
Machinery & other equipment	70,087
Software	10,995
Land mineral rights	40,000
Heavy Equipment	35,200
Total Gross Assets	<u>8,941,725</u>
Less: Accumulated depreciation	<u>(5,438,788)</u>
Net Assets	<u>\$ 3,502,937</u>

4. TEMPORARILY RESTRICTED NET ASSET

ISKCON NEW VRINDABAN, INC
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Internally the Board has temporarily restricted net assets consist of:

Special Projects (major improvements to old buildings) \$236,127.

5. IN-KIND SUPPORT

The Organization receives donations from a variety of sources for services and gifts in the furtherance of its objectives. The in-kind support consists of gold, jewellery, cloths and other gifts. In-kind support is recorded at its fair value on the date of donation. However the voluntary services of devotees are not valued by the Organization as these services are not material.

6. LONG-TERM DEBT

As on December 31, 2015 total balance of \$ 523,682 long-term loans outstanding and payable to ECO-Vrindaban, Inc, availed for the following projects.

a) Term loan of \$ 62,476 availed for renovation, repayable as follows:

2016	\$ 18,000
2017	18,000
2018	18,000
2019	8,476
Total	\$ 62,476

b) New Apartments construction loan of \$ 655,000 of which utilized as on December 31, 2015 was \$ 100,000 and remaining balance will be utilized over a period of construction. The loan carries annual interest rate of 4.50 percentages on outstanding balance. Only interest will be accrued and paid after the completion of construction and the principle will be repaid over 29 years.

c) Royalty sharing loan of \$ 219,091 will be repaid back by 25% of the royalties of ISKCON Vrindaban on 117 net mineral acres after totally commenced.

d) ECO-V Bahulaban loan of \$ 142,115 repayable after 5 years.

ISKCON NEW VRINDABAN, INC
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7. RECENT ACCOUNTING PRONOUNCEMENT:

- i) In August 2014, the Financial Accounting Standards Board (“FASB”) issued amended guidance related to disclosure of uncertainties about an entity’s ability to continue as a going concern. The new guidance requires management to evaluate whether there is substantial doubt about the entity’s ability to continue as a going concern and, as necessary, to provide related footnote disclosures. The guidance has an effective date of December 31, 2016. The Organization believes that the adoption of this new standard will not have a material impact on its consolidated financial statements.

- ii) In January 2015, the Financial Accounting Standards Board, or FASB, issued Accounting Standard Update, or ASU, 2015-01-*Income Statement-Extraordinary and Unusual Items*, which seeks to simplify income statement presentation by eliminating the concept of Extraordinary Items. This Update eliminates from GAAP the concept of extraordinary items. Subtopic 225-20, *Income Statement—Extraordinary and Unusual Items*, required that an entity separately classify, present, and disclose extraordinary events and transactions. The amendments in this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. A reporting entity may apply the amendments prospectively. A reporting entity also may apply the amendments retrospectively to all prior periods presented in the financial statements. Early adoption is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption.

8. SUBSEQUENT EVENTS:

The Company has evaluated other 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 a significant effect on the financial statements as of December 31, 2015, except as otherwise disclosed.