

ISKCON NEW VRINDABAN INC

FINANCIAL STATEMENTS

DECEMBER 31, 2017

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ISKCON New Vrindaban Inc.

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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 nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year 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 ISKCON-NEW VRINDABAN INC as of December 31, 2017 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.

A handwritten signature in cursive script that reads "Ram Associates".

Ram Associates

Hamilton, NJ

September 14, 2018

ISKCON NEW VRINDABAN, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017

ASSETS

Current assets:

Cash and cash equivalents	\$	659,842
Other current assets		64,362
		724,204

Property and equipment-net		5,316,046
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Total Assets	\$	6,040,250
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LIABILITIES AND NET ASSETS

Current liabilities:

Accounts Payable	\$	11,015
Current portion of term loan		18,000
Other current liabilities		134,153
		163,168

Long-Term liabilities:

Term loan-net of current portion		1,135,312
		1,298,480

Net assets:

Unrestricted		4,316,424
Temporarily restricted		425,346
		4,741,770
Total Net assets		4,741,770
Total Liabilities and Net assets	\$	6,040,250

ISKCON NEW VRINDABAN, INC.
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
YEAR ENDED DECEMBER 31, 2017

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Puja services/general contributions	\$ 1,107,443	-	\$ 1,107,443
Interest income	401	-	401
Book sales	13,656	-	13,656
General donations-other non-profits	20,876	-	20,876
Rental income	583,192	-	583,192
Palace Gate-donations	151,177	-	151,177
Festival donations	72,490	-	72,490
Hundi donations	64,807	-	64,807
Restricted Donation	-	133,330	133,330
Food services	265,770	-	265,770
Others	668,089	-	668,089
Net assets released from restrictions	-	-	-
Support and revenue income	2,947,901	133,330	3,081,231
Prior period adjustments	-	-	-
Total support and revenue income	2,947,901	133,330	3,081,231
EXPENSES			
Program services:			
Charitable contributions	70,108	-	70,108
Puja, education and outreach expenses	60,334	-	60,334
Festival Expenses	147	-	147
Pilgrim Services	247,155	-	247,155
	<u>377,744</u>	<u>-</u>	<u>377,744</u>
Supporting Activities:			
General and administrative expenses	2,087,379	-	2,087,379
Fund-raising expenses	80,635	-	80,635
	<u>2,168,014</u>	<u>-</u>	<u>2,168,014</u>
Total expenses	<u>2,545,758</u>	<u>-</u>	<u>2,545,758</u>
Change in net assets before depreciation	<u>402,143</u>	<u>133,330</u>	<u>535,473</u>
Depreciation	<u>(318,382)</u>	<u>-</u>	<u>(318,382)</u>
CHANGE IN NET ASSETS	<u>83,761</u>	<u>133,330</u>	<u>217,091</u>
NET ASSETS AT BEGINNING OF THE YEAR	4,232,663	292,016	4,524,679
NET ASSETS AT END OF THE YEAR	<u>\$ 4,316,424</u>	<u>\$ 425,346</u>	<u>\$ 4,741,770</u>

- See accompanying notes and accountant's audit report-

ISKCON NEW VRINDABAN, INC.
STATEMENT OF CASH FLOWS

Year ended December 31, 2017

Cash flows from operating activities:	
Change in net assets	\$ 217,091
Adjustment to reconcile, change in net assets to net cash provided (used) by operating activities:	
Depreciation	318,382
Changes in operating assets and liabilities	
(Increase) / Decrease in other current assets	12,620
Increase / (Decrease) in accounts payable	11,015
Increase / (Decrease) in other liabilities	(84,616)
Total adjustments	257,401
Net cash provided by operating activities	474,492
Cash flows from investing activities:	
Purchase of fixed assets	(692,618)
Net cash used in investing activities	(692,618)
Cash flows from financing activities:	
Increase in Long term liability	461,743
Net cash provided by financing activities	461,743
Net (decrease) in cash and cash equivalents	243,617
Cash at the beginning of the year	416,224
Cash at the end of the year	\$ 659,841
Supplementary disclosure of cash flows information	
Cash paid during the year for	
Interest	\$ 19,782
Income taxes paid	-

- See accompanying notes and accountant's audit report-

ISKCON NEW VRINDABAN, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. ORGANIZATION

ISKCON NEW VRINDABAN, INC., (INV) is a West Virginia non-profit corporation. The organization is exempted 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 13th, 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 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
DECEMBER 31, 2017

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).

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.

SUPPORT AND REVENUE

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, 2017.

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.

ISKCON NEW VRINDABAN, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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

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, 2017, the Organization has deposits with financial institutions/banks that exceeded FDIC insurance limit.

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.

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
Equipment and vehicles	3-7 years

ISKCON NEW VRINDABAN, INC
NOTES TO FINANCIAL STATEMENTS
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Property and equipment consists of:

Non-depreciable assets:

Land	\$ 902,384
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Depreciable Assets:

Temple building	\$ 970,865
Old Vrindaban buildings	112,751
Visnu's Workshop	149,780
Other buildings, roads and parking lots	6,757,876
Sewage plant	209,640
Trucks and tractors	145,337
Autos and vans	28,060
Equipment and tools	251,615
Cows	47,700
Palace Gift shop	13,486
Gas Tank	13,364
Furniture and fixtures	78,480
Machinery and other equipment	222,456
Software	10,995
Palace Project	714,778
Lodge 9 rooms	210,291
Children playground	30,011
Building improvements	154,979
Land Mineral Rights	<u>40,000</u>
Total Depreciable Assets	10,162,464
Less: Accumulated depreciation	<u>(6,003,553)</u>
Net Assets	\$ 4,158,911

Assets under construction:

Yoga Platform	<u>254,751</u>
Total Net Fixed Assets	<u>\$ 5,316,046</u>

The depreciation expense for the year ended December 31, 2017 was \$318,382.

ISKCON NEW VRINDABAN, INC
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4. TEMPORARILY RESTRICTED NET ASSET

Internally the Board has temporarily restricted net assets of \$425,346 as below:

Special Projects (major improvements to old buildings)	\$170,595
Yoga Platform	254,751

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

The organization has received from ECO-Vrindaban Inc. total \$1,153,312 as long-term loan (including current portion) which is outstanding and payable to ECO-Vrindaban, Inc. The loan has been received for various projects currently undertaken by the organization and below is a summary of the various loans.

- a) Term Loan of \$27,976. Is an operational loan, repaid \$1500 per month.
- b) ISKCON New Vrindaban Apartment construction loan. Total loan sanctioned \$655,000, of which \$648,509 is utilized as on December 31, 2017 and remaining balance will be utilized over a period of construction. The loan carries annual interest rate of 4.50% on outstanding balance. 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 \$334,712. The loan carries no interest and has to 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 2019, accordingly the first repayment may happen from 2020. The payback of loan is based on 25% of the royalties received from royalties greater than 117 net mineral acres.

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

Loan repayment schedule for the above loan is as follows:

Year	Loan (a)	Loan (b)	Loan (c)	Loan (d)	Total	
2018	18,000	6,897	61,596	28,423	119,416	
2019	9,976	6,897	61,596	28,423	102,392	
2020	-	6,897	61,596	28,423	96,916	
2021	-	6,897	61,596	28,423	96,916	
2022 and thereafter	-	620,921	88,328	28,423	737,672	
		<u>\$27,976</u>	<u>\$648,509</u>	<u>\$334,712</u>	<u>\$142,115</u>	<u>\$1,153,312</u>

7. SUBSEQUENT EVENTS:

The Company has evaluated other subsequent events through September 14, 2018, the date which the financial statements were available to be issued. No reportable subsequent events have occurred through September 14, 2018 the issue date which would have a significant effect on the financial statements as of December 31, 2017 balance sheet date, except as otherwise disclosed.