

ISKCON of Washington, D. C., Inc.

Financial Statements

December 31, 2023

RAM ASSOCIATES, CPAs

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ISKCON of Washington DC Inc.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
of ISKCON of Washington DC Inc.

Opinion

We have audited the accompanying financial statements of ISKCON of Washington DC Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the years 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 of Washington DC Inc. as of December 31, 2023, 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 of Washington DC 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 of Washington DC 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 of Washington DC 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 of Washington DC 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

Ram Associates

Hamilton, NJ

October 21, 2024

ISKCON of Washington DC Inc.

Statement of Financial Position

December 31, 2023

ASSETS

Current assets:

Cash and cash equivalents	\$ 132,920
Reserve accounts	543,859
Other current assets	433,560
Total current assets	<u>1,110,339</u>

Land 1,200,000

Property and equipment-net 11,859,375

Other assets 86,361

Total Assets \$ 14,256,075

LIABILITIES AND NET ASSETS

Current liabilities:

Current maturity of term-loan	\$ 85,316
Other current liabilities	25,608
Total current liabilities	<u>110,924</u>

Long-term liabilities:

Term-loan, net of current maturity	5,218,741
Total current and long-term liabilities	<u>5,329,665</u>

Net assets:

Without donor restriction	8,926,410
Total net assets	<u>8,926,410</u>
Total Liabilities and Net Assets	<u><u>\$ 14,256,075</u></u>

ISKCON of Washington DC Inc.
Statement of Activities
For The Year Ended December 31, 2023

	Without donor restriction	With donor restriction	Total
Operating revenue			
General donations	\$ 3,670,847	\$ -	\$ 3,670,847
Book sales	31,506	-	31,506
Deity outfit	9,351	-	9,351
Festival donations	140,088	-	140,088
Unrestricted donations - General	6,042	-	6,042
Sunday school donations	1,755	-	1,755
Gift shop sales	2,206	-	2,206
Total operating revenue	3,861,795	-	3,861,795
Operating expenses			
Program services			-
Janmastami	31,568	-	31,568
Deity	65,785	-	65,785
Other festivals	18,860	-	18,860
Food for devotees	141,437	-	141,437
Other services	75,859	-	75,859
Total program services	333,509	-	333,509
Supporting services:			
General and administrative expenses	1,399,276	-	1,399,276
Total supporting services	1,399,276	-	1,399,276
Total operating expenses	1,732,785	-	1,732,785
Nonoperating activities			
Other income	9,942	-	9,942
Miscellaneous expenses	(580)	-	(580)
Interest expense	(255,497)	-	(255,497)
Total nonoperating activities	(246,135)	-	(246,135)
Change in net assets before depreciation	1,882,875	-	1,882,875
Depreciation	(253,544)	-	(253,544)
Change in net assets	1,629,331	-	1,629,331
Net assets at beginning of the year	7,297,079	-	7,297,079
Net assets at end of the year	\$ 8,926,410	\$ -	\$ 8,926,410

- See accompanying notes to financial statements-

ISKCON of Washington DC Inc.
Statement of Functional Expenses
For The Year Ended December 31, 2023

	Program services					Support services			Grand total	
	Janmastami	Deity	Other festivals	Food for devotees	Other services	Total program expenses	Management and General	Fundraising		Total support service expenses
Advertising expenses	\$ 112	\$ -	\$ -	\$ -	\$ -	\$ 112	\$ 870		\$ 870	\$ 982
Artist fee	-	-	150	-	-	150	130		130	280
Automobile expense	-	-	-	-	-	-	6,049		6,049	6,049
Ashburn expenses	-	-	6,042	-	-	6,042	-		-	6,042
Bank charges	-	-	-	-	-	-	5,139		5,139	5,139
Building repairs and improvemer	-	-	-	-	-	-	7,300		7,300	7,300
Catering expenses	-	-	-	43,733	-	43,733	-		-	43,733
Cleaning services	1,590	-	-	-	-	1,590	4,080		4,080	5,670
Cow maintenance	-	-	-	-	3,329	3,329	-		-	3,329
Deity outfits	-	25,750	-	-	-	25,750	-		-	25,750
Deity supplies	83	10,413	192	-	-	10,688	398		398	11,086
Education expenses	-	-	-	-	-	-	615		615	615
Equipment / furniture expenses	-	-	-	-	-	-	783,929		783,929	783,929
Festivals	3,590	-	-	-	-	3,590	-		-	3,590
Food and service expenses	4,642	-	728	91,654	-	97,024	-		-	97,024
Freight	-	-	-	-	-	-	5,834		5,834	5,834
Flowers	1,716	27,708	1,865	-	1,838	33,127	-		-	33,127
Fundraising	-	-	-	-	-	-	-	28,233	28,233	28,233
The governing body committee fe	-	-	-	-	-	-	9,715		9,715	9,715
General expenses	3,466	86	2,779	-	-	6,331	21,886		21,886	28,217
Inventory	-	-	-	-	-	-	42,056		42,056	42,056
Insurance expenses	-	-	-	-	-	-	20,577		20,577	20,577
Kalashes	5,792	-	-	-	-	5,792	-		-	5,792
Kitchen expenses	34	-	-	6,050	-	6,084	-		-	6,084

- See accompanying notes to financial statements-

ISKCON of Washington DC Inc.
Statement of Functional Expenses
For The Year Ended December 31, 2023

	Program services					Support services			Grand total	
	Janmastami	Deity	Other festivals	Food for devotees	Other services	Total program expenses	Management and General	Fundraising		Total support service expenses
Lawn and garden expenses	-	-	-	-	-	-	8,324		8,324	8,324
Living expenses	-	-	-	-	-	-	499		499	499
Legal expenses	-	-	-	-	-	-	4,418		4,418	4,418
Loan fee	-	-	-	-	-	-	43,120		43,120	43,120
License and permits	-	-	-	-	-	-	3,646		3,646	3,646
Office expenses	69	-	159	-	-	228	4,713		4,713	4,941
Paypal fee	48	-	45	-	-	93	2,500		2,500	2,593
Payroll expenses	-	-	-	-	-	-	228,181		228,181	228,181
Parking expenses	960	-	480	-	-	1,440	33		33	1,473
Printing expenses	555	-	-	-	-	555	6,771		6,771	7,326
Postage and delivery expenses	733	1,693	-	-	-	2,426	2,474		2,474	4,900
Property tax	-	-	-	-	-	-	3,934		3,934	3,934
Rent expense	8,178	-	3,887	-	-	12,065	9,338		9,338	21,403
Repair and maintenance	-	112	-	-	-	112	16,607		16,607	16,719
Registration	-	-	-	-	-	-	162		162	162
School expenses	-	-	914	-	-	914	499		499	1,413
Supplies	-	-	-	-	-	-	104		104	104
Special Events expenses	-	-	-	-	70,692	70,692	-		-	70,692
Subscriptions	-	-	-	-	-	-	2,318		2,318	2,318
Travel expenses	-	-	-	-	-	-	2,190		2,190	2,190
Telephone expenses	-	-	-	-	-	-	4,077		4,077	4,077
Temple room expenses	-	-	-	-	-	-	1,667		1,667	1,667
Tolls	-	-	-	-	-	-	836		836	836
Utilities	-	-	-	-	-	-	79,664		79,664	79,664
Professional fee	-	-	-	-	-	-	5,000		5,000	5,000
Other expenses	-	23	1,619	-	-	1,642	31,390		31,390	33,032
Total Expenses	\$ 31,568	\$65,785	\$18,860	\$ 141,437	\$ 75,859	\$ 333,509	\$ 1,371,043	\$ 28,233	\$1,399,276	\$ 1,732,785

- See accompanying notes to financial statements-

ISKCON of Washington DC Inc.

Statement of Cash Flows

For The Year Ended December 31, 2023

Cash flows from operating activities:	
Change in net assets	\$ 1,629,331
Adjustment to reconcile, change in net assets to net cash provided by operating activities:	
Depreciation	253,544
Changes in operating assets and liabilities	
(Increase) / Decrease in certificate of deposits	(543,859)
(Increase) / Decrease in other current assets	89,007
Increase / (Decrease) in other current liabilities	15,197
Total adjustments	<u>(186,111)</u>
Net cash provided by operating activities	<u>1,443,220</u>
Cash flows from investing activities:	
Purchase of property and equipment-net	<u>(6,702,491)</u>
Net cash used in investing activities	<u>(6,702,491)</u>
Cash flows from financing activities:	
Increase in term - loan	<u>4,072,332</u>
Net cash provided by financing activities	<u>4,072,332</u>
Net decrease in cash and cash equivalents	(1,186,939)
Cash and cash equivalents at the beginning of the year	<u>1,319,859</u>
Cash and cash equivalents at the end of the year	<u>\$ 132,920</u>
Supplementary disclosure of cash flows information:	
Cash paid during the year for	
Interest	\$ 255,497

ISKCON of Washington DC Inc

Notes to Financial Statements

December 31, 2023

1) ORGANIZATION

ISKCON of Washington DC Inc., a Washington DC non-profit corporation, (the Organization) was incorporated in 1973. The Organization is exempt from income tax under section 501(c)(3) of the Internal Revenue Code. ISKCON of Washington DC Inc, was formed for the purpose of organizing, operating, and maintaining a place of worship and for the mutual and spiritual benefit of its members, as it may be constituted from time to time.

GENERAL ACTIVITIES:

Worship

Planning and conducting activities of worship and providing service to its 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, food service to pilgrims, visitors, and operates a gift shop for the benefit of its members.

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

Net assets are classified based on the existence or absence of donor-imposed restriction. 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 donor-imposed restrictions have expired.

ISKCON of Washington DC Inc

Notes to Financial Statements

December 31, 2023

- 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. Donor restricted endowments consist primarily of the historical dollar value of contributions to donor-restricted endowments funds.

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 statement of activities. Gains and losses on investment are reported as an increase or decrease in net assets without donor restrictions unless their use is restricted by donors or by law.

b) 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 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) 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.

ISKCON of Washington DC Inc

Notes to Financial Statements

December 31, 2023

d) Donated Services

A substantial number of individuals have volunteered significant amount 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.

e) Functional Expenses

Functional Expenses are broadly classified and recorded as expenses relating to program services and supporting services. 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. Program services include several festivals and other specific programs organized by the entity and these expenses are accounted for as program service expenses. Supporting services expenses include management and administrative expenses and fund-raising expenses. For the year ended December 31, 2023, the total program services expenses and support service expenses were \$333,510 and \$1,398,276 respectively.

f) Allowance for Credit Losses

The Organization calculates allowance for expected credit losses on its financial assets valued at cost. Expected credit losses include losses expected based on known credit issues with specific accounts, as well as a general expected credit loss allowance based on relevant information, including historical loss rates, current conditions, and reasonable economic forecasts that affect collectability. The Organization updates its allowance for credit losses on a periodic basis with changes in the allowance recognized in income from operations. Allowance for credit losses for the year ending December 31, 2023, was \$Nil.

g) Cash and Cash Equivalents

The Organization considers all highly liquid investments (including money market funds) with an original maturity at acquisition of three months or less to be cash equivalents.

h) Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. U.S. GAAP requires the Organization to disclose the fair value of each of its assets

ISKCON of Washington DC Inc

Notes to Financial Statements

December 31, 2023

and liabilities based on the level of observable inputs. The three levels of the fair value hierarchy are as follow:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date or published net asset value for alternative investments with characteristics similar to a mutual fund.
- 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 falls, in its entirety, is based on the lowest level input that is significant to the fair value measurement.

i) 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 use assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are often based on judgments, probabilities, and assumptions that management believes are reasonable but that they are inherently uncertain and unpredictable. As a result, the actual result could differ from those estimates.

Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustment, if any, to the estimates used are made prospectively based on such periodic evaluations.

j) Advertising Costs

The Organization expenses advertising and promotional costs as and when incurred. Advertising and promotional expenses for the year ended December 31, 2023, were \$981.

k) Tax Status

Effective September 29, 1994, the Internal Revenue Service determined that, pursuant to Section 501(c) (3) of the Internal Revenue Code (the Code), ISKCON of Washington DC

ISKCON of Washington DC Inc

Notes to Financial Statements

December 31, 2023

Inc. is exempt from federal income taxes and is a publicly supported organization, as defined in Section 509(a)(1) of the Code. As a not-for-profit organization, ISKCON of Washington DC Inc. is also exempt from state and local income taxes.

The Organization follows the guidance of Accounting Standard Codification 740, Income Taxes, related to uncertainties in income taxes, which prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return.

L) Property And Equipment

Property, plant and equipment valued at \$1,000 or greater are recorded at cost if purchased or at fair value on the date of contribution. Depreciation and amortization are computed on a straight-line basis over their estimated useful lives of the respective assets. Capitalizable costs incurred in connection with ongoing capital projects are recorded as construction in progress. These costs will be reclassified into categories and depreciated once placed in service.

	<u>Estimated Useful Life</u>
Building	40 years
Parsonage	5 years
Building Improvements	20 years
Furniture, pianos, and organ	7 years
Equipment and vehicles	3-7 years

3) CREDIT AND BUSINESS CONCENTRATION

The Organization financial instruments that are exposed to the concentration of credit risks consist primarily of cash. The Organization maintains its cash in bank accounts, which at times exceed the federally insured limit of \$250,000. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to significant credit risk in cash. As of December 31, 2023, the uninsured portion of cash balance was \$ 344,240.

4) PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2023, as follows:

Non-depreciable assets:

Land	\$ 1,200,000
Total Land	<u>\$ 1,200,000</u>

Depreciable Assets:

ISKCON of Washington DC Inc
Notes to Financial Statements
December 31, 2023

Work in progress	\$ 11,859,375
Kitchen Equipment	77,626
Leasehold improvements	169,827
Leasehold improvements-Kitchen Hood	43,768
Total Depreciable Assets	12,150,596
Less: Accumulated depreciation	(291,221)
Property and equipment, net	\$ 11,859,375

The depreciation expense for the year ended December 31, 2023, was \$253,544.

5) LONG-TERM DEBT

On March 14, 2022, the Organization was approved to receive a commercial construction/permanent mortgage loan in the maximum principal amount of \$7,500,000 from Mainstreet bank for constructing the temple building. The outstanding loan balance as of December 31, 2023, was \$5,304,057 with an interest rate of 9.5 percent. Interest expenses for the year ended December 31, 2023, were \$255,497.

Covenants - The loan is subject to the Organization meeting the affirmative and negative covenants set forth in the loan agreement.

Limited Guarantors - Collectively, some of the members and devotees have given limited guarantee up to \$2,700,000 of the principal amount of the loan.

Financial Reporting - The Borrower and primary limited guarantors shall provide updated financial information to the Lender from time to time during the term of the Loan, as reasonably requested by the Lender, including but not limited to the following:

- Financial Statements for Borrower.
- Financial Statements for Primary Limited Guarantors.
- Tax Returns for Borrower.
- Tax Returns for Primary Limited Guarantors.
- Additional Financial Information.

Conversion to Permanent Loan - The Note contains provisions to permit the unpaid principal balance of the Loan, outstanding as of the Conversion Date, to be converted to a permanent mortgage loan on the Conversion Date. The Borrower agrees to execute any additional documentation as may be reasonably required by the Lender in order to affect such conversion to permanent financing. Notwithstanding anything contained in the Note to the contrary, the Lender shall not be required to convert the Loan to a permanent loan if any of the following conditions have not been satisfied, as determined by the Lender:

ISKCON of Washington DC Inc

Notes to Financial Statements

December 31, 2023

- No uncured Event of Default shall then exist under the Note or any of the Loan Documents.
- The construction of the Improvements shall have been substantially completed, free of any claims for unpaid mechanic's or materialmen lines, on or before the Completion Date.
- The Borrower shall be the owner of the simple fee title to the Mortgaged Property.
- The unpaid principal balance of the Loan, as of the date of conversion to a permanent loan, shall not exceed 60% of the "as completed" appraised fair market value of the Mortgaged Property.

The following is the repayment summary for the next five years as of December 31, 2023:

Year	Amount
2024	\$ 85,316
2025	179,992
2026	193,234
2027	207,451
2028	222,713
2029 and thereafter	4,415,351
Total	\$ 5,304,057
Less-current portion	85,316
Long-term portion	\$ 5,218,741

6) RESERVE ACCOUNTS

Interest and Payment Reserve Account

On or prior to the date of the closing of the loan, the Organization shall deposit with the lender the cash amount of \$542,000 to fund a restricted account with the lender for payment of principle and interest on the loan when due (the "Interest and Payment Reserve Account").

As of December 31, 2023, the balances in these accounts were as follows:

Interest Reserve Account	\$ 283,859
Payment Reserve Account	<u>\$ 260,000</u>
Total reserve accounts balance	<u>\$ 543,859</u>

ISKCON of Washington DC Inc
Notes to Financial Statements
December 31, 2023

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 over a relatively short period of time to fund programs, and operating cash, which includes gifts without donor restrictions and which restriction of funds for operating needs. Per the policy, 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.

For the purpose of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of all services in the U.S as well as the conduct activities to support those service operations to be general expenditures. In addition to the financial assets available to meet general expenditure over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient funds to cover general expenditures not covered by donor restricted resources.

Financial assets for general expenditure available within one year from December 31, 2023, are as follows:

Cash and cash equivalents	\$ <u>676,779</u>
Total	\$ <u>676,779</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 of Washington DC Inc

Notes to Financial Statements

December 31, 2023

10) NEW ACCOUNTING PRONOUNCEMENTS

i) During 2019 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, the 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 ending December 31, 2023.

The FASB issued ASU No. 2019-08, 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, 2023. The adoption of this standard did not have any material impact on the financial statements of the Company.

ii) Accounting Standards Update No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (Credit Losses) - The amendment in this ASU affects entities holding financial assets and net investment in leases that are not accounted for at fair value through net income. The amendments affect loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The amendments in this update affect an entity to varying degrees depending on the credit quality of the assets held by the entity, their duration, and how the entity applies current GAAP. Accounting Standards Update 2019-10 amends the mandatory effective dates for implementation of accounting for Credit Losses for all entities as follows:

Public business entities that meet the definition of a Securities and Exchange Commission (SEC) filer, excluding entities eligible to be smaller reporting companies as defined by the SEC, for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. All other entities for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early application continues to be allowed. Adoption of this standard did not have any material impact on the financial statements of the Organization.

ISKCON of Washington DC Inc
Notes to Financial Statements
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11) SUBSEQUENT EVENTS

For the year ended December 31, 2023, the Organization has evaluated subsequent events for potential recognition and disclosure through October 21, 2024, the date on which the financial statements were available for issuance. No reportable subsequent events have occurred through October 21, 2024, which would have a significant effect on the financial statements as of December 31, 2023, except as otherwise disclosed.