

**INTERNATIONAL SOCIETY FOR KRISHNA  
CONSCIOUSNESS OF WASHINGTON**

Reviewed Financial Statements  
December 31, 2022 and 2021

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of  
International Society for Krishna Consciousness  
of Washington  
Sammamish, Washington

We have reviewed the accompanying financial statements of International Society for Krishna Consciousness of Washington (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of International Society for Krishna Consciousness of Washington and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Greenwood Ohlund*

Seattle, Washington  
March 26, 2024

**INTERNATIONAL SOCIETY FOR KRISHNA CONSCIOUSNESS OF WASHINGTON**

STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

ASSETS	2022	2021
Current Assets		
Cash and cash equivalents	\$ 1,756,994	\$ 1,730,091
Investments	181,458	204,062
Prepaid expenses and other assets	10,000	16,000
Total current assets	1,948,452	1,950,153
Property and Equipment, net	9,437,786	9,118,628
Total assets	<u>\$ 11,386,238</u>	<u>\$ 11,068,781</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 340,472	\$ 45,904
Notes payable, current portion	2,908,379	350,306
Total current liabilities	3,248,851	396,210
Notes Payable, less current portion	146,355	3,346,405
Total liabilities	3,395,206	3,742,615
Net Assets without Donor Restrictions	7,991,032	7,326,166
Total liabilities and net assets	<u>\$ 11,386,238</u>	<u>\$ 11,068,781</u>

*See accompanying notes and independent accountant's review report.*

# INTERNATIONAL SOCIETY FOR KRISHNA CONSCIOUSNESS OF WASHINGTON

## STATEMENTS OF ACTIVITIES For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Public Support and Revenue		
Contributions	\$ 1,731,417	\$ 1,356,596
In-kind contributions	150,000	150,000
Investment return	(20,969)	6,405
Gain on sale of property and equipment	406,763	-
Other	5,166	10,775
	<u>2,272,377</u>	<u>1,523,776</u>
Total public support and revenue	2,272,377	1,523,776
Expenses		
Program services	1,372,718	931,843
Management and general	234,793	207,561
	<u>1,607,511</u>	<u>1,139,404</u>
Total expenses	1,607,511	1,139,404
<b>Change in net assets</b>	<b>664,866</b>	<b>384,372</b>
Net Assets without Donor Restrictions, beginning of year	<u>7,326,166</u>	<u>6,941,794</u>
Net Assets without Donor Restrictions, end of year	<u>\$ 7,991,032</u>	<u>\$ 7,326,166</u>

*See accompanying notes and independent accountant's review report.*

**INTERNATIONAL SOCIETY FOR KRISHNA CONSCIOUSNESS OF WASHINGTON**

STATEMENTS OF FUNCTIONAL EXPENSES  
For the Years Ended December 31, 2022 and 2021

	2022			2021		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Programs and events	\$ 609,332	\$ -	\$ 609,332	\$ 273,172	\$ -	\$ 273,172
Supplies	238,134	-	238,134	14,118	3,074	17,192
Salaries and taxes	175,315	30,000	205,315	204,710	30,000	234,710
Occupancy	43,639	86,831	130,470	73,505	39,703	113,208
Interest	106,645	-	106,645	132,724	-	132,724
Depreciation	65,623	21,874	87,497	166,142	41,536	207,678
Maintenance and repair	77,695	-	77,695	40,926	3,604	44,530
Miscellaneous	12,826	32,255	45,081	3,653	20,919	24,572
Taxes and bank charges	-	44,420	44,420	-	32,614	32,614
Insurance	21,523	-	21,523	19,492	-	19,492
Professional services	-	19,413	19,413	-	36,111	36,111
Dues and subscriptions	11,984	-	11,984	1,784	-	1,784
Travel	5,706	-	5,706	345	-	345
Contract services	3,298	-	3,298	1,000	-	1,000
Telephone and internet	998	-	998	272	-	272
	<u>\$ 1,372,718</u>	<u>\$ 234,793</u>	<u>\$ 1,607,511</u>	<u>\$ 931,843</u>	<u>\$ 207,561</u>	<u>\$ 1,139,404</u>

*See accompanying notes and independent accountant's review report.*

# INTERNATIONAL SOCIETY FOR KRISHNA CONSCIOUSNESS OF WASHINGTON

## STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Change in net assets	\$ 664,866	\$ 384,372
Adjustments to reconcile change in net assets to net cash flows from operations:		
Realized and unrealized loss (gain) on investments	21,839	(5,612)
Gain on sale of property and equipment	(406,763)	-
Depreciation	87,497	207,678
Change in operating assets and liabilities:		
Prepaid expenses and other assets	6,000	14,000
Accounts payable	9,152	9,536
Tenant security deposit	-	(10,775)
	382,591	599,199
Net cash flows from operating activities	382,591	599,199
Cash Flows from Investing Activities		
Proceeds from sale of property and equipment	1,190,000	-
Purchases of investments	765	(31,517)
Purchases of property and equipment	(904,476)	(210,205)
	286,289	(241,722)
Net cash flows from investing activities	286,289	(241,722)
Cash Flows from Financing Activities		
Issuance of note payable	-	150,000
Payment of notes payable	(641,977)	(261,748)
	(641,977)	(111,748)
Net cash flows from financing activities	(641,977)	(111,748)
<b>Net change in cash and cash equivalents</b>	<b>26,903</b>	<b>245,729</b>
Cash and Cash Equivalents, beginning of the year	1,730,091	1,484,362
Cash and Cash Equivalents, end of the year	\$ 1,756,994	\$ 1,730,091
Supplemental Disclosure of Cash Flow Information		
Purchases of property and equipment included in accounts payable	\$ 285,416	\$ -
Interest paid on a cash basis	\$ 109,352	\$ 132,724

*See accompanying notes and independent accountant's review report.*

# INTERNATIONAL SOCIETY FOR KRISHNA CONSCIOUSNESS OF WASHINGTON

## NOTES TO FINANCIAL STATEMENTS

### **Note 1 – Organization and Summary of Significant Accounting Policies**

#### *Organization*

International Society for Krishna Consciousness of Washington (the Society) is a Washington nonprofit corporation established in 1971 to educate all peoples in the techniques of spiritual life in order to check the imbalance of values in life and to achieve real unity and peace in the world. The Society seeks to propagate a consciousness of Krishna as it is revealed in the Bhagavad-Gita As It Is, Srimad Bhagavatam, and other authentic Vedic literature. The Society operates the Vedic Cultural Center (the Center) in Sammamish, Washington, which provides facilities for the greater Seattle community to participate in cultural events, seminars, exhibits, and festivals that help preserve and promote the traditional Vedic arts, cuisine, music, dance, drama, literature, and languages. Over 500 people attend services and events at the Center weekly, and the festivals attract between 5,000 and 25,000 individuals. In addition to religious services, the Center also provides meals on wheels to seniors, provides programs for teens, and distributes free food at the Center for anyone in need.

The Society's primary source of revenue is contributions from individuals.

#### *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 certain reported amounts and disclosures. Actual results could differ from the estimated amounts.

#### *Financial Statement Presentation*

The Society reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets (the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions with donor restrictions are reported as increases in net assets without donor restrictions if the restrictions are met within the same reporting period in which the contributions are recognized. There were no net assets with donor restrictions at December 31, 2022 or 2021.

#### *Cash and Cash Equivalents*

For purposes of the statements of cash flows, the Society considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Society may at times hold cash and cash equivalents in excess of federally insured limits.

Certain cash and cash equivalents are sometimes comingled with investments and are therefore classified as investments (see below).



# INTERNATIONAL SOCIETY FOR KRISHNA CONSCIOUSNESS OF WASHINGTON

## NOTES TO FINANCIAL STATEMENTS

### *Fair Value Measurements*

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels that prioritize the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

### *Investments*

The Society accounts for investments at fair value using Level 1 inputs (in this case, quoted prices in active markets). Realized and unrealized gains and losses are included in the change in net assets.

Investments consist of the following at December 31:

	2022	2021
Money market funds	\$ 141,118	\$ 139,139
Common stock	40,340	64,923
	<u>\$ 181,458</u>	<u>\$ 204,062</u>

Investment return is reported on the statements of activities and consists of interest and dividend income and realized and unrealized gains and losses, less external investment expenses.

### *Property and Equipment*

The Society capitalizes all assets with an estimated service life that exceeds one year and with a cost greater than \$2,500. Assets are valued at cost, if purchased, or at fair value at the date of donation, if contributed. Depreciation of fixed assets is provided over the estimated service lives of the respective assets on the straight-line basis. Service lives range between 5 and 40 years. The cost of maintenance and repairs is charged to expense as incurred.

# INTERNATIONAL SOCIETY FOR KRISHNA CONSCIOUSNESS OF WASHINGTON

## NOTES TO FINANCIAL STATEMENTS

### *Support and Revenue*

Contribution revenue is recognized when an unconditional pledge is made. The Society does not consider pledges from its congregation to be unconditional since there is high uncertainty regarding collectibility, as individuals may leave the congregation at any time or not pay at all. Therefore, the Society does not recognize revenue for these types of pledges until cash or other assets are received.

### *Donated Goods and Services*

A substantial number of volunteers, including the members of the Board of Directors, have made significant contributions of time to the Society. The value of this contributed time does not meet the criteria for recognition under current accounting standards and, accordingly, is not reflected in the accompanying financial statements.

Additionally, the Society receives contributions of management and accounting-related services. Donated professional services totaled \$150,000 for each of the years ended December 31, 2022 and 2021, and are shown as in-kind contributions in the statements of activities based on the fair value of the services received.

### *Functional Allocation of Expenses*

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Depreciation, occupancy, and repairs and maintenance are allocated based on square footage of the Society's property. All other expenses that are attributed to more than one program or supporting function are allocated based on estimates of time and effort.

### *Fundraising Costs*

The Society does not maintain accounts for its fundraising costs nor for that portion of activities with a fundraising component. In management's opinion, such costs are not material to the financial statements.

### *Income Taxes*

The Society is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Society qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1). The Society is subject to tax on unrelated debt-financed rental income.

### *Subsequent Events*

The Society has evaluated subsequent events through the date these financial statements were available to be issued, which was March 26, 2024.

# INTERNATIONAL SOCIETY FOR KRISHNA CONSCIOUSNESS OF WASHINGTON

## NOTES TO FINANCIAL STATEMENTS

### Note 2 – Liquidity and Availability of Resources

The Society strives to maintain liquid assets sufficient to cover 90 days of general expenditures. All investments are available for liquidation to meet upcoming cash needs.

The following table reflects the Society's financial assets as of December 31, 2022 and 2021, available to meet general expenditures within one year of the statement of financial position date.

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,756,994	\$ 1,730,091
Investments	<u>181,458</u>	<u>204,062</u>
	<u>\$ 1,938,452</u>	<u>\$ 1,934,153</u>

### Note 3 – Property and Equipment

Property and equipment consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Computers	\$ 8,930	\$ 8,930
Furniture and equipment	448,445	405,974
Buildings	<u>7,319,456</u>	<u>7,479,122</u>
	7,776,831	7,894,026
Less: Accumulated depreciation	<u>(2,366,428)</u>	<u>(2,317,488)</u>
	5,410,403	5,576,538
Buildings – Construction in progress	1,322,783	298,019
Land	<u>2,704,600</u>	<u>3,244,071</u>
	<u>\$ 9,437,786</u>	<u>\$ 9,118,628</u>

Construction in progress at December 31, 2022, consists of various renovations. While the projects are ongoing, there are no material construction commitments outstanding at December 31, 2022.

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**INTERNATIONAL SOCIETY FOR KRISHNA CONSCIOUSNESS OF WASHINGTON**

NOTES TO FINANCIAL STATEMENTS

**Note 4 – Notes Payable**

The Society has the following notes payable at December 31:

	<u>2022</u>	<u>2021</u>
Loan payable to a bank, secured by the property purchased (with a carrying value of \$5,961,526 at December 31, 2022) and assignment of rents. The loan bears interest at a fixed rate of 3.79% with monthly principal and interest payments of \$19,279 through maturity of August 28, 2023 (paid in full at maturity).	\$ 2,704,734	\$ 2,830,763
Unsecured loan payable to an individual. No interest or principal payments were due until the maturity date of August 21, 2015. The loan bore interest at a fixed rate of 3% until the maturity date. After the maturity date, the loan bore interest at a fixed rate of 5% through December 31, 2015, and 0% thereafter. The loan balance is still outstanding as of December 31, 2023. The Society expects to pay off the loan balance in full in 2024 unless the balance is forgiven by the lender.	200,000	200,000
Loan payable to the Small Business Administration under the Economic Injury Disaster Loan program, secured by generally all assets. Monthly principal and interest payments of \$641 are due beginning in 2022 (all repayments in 2022 were applied to accrued interest) through maturity of August 5, 2051. Interest is fixed at 2.75%.	150,000	150,000
Loan paid in full in 2022.	-	515,948
	<u>3,054,734</u>	<u>3,696,711</u>
Less: current portion	<u>(2,908,379)</u>	<u>(350,306)</u>
	<u>\$ 146,355</u>	<u>\$ 3,346,405</u>

# INTERNATIONAL SOCIETY FOR KRISHNA CONSCIOUSNESS OF WASHINGTON

## NOTES TO FINANCIAL STATEMENTS

Future minimum principal payments on the Society's notes payable are as follows the years ending December 31:

2023	\$	2,908,379
2024		3,746
2025		3,851
2026		3,958
2027		4,068
Thereafter		<u>130,732</u>
	\$	<u>3,054,734</u>

### **Note 5 – Subsequent Debt Issuance**

In August 2023, the Society issued a note payable totaling \$500,000 to a Washington State nonprofit organization. The loan does not bear interest and is due in five equal \$100,000 annual installments beginning August 2024.