

**ISKCON of ILLINOIS, INC.
1716 W Lunt Avenue
Chicago IL, 60626**

INDEPENDENT AUDITOR'S REPORT

For the Period January 1, 2019, to December 31, 2019

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Sharma, Marcus & Associates LLC

CERTIFIED PUBLIC ACCOUNTANTS

Active CPA Licenses:
NJ License # 20CC04160500
OH License # 41793

3989 US Highway 1
Monmouth Junction, NJ 08852
P (732) 821-8614 F (866) 311-0010
mytaxes@sharmamarcuscpas.com

INDEPENDENT AUDITOR'S REPORT

**Board of Trustees, Directors & Officers
ISKCON OF ILLINOIS, INC.
1716 W Lunt Avenue\
Chicago IL, 60626**

Report on the Financial Statements

We have audited the accompanying financial statements of ISKCON OF ILLINOIS, INC. which comprise the balance sheet as of December 31, 2019 the related statements of income, changes in Equity for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

The Board and Management are 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 OF ILLINOIS, INC., as of December 31, 2019, and the results of its operations for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Krishan Sharma, CPA
For Sharma, Marcus & Associates LLC
Certified Public Accountants
3989 US Highway 1
Monmouth Junction, NJ 08852
January 5, 2023

ISKCON OF ILLINOIS, INC.
Financial Highlights for 2019

Equity	\$1,473,431
Net Cash from Operations for 2019	(\$58,537)
Total Equity	\$1,414,894

	12/31/2019
Total Assets	\$1,419,245

ISKCON OF ILLINOIS, INC.
STATEMENT OF REVENUE AND EXPENSES
For the Period January 1 to December 31, 2019

	Jan-Dec <u>2019</u>
REVENUE	
Books And Gifts Sale Revenue	105,033
Festivals	162,088
Bhakti Vedanta School	5,901
Temple & Property	94,193
Donations	216,932
Catering & Krishna Lunch	247,989
Seminars & Outreach	7,789
Monthly Pledge	2,611
Other Misc. Income	35,888
TOTAL REVENUE	<u>\$878,425</u>
 EXPENSES	
General & Administrative	69,450
Operational & Special Funding Expense	147,539
Krishna Lunch	64,535
Kitchen Supplies & Related Expenses	151,166
Books & Gift Store	86,221
Festivals	80,874
External Seminars & Outreach	59,090
Vehicle Expenses	20,223
Deity Seva Expenses	79,917
Devotee Care	51,786
Depreciation	37,911
Temple & Townhouse Expenses	47,574
Financial Expenses	40,675
TOTAL EXPENSES	<u>\$936,962</u>
 Net Income/(Loss)	 <u><u>(\$58,537)</u></u>

ISKCON OF ILLINOIS, INC.

Balance Sheet December 31, 2019

	<u>12/31/2019</u>
ASSETS	
<u>Current Assets</u>	
Accounts Receivables, Cash & Cash Equivalent	671,236
Other Current Assets	0
TOTAL CURRENT ASSETS	<u>\$671,236</u>
<u>Fixed Assets</u>	
Real Estate	571,509
Vehicles	0
TOTAL FIXED ASSETS	<u>\$571,509</u>
OTHER ASSETS	\$176,500
TOTAL ASSETS	<u><u>\$1,419,245</u></u>
LIABILITIES & EQUITY	
<u>Liabilities</u>	
Accounts Payable and Current Liabilities	4,352
TOTAL CURRENT LIABILITIES	<u>\$4,352</u>
Long Term Liabilities	0
TOTAL LONG-TERM LIABILITIES	<u>0</u>
TOTAL LIABILITIES	<u>\$4,352</u>
TOTAL EQUITY	\$1,414,894
TOTAL LIABILITIES & EQUITY	<u><u>\$1,419,245</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

1. Organization:

THE INTERNATIONAL SOCIETY FOR KRISHNA CONSCIOUSNESS OF ILLINOIS, INC. is Domestic Corporation incorporated as a non-profit organization on March 20th, 1979 and the certificate was issued on June 22nd, 2020 in good standing as a Domestic Corporation in the State of Illinois.

2. Nature of Activities:

ISKCON OF ILLINOIS, INC is a religious organization engaged in meditation and prayer activities for the worship of Lord Krishna.

3. Basis of Accounting:

The Organization recognizes income on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

4. Audit Document and Supporting Documents:

There were some lapses in maintaining proper audit documentation and supporting evidence and this primarily consisted of receipt documents, matching invoices, lack of approvals etc. These were not very frequent compared to the overall transactions in the year through alternate measures and to the extent possible we determined that these lapses were unintentional and there was no misuse. This situation greatly improved in CY 2021 while we came across very few lapses. The management has been advised to implement strict internal controls so that these errors don't take place any more.

5. Management:

The temple affairs were managed by its President, Mrs. Hema Lolla / (Hemangi devi dasi).

6. Revenue Recognition:

The revenue is recognized consistent with the accrual basis of accounting.

7. Credit & Deposit Risk:

The Policies and decisions regarding the deposit and stewardship of funds are determine and formulated by management.

8. Property, Plant, Equipment and Intangible Assets:

No intangible property i.e. goodwill is recorded. Property, Plant and Equipment are primary; Temple has acquired some properties like buildings, parking lot, 4 townhouses and vehicles.

Description of Property	Dt Placed in Service	Cost of the Property	Recovery Period	Depreciation
1716 W. Lunt Ave	11/01/1978	500,000	31.5	0
Parking lot	10/01/1999	180,000	39.0	4,615
Townhouse-1722 W	01/01/1988	78,000	31.5	2,000
Townhouse-6950 N	10/01/2008	215,648	39.0	5,529

Townhouse-2005 W	02/01/2011	212,635	39.0	5,452
Townhouse-3135 S	03/01/2013	185,000	39.0	4,743
Toyota Sienna	12/28/2018	33,098	5.0	0
Toyota Prius	01/01/2019	8,122	5.0	8,122
Toyota Prius	01/01/2019	7,450	5.0	7,450
Ford Van	01/01/2018	3,096	5.0	0
Ford 250	01/01/2010	12,370	5.0	0

9. Depreciation and Amortization:

IRS Code applicable to tangible and intangible assets are implemented for the accounting of all assets.

Property and vehicles are stated at cost. Depreciation is calculated for financial statement purposes using the straight-line method based on the property's estimated life. Additions and improvements that add materially to productive capacity or extend the life of an asset are capitalized. Normal repairs and maintenance are charged against income. When facilities are retired or sold, their cost and accumulated depreciation are removed from the accounts and related gains or losses are included in income. In case of trade items, any remaining book value increases the basis of the new acquisitions. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. The estimated lives used in determining depreciation are:

Buildings and improvements:	31 to 39 Years
Automobiles:	0 to 5 years

10. Cash and Cash Equivalent & Cash Flow from Financing Activities:

Acquisition of Funds for the financing of ISKCON OF ILLINOIS, INC. Shares were primarily from Shareholders. The company considers all highly liquid investments with maturity of three months or less to be cash equivalents for purpose of considering cash flows. The company maintains its cash in bank deposits accounts which, at times, may exceed federally insured limits.

11. Other Assets:

There are certain loans and advances given as ITOGC Loan of \$176500. These loans have been given to the ISKCON temple in New York.

12. Grants and Accounts Receivable:

The grants and accounts receivable are recorded and reported at the current billing rate to customers. Receipts are collected promptly from customers via CC/DC, checks or cash. Management has elected to record bad debts using the direct write-off method. Accounting principles generally accepted in the United States of America require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

13. Accounts Payable/Current Liabilities:

The billing is recorded as an accrual basis.

14. Other Liabilities:

There is a liability towards devotees of \$4352. The devotees have chosen to remain undisclosed and the temple will eventually pay them back.

15. Income Tax:

All applicable codes for Federal and State Compliance is adopted. The Organization is a not-for-profit organization that is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the organization has been classified as an organization that is not a private foundation under Section 590(a)(1). Income that is not related to exempt purposes, less applicable deductions, is subject to Federal and state corporate income taxes. The Organization did not have any unrelated business income for the years ended December 31, 2019.

16. Contributed Services:

Several unpaid volunteers have made significant contributions of their time to the management of the Organization and to the health care operations. The value of this donated time is not recognizable and is not reflected in these financial statements.

17. Restricted and Unrestricted Revenue:

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 Activities as net assets released from restrictions. Presently, all revenues are unrestricted.

18. Grants and Contract Awards:

The Organization receives grants and contracts from governmental agencies and private grantors for various purposes. Grants and contract awards not yet received are accrued to the extent that unreimbursed expenses have been incurred for the purposes specified by an approved grant or contract. The Organization defers grants and contract revenues received under approved awards from grantors to the extent they exceed expenses incurred for the purposes specified under the grant restrictions.

19. Promises to Give:

Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. All promises to give are due in less than one year.

20. Statement of Revenue and Expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of expenses.

21. Use of Estimates:

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of

the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

22. Uncertain Tax Provisions:

Accounting for uncertain income tax positions, relating to both federal and state income taxes, are required when a more likely than not threshold is attained. If such positions result in uncertainties, then the unrecognized tax liability is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. With the adoption of these new rules, the Organization assessed its tax positions in accordance with the guidance. The Organization has determined that its tax status as a DC non-profit corporation is its only tax position and is highly certain. Therefore, these new rules had no impact on the Organization's financial statements.

23. Subsequent Events:

Management has evaluated subsequent events through December 31, 2022, the date which the financial statements were available to be issued.

NOTE B – LEGAL FORMATION AND LEGAL ISSUES OR LITIGATION:

Legal documentation supporting the business formation and current active status was confirmed.

~~**Legal Issues or Litigation:** On March 21, 2019, ISKCON of ILLINOIS, INC., filed a complaint with the U.S. District Court for the Northern District of New York. The complaint, as subsequently amended on May 22, 2019, alleges that the City of Ithaca, New York, and various officials of the City in their official capacities, violated the Commerce Clause of the U.S. Constitution by unduly interfering with the right of ISKCON of ILLINOIS, INC. to engage in interstate commerce, under color of state law, and other related claims, all arising in the context of the City's administration of its bus stop permitting system. The complaint requests, among other things, declaratory and injunctive relief, a refund of fees paid by ISKCON of ILLINOIS, INC., to the City of Ithaca, and an award of the attorney's fees of ISKCON of ILLINOIS, INC. A hearing was held on the issuance of a preliminary injunction against the City of Ithaca, submitted on May 15, 2019, with a decision on such injunction presently pending~~

There are no lawsuits, violations or environmental non-compliance filed against ISKCON of ILLINOIS, INC.

NOTE C – TEMPORARILY RESTRICTED NET ASSETS

Currently, there are no temporary restricted assets.

Krishan Sharma, CPA
For Sharma, Marcus & Associates LLC
Certifies Public Accountants
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