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## “A Study on Financial Statements and Analysis of ISKCON”

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**Abstract:** In order to offer a thorough evaluation on the International Society for Krishna Consciousness's (ISKCON) financial performance and sustainability, this study examines the organization's financial statements. This study intends to assess ISKCON's financial health, effectiveness, as well as efficiency in resource allocation using financial statement analytic methodologies, among which are analysis of trends, along with comparative analysis. Through an analysis of critical financial metrics like liquidity, profitability, solvency, as well as efficiency, this study aims to shed light on ISKCON's financial management strategies, pinpoint its strong and weak points, and offer suggestions for improving sustainability and financial performance. The study's conclusions add to our knowledge regarding the financial dynamics that exist within religious institutions and provide insightful information to ISKCON's management, donors, and stakeholders.

**Index Terms -** ISKCON, Financial performance, financial statements, comparative analysis, trend analysis

### I. INTRODUCTION

#### 1.1 Background of the study:

Established in 1966 by A.C. Bhaktivedanta Swami Prabhupada, the International Society for Krishna Consciousness (ISKCON) is an international spiritual organization devoted to advancing the Krishna consciousness movement. ISKCON is a non-profit organization that runs on donations including contributions from its supporters and followers. It has a large network of temples, villages, and outreach initiatives that span many different countries.

ISKCON must continue to follow open and honest financial reporting procedures because of the extent and complexity of its business operations in order to build confidence and responsibility among its stakeholders. ISKCON is well-known and significant on the religious community, but there isn't much study that looks closely at its financial documents and evaluates its performance.

Therefore, by performing a thorough investigation of ISKCON's financial statements, this study seeks to close this gap. This study uses a variety of financial analysis approaches, including as trend analysis, ratio analysis, and comparison analysis, to try to understand the sustainability, efficiency, and financial health of ISKCON. Furthermore, this study attempts to offer insightful suggestions for enhancing financial performance and guaranteeing long-term sustainability by identifying important financial indicators and assessing ISKCON's financial management procedures.

## 1.2 Need of the performance:

**Transparency and Accountability:** As a non-profit organization relying on donations and contributions from its followers and supporters, ISKCON has a responsibility to maintain transparency and accountability in its financial operations. Conducting a thorough analysis of its financial statements helps ensure that ISKCON's financial activities are transparent to stakeholders, fostering trust and confidence in the organization.

**Financial Health Assessment:** Analyzing ISKCON's financial statements provides valuable insights into its financial health, including liquidity, solvency, profitability, and efficiency. Understanding these financial indicators helps assess ISKCON's ability to meet its financial obligations, sustain its operations, and achieve its mission effectively.

**Strategic Decision-Making:** A comprehensive analysis of ISKCON's financial performance enables its management to make informed strategic decisions regarding resource allocation, budgeting, fundraising initiatives, and operational efficiency. By identifying areas of strength and weakness in its financial management practices, ISKCON can optimize its financial resources and enhance organizational effectiveness.

**Stakeholder Communication:** The findings of the study can be communicated to ISKCON's stakeholders, including donors, supporters, governing bodies, and regulatory authorities. Transparent reporting and analysis of financial information demonstrate ISKCON's commitment to financial stewardship and accountability, thereby strengthening relationships with its stakeholders and attracting continued support.

**Continuous Improvement:** Conducting periodic studies of ISKCON's financial statements allows for ongoing monitoring and evaluation of its financial performance. By identifying trends, benchmarks, and best practices, ISKCON can implement continuous improvement initiatives to enhance financial sustainability and operational efficiency over time.

## 1.3 Theoretical implications:

**Nonprofit Financial Management:** This study adds to the theoretical knowledge of financial management methods inside nonprofit organizations by looking at the financial accounts of ISKCON and evaluating its financial performance. The analysis yields insights that can be used to develop theoretical frameworks for resource allocation, budgeting, fundraising, and financial planning in the nonprofit sector.

**Financial Statement Analysis:** In the context of a group of believers, the study offers a chance to apply and improve theoretical principles as well as methods of financial statement analysis. Scholars may investigate the suitability of conventional financial analysis methods, such as trend and ratio analysis, for nonprofit organizations such as ISKCON, taking into account their distinct financial goals, cost structures, and sources of income.

**Stakeholder Theory:** The study of ISKCON's financial statements offers insights into stakeholder theory by examining the organization's interactions with various stakeholders, including donors, supporters, members, and regulatory authorities. Theoretical implications may include the examination of stakeholder interests, expectations, and engagement strategies in the context of nonprofit financial reporting and transparency.

**Institutional Theory:** One way to advance institutional theory is to examine ISKCON'S financial performance in relation to the larger institutional framework of religious organizations. In order to give an understanding of the institutionalization of methods of financial management within religious institutions, the study may examine the ways in which institutional constraints, cultural norms, along with religious ideals impact ISKCON's financial procedures and reporting standards.

**Governance and Accountability:** Research findings can contribute to theoretical discussions about the frameworks for regulation, accountability, and governance in nonprofit organizations. In order to comprehend the implications of theoretical notions for board supervision, internal auditing, external audits, as well as compliance with regulations for financial accountability and transparency across ISKCON and related organizations, researchers may look at these areas.

## 1.4 Recent trends:

**Effects of the COVID-19 Pandemic:** ISKCON and other nonprofit groups have suffered severe financial losses as a result of the pandemic. Analyzing the impact of the pandemic on ISKCON's financial statements including adjustments to revenue sources, fundraising endeavors, and operating costs may be the subject of current trends.

**Digital Transformation:** As a means of managing their finances and reporting, nonprofit organizations are progressively utilizing digital technologies. The use of digital tools and platforms by ISKCON for financial statement creation, analysis, and communication may be the subject of recent developments that examine the consequences for accountability, efficiency, and transparency.

**Sustainability Reporting:** There is growing emphasis on sustainability reporting and disclosure among nonprofit organizations. Recent trends may examine how ISKCON integrates environmental, social, and governance (ESG) factors into its financial statements and analysis, reflecting its commitment to sustainability and social responsibility.

**Data Analytics and Artificial Intelligence:** Advances in data analytics and artificial intelligence (AI) offer new opportunities for financial statement analysis. Recent trends may explore how ISKCON utilizes data analytics and AI techniques to enhance the accuracy, speed, and insights derived from its financial analysis, enabling more informed decision-making and strategic planning.

**Regulatory Compliance and Governance:** Nonprofit organizations face increasing scrutiny from regulators and stakeholders regarding financial transparency and governance practices. Recent trends may focus on how ISKCON ensures compliance with relevant regulatory requirements, strengthens internal controls, and enhances governance structures to maintain trust and accountability.

## II. REVIEW OF LITERATURE:

1. **Suci Puji Suryani, John Zysman, Chairil Akhyar, Irada Sinta, Rico Nur Ilham** published in 2023, "Analysis of Common Size PT. Semen Indonesia (Persero) Tbk, in the article "Journal of Accounting Research, Utility Finance and Digital Assets". This study focuses on assessing the Indonesian economy's fluctuations, partly influenced by the performance of State-Owned Enterprises (SOEs). It underscores the importance of financial statements as a crucial tool for comprehending a company's financial health. Specifically, the research aims to analyze the financial performance of PT Semen Indonesia (Persero) Tbk, a listed entity on the Indonesia Stock Exchange, spanning from 2019 to 2021. Through common size analysis applied to both balance sheet and income statement data, the study aims to provide insights into PT Semen Indonesia's financial standing over the specified timeframe. The takeaway from this investigation highlights the significance of leveraging financial statements to gain valuable insights into a company's performance, thereby facilitating informed decision-making and strategic planning, particularly within the context of the Indonesian economy and its reliance on the performance of SOEs like PT Semen Indonesia.
2. **Judita Adamkaite, Dalia Streimikiene, Kristina Rudzioniene** published in 2023, "The impact of social responsibility on corporate financial performance in the energy sector Evidence from Lithuania, in the journal, "Corporate social responsibility and environmental management". The intersection of climate change, sustainable development challenges, and corporate social responsibility (CSR) is reshaping business strategies, with the energy sector facing heightened scrutiny due to its substantial environmental impact and societal significance. This necessitates a shift towards integrating social and environmental considerations into the energy sector's operations and decision-making processes. As societal expectations for environmental stewardship rise, companies in the energy sector must innovate and implement sustainable solutions, recognizing that addressing these issues is not only essential for societal well-being but also critical for maintaining financial performance. The takeaway is that prioritizing CSR initiatives and adopting environmentally sustainable practices are increasingly imperative for businesses in the energy sector to ensure long-term viability and align with evolving societal expectations.

3. **Hassan Mohammadzadeh Moghadam, Mahdi Salehi, Zohreh Hajiha** published in 2023, "The relationship between intellectual capital and financial statements readability: The role of management characteristics" in the article "Journal of Facilities Management". The current study delves into the intricate dynamics between intellectual capital, readability of financial statements, and management characteristics among companies listed on the Tehran Stock Exchange. With a focus on exploring the potential mediating role of management characteristics, the research seeks to ascertain whether intellectual capital exerts a positive influence on the readability of financial statements. By investigating this relationship, the study aims to shed light on the interconnectedness of intellectual capital management and financial reporting clarity within the context of Iranian companies. The takeaway underscores the importance of understanding how intellectual capital management practices impact the transparency and accessibility of financial information, offering insights into the broader implications for corporate governance and investor decision-making processes within the Tehran Stock Exchange.
4. **A Ahmad, H Abusalmeh, A Rababah, M Alqsass, NAI-Olima, M Hamdan** published in 2024, "Assessment of effects in advances of accounting technologies on quality financial reports in Jordanian public sector in the journal "Uncertain Supply Chain Management". The article examines the impact of advancements in accounting. Technology on the accuracy and reliability of financial reports within Jordan's public sector. Utilizing an ex-post facto survey methodology with a sample of 152 employees from the Ministry of Finance, the study employs questionnaires to collect data. Through analysis using Pearson Product-Moment Correlation and regression approaches, the research confirms the instrument's reliability and highlights the importance of financial reporting in the global economic landscape. It emphasizes the need for robust information technology frameworks to ensure the credibility of financial information in the public sector, advocating for guidelines to modernize technology infrastructure. The takeaway is the critical role of technological advancements in enhancing the accuracy and reliability of financial reporting within the public sector, underscoring the importance of regulatory efforts to adapt to evolving technological landscapes to maintain trust and transparency in financial information.
5. **Petrit Hasanaj, Beke Kugi** published in 2019, "Analysis of financial statements" in the article "Humanities and Social Science Research". The main purpose of this study is to determine, forecast and evaluate the best of economic conditions and company's performance in the future. The other purpose of this study is to analyze the financial statement and then give information for financial managers to make through decisions about their business. The financial statement applies tools, analytical techniques and required methods for business analysis. It is a diagnostic tool for evaluating financing activities, investment activities and operational activities as well as an assessment tool for management decisions and other business decisions. The analysis of financial statements, respectively the analysis of the financial reports are used by managers, shareholders, investors and all other interested parties regarding the company's state, Managers use financial reports to see the situation in which the company stands and then provide information to shareholders, to see how reasonable are the investments made in the company.

### III. COMPANY PROFILE:

ISKCON, also known as the International Society for Krishna Consciousness, is a global religious organization founded in 1966 by A.C. Bhaktivedanta Swami Prabhupada, The organization is dedicated to the promotion of the Krishna consciousness movement, based on the teachings of the Bhagavad Gita and other ancient Hindu scriptures.

#### 2.1 Mission & Vision:

The objective of ISKCON is to spread the teachings of Krishna, the Hindu deity, as they are articulated in the text of the Bhagavad Gita as well as other Vedic scriptures, with the aim of fostering global brotherhood, peace, and spiritual consciousness. The organization's mission is to promote a thorough grasp of Vedic teachings and practices while inspiring people to live devoted, kind, and humane lives.

## 2.2 Activities & Programs:

ISKCON offers a variety of programs and activities that are designed to advance social welfare, cultural education, and spiritual development. Among them are:

1. Rituals and rites of daily worship dedicated to Lord Krishna alongside various gods.
2. Educational programs, such as meditation, yoga, and Vedic philosophy classes, study groups, and seminars.
3. Food distribution, charitable activities, and humanitarian relief initiatives are examples of outreach programs that try to lessen poverty and suffering.
4. Festivities and festivals honoring significant occasions and holidays throughout the Hindu calendar, include Janmashtami, the day Lord Krishna appears, and Ratha Yatra, the festival of the chariot

## IV. RESEARCH METHODOLOGY

The methodology section outline the plan and method that how the study is conducted. This includes Universe of the study, sample of the study, Data and Sources of Data, study's variables and analytical framework. The details are as follows;

### 3.1 Statement of the Problem:

1. **Lack of Transparency:** There is a lack of information available about ISKCON's financial operations, specifically its sources of income, spending trends, and financial decision-making procedures. As a result, stakeholders may be unclear about the organization's financial stability and responsibility
2. **Financial Health Assessment:** In order to ensure long-term sustainability as well as effectiveness in fulfilling its mission, stakeholders must evaluate the organization's financial condition, such as its liquidity, solvency, economic viability, as well as efficiency. This can only be done by thoroughly examining ISKCON's financial statements
3. **Resource Allocation:** To assess the efficacy and efficiency of ISKCON's resource allocation procedures, such as budgeting, fundraising, and spending prioritization, in accordance with the organization's strategic goals alongside priorities, a review of its financial records is required.
4. **Comparative Benchmarking:** It is difficult to evaluate ISKCON's financial performance in comparison to peers and pinpoint areas for improvement because there are no industry standards or comparative benchmarks to compare it to. These standards apply only to nonprofit organizations and similar religious organizations.

### 3.2 Research Gap:

1. The effectiveness of financial analysis in evaluating the performance of religious organizations like ISKCON remains under-researched, presenting a gap in understanding how traditional financial metrics apply in religious contexts.
2. There's a lack of comparative studies examining ISKCON's financial practices against other religious organizations, hindering insights into potential areas for improvement and the influence of religious doctrine on financial decision-making.
3. Limited research exists on the impact of financial constraints on ISKCON's ability to achieve its goals, such as temple maintenance and community outreach, highlighting the need to understand how budgetary limitations affect religious organizations operational capabilities.

4. The ethical considerations surrounding financial analysis of religious organizations, including the risk of misinterpreting religious motivations through a purely financial lens. Have yet to be thoroughly explored, indicating a need for further examination of the ethical implications of financial scrutiny within religious contexts.

### 3.3 Research Hypothesis:

1. Efficiency of Resource Allocation:

HO: There is no significant difference between the budgeted and actual expenditures of ISKCON across different departments and projects.

HA: There is a significant difference between the budgeted and actual expenditures of ISKCON across different departments and projects.

2. Financial Sustainability:

HO: ISKCON's current level of revenue and expenses is not sustainable in the long run

HA ISKCON's current level of revenue and expenses is sustainable in the long run.

3. Impact of Donations on Activities:

HO: There is no significant correlation between the amount of donations received by ISKCON and its level of religious and social activities.

HA: There is a significant positive correlation between the amount of donations received by ISKCON and its level of religious and social activities.

### 3.4 Objectives:

1. Assessing ISKCON's sources of income and how it spends money
2. Understanding the key financial health indicators for ISKCON.
3. Examining how ISKCON distributes its resources across different activities.
4. Analyzing trends in ISKCON's financial performance over time.
5. Identifying challenges and opportunities for ISKCON's long-term financial sustainability.

#### 3.4.1 Scope of the study:

1. Focus on financial statements: The study will primarily focus on analyzing ISKCON's financial statements, including the balance sheet, income statement, and cash flow statement, for a specific period.
2. Timeframe limitation: The study might be limited to a specific timeframe, such as the past five years, for a more focused analysis of recent financial trends and performance.
3. Specific aspects of financial health: The analysis might target specific aspects of ISKCON's financial health, such as its liquidity, solvency, profitability, and efficiency of resource allocation.
4. Exclusion of non-financial data: While acknowledging the importance of non-financial factors impacting ISKCON, the study might primarily focus on financial data due to the limitations of financial analysis in capturing the full picture of a religious organization's operations.

5. Comparison limitations: The study might not include comparisons with other religious organizations due to the challenges of obtaining comparable data and the unique characteristics of each organization.

### 3.4.2 Research Methodology and Data collection:

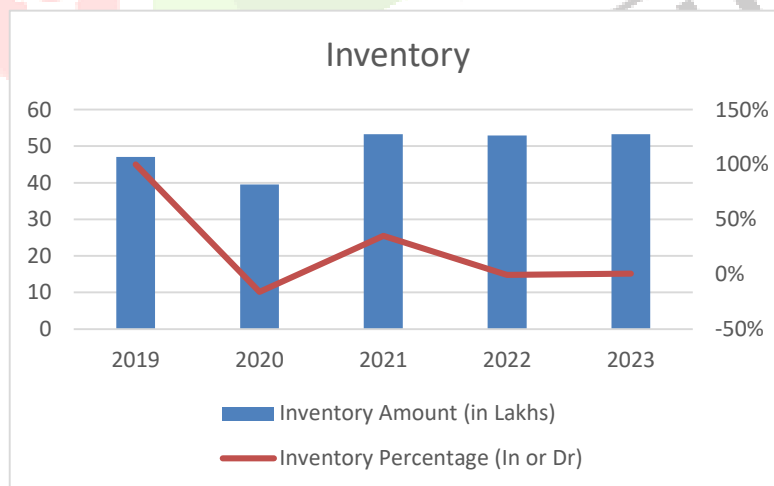
1. Sample size: 5 years data of ISKCON financial statements.
2. Sampling unit: Income & Expenditure statement, Revenue & Expenditure account and Balance sheet.
3. Sampling method: Exploratory Research
4. Method of data collection- secondary data
5. Instrument for data collection-Using Excel as an instrument for data collection
6. Data analysis techniques-Trend Analysis, Comparative statement and Graphical Presentation.

## V. DATA ANALYSIS AND INTERPRETATION

### 3.4.2.1 Inventory (Trend Analysis):

year	Inventory	trend analysis
2019	3951671	100
2020	4703000	119.01
2021	5326000	134.77
2022	5293000	133.94
2023	5326000	134.77

### 3.4.2.2 Graphical Presentation of Inventory (Trend Analysis):

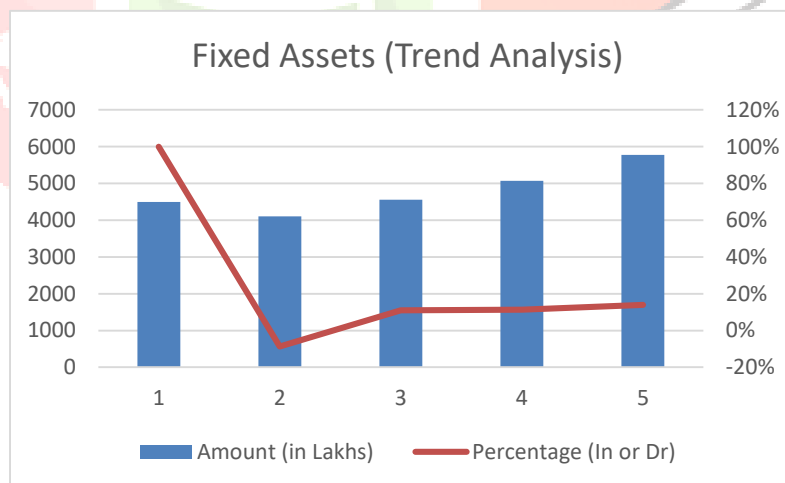


**Interpretation:**

1. The inventory level in 2019 serves as the base year with a value of 100.
2. In 2020, there is a 19.01% increase in inventory compared to 2019.
3. By 2021, there is a further increase, with inventory reaching 134.77% compared to the base year (2019).
4. Although there is a slight decrease in inventory in 2022 compared to 2021, the level remains relatively stable, with inventory at 133.94% compared to the base year
5. In 2023, the inventory level rebounds to 134.77%, indicating a return to the same level as in 2021.

**3.4.2.4 Fixed Asset (Trend Analysis):**

year	Fixed Asset	trend analysis
2019	410459697	100
2020	449,181,000	119.01
2021	455,675,000	134.77
2022	507,315,000	133.94
2023	577,820,000	134.77

**3.4.3 Graphical Presentation of Fixed Asset (Trend Analysis):****Interpretation:**

1. The fixed assets value in 2019 serves as the base year with a value of 100.
2. In 2020, there is a 19.01% increase in fixed assets compared to 2019.
3. By 2021, there is a further increase, with fixed assets reaching 134,77%, compared to the base year (2019).
4. Although there is a slight decrease in fixed assets in 2022 compared to 2021, the level remains relatively stable, with fixed assets at 133.94% compared to the base year.



5. In 2023, the fixed assets level rebounds to 134.77%, indicating a return to the same level as in 2021.

## VI. CONCLUSION

### 3.4.3.1 Suggestion:

It is advised to carry out a thorough comparison analysis over a number of years for the study on ISKCON's financial statements and evaluation in order to spot trends and patterns in important financial indicators including revenue, expenses, assets, as well as liabilities. A detailed review the ISKCON's financial performance throughout the previous few years should be included in this report, with an emphasis on any noteworthy trends or changes. A thorough trend analysis can also offer insightful information about the organization's stability and financial health, enabling stakeholders to evaluate the success of its strategic choices and financial management procedures. Through the process of comparing and evaluating ISKCON's financial data throughout an extended period, the study is able to provide practical suggestions for boosting transparency, guaranteeing long-terms sustainability, and increasing financial performance.

### 3.4.3.2 Recommendation:

It is advised to do a thorough comparison analysis over a number of years in order to evaluate the organization's financial results including trends for the research on financial statements as well as evaluation of ISKCON. To find strengths, shortcomings, and places for improvement, this study should concentrate on important financial indicators including revenue growth, management of expenses, asset usage, and liquidity ratios. Furthermore, performing a comprehensive trend analysis can help stakeholders comprehend the underlying causes of financial variations over time and offer insightful information about the organization's financial trajectory. Through an analysis of past financial data and patterns, the research can provide practical suggestions to improve ISKCON's financial stability, sustainability, including strategic decision-making.

### 3.4.3.3 Conclusion:

In summary, the examination of ISKCON's financial statements and evaluation has shed light on the company's financial performance over a number of years. Key financial variables including revenue, expenses, assets, as well as liabilities were analyzed using comparison and trend analysis, revealing patterns and trends that provided insight into the stability and health of ISKCON's finances. By highlighting areas of strength and opportunity for development, the findings empower stakeholders to make well-informed decisions that will strengthen ISKCON's financial management procedures and strategic planning. This report provides practical suggestions to support financial stability, mustainability, while efficacy in accomplishing ISKCON's goals and objectives by utilizing past financial data and trends.

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