

**BRAHMANANDA SARASWATI
FOUNDATION**

Independent Auditors' Report
Financial Statements

December 31, 2015 and 2014

BRAHMANANDA SARASWATI FOUNDATION

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Independent Auditors' Report

To the Board of Directors of
Brahmananda Saraswati Foundation
Fairfield, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of Brahmananda Saraswati Foundation (a nonprofit organization) as of and for the years ended December 31, 2015 and 2014, which comprise the financial statements as listed in the table of contents.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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 organization'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 organization'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 Brahmananda Saraswati Foundation, as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

TD&T CPAs and Advisors, P.C.

Pella, Iowa
March 21, 2016

BRAHMANANDA SARASWATI FOUNDATION

Statements of Financial Position December 31, 2015 and 2014

Assets

	<u>2015</u>	<u>2014</u>
Current assets:		
Cash and cash equivalents	\$ 637,841	1,270,279
Accrued interest receivable	6,730	6,274
Course fees receivable	6,814	17,574
App fees receivable	1,072	-
Prepaid expenses	5,498	427
Investments	914,683	963,294
Receivable from affiliates	32,197	31,628
Total current assets	<u>1,604,835</u>	<u>2,289,476</u>
Long-term assets:		
Long-term interest receivable	5,533	-
Notes receivable	1,424,700	-
Total long-term assets	<u>1,430,233</u>	<u>-</u>
Restricted assets:		
Cash restricted for long-term investment	867,811	5,484,951
Restricted investments, long-term	10,710,220	6,546,477
Total restricted assets	<u>11,578,031</u>	<u>12,031,428</u>
Property and equipment:		
Land	379,200	-
Buildings	2,620,800	-
Computer equipment	1,655	1,655
	<u>3,001,655</u>	<u>1,655</u>
Less accumulated depreciation	13,579	1,655
Net property and equipment	<u>2,988,076</u>	<u>-</u>
Total assets	<u>\$ 17,601,175</u>	<u>14,320,904</u>

See accompanying notes to financial statements.

BRAHMANANDA SARASWATI FOUNDATION

Statements of Financial Position December 31, 2015 and 2014

Liabilities and Net Assets

	<u>2015</u>	<u>2014</u>
Current liabilities:		
Accounts payable	\$ 96,772	154,218
Accrued payroll	16,188	15,240
Deferred revenue	285,340	336,461
Accrued interest payable	1,967	2,519
Current portion of long-term debt	-	20,000
Total current liabilities	<u>400,267</u>	<u>528,438</u>
Long-term debt, less current portion	108,000	113,000
Total liabilities	<u>508,267</u>	<u>641,438</u>
Net assets:		
Unrestricted	11,628,618	8,095,261
Temporarily restricted	1,786,369	1,906,414
Permanently restricted	3,677,921	3,677,791
Total net assets	<u>17,092,908</u>	<u>13,679,466</u>
Total liabilities and net assets	\$ <u><u>17,601,175</u></u>	<u><u>14,320,904</u></u>

See accompanying notes to financial statements.

BRAHMANANDA SARASWATI FOUNDATION

Statements of Activities and Changes in Net Assets For the Years Ended December 31, 2015 and 2014

	2015			2014				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues:								
Contributions	\$ 9,612,381	197,099	130	9,809,610	13,934,706	204,272	120,413	14,259,391
Course fee revenue	522,178	-	-	522,178	679,398	-	-	679,398
Investment income	348,949	168,572	-	517,521	12,820	226,263	-	239,083
Unrealized gain (loss) on investments	(512,801)	(244,549)	-	(757,350)	(32,739)	(95,879)	-	(128,618)
Other income	24,828	-	-	24,828	-	-	-	-
Net assets released from restrictions	241,167	(241,167)	-	-	520,847	(520,847)	-	-
Total revenues	10,236,702	(120,045)	130	10,116,787	15,115,032	(186,191)	120,413	15,049,254
Functional expenses:								
Program services	6,233,905	-	-	6,233,905	6,644,750	-	-	6,644,750
Supporting services:								
Management and general	170,811	-	-	170,811	123,078	-	-	123,078
Fundraising	298,629	-	-	298,629	322,283	-	-	322,283
Total expenses	6,703,345	-	-	6,703,345	7,090,111	-	-	7,090,111
Change in net assets	3,533,357	(120,045)	130	3,413,442	8,024,921	(186,191)	120,413	7,959,143
Net assets at beginning of year	8,095,261	1,906,414	3,677,791	13,679,466	70,340	2,092,605	3,557,378	5,720,323
Net assets at end of year	\$ 11,628,618	1,786,369	3,677,921	17,092,908	8,095,261	1,906,414	3,677,791	13,679,466

See accompanying notes to financial statements.

BRAHMANANDA SARASWATI FOUNDATION

Statements of Cash Flows For the Years Ended December 31, 2015 and 2014

	2015	2014
Operating activities:		
Change in net assets	\$ 3,413,442	7,959,143
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	11,924	-
Reinvested investment income	(501,776)	(259,918)
Unrealized (gain) loss on investments	757,350	128,618
Investment management fees	15,934	24,092
Contributions restricted for long-term investment	(130)	(120,413)
(Increase) decrease in:		
Receivables	3,130	(35,387)
Prepaid expenses	(5,071)	(427)
Increase (decrease) in:		
Accounts payable	(57,446)	61,846
Accrued expenses	396	(3,498)
Deferred revenue	(51,121)	(60,475)
	173,190	(265,562)
Net cash provided (used) by operating activities	3,586,632	7,693,581
Investing activities:		
(Additions) of restricted cash and investments	(59,500)	(7,782,783)
Releases of restricted cash and investments	290,000	-
Issuance of notes receivable	(1,424,700)	-
Purchase of investments	-	(1,000,000)
Purchase of land and buildings	(3,000,000)	-
Net cash provided (used) by investing activities	(4,194,200)	(8,782,783)
Financing activities:		
Contributions restricted for long-term investment	130	120,413
Proceeds from issuance of long-term debt	88,000	-
Payments on long-term debt	(113,000)	(32,000)
Net cash provided (used) by financing activities	(24,870)	88,413
Net increase (decrease) in cash and cash equivalents	(632,438)	(1,000,789)
Cash and cash equivalents at beginning of year	1,270,279	2,271,068
Cash and cash equivalents at end of year	\$ 637,841	1,270,279
Supplemental information:		
Cash payments for interest	\$ 5,792	6,738

See accompanying notes to financial statements.

BRAHMANANDA SARASWATI FOUNDATION

**Statements of Functional Expenses
For the Years Ended December 31, 2015 and 2014**

	2015			2014				
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Charitable distributions	\$ 5,883,225	-	-	5,883,225	\$ 6,242,400	-	-	6,242,400
In-kind gift of occupancy	24,828	-	-	24,828	-	-	-	-
Payroll expenses	16,845	67,444	104,871	189,160	16,841	62,162	119,327	198,330
Course expenses	231,063	-	-	231,063	317,752	-	-	317,752
Consulting and professional fees	13,663	19,684	6,000	39,347	14,498	13,684	6,750	34,932
Insurance	-	6,914	-	6,914	-	7,242	-	7,242
Permits and licenses	-	-	4,636	4,636	-	-	5,319	5,319
Supplies	12,070	848	2,755	15,673	11,772	1,388	2,775	15,935
Telephone	-	1,145	871	2,016	-	1,314	1,127	2,441
Credit card and bank fees	12,872	56,260	98,317	167,449	14,111	29,653	94,419	138,183
Interest	5,240	-	-	5,240	6,154	-	-	6,154
Facilities expense/occupancy	1,389	5,964	3,859	11,212	466	7,462	2,417	10,345
Travel and meetings	10,593	250	2,372	13,215	14,436	-	248	14,684
Postage	82	118	301	501	-	173	1,247	1,420
Internet, webhosting, and printing	1,100	-	197	1,297	526	-	423	949
App and website development	20,935	260	74,450	95,645	5,794	-	88,231	94,025
Depreciation	-	11,924	-	11,924	-	-	-	-
	<u>\$ 6,233,905</u>	<u>170,811</u>	<u>298,629</u>	<u>6,703,345</u>	<u>\$ 6,644,750</u>	<u>123,078</u>	<u>322,283</u>	<u>7,090,111</u>

See accompanying notes to financial statements.

BRAHMANANDA SARASWATI FOUNDATION

Notes to Financial Statements December 31, 2015 and 2014

Note 1 – Summary of Significant Accounting Policies

Nature of Operations

Brahmananda Saraswati Foundation is a Delaware non-profit corporation founded by His Holiness Maharishi Mahesh Yogi exclusively for charitable, educational, and scientific purposes. The specific purposes for which the Foundation was formed are:

1. To secure the safety and invincibility for all future life by perpetually providing support for the Vedic performances of the Vedic Pandits from the precious Vedic families of India for perpetual global invincibility.
2. To create and maintain a fund, the income from which will support the Vedic Pandits generation after generation.
3. To promote throughout the world the knowledge that life is the everlasting evolving expression of Natural Law, which administers the universe with perfect order, and to apply the Total Knowledge of Natural Law brought to light by His Holiness Maharishi Mahesh Yogi.
4. To accept, hold, invest, reinvest, and administer any gifts, legacies, bequests, devises, trusts, remainder trusts, funds and property of any sort or nature, and to use, expand, or donate the income or principle thereof for, and to devote the same to, the foregoing purposes of the Foundation.
5. To perform any and all lawful acts which may be necessary, useful, suitable, or proper for the furtherance of the accomplishment of the purposes of the Foundation.

Income Taxes

The Foundation is exempt from Federal income tax as a Foundation described in Section 501(c)(3) of the Internal Revenue Code. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Foundation believes it is no longer subject to income tax examinations for years ending prior to December 31, 2012.

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 assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. In these financial statements, assets, liabilities, and the reported amount of revenues and expenses involve extensive reliance on management's estimates. Actual results could differ from those estimates.

(continued)

BRAHMANANDA SARASWATI FOUNDATION

Notes to Financial Statements (Continued) December 31, 2015 and 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

Accrual Basis

The financial statements of Brahmananda Saraswati Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

- Unrestricted net assets – net assets not subject to donor-imposed restrictions.
- Temporarily restricted net assets – net assets subject to donor imposed restrictions that may or will be met by actions of the Foundation and/or the passage of time.
- Permanently restricted net assets – net assets subject to donor-imposed restrictions that they be maintained permanently by the Foundation.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions with donor-imposed restrictions that are met within the same reporting period are reported as unrestricted revenues.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash restricted for long-term purposes is excluded from cash and cash equivalents and is classified as restricted cash.

Investments

Investments include marketable equity and debt securities and cash or cash equivalents. Investments in marketable equity and debt securities are carried at fair value with unrealized and realized gains and losses on investments reported as an increase or decrease in unrestricted, temporarily restricted or permanently restricted net assets based upon donor-imposed restrictions. Realized losses included in investment income for the year ended December 31, 2015 were \$40,504, and realized gains included in investment income for the year ended December 31, 2014 were \$12,476.

(continued)

BRAHMANANDA SARASWATI FOUNDATION

Notes to Financial Statements (Continued) December 31, 2015 and 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

Investments (Continued)

Investment income is reported in the statement of activities as unrestricted, temporarily restricted or permanently restricted revenue based upon donor-imposed restrictions. Gains and investment income that are limited to specific uses by donor-imposed restrictions are reported in unrestricted net assets when the restrictions are met in the same reporting period as the gains and income are recognized.

Course Fees Receivable and Receivables from Affiliates

The Foundation carries its course fees receivable and receivables from affiliates at cost less an allowance for doubtful accounts, when necessary. On a periodic basis, the Foundation evaluates its course fee receivables and receivables from affiliates and determines if an allowance is necessary based on history of past write-offs and collections and current credit conditions. Currently there is no allowance deemed necessary. All course fees and other receivables are receivable within one year.

Property and Equipment

Purchased property and equipment is recorded at cost. Maintenance and repairs are charged to expense. Renewals and betterments which substantially extend the useful life of property and cost more than \$5,000 are capitalized. Depreciation has been calculated based on the straight-line method over the estimated useful lives of the depreciable assets of 10 to 27.5 years.

Deferred Revenue

Deferred revenue consists of fees paid in advance to attend scheduled in-residence courses for guests from outside of India, to be offered at the International Center for Maharishi Vedic Pandits at the Brahmasthan (the geographical center) of India. For \$143,565 of the total deferred revenue as of December 31, 2015, the guests have agreed that if they do not attend the courses as of specified dates, their fees will not be refunded. \$90,531 of the total must be used by guests by March 31, 2021, and \$53,034 of the total must be used by guests by March 31, 2016, or their fees will not be refunded by the Foundation.

Date of Management Review

January 01, 2016 Management has evaluated subsequent events through March 21, 2016, the date which the financial statements were available to be issued.

BRAHMANANDA SARASWATI FOUNDATION

Notes to Financial Statements (Continued) December 31, 2015 and 2014

Note 2 – Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

The Foundation maintains its cash balances in three financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2015, the Foundation's uninsured cash balances total \$367,231.

Note 3 – Vedic City Campus

During the year ended December 31, 2015, the Foundation purchased the Vedic City campus from Global Country of World Peace (one of the organizations the Foundation supports). The Foundation continues to allow Global Country of World Peace to use the campus rent-free as an in-kind contribution, estimating a monthly gift of approximately \$15,200. For the year ended December 31, 2015, the total in-kind contributions to Global Country of World Peace were \$24,828.

Note 4 – Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of December 31:

	<u>2015</u>	<u>2014</u>
Support for Vedic Pandits	\$ 1,335,478	1,208,708
Maharishi Memorial Educational Center	1,166	1,066
Development of mobile device app	-	1,747
Bijauri Construction	256,166	221,256
Earnings on Endowment	<u>193,559</u>	<u>473,637</u>
	\$ <u>1,786,369</u>	<u>1,906,414</u>

Permanently restricted net assets include the following as of December 31:

Endowed for Vedic Pandits	\$ <u>3,677,921</u>	<u>3,677,791</u>
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During the years ended December 31, 2015 and 2014, net assets were released from donor restrictions by satisfying the purpose or time restrictions specified by donors as follows:

	<u>2015</u>	<u>2014</u>
Support for Vedic Pandits	\$ 35,319	295,681
Development of mobile device app	1,747	-
Development Office	-	21,066
Earnings on endowment	<u>204,101</u>	<u>204,100</u>
	\$ <u>241,167</u>	<u>520,847</u>

BRAHMANANDA SARASWATI FOUNDATION

Notes to Financial Statements (Continued) December 31, 2015 and 2014

Note 5 – Long-Term Debt

Long-term debt consists of the following:

	<u>2015</u>	<u>2014</u>
Unsecured notes payable to private parties and foundations for construction of a Men’s Residence facility in India with varying maturity dates between July 2017 and August 2020 and interest rates of 4.5%. One note totaling \$20,000 scheduled to mature in 2014 was extended during 2014 to have a maturity date in 2017.	\$ 108,000	133,000
Less current portion	_____ -	<u>20,000</u>
Long-term portion	\$ <u>108,000</u>	<u>113,000</u>

The current portions due during the next five years are as follows:

	<u>Period Ending December 31,</u>
2016	\$ -
2017	20,000
2018	-
2019	-
2020	<u>88,000</u>
Total	\$ <u>108,000</u>

Note 6 – Endowments

The Foundation's endowment consists of funds established to support the Vedic Pandits generation after generation. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

(continued)

BRAHMANANDA SARASWATI FOUNDATION

Notes to Financial Statements (Continued) December 31, 2015 and 2014

Note 6 – Endowments (Continued)

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters and Strategies. Brahmananda Saraswati Foundation's primary investment objective is to preserve and protect its assets. Brahmananda Saraswati Foundation currently maintains operating bank accounts and investment accounts at brokerage houses. Brahmananda Saraswati Foundation has appointed an investment committee to manage, supervise, monitor, and support the investments of the Foundation. Endowment funds are currently deposited in high yield savings accounts, marketable debt and equity securities, and mutual funds at brokerage houses.

Spending Policy. The investment committee is responsible for advising the investment consultants and advisors of Brahmananda Saraswati Foundation's cash distribution requirements from any managed portfolio or fund.

Endowment net assets as of December 31, 2015 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Board-designated endowment funds	\$ 7,706,551	-	-	7,706,551
Donor-restricted endowment funds	-	<u>193,559</u>	<u>3,677,921</u>	<u>3,871,480</u>
Total	\$ <u>7,706,551</u>	<u>193,559</u>	<u>3,677,921</u>	<u>11,578,031</u>

Changes in endowment net assets for the year ended December 31, 2015 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Endowment net assets, beginning of year	\$ 7,880,000	473,637	3,677,791	12,031,428
Contributions	-	-	130	130
Investment income	289,730	168,572	-	458,302
Unrealized loss	(463,179)	(244,549)	-	(707,728)
Appropriation of endowment assets for expenditure	-	<u>(204,101)</u>	-	<u>(204,101)</u>
Endowment net assets, end of year	\$ <u>7,706,551</u>	<u>193,559</u>	<u>3,677,921</u>	<u>11,578,031</u>

(continued)

BRAHMANANDA SARASWATI FOUNDATION

Notes to Financial Statements (Continued) December 31, 2015 and 2014

Note 6 – Endowments (Continued)

Endowment net assets as of December 31, 2014 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Board-designated endowment funds	\$ 7,880,000	-	-	7,880,000
Donor-restricted endowment funds	<u>-</u>	<u>473,637</u>	<u>3,677,791</u>	<u>4,151,428</u>
Total	\$ <u>7,880,000</u>	<u>473,637</u>	<u>3,677,791</u>	<u>12,031,428</u>

Changes in endowment net assets for the year ended December 31, 2014 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Endowment net assets, beginning of year	\$ -	547,353	3,557,378	4,104,731
Contributions	7,880,000	-	120,413	8,000,413
Investment income	-	226,263	-	226,263
Unrealized loss	-	(95,879)	-	(95,879)
Appropriation of endowment assets for expenditure	<u>-</u>	<u>(204,100)</u>	<u>-</u>	<u>(204,100)</u>
Endowment net assets, end of year	\$ <u>7,880,000</u>	<u>473,637</u>	<u>3,677,791</u>	<u>12,031,428</u>

Note 7 – Fair Value Measurements

In determining fair value, the Foundation uses various valuation approaches within the FASB fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques.

(continued)

BRAHMANANDA SARASWATI FOUNDATION

Notes to Financial Statements (Continued) December 31, 2015 and 2014

Note 7 – Fair Value Measurements (Continued)

Following is a description of the valuation methodologies used for instruments measured at fair value and their classification in the valuation hierarchy.

Marketable equity securities and mutual funds: Valued at the quoted net asset value of shares held by the Foundation at year end.

Assets are classified in their entirety based upon the lowest level of input that is significant to the fair value measurement.

The following table presents investment assets and liabilities measured at fair value by classification within the fair value hierarchy as of December 31, 2015.

	December 31, <u>2015</u>	Quoted Prices in Active Markets for Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
Marketable equity securities	\$ 6,203,534	6,203,534	-	-
Equity and fixed income mutual funds	<u>5,421,369</u>	<u>5,421,369</u>	-	-
Total assets, at fair value	\$ <u>11,624,903</u>	<u>11,624,903</u>	-	-

The following table presents assets measured at fair value by classification within the fair value hierarchy as of December 31, 2014:

	December 31, <u>2014</u>	Quoted Prices in Active Markets for Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
Marketable equity securities	\$ 3,644,972	3,644,972	-	-
Equity and fixed income mutual funds	<u>3,864,799</u>	<u>3,864,799</u>	-	-
Total assets, at fair value	\$ <u>7,509,771</u>	<u>7,509,771</u>	-	-

(continued)

BRAHMANANDA SARASWATI FOUNDATION

Notes to Financial Statements (Continued) December 31, 2015 and 2014

Note 7 – Fair Value Measurements (Continued)

Following is a reconciliation of investments valued at fair value above to investments as shown on the statements of financial position at December 31, 2015 and 2014:

	<u>2014</u>	<u>2013</u>
Investments	\$ 914,683	963,294
Restricted investments, long-term	<u>10,710,220</u>	<u>6,546,477</u>
	\$ <u>11,624,903</u>	<u>7,509,771</u>

Note 8 – Concentrations

The Foundation received approximately 19 percent of its contributions from two donors during the year ended December 31, 2015. The Foundation received approximately 55 percent of its contributions from one donor during the year ended December 31, 2014.

The Foundation's charitable distributions were granted to six organizations during the year ended December 31, 2015. Two of the organizations received a total of 97% of the total charitable distributions during the year ended December 31, 2015. During the year ended December 31, 2014, charitable distributions were granted to six organizations. Three of the organizations received a total of 95% of the total charitable distributions during the year ended December 31, 2014.

Note 9 – Grantee Organizations

The major grantee organizations all have corporate missions that align with and support the corporate purposes of the Foundation. These charitable trust organizations include as their major spheres of activity the following:

Maharishi Ved Vigyan Vishwa Vidya Peetham - enrolls, trains, houses and maintains the daily needs of thousands of Maharishi Vedic Pandits at several dozen locations around India.

Maharishi Vedic Foundation – a U.S. based non-profit, charitable organization which teaches and promotes Vedic Science, including Jyotish (astrological analysis) requests and their practical application in Maharishi Yagyas, which are performances by Vedic Pandits to enlist the support of Natural Law for the benefit of individual, family and national life for nations throughout the world.

Global Country of World Peace – a U.S. non-profit, educational organization, which has as one of its major program services, to support a large group of highly trained Vedic Scholars from India at its campus in Fairfield, IA. The campus can host up to 2,000 guest scholars. The activities of these scholars are to support the growth of peace, affluence and international harmony in the collective consciousness of all nations.

(continued)

BRAHMANANDA SARASWATI FOUNDATION

Notes to Financial Statements (Continued) December 31, 2015 and 2014

Note 9 – Grantee Organizations (Continued)

Spiritual Regeneration Movement – supports Maharishi Vedic Pandit activities including acquiring land and constructing campuses, such as the Brahmasthan of India, to support the lifestyle and daily performances of the Maharishi Vedic Pandits in India.

Swami Brahmananda Saraswati Charitable Trust (SBSCT) - has as its principle focus maintaining a large group of Maharishi Vedic Pandits at the Pandit campus at Prayag (Allahabad) India. In addition, SBSCT is constructing a major facility, the Maharishi Smarak (Memorial), to inspire awareness of and expand support for the Vedic tradition of knowledge and its practical technologies as revived by His Holiness Maharishi Mahesh Yogi, to create world peace, affluence in every nation and individual enlightenment for the present and future generations.

Maharishi Global Country of World Peace Stichting - develops and promotes teaching and instruction in Maharishi Vedic Science and Technology and all that belongs thereto, including the support and care of the Maharishi Vedic Pandits who play a vital role in maintaining the science and practical technologies of the Vedic tradition.

Note 10 – Notes Receivable

During the year ended December 31, 2015, the Foundation approved advances of \$1,520,000 to Global Country of World Peace (GCWP). As of December 31, 2015, \$1,424,700 of the loans were receivable from GCWP. Terms on the note state that the entirety of outstanding principal and accrued interest is due in November 2022. The notes receivable by the Foundation are collateralized by certain real estate of GCWP.