

**BRAHMANANDA SARASWATI
FOUNDATION**

Consolidated Financial Statements

Years ended December 31, 2024 and 2023



FORGE

FINANCIAL & MANAGEMENT CONSULTING

BRAHMANANDA SARASWATI FOUNDATION

<u>Contents</u>	<u>Page(s)</u>
Independent Auditors' Report	1-2
Financial Statements:	
Consolidated Statements of Financial Position	3-4
Consolidated Statements of Activities and Changes in Net Assets	5
Consolidated Statements of Cash Flows	6
Consolidated Statements of Functional Expenses	7
Notes to Consolidated Financial Statements	8-18



FORGE

FINANCIAL & MANAGEMENT CONSULTING

Independent Auditors' Report

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

Opinions

We have audited the accompanying consolidated financial statements of Brahmananda Saraswati Foundation (a non-profit organization), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Brahmananda Saraswati Foundation as of December 31, 2024 and 2023, and the changes in its net assets, cash flows, and functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Brahmananda Saraswati Foundation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Brahmananda Saraswati Foundation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Brahmananda Saraswati Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Brahmananda Saraswati Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Forge Financial and Management Consulting, Inc.

West Des Moines, Iowa
May 13, 2025

BRAHMANANDA SARASWATI FOUNDATION
Consolidated Statements of Financial Position
December 31, 2024 and 2023

Assets		
	2024	2023
Current assets:		
Cash and cash equivalents	\$ 702,151	538,724
Accrued interest receivable	35,146	53,200
App fees receivable	21,614	26,666
Current portion of notes receivable	294,075	365,329
Prepaid expenses	20,941	57,445
Investments	1,097,954	1,042,508
Other receivables - short-term	55,393	19,010
Total current assets	<u>2,227,274</u>	<u>2,102,882</u>
Long-term assets:		
Other investments - real estate	25,130,332	26,672,206
Long-term investments	41,893,462	45,875,851
Notes receivable, net of current portion	626,791	1,137,763
Total long-term assets	<u>67,650,585</u>	<u>73,685,820</u>
Property and equipment:		
Land	4,297,081	4,260,317
Buildings	4,776,366	4,742,277
Computer equipment	2,895	2,895
	<u>9,076,342</u>	<u>9,005,489</u>
Less accumulated depreciation	1,128,144	954,475
Net property and equipment	<u>7,948,198</u>	<u>8,051,014</u>
 Total assets	 <u>\$ 77,826,057</u>	 <u>83,839,716</u>

See accompanying notes to financial statements.

	2024	2023
Current liabilities:		
Accounts payable	\$ 109,411	131,627
Loss contingency	25,000	-
Deferred revenue	145,894	147,231
Total current liabilities	280,305	278,858
Net assets:		
Without donor restrictions	58,394,449	65,421,848
With donor restrictions	19,151,303	18,139,010
Total net assets	77,545,752	83,560,858
Total liabilities and net assets	\$ 77,826,057	83,839,716

4

BRAHMANANDA SARASWATI FOUNDATION
Consolidated Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:						
Contributions	\$ 2,304,027	4,312,285	6,616,312	5,110,328	4,482,015	9,592,343
Course fee revenue	266,822	-	266,822	80,059	-	80,059
Investment income (loss)	1,761,127	839,097	2,600,224	1,226,660	467,549	1,694,209
Unrealized gain (loss) on investments	1,565,351	745,817	2,311,168	2,835,919	1,080,924	3,916,843
Real estate investment income	653,778	-	653,778	692,793	-	692,793
In-kind grant income	338,527	-	338,527	338,527	-	338,527
Farm income	44,836	-	44,836	96,415	-	96,415
Other income	208,094	-	208,094	218,157	-	218,157
Net assets released from restrictions	4,884,906	(4,884,906)	-	4,565,876	(4,565,876)	-
Total revenues	12,027,468	1,012,293	13,039,761	15,164,734	1,464,612	16,629,346
Functional expenses:						
Program services	18,177,528	-	18,177,528	16,242,590	-	16,242,590
Supporting services:						
Management and general	950,775	-	950,775	829,126	-	829,126
Fundraising	255,276	-	255,276	250,930	-	250,930
Total expenses	19,383,579	-	19,383,579	17,322,646	-	17,322,646
Other income (expenses):						
Mineral rights depletion expense	(50,000)	-	(50,000)	(50,000)	-	(50,000)
Gain (loss) on sale of other investments - real estate	378,712	-	378,712	(1,405,081)	-	(1,405,081)
Total other income (expenses)	328,712	-	328,712	(1,455,081)	-	(1,455,081)
Change in net assets	(7,027,399)	1,012,293	(6,015,106)	(3,612,993)	1,464,612	(2,148,381)
Net assets at beginning of year	65,421,848	18,139,010	83,560,858	69,034,841	16,674,398	85,709,239
Net assets at end of year	\$ 58,394,449	19,151,303	77,545,752	65,421,848	18,139,010	83,560,858

See accompanying notes to financial statements.

BRAHMANANDA SARASWATI FOUNDATION
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating activities:		
Change in net assets	\$ (6,015,106)	(2,148,381)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	173,669	172,429
Depletion - mineral rights	50,000	50,000
Exchange rate loss on notes receivable	28,259	65,165
Forgiveness of notes receivable	482,547	-
(Gain) loss on sale of other investments - real estate	(378,712)	1,405,081
Reinvested investment income	(2,600,224)	(1,694,209)
Unrealized (gain) loss on investments	(2,311,168)	(3,916,843)
Contributions restricted for long-term investment	(4,312,285)	(4,482,015)
(Increase) decrease in:		
Receivables	(69,795)	182
Prepaid expenses	36,504	(30,879)
Increase (decrease) in:		
Accounts payable	(22,216)	84,817
Accrued expenses	25,000	-
Deferred revenue	(1,337)	49,406
Net cash provided (used) by operating activities	<u>(14,914,864)</u>	<u>(10,445,247)</u>
Investing activities:		
Purchases of investments	(5,218,151)	(8,068,368)
Sales of investments	14,056,486	10,269,114
Proceeds from sale of other investments - real estate	1,570,586	702,119
Payments received on notes receivable	427,938	2,584,852
Purchases of property and equipment	(70,853)	-
Proceeds from sale of land and buildings	-	4,000
Net cash provided (used) by investing activities	<u>10,766,006</u>	<u>5,491,717</u>
Financing activities:		
Contributions restricted for long-term investment	4,312,285	4,482,015
Net cash provided (used) by financing activities	<u>4,312,285</u>	<u>4,482,015</u>
Net increase (decrease) in cash and cash equivalents	163,427	(471,515)
Cash and cash equivalents at beginning of year	<u>538,724</u>	<u>1,010,239</u>
Cash and cash equivalents at end of year	<u>\$ 702,151</u>	<u>538,724</u>
Noncash investing and financing activities:		
Issuance of notes receivable for sale of property	<u>\$ 300,000</u>	<u>-</u>

See accompanying notes to financial statements.

BRAHMANANDA SARASWATI FOUNDATION
Consolidated Statements of Functional Expenses
For the Years Ended December 31, 2024 and 2023

	2024			2023		
	Program	Management and General	Fundraising	Total	Program	Management and General
Charitable distributions	\$ 17,438,908	-	-	17,438,908	\$ 15,550,517	-
In-kind gift of occupancy	338,527	-	-	338,527	338,527	-
Payroll expenses	2,898	136,939	88,795	228,632	4,579	137,649
Course expenses	133,873	2,870	-	136,743	53,436	160
Consulting and professional fees	238,147	110,917	12,131	361,195	175,799	61,124
Insurance	-	37,826	-	37,826	-	11,197
Permits and licenses	-	29,077	5,234	34,311	-	35,144
Supplies	-	10,693	106	10,799	79	6,158
Office expenses	-	4,983	-	4,983	-	3,463
Credit card and bank fees	-	3,152	-	90,059	6,860	3,709
Facilities expense/occupancy	-	280,768	-	280,768	43,145	222,703
Travel and meetings	4,452	-	-	4,452	5,825	1,083
App and website development	20,723	2,379	62,103	85,205	63,823	-
Real estate management expenses	-	157,502	-	157,502	-	174,307
Depreciation	-	173,669	-	173,669	-	172,429
	<u>\$ 18,177,528</u>	<u>950,775</u>	<u>255,276</u>	<u>19,383,579</u>	<u>\$ 16,242,590</u>	<u>829,126</u>
						<u>250,930</u>
						<u>17,322,646</u>

See accompanying notes to financial statements.

BRAHMANANDA SARASWATI FOUNDATION
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

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 maintain large groups of Maharishi Vedic Pandits to perform Yagya (Vedic performances for the welfare of the world) and Yoga (Transcendental Meditation and its advanced techniques).
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 and highly practical, consciousness-based technologies of Natural Law brought to light by His Holiness Maharishi Mahesh Yogi for the welfare of all people, everywhere.
4. To (i) train and maintain groups of individuals practicing the Transcendental Meditation and TM-Sidhi program, including Yogic Flying in every country, (ii) provide educational and related facilities for these groups of Yogic Flyers and (iii) support the establishment of educational and research facilities throughout the world to implement the foregoing purposes.
5. 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.
6. 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.

In 2019, the Foundation formed LLCs to own and administer some of the Foundation's fixed assets. Central Farm LLC owns farmland in Kansas and MVC Farm LLC owns farmland around the Maharishi Vedic City campus. The financial activity of these organizations has been included in the Foundation's consolidated financial statements.

The consolidated financial statements include the activity of the Foundation and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements.

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.

Accrual Basis - The consolidated 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.

BRAHMANANDA SARASWATI FOUNDATION
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

Use of Estimates - The preparation of consolidated 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 consolidated 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.

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:

- *Net assets without donor restrictions* - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in helping to accomplish the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the board of directors.
- *Net assets with donor restrictions* - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenue Recognition - Rental income is recorded monthly during the period of rental agreements. Course fee revenue is recognized as the related courses take place and are attended, or when prepayments expire. 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 (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.

Lease Revenue - The Foundation leases various assets to lessees in administering its properties. The Foundation determines whether a contract contains a lease at inception based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has elected to apply the practical expedient to not separate lease and non-lease components for all leases. For leases classified as operating leases, lease income is recognized over the lease term on a straight-line basis, unless another systematic and rational basis is more representative of the pattern in which the benefit from the leased asset is consumed. Variable lease payments, if any, that depend on an index or rate are recognized in lease income in the period in which the changes in the index or rate occur.

BRAHMANANDA SARASWATI FOUNDATION
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

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, private equity and real estate investments, and money market accounts. 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 net assets without donor restrictions or net assets with donor restrictions based upon donor-imposed restrictions. Realized gains included in investment income for the year ended December 31, 2024 and 2023 were \$1,237,228 and \$551,849, respectively.

Investment income is reported in the statement of activities as revenue with donor restrictions or revenue without donor restrictions based upon donor-imposed restrictions. Gains and investment income that are limited to specific uses by donor-imposed restrictions are reported in net assets without restrictions when the restrictions are met in the same reporting period as the gains and income are recognized.

Other Investments - Real Estate - The Foundation maintains several real estate holdings for investment purposes. These properties are valued on the financial statements at cost basis (fair market value as of the date of receipt) as allowed by FASB ASC 958-325-35. At December 31, 2024 and 2023, the properties are held for income and appreciation purposes and are classified as long-term assets.

Course Fees Receivable and Receivables from Affiliates - The Foundation carries its course fees receivable and receivables from affiliates at cost less an allowance for credit losses, when necessary. On a periodic basis, the Foundation evaluates its course fee receivables and receivables from affiliates and determined no allowance is necessary based on the history of past write-offs, collections, current credit conditions, and reasonable forecasts. All course fees and other receivables are receivable within one year.

Notes Receivable - Notes receivable are recognized when the company provides funds to a counterparty under a written promissory note that stipulates fixed or determinable payment terms. These notes are initially measured at their fair value, which generally equals the principal amount of the note, and subsequently measured at amortized cost using the effective interest method. The Foundation assesses notes receivable for impairment at each reporting date using an expected credit loss model. If there is objective evidence that a note is impaired, such as significant financial difficulty of the counterparty or default, the carrying amount is reduced to the present value of expected future cash flows.

Deferred Revenue - Deferred revenue consists of fees paid in advance by certain course participants from outside of India to attend scheduled in-residence courses, to be offered at the International Center for Maharishi Vedic Pandits at the Brahmasthan (the geographical center) of India. In the year ended December 31, 2024, the prepaid course fees maintained in the deferred revenue account were either used to attend courses at the International Center for Maharishi Vedic Pandits in India or reallocated to income. At December 31, 2024, the deferred income balance contained only recent payments from course participants who expected to attend courses in the near future.

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.

BRAHMANANDA SARASWATI FOUNDATION
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

Reclassifications - Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Date of Management Review - Management has evaluated subsequent events through May 13, 2025, the date which the financial statements were available to be issued.

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

The Foundation maintains its cash balances in two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the Foundation's cash balances exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant risk related to the uninsured deposits.

Note 3 - Availability and Liquidity

The following represents the Foundation's financial assets at December 31, 2024 and 2023:

	2024	2023
Financial assets at year-end:		
Cash and cash equivalents	\$ 702,151	538,724
Receivables	1,033,019	1,601,968
Investments	68,121,748	73,590,565
Total financial assets	<u>69,856,918</u>	<u>75,731,257</u>
Less amounts not available to be used within one year:		
Property held for investment	25,130,332	26,672,206
Long-term investments	41,893,462	45,875,851
Long-term receivables	626,791	1,137,763
	<u>67,650,585</u>	<u>73,685,820</u>
Financial assets available to meet general expenditures over the next twelve months	\$ <u>2,206,333</u>	<u>2,045,437</u>

The Foundation has a policy to maintain adequate financial assets on hand to meet its obligations as they become due. As part of the Foundation's liquidity plan, the Board-designated endowment funds held by the Foundation as long-term investments are available to be appropriated to meet cash flow needs.

Note 4 - Vedic City Campus and Livingston Manor

The Foundation allows organizations aligned with its mission to use the Vedic City Campus and Livingston Manor rent-free as an in-kind contribution. For the years ended December 31, 2024 and 2023, the total in-kind contributions for use of the campus and manor totaled \$338,527 and \$338,527, respectively.

BRAHMANANDA SARASWATI FOUNDATION
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Note 5 - Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of December 31:

	2024	2023
Temporary (time or purpose) restrictions:		
Support for Vedic Pandits	\$ 4,093,260	5,007,747
Dhammarcharinee School	219,809	77,546
Maharishi Memorial Educational Center	-	1,166
Brahmasthan Construction	64,751	140,183
Bethesda SuperRadiance	20,816	18,111
Northeast Peace Palace, CT	16,341	26,727
Ghana Peace Project	24,750	-
Ayurveda	100,100	100,000
Earnings on amounts endowed for Vedic Pandits	5,965,910	4,380,996
Permanent restrictions:		
Endowed for Vedic Pandits	8,645,566	8,386,534
	<u>\$ 19,151,303</u>	<u>18,139,010</u>

During the years ended December 31, 2024 and 2023, net assets were released from donor restrictions by satisfying the purpose or time restrictions specified by donors as follows:

	2024	2023
Brahmasthan Construction	\$ 75,432	11,209
Support for Vedic Pandits	4,233,987	3,909,208
Maharishi Memorial Educational Center	1,166	-
Dhammarcharinee School	535,993	605,188
Northeast Peace Palace, CT	14,328	15,830
Bethesda SuperRadiance	24,000	24,441
	<u>\$ 4,884,906</u>	<u>4,565,876</u>

Note 6 - Endowments

The Foundation's endowment consists of funds established to support the Vedic Pandits generation after generation. The endowment may also be used to help support large groups practicing Transcendental Meditation and its advanced techniques to create coherence, peace and harmony in the world, and to support the establishment of educational and research facilities throughout the world. In addition, the endowment supports the programs of Maharishi Vedic Science for the welfare of the world, including Maharishi Ayurveda. The Foundation's 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.

BRAHMANANDA SARASWATI FOUNDATION
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Note 6 - Endowments (Continued)

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 net assets with donor restrictions (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 net assets with permanent donor restrictions is classified as net assets with temporary donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

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 while attempting to earn a prudent return for the support of its goals. The Foundation may also grant or invest part of the principal in projects that further its mission or help fulfill its goals. The Foundation currently maintains operating bank accounts and investment accounts at brokerage and investment houses. The Foundation has appointed an Investment Committee to manage, supervise, monitor, and support the investments of the Foundation. In 2017, the Foundation hired an outside independent investment advisor to assist its Investment Committee in analysis and risk control for its investments.

Endowment funds are currently deposited in public marketable debt, public and private equity securities, private real estate and mutual funds at brokerage and investment houses.

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

Endowment net assets as of December 31, 2024 are as follows:

		Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total Endowment Net Assets
Board-designated endowment funds	\$	37,490,934	-	37,490,934
Donor-restricted endowment funds		-	14,611,476	14,611,476
Total	\$	37,490,934	14,611,476	52,102,410

BRAHMANANDA SARASWATI FOUNDATION
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Note 6 - Endowments (Continued)

Changes in endowment net assets for the year ended December 31, 2024 are as follows:

		Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total Endowment Net Assets
Endowment net assets, beginning of year	\$	43,797,845	12,767,530	56,565,375
Contributions		175,000	259,032	434,032
Investment income		1,644,300	839,097	2,483,397
Unrealized gain (loss)		1,461,510	745,817	2,207,327
Appropriation of endowment assets for expenditure		(9,587,721)	-	(9,587,721)
Endowment net assets	\$	<u>37,490,934</u>	<u>14,611,476</u>	<u>52,102,410</u>

Endowment net assets as of December 31, 2023 are as follows:

		Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total Endowment Net Assets
Board-designated endowment funds	\$	43,797,845	-	43,797,845
Donor-restricted endowment funds		-	12,767,530	12,767,530
Total	\$	<u>43,797,845</u>	<u>12,767,530</u>	<u>56,565,375</u>

Changes in endowment net assets for the year ended December 31, 2023 are as follows:

		Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total Endowment Net Assets
Endowment net assets, beginning of year	\$	46,197,498	11,080,988	57,278,486
Contributions		1,175,696	138,069	1,313,765
Investment income		1,156,910	467,549	1,624,459
Unrealized gain		2,674,659	1,080,924	3,755,583
Appropriation of endowment assets for expenditure		(7,406,918)	-	(7,406,918)
Endowment net assets	\$	<u>43,797,845</u>	<u>12,767,530</u>	<u>56,565,375</u>

BRAHMANANDA SARASWATI FOUNDATION
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Note 7 - Fair Value Measurements

The fair value hierarchy 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.

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

Money market accounts: Valued at cost, which is equivalent to the fair value.

Private equity, private real estate, and hedge funds: Valued at the net asset value of shares of investment pools held by the Foundation through its equity partners at year end.

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 assets measured at fair value by classification within the fair value hierarchy as of December 31, 2024.

		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	December 31, 2024			
Money market accounts	\$ 10,611,257	10,611,257	-	-
Marketable equity securities	5,627,552	5,627,552	-	-
Private equity, real estate and hedge funds	9,218,903	-	9,218,903	-
Equity and fixed income mutual funds	17,533,704	17,533,704	-	-
Total assets, at fair value	\$ 42,991,416	33,772,513	9,218,903	-

BRAHMANANDA SARASWATI FOUNDATION
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Note 7 - Fair Value Measurements (Continued)

The following table presents assets measured at fair value by classification within the fair value hierarchy as of December 31, 2023:

		December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market accounts	\$	14,359,078	14,359,078	-	-
Marketable equity securities		6,174,544	6,174,544	-	-
Private equity, real estate and hedge funds		11,950,497	-	11,950,497	-
Equity and fixed income mutual funds		14,334,240	14,334,240	-	-
Total assets, at fair value	\$	46,818,359	34,867,862	11,950,497	-

Following is a reconciliation of investments valued at fair value above to investments as shown on the statements of financial position at December 31, 2024 and 2023:

		2024	2023
Investments - current	\$	1,097,954	1,042,508
Long-term investments		41,893,462	45,875,851
		42,991,416	46,918,359
Less: Other investments at cost		-	(100,000)
	\$	42,991,416	46,818,359

Note 8 - Concentrations

The Foundation received approximately 30 percent of its contributions from three donors during the year ended December 31, 2024. The Foundation received approximately 36 percent of its contributions from six donors during the year ended December 31, 2023.

The Foundation's charitable distributions were granted to 14 organizations during the year ended December 31, 2024. Three organizations received a total of 84 percent of the total charitable distributions during the year ended December 31, 2024. During the year ended December 31, 2023, charitable distributions were granted to 14 organizations. Four organizations received a total of 83 percent of the total charitable distributions during the year ended December 31, 2023.

BRAHMANANDA SARASWATI FOUNDATION
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Note 9 - Notes Receivable

Notes receivable consists of the following:

	<u>2024</u>	<u>2023</u>
Note receivable from MAP Europe BV with maturity date in May 2027 and interest rate of 5% with payments monthly of \$20,000 of principal and interest.	\$ 655,866	920,090
Note receivable from EE Management Services, LLC with maturity date in May 2029 and interest rate of 0% with payments monthly of \$5,000.	265,000	-
Notes receivable from Maharishi Ayurveda Products International with maturity date in June 2027 and interest rate of 4.25% with principal of \$4,000 plus interest payable monthly. The note was forgiven in the year ended December 31, 2024.	-	482,547
Note receivable from Raam Raj Foundation with a maturity date in May 2024 and a beginning interest rate of 5% which increases 0.50% each year. Principal was due in annual payments of \$107,143 starting one year from inception of the note, and accrued interest is also due annually. The note was repaid in the year ended December 31, 2024.	-	100,455
Total notes receivable	920,866	1,503,092
Less current portion	324,962	365,329
Long-term portion	\$ 595,904	1,137,763

Note 10 - Leases

The Foundation receives rental income under operating leases as part of administering its properties, which is reported as real estate investment income on the statement of activities. The majority of the Foundation's rental income is generated from property in Japan, which is primarily leased for solar arrays and a parking lot. The agreements provide for fixed annual payments totaling ¥ 84,364,318 through dates in 2034-2038. Total lease payments received under agreements for real estate in Japan for the year ended December 31, 2024 and 2023 were \$544,409 and \$624,687, respectively, after deposit in the Foundation's American accounts. Future amounts to be received under its agreements with lessors under long-term fixed lease contracts in Japan are as follows (in the local currency, the Japanese Yen):

BRAHMANANDA SARASWATI FOUNDATION
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Note 10 - Leases (Continued)

Year Ending December 31,		
2025	¥	84,364,318
2026		84,364,318
2027		84,364,318
2028		84,364,318
2029		84,364,318
Thereafter		350,253,749
	¥	<u>772,075,339</u>

The actual amounts (in U.S. dollars) collected by the Foundation will vary based on the exchange rate at the time of the related rental payments. During 2024, the exchange rate averaged ¥151.02 to \$1 (US). During 2023, the exchange rate averaged ¥141.53 to \$1 (US).

Following is a summary of the Foundation's lease revenues and the related classification:

Lease Revenue	Classification	2024	2023
Operating lease revenue	Real estate investment income	\$ 544,409	624,687
Short-term lease revenue	Real estate investment income	109,369	68,106
Short-term lease revenue	Farm income	44,836	96,415
Total lease revenue		<u>\$ 698,614</u>	<u>789,208</u>

The Foundation's lease agreements under its short-term leases consist of a lease for one of its buildings for \$3,355 per month and leases for farmland and mining rights based on production.

Note 11 - Functional Expense Allocations

The cost of providing the Foundation's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited based on the estimates made by the Foundation's management. The Foundation allocates salaries based on employee time and effort to each function.



FORGE

FINANCIAL & MANAGEMENT CONSULTING