

**BRAHMANANDA SARASWATI
FOUNDATION**

Consolidated Financial Statements

Years ended December 31, 2025 and 2024



FORGE

FINANCIAL & MANAGEMENT CONSULTING

BRAHMANANDA SARASWATI FOUNDATION

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FINANCIAL & MANAGEMENT CONSULTING

Independent Auditors' Report

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

Opinion

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, 2025 and 2024, 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, 2025 and 2024, 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 7, 2026

BRAHMANANDA SARASWATI FOUNDATION
Consolidated Statements of Financial Position
December 31, 2025 and 2024

| Assets | | |
|--|---------------|------------|
| | 2025 | 2024 |
| Current assets: | | |
| Cash and cash equivalents | \$ 647,297 | 702,151 |
| Accrued interest receivable | 4,003 | 35,146 |
| App fees receivable | 23,200 | 21,614 |
| Current portion of notes receivable | 321,898 | 294,075 |
| Prepaid expenses | 23,186 | 20,941 |
| Investments | 1,142,013 | 1,097,954 |
| Other receivables - short-term | 17,031 | 55,393 |
| Total current assets | 2,178,628 | 2,227,274 |
| Long-term assets: | | |
| Other investments - real estate | 25,900,598 | 25,130,332 |
| Long-term investments | 42,585,711 | 41,893,462 |
| Notes receivable, net of current portion | 373,171 | 626,791 |
| Total long-term assets | 68,859,480 | 67,650,585 |
| Property and equipment: | | |
| Land | 3,432,017 | 4,297,081 |
| Buildings | 4,216,366 | 4,776,366 |
| Computer equipment | 2,895 | 2,895 |
| | 7,651,278 | 9,076,342 |
| Less accumulated depreciation | 1,056,429 | 1,128,144 |
| Net property and equipment | 6,594,849 | 7,948,198 |
| Total assets | \$ 77,632,957 | 77,826,057 |

See accompanying notes to financial statements.

BRAHMANANDA SARASWATI FOUNDATION
Consolidated Statements of Financial Position
December 31, 2025 and 2024

| Liabilities and Net Assets | | |
|-----------------------------------|---------------|-------------|
| | 2025 | 2024 |
| Current liabilities: | | |
| Accounts payable | \$ 153,396 | 109,411 |
| Accrued expenses | - | 25,000 |
| Deferred revenue | 136,916 | 145,894 |
| Total current liabilities | 290,312 | 280,305 |
| Net assets: | | |
| Without donor restrictions | 55,567,395 | 58,394,449 |
| With donor restrictions | 21,775,250 | 19,151,303 |
| Total net assets | 77,342,645 | 77,545,752 |
| Total liabilities and net assets | \$ 77,632,957 | 77,826,057 |

See accompanying notes to financial statements.

BRAHMANANDA SARASWATI FOUNDATION
Consolidated Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2025 and 2024

| | 2025 | | | 2024 | | |
|--|-------------------------------|----------------------------|------------|-------------------------------|----------------------------|-------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| Revenues: | | | | | | |
| Contributions | \$ 2,813,696 | 5,640,824 | 8,454,520 | 2,304,027 | 4,312,285 | 6,616,312 |
| Course fee revenue | 331,048 | - | 331,048 | 266,822 | - | 266,822 |
| Investment income | 1,834,166 | 1,308,361 | 3,142,527 | 1,761,127 | 839,097 | 2,600,224 |
| Unrealized gain on investments | 587,337 | 418,963 | 1,006,300 | 1,565,351 | 745,817 | 2,311,168 |
| Real estate investment income | 683,814 | - | 683,814 | 653,778 | - | 653,778 |
| In-kind rental income | 297,786 | - | 297,786 | 338,527 | - | 338,527 |
| Farm income | 10,597 | - | 10,597 | 44,836 | - | 44,836 |
| Other income | 243,441 | - | 243,441 | 208,094 | - | 208,094 |
| Net assets released from restrictions | 4,744,201 | (4,744,201) | - | 4,884,906 | (4,884,906) | - |
| Total revenues | 11,546,086 | 2,623,947 | 14,170,033 | 12,027,468 | 1,012,293 | 13,039,761 |
| Functional expenses: | | | | | | |
| Program services | 12,874,595 | - | 12,874,595 | 18,177,528 | - | 18,177,528 |
| Supporting services: | | | | | | |
| Management and general | 841,682 | - | 841,682 | 950,775 | - | 950,775 |
| Fundraising | 269,580 | - | 269,580 | 255,276 | - | 255,276 |
| Total expenses | 13,985,857 | - | 13,985,857 | 19,383,579 | - | 19,383,579 |
| Other income (expenses): | | | | | | |
| Mineral rights depletion expense | (39,734) | - | (39,734) | (50,000) | - | (50,000) |
| Gain (loss) on sale of other investments - real estate | (347,549) | - | (347,549) | 378,712 | - | 378,712 |
| Total other income (expenses) | (387,283) | - | (387,283) | 328,712 | - | 328,712 |
| Change in net assets | (2,827,054) | 2,623,947 | (203,107) | (7,027,399) | 1,012,293 | (6,015,106) |
| Net assets at beginning of year | 58,394,449 | 19,151,303 | 77,545,752 | 65,421,848 | 18,139,010 | 83,560,858 |
| Net assets at end of year | \$ 55,567,395 | 21,775,250 | 77,342,645 | 58,394,449 | 19,151,303 | 77,545,752 |

See accompanying notes to financial statements.

BRAHMANANDA SARASWATI FOUNDATION
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

| | <u>2025</u> | <u>2024</u> |
|--|--------------------|---------------------|
| Operating activities: | | |
| Change in net assets | \$ (203,107) | (6,015,106) |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation | 153,307 | 173,669 |
| Depletion - mineral rights | 39,734 | 50,000 |
| Exchange rate (gain) loss on notes receivable | (74,250) | 28,259 |
| Forgiveness of notes receivable | - | 482,547 |
| (Gain) loss on sale of other investments - real estate | 347,549 | (378,712) |
| Reinvested investment income | (3,142,527) | (2,600,224) |
| Unrealized (gain) loss on investments | (1,006,300) | (2,311,168) |
| Contributions restricted for long-term investment | (5,640,824) | (4,312,285) |
| (Increase) decrease in: | | |
| Receivables | 67,919 | (69,795) |
| Prepaid expenses | (2,245) | 36,504 |
| Increase (decrease) in: | | |
| Accounts payable | 43,985 | (22,216) |
| Accrued expenses | (25,000) | 25,000 |
| Deferred revenue | (8,978) | (1,337) |
| Net cash provided (used) by operating activities | <u>(9,450,737)</u> | <u>(14,914,864)</u> |
| Investing activities: | | |
| Purchases of investments | (4,105,720) | (5,218,151) |
| Sales of investments | 7,518,239 | 14,056,486 |
| Proceeds from sale of other investments - real estate | 187,493 | 1,570,586 |
| Payments received on notes receivable | 300,047 | 427,938 |
| Purchases of property and equipment | (145,000) | (70,853) |
| Net cash provided (used) by investing activities | <u>3,755,059</u> | <u>10,766,006</u> |
| Financing activities: | | |
| Contributions restricted for long-term investment | 5,640,824 | 4,312,285 |
| Net cash provided (used) by financing activities | <u>5,640,824</u> | <u>4,312,285</u> |
| Net increase (decrease) in cash and cash equivalents | (54,854) | 163,427 |
| Cash and cash equivalents at beginning of year | <u>702,151</u> | <u>538,724</u> |
| Cash and cash equivalents at end of year | <u>\$ 647,297</u> | <u>702,151</u> |
| Noncash investing and financing activities: | | |
| Issuance of notes receivable for sale of property | \$ | <u>300,000</u> |
| Transfer from fixed assets to other investments | \$ 900,000 | <u>-</u> |

See accompanying notes to financial statements.

BRAHMANANDA SARASWATI FOUNDATION
Consolidated Statements of Functional Expenses
For the Years Ended December 31, 2025 and 2024

| | <u>2025</u> | | | | <u>2024</u> | | | |
|----------------------------------|----------------------|-----------------------------------|--------------------|-------------------|----------------------|-----------------------------------|--------------------|-------------------|
| | <u>Program</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total</u> | <u>Program</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total</u> |
| Charitable distributions | \$ 12,092,386 | - | - | 12,092,386 | \$ 17,438,908 | - | - | 17,438,908 |
| In-kind gift of occupancy | 297,786 | - | - | 297,786 | 338,527 | - | - | 338,527 |
| Payroll expenses | 440 | 148,293 | 93,128 | 241,861 | 2,898 | 136,939 | 88,795 | 228,632 |
| Course expenses | 182,031 | 2,937 | - | 184,968 | 133,873 | 2,870 | - | 136,743 |
| Consulting and professional fees | 234,392 | 45,846 | 19,400 | 299,638 | 238,147 | 110,917 | 12,131 | 361,195 |
| Insurance | - | 39,128 | - | 39,128 | - | 37,826 | - | 37,826 |
| Permits and licenses | - | 1,395 | 4,770 | 6,165 | - | 29,077 | 5,234 | 34,311 |
| Supplies | - | 2,329 | - | 2,329 | - | 10,693 | 106 | 10,799 |
| Office expenses | - | 3,960 | - | 3,960 | - | 4,983 | - | 4,983 |
| Credit card and bank fees | - | 3,495 | 85,953 | 89,448 | - | 3,152 | 86,907 | 90,059 |
| Facilities expense/occupancy | - | 272,393 | - | 272,393 | - | 280,768 | - | 280,768 |
| Travel and meetings | 2,939 | 2,894 | 475 | 6,308 | 4,452 | - | - | 4,452 |
| App and website development | 64,621 | - | 65,854 | 130,475 | 20,723 | 2,379 | 62,103 | 85,205 |
| Real estate management expenses | - | 165,705 | - | 165,705 | - | 157,502 | - | 157,502 |
| Depreciation | - | 153,307 | - | 153,307 | - | 173,669 | - | 173,669 |
| | <u>\$ 12,874,595</u> | <u>841,682</u> | <u>269,580</u> | <u>13,985,857</u> | <u>\$ 18,177,528</u> | <u>950,775</u> | <u>255,276</u> | <u>19,383,579</u> |

See accompanying notes to financial statements.

BRAHMANANDA SARASWATI FOUNDATION
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

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.

Principles of Consolidation - 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, 2025 and 2024

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 nonfinancial assets are recorded at their estimated fair value on the date of receipt. Other contributed nonfinancial assets are valued using the market approach, where available, based on observable market prices for similar items or services at the time of contribution. Contributed nonfinancial assets are reported as contribution revenue in the consolidated statement of activities and changes in net assets and are also reported within the related natural and functional expense classifications when utilized.

In addition, the Foundation at times contributes nonfinancial assets to other organizations. In these situations, the in-kind gifts are disaggregated by category, including (i) occupancy, consisting primarily of rent-free use of the Vedic City Campus and Livingston Manor, and (ii) other, consisting primarily of goods or services received in-kind. Contributed occupancy is valued using the market approach based on current market rental rates for comparable space in similar locations, considering the terms and conditions of the contributed use (including time period and any restrictions on use).

BRAHMANANDA SARASWATI FOUNDATION
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Foundation 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.

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 (none at December 31, 2025 and 2024).

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, 2025 and 2024 were \$969,113 and \$1,237,228, 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, 2025 and 2024, the properties are held for income and appreciation purposes and are classified as long-term assets.

The Foundation reviews real estate held for investment for impairment whenever events or changes in circumstances indicate that the carrying amount of a property may not be recoverable. An impairment loss is recognized when the carrying amount exceeds the sum of the expected undiscounted future cash flows to be generated from the property. Gains and losses on sales of real estate are recognized upon closing and are determined as the difference between the sales proceeds and the carrying amount of the property at the time of sale, net of selling costs.

Notes Receivable - Notes receivable are recognized when the Foundation 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. At December 31, 2025 and 2024, full collection is expected and no allowance for credit losses is recorded.

BRAHMANANDA SARASWATI FOUNDATION
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

Note 1 - Summary of Significant Accounting Policies (Continued)

Property and Equipment - Purchased property and equipment is recorded at cost. Maintenance and repairs are charged to expenses. 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 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 years ended December 31, 2025 and 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, 2025 and 2024, the deferred income balance contained only recent payments from course participants who expected to attend courses in the near future.

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 7, 2026, the date which the financial statements were available to be issued.

Note 2 - Availability and Liquidity

The following represents the Foundation's financial assets at December 31, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|---|---------------------|-------------------|
| Financial assets at year-end: | | |
| Cash and cash equivalents | \$ 647,297 | 702,151 |
| Receivables | 739,303 | 1,033,019 |
| Investments | 69,628,322 | 68,121,748 |
| Total financial assets | <u>71,014,922</u> | <u>69,856,918</u> |
| Less amounts not available to be used within one year: | | |
| Property held for investment | 25,900,598 | 25,130,332 |
| Long-term investments | 42,585,711 | 41,893,462 |
| Long-term receivables | 373,171 | 626,791 |
| | <u>68,859,480</u> | <u>67,650,585</u> |
| Financial assets available to meet general expenditures over the next twelve months | <u>\$ 2,155,442</u> | <u>2,206,333</u> |

The amounts not available to be used include all amounts limited by donor restrictions. The Foundation has a policy to maintain adequate financial assets on hand to meet its obligations for general expenditures 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.

BRAHMANANDA SARASWATI FOUNDATION
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

Note 3 - 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 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 gift of occupancy. In-kind gifts made by the Foundation for use of the campus and manor totaled \$297,786 and \$338,527 for the years ended December 31, 2025 and 2024, respectively. The revenue is reflected as in-kind rental income on the statement of activities and the expense is reflected as in-kind gift of occupancy on the statement of functional expenses.

Note 5 - Net Assets with Donor Restrictions

Restricted net assets activity for the year ended December 31, 2025 is as follows:

| | December 31, 2024 Balance | Additions | Releases | December 31, 2025 Balance |
|--|--|------------------|--------------------|--|
| Temporary (time or purpose) restrictions: | | | | |
| Support for Vedic Pandits | \$ 4,093,260 | 3,128,598 | (3,597,974) | 3,623,884 |
| AWAGO School | 122,809 | 883,923 | (808,937) | 197,795 |
| Dharmacharinee School | 97,000 | - | (97,000) | - |
| Maharishi Memorial Educational Center | - | 500 | - | 500 |
| Brahmasthan Construction | 64,751 | - | (12,526) | 52,225 |
| Bethesda SuperRadiance | 20,816 | 28,489 | (24,800) | 24,505 |
| Northeast Peace Palace, CT | 16,341 | 3,059 | (5,364) | 14,036 |
| Ghana Peace Project | 24,750 | 72,750 | (97,500) | - |
| Ayurveda | 100,100 | - | (100,100) | - |
| Earnings on amounts endowed for Vedic Pandits | 5,965,910 | 1,671,025 | - | 7,636,935 |
| Earnings on amounts endowed for Dharmacharinee School | - | 56,299 | - | 56,299 |
| Permanent restrictions: | | | | |
| Endowed for Vedic Pandits | 8,645,566 | 627,010 | - | 9,272,576 |
| Dharmacharinee School | - | 896,495 | - | 896,495 |
| | <u>\$ 19,151,303</u> | <u>7,368,148</u> | <u>(4,744,201)</u> | <u>21,775,250</u> |

BRAHMANANDA SARASWATI FOUNDATION
Notes to Consolidated Financial Statements
December 31, 2025 and 2024

Note 5 - Net Assets with Donor Restrictions (Continued)

Restricted net assets activity for the year ended December 31, 2024 is as follows:

| | December 31, 2023 | | | December 31, 2024 |
|---|------------------------------|------------------|--------------------|------------------------------|
| | Balance | Additions | Releases | Balance |
| Temporary (time or purpose) restrictions: | | | | |
| Support for Vedic Pandits | \$ 5,007,747 | 3,319,500 | (4,233,987) | 4,093,260 |
| AWAGO School | 77,546 | 581,256 | (535,993) | 122,809 |
| Dhammarcharinee School | - | 97,000 | - | 97,000 |
| Maharishi Memorial Educational Center | 1,166 | - | (1,166) | - |
| Brahmasthan Construction | 140,183 | - | (75,432) | 64,751 |
| Bethesda SuperRadiance | 18,111 | 26,705 | (24,000) | 20,816 |
| Northeast Peace Palace, CT | 26,727 | 3,942 | (14,328) | 16,341 |
| Ghana Peace Project | - | 24,750 | - | 24,750 |
| Ayurveda | 100,000 | 100 | - | 100,100 |
| Earnings on amounts endowed for Vedic Pandits | 4,380,996 | 1,584,914 | - | 5,965,910 |
| Permanent restrictions: | | | | |
| Endowed for Vedic Pandits | 8,386,534 | 259,032 | - | 8,645,566 |
| | <u>\$ 18,139,010</u> | <u>5,897,199</u> | <u>(4,884,906)</u> | <u>19,151,303</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.

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.

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Notes to Consolidated Financial Statements
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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 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. None of the Foundation's endowment funds were underwater at December 31, 2025 and 2024.

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, 2025 are as follows:

| | Net Assets without Donor Restrictions | Net Assets with Donor Restrictions | Total Endowment Net Assets |
|----------------------------------|--|---|---|
| Board-designated endowment funds | \$ 35,930,697 | - | 35,930,697 |
| Donor-restricted endowment funds | - | 17,862,305 | 17,862,305 |
| Total | \$ 35,930,697 | 17,862,305 | 53,793,002 |

Changes in endowment net assets for the year ended December 31, 2025 are as follows:

| | Net Assets without Donor Restrictions | Net Assets with Donor Restrictions | Total Endowment Net Assets |
|---|--|---|---|
| Endowment net assets, beginning of year | \$ 37,490,934 | 14,611,476 | 52,102,410 |
| Contributions | 550,000 | 1,523,505 | 2,073,505 |
| Investment income | 1,675,576 | 1,308,361 | 2,983,937 |
| Unrealized gain | 536,553 | 418,963 | 955,516 |
| Appropriation of endowment assets for expenditure | (4,322,366) | - | (4,322,366) |
| Endowment net assets | \$ 35,930,697 | 17,862,305 | 53,793,002 |

BRAHMANANDA SARASWATI FOUNDATION
Notes to Consolidated Financial Statements
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Note 6 - Endowments (Continued)

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 |

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 | | 1,461,510 | 745,817 | 2,207,327 |
| Appropriation of endowment assets for expenditure | | (9,587,721) | - | (9,587,721) |
| Endowment net assets | \$ | 37,490,934 | 14,611,476 | 52,102,410 |

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.

BRAHMANANDA SARASWATI FOUNDATION
Notes to Consolidated Financial Statements
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Note 7 - Fair Value Measurements (Continued)

Marketable equity securities and mutual funds: Valued at the quoted fair 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, 2025:

| | December 31, 2025 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|--|------------------------------|---|--|--|
| Money market accounts | \$ 2,197,373 | 2,197,373 | - | - |
| Marketable equity securities | 9,781,935 | 9,781,935 | - | - |
| Equity and fixed income mutual funds | 15,630,085 | 15,630,085 | - | - |
| Total investments, at fair value | \$ 27,609,393 | 27,609,393 | - | - |
| Investments measured at Net asset value (a) | 16,118,331 | | | |
| Total investments | 43,727,724 | | | |

The following table presents assets measured at fair value by classification within the fair value hierarchy as of December 31, 2024:

| | December 31, 2024 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|--|------------------------------|---|--|--|
| Money market accounts | \$ 3,865,319 | 3,865,319 | - | - |
| Marketable equity securities | 8,950,668 | 8,950,668 | - | - |
| Equity and fixed income mutual funds | 14,810,748 | 14,810,748 | - | - |
| Total assets, at fair value | \$ 27,626,735 | 27,626,375 | - | - |
| Investments measured at Net asset value (a) | 15,364,681 | | | |
| Total investments | 42,991,416 | | | |

BRAHMANANDA SARASWATI FOUNDATION
Notes to Consolidated Financial Statements
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Note 7 - Fair Value Measurements (Continued)

(a) In accordance with Accounting Standards Codification Subtopic 820-10, certain investments that are measured at fair value using the NAV practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

The following table summarizes plan investments whose fair value is estimated using NAV per share (or its equivalent) as of December 31, 2025, and 2024.

| | <u>Fair Value</u> | | Unfunded Commitment | Redemption Frequency | Redemption Notice | Investment Strategy Not relevant |
|----------------------|----------------------|-------------------|--------------------------------|---------------------------------|------------------------------|---|
| | 2025 | 2024 | | | | |
| Private equity | \$ 10,825,949 | 5,647,981 | 1,997,563 | Illiquid | None | Not relevant |
| International equity | 5,292,382 | 9,716,700 | - | As requested | 6 months – 2 years | Not relevant |
| | <u>\$ 16,118,331</u> | <u>15,364,681</u> | | | | |

The following table shows a reconciliation of investments valued at fair value above to investments as shown on the statements of financial position at December 31, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|-----------------------|----------------------|-------------------|
| Investments - current | \$ 1,142,013 | 1,097,954 |
| Long-term investments | 42,585,711 | 41,893,462 |
| | <u>\$ 43,727,724</u> | <u>42,991,416</u> |

Note 8 - Concentrations

The Foundation received approximately 35 percent of its contributions from three donors during the year ended December 31, 2025. The Foundation received approximately 30 percent of its contributions from three donors during the year ended December 31, 2024.

The Foundation's charitable distributions were granted to 17 organizations during the year ended December 31, 2025. Two organizations received a total of 58 percent of the total charitable distributions during the year ended December 31, 2025. During the year ended December 31, 2024, charitable distributions were granted to 14 organizations. Three organizations received a total of 84 percent of the total charitable distributions during the year ended December 31, 2024.

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Notes to Consolidated Financial Statements
December 31, 2025 and 2024

Note 9 - Notes Receivable

Notes receivable consists of the following:

| | 2025 | 2024 |
|--|-------------|-------------|
| 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. | \$ 490,069 | 655,866 |
| Note receivable from EE Management Services, LLC with maturity date in May 2029 and interest rate of 0% with payments monthly of \$5,000. | 205,000 | 265,000 |
| Total notes receivable | 695,069 | 920,866 |
| Less current portion | 321,898 | 294,075 |
| Long-term portion | \$ 373,171 | 626,791 |

Future amounts to be received from notes receivable are as follows:

| | | |
|--------------------------|----|---------|
| Year Ending December 31, | | |
| 2026 | \$ | 321,898 |
| 2027 | | 288,171 |
| 2028 | | 60,000 |
| 2029 | | 25,000 |
| | \$ | 695,069 |

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, 2025 and 2024 were \$580,817 and \$544,409, 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):

| | | |
|--------------------------|---|-------------|
| Year Ending December 31, | | |
| 2026 | ¥ | 84,364,318 |
| 2027 | | 84,364,318 |
| 2028 | | 84,364,318 |
| 2029 | | 84,364,318 |
| 2030 | | 84,364,318 |
| Thereafter | | 265,889,431 |
| | ¥ | 687,711,021 |

In U.S. dollars, the yearly payments total \$538,364 based on exchange rates at December 31, 2025.

BRAHMANANDA SARASWATI FOUNDATION
Notes to Consolidated Financial Statements
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Note 10 - Leases (Continued)

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 2025, the exchange rate averaged ¥151.30 to \$1 (US). During 2024, the exchange rate averaged ¥151.02 to \$1 (US). Upon termination of the lease, options exist for the Foundation to purchase and assume control of the constructed solar array and power generation equipment constructed on the site, or (based on the remaining generation capacity), the lessee may be required to remove the equipment. Foundation management expects the land to retain its market value at the end of the lease term.

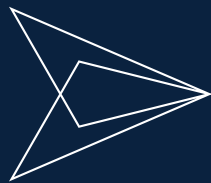
The following is a summary of the Foundation's lease revenues and the related classification:

| Lease Revenue | Classification | 2025 | 2024 |
|--------------------------|-------------------------------|-------------|-------------|
| Operating lease revenue | Real estate investment income | \$ 580,817 | 544,409 |
| Short-term lease revenue | Real estate investment income | 102,997 | 109,369 |
| Short-term lease revenue | Farm income | 10,597 | 44,836 |
| Total lease revenue | | \$ 694,411 | 698,614 |

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.



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