Mind and Life Institute

Financial Statements

December 31, 2025 and 2024

Keiter
Your Opportunity Advisors

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MIND AND LIFE INSTITUTE

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Keiter
Your Opportunity Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mind and Life Institute
Charlottesville, Virginia

Opinion

We have audited the accompanying financial statements of Mind & Life Institute (the "Organization"), which comprise the statements of financial position as of December 31, 2025 and 2024 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows 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 Audits of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 the Organization'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Keiter

August 21, 2026
Glen Allen, Virginia

MIND AND LIFE INSTITUTE

Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	$ 2,829,583	$ 1,266,149
Contributions receivable	387,052	120,268
Other receivable	3,760	13,423
Prepaid expenses	40,846	37,031
Other current assets	1,850	1,772
Total current assets	3,263,091	1,438,643
Investments	25,146,189	7,775,335
Property and equipment, net	5,975	9,048
Total assets	$ 28,415,255	$ 9,223,026
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	$ 198,489	$ 116,203
Grants payable	368,368	392,900
Conditional contributions	317,063	388,241
Deferred revenue	5,311	-
Total current liabilities	889,231	897,344
Net assets:		
Without donor restrictions	4,589,149	4,073,049
With donor restrictions	22,936,875	4,252,633
Total net assets	27,526,024	8,325,682
Total liabilities and net assets	$ 28,415,255	$ 9,223,026

See accompanying notes to financial statements.

MIND AND LIFE INSTITUTE

Statements of Activities
Years Ended December 31, 2025 and 2024

	2025			2024		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Support and other revenue:						
Contributions	$ 1,667,512	$ 18,283,502	$ 19,951,014	$ 846,135	$ 1,901,047	$ 2,747,182
Service fees	161,418	-	161,418	45,808	-	45,808
Publication royalties	20,231	-	20,231	36,383	-	36,383
Investment income	419,040	1,569,516	1,988,556	537,704	479,941	1,017,645
Other income	33,922	-	33,922	1,824	-	1,824
	2,302,123	19,853,018	22,155,141	1,467,854	2,380,988	3,848,842
Net assets released from restrictions:						
Satisfaction of time or purpose restrictions	1,168,776	(1,168,776)	-	965,620	(965,620)	-
Total support and other revenue	3,470,899	18,684,242	22,155,141	2,433,474	1,415,368	3,848,842
Expenses:						
Program services	1,831,634	-	1,831,634	2,325,530	-	2,325,530
General and administrative	689,443	-	689,443	612,810	-	612,810
Fundraising	433,722	-	433,722	312,004	-	312,004
Total expenses	2,954,799	-	2,954,799	3,250,344	-	3,250,344
Change in net assets	516,100	18,684,242	19,200,342	(816,870)	1,415,368	598,498
Net assets, beginning of year	4,073,049	4,252,633	8,325,682	4,889,919	2,837,265	7,727,184
Net assets, end of year	$ 4,589,149	$ 22,936,875	$ 27,526,024	$ 4,073,049	$ 4,252,633	$ 8,325,682

See accompanying notes to financial statements.

MIND AND LIFE INSTITUTE

Statement of Functional Expenses
Year Ended December 31, 2025

	Program Services	General and Administrative	Fundraising	Total
Personnel	$ 708,993	$ 390,846	$ 310,350	$ 1,410,189
Subcontractor	383,396	221,507	65,040	669,943
Grants	257,196	-	-	257,196
Programs and events	225,393	12,952	24,241	262,586
Travel and meals	144,814	7,552	17,792	170,158
Administration	88,815	37,137	7,085	133,037
Occupancy and operations	14,977	15,571	6,459	37,007
Depreciation	3,989	1,499	946	6,434
Insurance	4,061	2,379	1,809	8,249
	$ 1,831,634	$ 689,443	$ 433,722	$ 2,954,799

See accompanying notes to financial statements.

MIND AND LIFE INSTITUTE

Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services	General and Administrative	Fundraising	Total
Personnel	$ 1,201,497	$ 302,534	$ 265,676	$ 1,769,707
Subcontractor	240,698	184,341	10,655	435,694
Grants	431,164	-	-	431,164
Programs and events	285,951	15,112	21,529	322,592
Travel and meals	121,226	39,278	1,784	162,288
Administration	7,544	58,686	4,625	70,855
Occupancy and operations	25,623	9,807	5,604	41,034
Depreciation	5,723	1,532	806	8,061
Insurance	6,104	1,520	1,325	8,949
	$ 2,325,530	$ 612,810	$ 312,004	$ 3,250,344

See accompanying notes to financial statements.

MIND AND LIFE INSTITUTE

Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 19,200,342	$ 598,498
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	6,434	8,061
Net realized and unrealized gain on investments	(1,386,776)	(785,731)
Reinvestment of interest and dividends	(601,780)	(231,914)
Gain on disposal of property and equipment	(261)	(391)
Contributions restricted for long-term endowment purposes	(17,001,334)	(1,000,000)
Change in operating assets and liabilities:		
Contributions receivable	(266,784)	75,404
Other receivable	9,663	(13,423)
Prepaid expenses	(3,815)	(10,245)
Other current assets	(78)	283
Grants payable	(24,532)	(399,335)
Accounts payable and accrued expenses	82,286	(42,831)
Conditional contributions	(71,178)	(48,450)
Deferred revenue	5,311	-
Net cash used in operating activities	(52,502)	(1,850,074)
Cash flows from investing activities:		
Purchase of investments	(36,271,898)	(10,997,883)
Proceeds from sale or maturity of investments	20,889,600	12,217,417
Purchases of property and equipment	(3,361)	(8,585)
Proceeds from sale of property and equipment	261	391
Net cash (used in) provided by investing activities	(15,385,398)	1,211,340

See accompanying notes to financial statements.

MIND AND LIFE INSTITUTE

Statements of Cash Flows, Continued
Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from financing activities:		
Contributions restricted for long-term endowment purposes	$ 17,001,334	$ 1,000,000
Net cash provided by financing activities	17,001,334	1,000,000
Change in cash and cash equivalents	1,563,434	361,266
Cash and cash equivalents, beginning of year	1,266,149	904,883
Cash and cash equivalents, end of year	$ 2,829,583	$ 1,266,149

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies:

Nature of Organization: Mind and Life Institute (the "Organization"), a nonprofit corporation, was incorporated in the state of California on July 2, 1991 and is licensed to conduct business in Virginia. The Organization brings science and contemplative wisdom together to better understand the mind and create positive change in the world. Through grantmaking, in-person and digital events, and strategic partnerships, the Organization seeks to foster insight and inspire action toward flourishing.

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") as determined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

Use of Estimates: The preparation of financial statements in accordance with generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and support and expenses and disclosure of contingent assets and liabilities for the reported period. Actual results could differ from those estimates and assumptions.

Classification of Net Assets: The financial statements are presented in accordance with FASB accounting guidance for financial statements of not-for-profit organizations, which establishes standards for financial statements issued by nonprofit organizations. It requires that net assets and related revenue and expenses be classified in two classes of net assets – net assets without donor restrictions and net assets with donor restrictions reflected based upon the existence or absence of donor-imposed restrictions. A definition and description of each net asset class follows:

> **Net Assets Without Donor Restrictions –** Funds that are not subject to donor-imposed stipulations.
>
> **Net Assets with Donor Restrictions –** Funds subject to donor or grant-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Cash and Cash Equivalents: The Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Organization's cash equivalents consist of money market funds in the amount of $2,412,071 and $158,539 as of December 31, 2025 and 2024, respectively.

1. Summary of Significant Accounting Policies, Continued:

Contributions Receivable: Contributions are recorded when pledged or received. An allowance is provided for amounts estimated to be uncollectible. Management does not believe an allowance is necessary at December 31, 2025 and 2024.

Contributions that are due in the next year are recorded at their net realizable value. When required, contributions that are due in subsequent years are reported at the estimated present value using the Organization's investment rate of return applicable to the years in which the promises were originally pledged, in accordance with FASB ASC 958.

Investments: The Organization invests in a professionally managed portfolio that contains mutual funds, certificates of deposits, bonds, stocks and government obligations. Such investments are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the risks in the near term could materially affect amounts reported on the financial statements.

Investments are reflected at fair market value as described in Note 5. Realized and unrealized gains and losses are reported in the accompanying statements of activities as investment income (loss).

Property and Equipment: Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided by the straight-line method over asset lives ranging from three to six years.

The Organization reviews the carrying value of its property and equipment whenever significant events or changes in circumstances occur that might impair the recovery of these costs. Recovery is evaluated by measuring the carrying value of assets against the associated estimated undiscounted cash flows. During 2025 and 2024, the Organization did not have impairments in its property and equipment.

Contributions: Contributions and other support are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Conditional contributions represent support received in advance where the Organization must meet certain conditional requirements subject to the donor approval before being allowed to spend the proceeds in accordance with any applicable donor restrictions. At December 31, 2025 and 2024, conditional contributions deferred on the statements of financial position were $317,063 and $388,241, respectively.

1. Summary of Significant Accounting Policies, Continued:

Revenue Recognition: Revenue is recognized when obligations under the terms of a contract with a customer are satisfied; generally, this occurs with the transfer of control of the Organization's products or services. Revenue is measured as the amount of total consideration expected to be received in exchange for transferring goods or providing services. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer in exchange for payment and is the unit of account. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when or as the performance obligation is satisfied. Revenue from sponsorships, service fees, and publication royalties is recognized at a point in time when the performance obligations are satisfied.

Contract assets represent the Organization's right to consideration in exchange for services transferred to a customer. There were no contract assets at December 31, 2025 and 2024. Contract liabilities represent the Organization's obligation to transfer services to a customer when the customer prepays consideration for services. There were no contract liabilities at December 31, 2025, December 31, 2024, or January 1, 2024.

Grants Payable to Others: The Organization awards grants to promote research and the development of programs to further their mission. The outstanding grants of $368,368 and $392,900 at December 31, 2025 and 2024, respectively, will be paid in the following year. Grants unspent and refunded by the grantee are netted against grants expense in the year the grants are refunded. Refunded grants were $4,606 for 2025 and $21,943 for 2024.

Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statements of functional expenses. Expenses are allocated based on time and effort or square footage occupied of the following: personnel, subcontractors, grants, programs, travel and meals, administration, occupancy and operations, communications, depreciation and insurance. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Concentrations of Credit Risk: Financial instruments which potentially subject the Organization to concentration of credit risk consist principally of cash and cash equivalents and contribution receivables. The Organization places its cash and cash equivalents with high credit rating financial institutions. The organization's cash accounts were maintained in several financial institutions. During 2025 and 2024, balances periodically exceeded the $250,000 federally insured limit.

Contribution receivables are generally from individuals, corporations and foundations. The Organization believes its credit risk related to these contributions is limited due to the nature of its donors. The ability to collect receivables is affected by the general economic conditions.

1. Summary of Significant Accounting Policies, Continued:

Income Taxes: The Organization is exempted from income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization, which is not a private foundation, under Section 509(a) of the Internal Revenue Code.

Income Tax Uncertainties: The Organization follows FASB guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Organization's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to the meet the more-likely-than-not threshold would be recorded as a tax expense and liability in the current year. Management evaluated the Organization's tax position and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. The Organization is not currently under audit by any tax jurisdiction.

Subsequent Events: Management has evaluated subsequent events through August 21, 2026, the date the financial statements were available to be issued, and has determined that there are no subsequent events to be reported in the accompanying financial statements.

2. Contributions Receivable:

Contributions receivable represent unconditional promises to give which have been made by donors but have not yet been received by the Organization and totaled $387,052 and $120,268 at December 31, 2025 and 2024. All contributions receivable are due during the following year.

At December 31, 2024, there were conditional pledges related to Gaden Phodrang Foundation not included in contributions receivable totaling $450,000. See Supplemental Information.

3. Property and Equipment:

At December 31, 2025 and 2024, property and equipment consisted of the following:

	2025	2024
Office equipment and furniture	$ 48,987	$ 48,529
Books and video equipment	7,094	14,932
	56,081	63,461
Less accumulated depreciation	(50,106)	(54,413)
	$ 5,975	$ 9,048

Depreciation expense was $6,434 for 2025 and $8,061 for 2024.

4. Investments:

Investments at December 31, 2025 and 2024 consisted of the following:

	2025	2024
Equities	$ 15,068,058	$ 3,911,438
Fixed income	9,330,584	3,554,769
Alternative investments	747,547	309,128
Total investments	$ 25,146,189	$ 7,775,335

Investment income for the years ended December 31, 2025 and 2024 consisted of the following:

	2025	2024
Net realized and unrealized gain	$ 1,386,776	$ 785,731
Interest and dividends	601,780	231,914
Total investment income	$ 1,988,556	$ 1,017,645

5. Fair Value Measurements:

The Organization follows FASB guidance on fair value measurements. The provisions of the guidance provide a framework for measuring fair value under GAAP and defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

This guidance also establishes a fair value hierarchy which prioritizes the valuation inputs into three broad levels. Based on the underlying inputs, each fair value measurement in its entirety is reported in one of three levels:

- Level 1 – Quoted prices in active markets
- Level 2 – Directly or indirectly observable valuations in the marketplace at the measurement date other than Level 1 inputs
- Level 3 – Valuations unobservable in the marketplace at the measurement date

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2025 and 2024.

Equities: Equities investments consist of corporate stock and exchange-traded funds (ETFs) and are valued at the closing price as reported on the active market on which the investments are traded.

Fixed income: Fixed income investments consist primarily of corporate, government and municipal debt securities and are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing values on yields currently available on comparable securities of issuers with similar credit rating.

Alternative investments: Valued at daily net asset value published on the active market on which they are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

5. Fair Value Measurements, Continued:

At December 31, 2025, assets measured at fair value on a recurring basis are as follows:

	Level 1	Level 2	Level 3	Total
Equities	$ 15,068,058	$ -	$ -	$ 15,068,058
Fixed income	-	9,330,584	-	9,330,584
	$ 15,068,058	$ 9,330,584	$ -	24,398,642
Investments measured at net asset value*				747,547
				$ 25,146,189

At December 31, 2024, assets measured at fair value on a recurring basis are as follows:

	Level 1	Level 2	Level 3	Total
Equities	$ 3,911,438	$ -	$ -	$ 3,911,438
Fixed income	-	3,554,769	-	3,554,769
	$ 3,911,438	$ 3,554,769	$ -	7,466,207
Investments measured at net asset value*				309,128
				$ 7,775,335

*Certain investments that were measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in the tables above are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

The following table summarizes investments measured at fair value based on net asset value per share as of December 31, 2025 and 2024:

Instrument	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
December 31, 2025:				
Alternative investments	$ 210,042	N/A	N/A	Daily
Absolute return	$ 537,505	N/A	N/A	Daily
December 31, 2024:				
Alternative Investments	$ 154,120	N/A	N/A	Daily
Absolute return	$ 155,008	N/A	N/A	Daily

6. Net Assets with Donor Restrictions:

Net assets with donor restrictions were available for the following purposes at December 31, 2025 and 2024:

	2025	2024
Assets available for restricted use:		
Tides grants	$ 43,321	$ 54,235
Mind & Life grants and scholarships	75,000	75,000
HHDL celebration	185,677	-
Bess grants	104,647	-
Kerr award	1,200	1,200
Total available for restricted use	409,845	130,435
Assets available in future periods:		
Time restricted	25,000	120,268
Endowment held in perpetuity (see Note 7)	22,502,030	4,001,930
Net assets with donor restrictions	$ 22,936,875	$ 4,252,633

Net assets with donor restrictions were released to expenses after satisfying the following restricted purposes:

	2025	2024
Purpose restrictions:		
Varela grants	$ 183,764	$ 270,732
PEACE grants	-	126,500
Research and Think Tank grants	-	25,000
Research Institutes	153,654	132,195
Dialogues with the Dalai Lama	229,487	-
Publications and digital media project	175,000	124,618
Program scholarships	-	31,196
SRI monastic	64,885	-
Bess grants	145,352	-
Contemplative Action grants	-	126,500
Insights Project	-	4,000
Community Conversation	-	7,500
HHDL Endowment	70,750	21,422
HHDL Celebration	114,323	-
Miscellaneous	11,061	53
Total purpose restrictions	1,148,276	869,716
Passage of time restrictions	20,500	95,904
Net assets released from restrictions	$ 1,168,776	$ 965,620

7. Endowment Funds:

The Organization's endowment consists of three named funds which are donor-restricted. The Samuel B. Hanser Memorial Trust Endowment was established to further the goal of making contemplative practices and wisdom traditions more accessible and accepted throughout society as a means for creating health and well-being. The Mind & Life Dalai Lama Endowment was established to ensure that the significant contributions that the Organization's research and programs have made to the development of humanity, continue to be offered well into the future. The Monastic Endowment was established to support monastic participation in the Summer Research Institute and related activities. As required by GAAP, net assets associated with these endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The management of donor-restricted endowment funds is governed by state law under the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as adopted by the Virginia state legislature in 2008. The law gives guidance for investment and spending practices, giving consideration for donor-intent and the organization's overall resources and charitable purpose. Based on their interpretation of law and in compliance with donor intent, the Organization classifies as donor-restricted the original value of the gifts donated to the permanent endowment and the income earned thereon.

A four percent (4%) spending rule shall apply based on a 20 quarter market value average (or historic quarterly average if less than 20 quarters). Investment return in excess of four percent (4%) (net of investment management fees and other applicable direct expenses) shall be added back to principal.

Changes in endowment net assets with donor restrictions as of December 31, 2025 and 2024, are as follows:

Balance, January 1, 2024	$ 2,543,411
Contributions	1,000,000
Appropriations for expenditure	(21,422)
Investment return:	
Investment income	102,662
Net realized and unrealized gain	377,279
	479,941
Balance, December 31, 2024	4,001,930
Contributions	17,001,334
Appropriations for expenditure	(70,750)
Investment return:	
Investment income	443,723
Net realized and unrealized gain	1,125,793
	1,569,516
Balance, December 31, 2025	$ 22,502,030

7. Endowment Funds, Continued:

Funds with Deficits – From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no deficiencies of this nature as of December 31, 2025 and 2024.

8. Commitments:

The Organization follows ASU 2016-02, Leases (Topic 842), which requires lessees to recognize a right-of-use asset and a lease liability on the statements of financial position for substantially all leases with a term of 12 months or greater. Leases are classified as either finance or operating, with classification affecting expense recognition in the Organization's operations. The Organization elected to not record a lease liability and corresponding right-of-use asset for leases with terms of 12 months or less, including month-to-month terms.

The Organization leases office space in Virginia through a lease agreement which expired April 30, 2023 and has been extended on a month-to-month basis with a 3% annual escalation. Annual base rent began at $22,200 which was paid over equal monthly installments for the first year.

Rent expense was $25,693 for 2025 and $27,842 for 2024.

9. Employee Retirement Plan:

The Organization has established a 403(b) plan (the "Plan") whereby employees meeting certain requirements may participate in the Plan. The Organization, at its discretion, may make certain matching contributions into the Plan subject to certain Internal Revenue Service ("IRS") limitations. For the years ended December 31, 2025 and 2024, no matching contributions were made to the Plan.

The Organization has established a profit-sharing plan whereby the Organization may elect to make contributions on behalf of employees meeting certain eligibility requirements, subject to certain IRS limitations. Subsequent to the years ended December 31, 2025 and 2024, the Organization contributed $43,127 and $54,854, respectively, to the profit-sharing plan. Annual employer contributions are subject to approval by the Board of Trustees.

10. Liquidity and Availability of Financial Assets:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position dates, comprise the following:

	2025	2024
Cash and cash equivalents	$ 2,829,583	$ 1,266,149
Contributions receivable	387,052	120,268
Investments	25,146,189	7,775,335
Total financial assets available within one year	28,362,824	9,161,752
Conditional contributions	(317,063)	(388,241)
Donor-imposed restrictions	(22,911,875)	(4,132,365)
Financial assets available to meet cash needs for general expenditures within one year	$ 5,133,886	$ 4,641,146

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures become due. In addition, the Organization invests excess cash in short-term investments and money market funds.

SUPPLEMENTAL INFORMATION

MIND AND LIFE INSTITUTE

Schedule of the Gaden Phodrang Foundation of the Dalai Lama Grant Expenditures

	Grant Budget 10 Years					Annual Expenditures											
Category	Total Orginal Grant	2019 Approved Reallocations	2024 Approved Reallocations	2025 Approved Reallocations	Revised Amount	10/1/16 - 12/31/16	1/1/17 - 12/31/17	1/1/18 - 12/31/18	1/1/19 - 12/31/19	1/1/20 - 12/31/20	1/1/21 - 12/31/21	1/1/22 - 12/31/22	1/1/23- 12/31/23	1/1/24- 12/31/24	1/1/25- 12/31/25	Total Expenditures	Remaining Grant Funds to be Received and Spent
International research institutes	$ 300,000	$ -	$ -	$ 50,000	$ 350,000	$ -	$ 21,210	$ 78,790	$ 22,490	$ -	$ 77,510	$ 50,000	$ 21,550	$ -	$ 71,193	$ 342,743	$ 7,257
International research and mentorship grants	300,000	(275,000)	-	-	25,000	-	25,000	-	-	-	-	-	-	-	-	25,000	-
International scholarships	100,000	-	-	-	100,000	2,300	7,700	10,000	10,000	4,100	15,900	10,000	-	-	11,810	71,810	28,190
International Think Tanks	300,000	(220,700)	-	-	79,300	10,000	30,000	9,300	-	15,000	15,000	-	-	-	-	79,300	-
Research and mentorship of underrepresented individuals	250,000	(225,000)	-	-	25,000	-	25,000	-	-	-	-	-	-	-	-	25,000	-
Scholarships for underrepresented individuals	100,000	-	-	-	100,000	-	10,000	10,000	10,000	7,900	12,100	10,000	-	-	9,205	69,205	30,795
PEACE grants	2,500,000	-	(250,000)	(500,000)	1,750,000	-	250,000	250,000	250,000	250,000	250,000	250,000	250,000	25,000	-	1,775,000	(25,000)
Digital Education Platform	500,000	468,200	25,000	80,000	1,073,200	-	107,785	190,862	202,183	172,370	72,500	47,500	47,500	47,500	100,000	988,200	85,000
Infrastructure	2,000,000	-	225,000	425,000	2,650,000	125,000	450,000	412,500	262,500	150,000	100,000	100,000	100,000	437,500	325,000	2,462,500	187,500
Monastic Scholarships	-	52,500	-	(5,000)	47,500	-	-	-	-	11,700	3,300	7,500	4,259	13,450	3,970	44,179	3,321
International or Underrepresented grants (PEACE/Think Tank)	-	200,000	-	(50,000)	150,000	-	-	-	15,000	9,259	45,000	30,741	25,000	25,000	-	150,000	-
Total	$ 6,350,000	$ -	$ -	$ -	$ 6,350,000	$ 137,300	$ 926,695	$ 961,452	$ 772,173	$ 620,329	$ 591,310	$ 505,741	$ 448,309	$ 548,450	$ 521,178	$ 6,032,937	$ 317,063

Through December 31, 2025, the Organization has received $6,350,000 of funding under this grant. At December 31, 2025, $317,063 of funds received are recorded as a conditional contribution liability.

See independent auditor’s report.