Mind and Life Institute

Financial Statements

December 31, 2022 and 2021

Your Opportunity Advisors

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MIND AND LIFE INSTITUTE

Table of Contents

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, 2022 and 2021 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, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States. 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, 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, including omissions, 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.

Keiter

July 5, 2023
Glen Allen, Virginia

MIND AND LIFE INSTITUTE

Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
Current assets:		
Cash and cash equivalents	$ 1,118,567	$ 2,109,573
Contributions receivable - current, net	232,875	246,200
Prepaid expenses	80,120	52,692
Employee retention credit receivable	409,877	-
Other current assets	2,100	14,358
Total current assets	1,843,539	2,422,823
Contributions receivable - noncurrent, net	50,000	99,768
Investments	6,688,710	7,491,664
Property and equipment, net	13,230	23,094
Total assets	$ 8,595,479	$ 10,037,349

Liabilities and Net Assets

	2022	2021
Current liabilities:		
Grants payable	$ 624,830	$ 944,749
Accounts payable and accrued expenses	198,622	150,510
Conditional contributions	880,741	1,370,741
Deferred rent	-	3,906
Deferred revenue	60,805	26,667
Total current liabilities	1,764,998	2,496,573
Net assets:		
Without donor restrictions	5,119,051	5,389,749
With donor restrictions	1,711,430	2,151,027
Total net assets	6,830,481	7,540,776
Total liabilities and net assets	$ 8,595,479	$ 10,037,349

See accompanying notes to financial statements.

MIND AND LIFE INSTITUTE

Statements of Activities
Years Ended December 31, 2022 and 2021

	2022			2021		
	Without donor restrictions	With donor restrictions	Total	Without donor restricitons	With donor restrictions	Total
Support and other revenue:						
Contributions	$ 1,109,044	$ 1,495,939	$ 2,604,983	$ 1,803,761	$ 2,563,579	$ 4,367,340
Sponsorships	-	-	-	30,000	-	30,000
Service fees	86,159	-	86,159	293,218	-	293,218
Publication royalties	23,762	-	23,762	34,197	-	34,197
Investment income (loss)	9,843	(146,767)	(136,924)	(22,290)	64,109	41,819
Other income	467,488	-	467,488	297,177	-	297,177
	1,696,296	1,349,172	3,045,468	2,436,063	2,627,688	5,063,751
Net assets released from restrictions:						
Satisfaction of time or purpose restrictions	1,788,769	(1,788,769)	-	1,235,907	(1,235,907)	-
Total support and other revenue	3,485,065	(439,597)	3,045,468	3,671,970	1,391,781	5,063,751
Expenses:						
Program services	2,869,564	-	2,869,564	2,315,857	-	2,315,857
General and administrative	475,241	-	475,241	451,179	-	451,179
Fundraising	410,958	-	410,958	455,928	-	455,928
Total expenses	3,755,763	-	3,755,763	3,222,964	-	3,222,964
Change in net assets	(270,698)	(439,597)	(710,295)	449,006	1,391,781	1,840,787
Net assets, beginning of year	5,389,749	2,151,027	7,540,776	4,940,743	759,246	5,699,989
Net assets, end of year	$ 5,119,051	$ 1,711,430	$ 6,830,481	$ 5,389,749	$ 2,151,027	$ 7,540,776

See accompanying notes to financial statements.

MIND AND LIFE INSTITUTE

Statement of Functional Expenses
Year Ended December 31, 2022

	Program Services	General and Administrative	Fundraising	Total
Personnel	$ 1,374,040	$ 335,825	$ 308,591	$ 2,018,456
Subcontractor	272,964	70,213	48,492	391,669
Grants	691,954	-	-	691,954
Programs	179,290	-	5,532	184,822
Travel and meals	134,005	16,098	7,317	157,420
Administration	27,935	15,233	13,151	56,319
Occupancy and operations	33,174	32,206	10,615	75,995
Communications	137,229	1,649	13,362	152,240
Depreciation	12,221	2,376	2,376	16,973
Insurance	6,752	1,641	1,522	9,915
	$ 2,869,564	$ 475,241	$ 410,958	$ 3,755,763

See accompanying notes to financial statements.

MIND AND LIFE INSTITUTE

Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services	General and Administrative	Fundraising	Total
Personnel	$ 1,251,172	$ 375,011	$ 369,487	$ 1,995,670
Subcontractor	98,904	34,698	37,600	171,202
Grants	737,409	-	-	737,409
Programs	87,557	-	-	87,557
Travel and meals	4,565	3,368	972	8,905
Administration	19,492	8,030	14,853	42,375
Occupancy and operations	71,077	21,153	20,763	112,993
Communications	19,456	2,484	6,426	28,366
Depreciation	20,076	4,589	4,015	28,680
Insurance	6,149	1,846	1,812	9,807
	$ 2,315,857	$ 451,179	$ 455,928	$ 3,222,964

See accompanying notes to financial statements.

MIND AND LIFE INSTITUTE

Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	$ (710,295)	$ 1,840,787
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	16,973	28,680
Amortization of deferred rent	(3,906)	(9,375)
Net realized and unrealized loss on investments	217,693	23,298
Reinvestment of interest and dividends	(80,769)	(65,117)
Loss (gain) on disposal of property and equipment	65	(67)
Gain on forgiveness of Paycheck Protection Program loans (see Note 11)	-	(274,965)
Contributions restricted for long-term endowment purposes	-	(1,000,000)
Change in operating assets and liabilities:		
Contributions receivable	63,093	(25,028)
Prepaid expenses	(27,428)	15,484
Employee retention credit receivable	(409,877)	-
Other current assets	12,258	4,032
Grants payable	(319,919)	(44,030)
Accounts payable and accrued expenses	48,112	41,879
Conditional contributions	(490,000)	(581,310)
Deferred revenue	34,138	26,667
Net cash used in operating activities	(1,649,862)	(19,065)
Cash flows from investing activities:		
Purchase of investments	(15,649,008)	(8,510,374)
Proceeds from sale or maturity of investments	16,315,038	8,109,274
Purchases of property and equipment	(9,056)	(7,410)
Proceeds from sale of property and equipment	1,882	600
Net cash provided by (used in) investing activities	658,856	(407,910)

See accompanying notes to financial statements.

MIND AND LIFE INSTITUTE

Statements of Cash Flows, Continued
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program Loans (see Note 11)	$ -	$ 274,965
Contributions restricted for long-term endowment purposes	-	1,000,000
Net cash provided by investing activities	-	1,274,965
Change in cash and cash equivalents	(991,006)	847,990
Cash and cash equivalents, beginning of year	2,109,573	1,261,583
Cash and cash equivalents, end of year	$ 1,118,567	$ 2,109,573

See accompanying notes to financial statements.

MIND AND LIFE INSTITUTE

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 ("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 $723,234 and $1,555,048 as of December 31, 2022 and 2021, 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, 2022 and 2021.

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 2022 and 2021, 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.

1. Summary of Significant Accounting Policies, Continued:

Contributions, Continued: 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, 2022 and 2021, conditional contributions deferred on the statements of financial position were $880,741 and $1,370,741, respectively.

Contribution of Nonfinancial Assets: In September 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-07: Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which aims to increase transparency through enhancements to presentation and disclosures. With the new ASU, organizations receiving contributions of nonfinancial assets are now required to present such contributions as a separate line item on the statement of activities. Previously these were allowed to be included in the contributions line item. This ASU also adds additional disclosure requirement for these gifts. The previous disclosure requirements were less detailed and primarily related only to contributed services. The Organization has adopted this ASU as of January 1, 2022. Management has considered the affects of the new ASU, and has determined no such goods or services meet the criteria for recognition under the new standard.

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, 2022 and 2021. Contract liabilities represent the Organization's obligation to transfer services to a customer when the customer prepays consideration for services. There were contract liabilities of $60,805 at December 31, 2022, $26,667 at December 31, 2021, and none at December 31, 2020, presented as deferred revenue on the accompanying statements of financial position.

1. Summary of Significant Accounting Policies, Continued:

Grants to Others: The Organization awards grants to promote research and the development of programs to further their mission. The outstanding grants of $624,830 and $944,749 at December 31, 2022 and 2021, 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 $22,038 for 2022 and $85,259 for 2021.

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 activities. Expenses are allocated based on time and effort 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 contributions receivable. 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 2022 and 2021, 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.

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.

1. Summary of Significant Accounting Policies, Continued:

Paycheck Protection Program Loan: The Organization's policy is to account for the Paycheck Protection Program ("PPP loan") as debt until the loan is partially or entirely forgiven and the debtor has been legally released. The Organization recorded the PPP loans as liabilities until such time as all requirements for forgiveness were met (see Note 11).

Pending Accounting Pronouncement:

Current Expected Credit Losses: In June 2016, the FASB issued ASU 201613: Current Expected Credit Losses ("CECL"), which replaces the current incurred loss model used to measure impairment loss with the expected loss model for financial assets measured at amortized cost. The standard will be effective for non profit entities with years beginning after December 15, 2022. The Organization is currently evaluating the impact that CECL will have on its financial reporting.

Subsequent Events: Management has evaluated subsequent events through July 5, 2023, the date the financial statements were available to be issued, and has determined that, other than as described in Note 12, there are no subsequent events to be reported in the accompanying financial statements.

2. Investments:

Investments at December 31, 2022 and 2021 consisted of the following:

	2022	2021
Mutual funds	$ 2,262,776	$ 1,697,392
Corporate stocks	994,330	-
Certificates of deposit	1,480,588	4,097,146
Municipal bonds	322,384	-
Government obligations	863,740	1,697,126
Corporate bonds	764,892	-
Total investments	$ 6,688,710	$ 7,491,664

Investment income for the years ended December 31, 2022 and 2021 consisted of the following:

	2022	2021
Net realized and unrealized loss	$ (217,693)	$ (23,298)
Interest and dividends	80,769	65,117
Total investment (loss) income	$ (136,924)	$ 41,819

3. Contributions Receivable:

Contributions receivable represent unconditional promises to give which have been made by donors but have not yet been received by the Organization. Contributions receivable consisted of the following at December 31, 2022 and 2021:

	2022	2021
Due in less than one year	$ 232,875	$ 246,200
Due in one to five years	50,000	99,768
Net contributions receivable	$ 282,875	$ 345,968

At December 31, 2022, conditional pledges not included in contributions receivable were $50,000. There were no conditional pledges at December 31, 2021.

4. Property and Equipment:

At December 31, 2022 and 2021, property and equipment consisted of the following:

	2022	2021
Leasehold improvements	$ -	$ 71,226
Office equipment and furniture	38,247	78,834
Books and video equipment	15,127	15,127
	53,374	165,187
Less accumulated depreciation	(40,144)	(142,093)
	$ 13,230	$ 23,094

Depreciation expense was $16,973 for 2022 and $28,680 for 2021.

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

5. Fair Value Measurements, Continued:

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, 2022 and 2021.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Corporate stocks: Valued at the closing price as reported on the active market on which stocks are traded.

Certificates of deposit: Valued at the total principal as reported by the bank or carrying institution plus accrued interest.

Municipal and Corporate bonds: Bonds 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.

Government obligations: Valued using pricing models maximizing the use of observable inputs for similar securities.

At December 31, 2022, assets measured at fair value on a recurring basis are as follows:

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 2,262,776	$ -	$ -	$ 2,262,776
Corporate stocks	994,330	-	-	994,330
Certificates of deposit	-	1,480,588	-	1,480,588
Municipal bonds	-	322,384	-	322,384
Government obligations	-	863,740	-	863,740
Corporate bonds	-	764,892	-	764,892
	$ 3,257,106	$ 3,431,604	$ -	$ 6,688,710

5. Fair Value Measurements, Continued:

At December 31, 2021, assets measured at fair value on a recurring basis are as follows:

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 1,697,392	$ -	$ -	$ 1,697,392
Certificates of deposit	-	4,097,146	-	4,097,146
Government obligations	-	1,697,126	-	1,697,126
	$ 1,697,392	$ 5,794,272	$ -	$ 7,491,664

There were no transfers between levels during 2022 and 2021.

6. Net Assets with Donor Restrictions:

Net assets with donor restrictions were available for the following purposes at December 31, 2022 and 2021:

	2022	2021
Assets available for restricted use:		
Young Adult Engagement Strategy	$ -	$ 150,000
Varela grants	20,263	-
Mind & Life grants and scholarships	75,000	75,000
Kerr award	1,200	1,200
Insights Project	-	100,000
Total available for restricted use	96,463	326,200
Assets available in future periods:		
Contributions receivable	282,875	345,968
Endowment held in perpetuity (see Note 7)	1,332,092	1,478,859
Net assets with donor restrictions	$ 1,711,430	$ 2,151,027

6. Net Assets with Donor Restrictions, Continued:

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

	2022	2021
Purpose restrictions:		
Varela grants	$ 173,176	$ 321,509
PEACE grants	475,000	497,356
Research and Think Tank grants	-	75,000
Research Institutes	130,000	77,510
Dialogues with the Dalai Lama	88,710	30,000
Publications and digital media project	121,540	36,000
Program scholarships	33,061	40,550
Wisdom Summit	-	5,750
Contemplative Action grants	75,000	-
Young Adult Engagement Strategy	150,000	-
Joy Summit	190,000	-
Insights Project	100,000	-
Equity and inclusion program	50,000	50,000
Miscellaneous	4,189	-
Total purpose restrictions	1,590,676	1,133,675
Passage of time restrictions	198,093	102,232
Net assets released from restrictions	$ 1,788,769	$ 1,235,907

7. Endowment Funds:

The Organization’s endowment consists of two 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. 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.

7. Endowment Funds, Continued:

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 five percent (5%) 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 five percent (5%) (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, 2022 and 2021, are as follows:

Balance, January 1, 2021	$	437,106
Contributions		1,000,000
Appropriations for expenditure		(22,356)
Investment return:		
Investment income		22,403
Net realized and unrealized gain		41,706
		64,109
Balance, December 31, 2021		1,478,859
Investment return (loss):		
Investment income		25,784
Net realized and unrealized loss		(172,551)
		(146,767)
Balance, December 31, 2022	$	1,332,092

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. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restrictions were $22,588 as of December 31, 2022. There were no deficiencies of this nature as of December 31, 2021.

8. Commitments:

The Organization leased office space in Virginia through a lease agreement which expired May 31, 2022 and was not renewed. Annual base rent began at $86,145 which was paid over equal installments for the first year. Rent escalated over the remaining years depending upon square footage leased and 3% increase. Included in the lease is an incentive where the lessor agreed to pay for $56,250 of leasehold improvements purchased by the Organization. This incentive was amortized against rent expense on a straight-line basis over the life of the lease, resulting in the recognition of deferred rent of $3,906 at December 31, 2021.

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, net of straight-line amortization of lease incentive, was $ 54,663 for 2022 and $89,280 for 2021. At December 31, 2022, future minimum rent payments relating to all leases are $9,140 for 2023.

In February 2016, the FASB issued 2016-02, Leases (Topic 842), which supersedes ASC 840 and creates a new topic, ASC 842. ASC 842 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 adopted the standard as of January 1, 2022, under the modified-retrospective approach. The Organization elected to not record a lease liability and corresponding right-of-use asset for leases with terms of 12 months or less. Accordingly, the adoption of ASC 842 resulted in no change in recognition of lease expense.

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, 2022 and 2021, 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, 2022 and 2021, the Organization contributed $95,390 and $69,739, 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:

	2022	2021
Cash and cash equivalents	$ 1,118,567	$ 2,109,573
Contributions receivable, net	282,875	345,968
Investments	6,688,710	7,491,664
Total financial assets available within one year	8,090,152	9,947,205
Receivables to be collected in more than one year	(50,000)	(99,768)
Conditional contributions	(880,741)	(1,370,741)
Donor-imposed restrictions	(1,428,555)	(1,805,059)
Financial assets available to meet cash needs for general expenditures within one year	$ 5,730,856	$ 6,671,637

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.

11. Paycheck Protection Program Loan:

In response to the economic instability caused by COVID-19, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was passed by Congress and signed into law by the President on March 27, 2020. The Paycheck Protection Program ("PPP") was a component of the CARES Act and provided for a PPP Loan to provide a direct incentive for employers to keep their employees on the payroll. A PPP Loan is eligible for full or partial forgiveness if the funds are used for qualifying costs including payroll, rent, mortgage interest, or utilities, as further defined in the CARES Act.

The Organization applied for and was approved for a second PPP Loan in the amount of $274,965. The loan was funded on February 8, 2021. The loan accrued interest at 1.0%. The Organization was eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The PPP Loan was uncollateralized and was fully guaranteed by the Federal government.

As of December 31, 2021, the Organization had used all of the loan proceeds for qualifying costs and had substantially met the forgiveness requirements of the loan. The Organization applied for and was approved for loan forgiveness as of September 17, 2021. The forgiveness of the loan is recognized as other income on the accompanying 2021 statement of activities.

12. Employee Retention Credit (ERC):

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), enacted on March 27, 2020, provides for an Employee Retention Credit ("ERC") that is designed to encourage eligible employers to keep employees on their payroll despite experiencing an economic hardship related to COVID-19. The credit consists of a refundable payroll tax credit for 70% of wages paid by employers to employees for 2021 and 50% of wages paid by employers to employees for 2020. The Company has accounted for the Employee Retention Credits in accordance with FASB ASC 958-605. The Company applied for an ERC in the amount of $409,877 during 2022 and is included as an employee retention credit receivable on the statements of financial position at December 31, 2022 and the amount is recognized as other income in the statement of activities for the year ended December 31, 2022. The credit was approved in full in May 2023.