L'ARCHE U.S.A. AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2025

L'ARCHE® USA

KERN THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

L'ARCHE U.S.A. AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2025

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
L'Arche U.S.A. and Affiliate
Portland, Oregon

Opinion

We have audited the accompanying consolidated financial statements of L'Arche U.S.A. and Affiliate (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of L'Arche U.S.A. and Affiliate as of December 31, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 L'Arche U.S.A. and Affiliate and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 L'Arche U.S.A. and Affiliate's ability to continue as a going concern within one year after the date that the 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 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.

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KERN THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
L'Arche U.S.A. and Affiliate

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 L'Arche U.S.A. and Affiliate'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 L'Arche U.S.A. and Affiliate'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.

Report on Summarized Comparative Information

We have previously audited L'Arche U.S.A. and Affiliate's 2024 consolidated financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated July 22, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kern & Thompson, LLC

Portland, Oregon
August 25, 2026

L'ARCHE U.S.A. AND AFFILIATE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2025
(With Comparative Amounts as of December 31, 2024)

ASSETS

	2025	2024
Cash and cash equivalents	$ 5,161,135	$ 688,528
Accounts receivable, net	19,069	51,903
Pledges receivable, net	78,346	298,031
Grants and contributions receivable	265,000	305,030
Investments	303,636	-
Prepaid expenses	12,579	10,319
Right of use asset.	59,804	83,184
Total assets	**$ 5,899,569**	**$ 1,436,995**

LIABILITIES AND NET ASSETS

	2025	2024
Accounts payable	$ 7,356	$ 9,658
Designations payable	53,460	285,601
Accrued payroll and retirement payable	24,974	50,919
Right of use liability	59,804	83,184
Total liabilities	145,594	429,362
Net assets		
Without donor restrictions	474,593	351,621
With donor restrictions	5,279,382	656,012
Total net assets	5,753,975	1,007,633
Total liabilities and net assets	**$ 5,899,569**	**$ 1,436,995**

See notes to consolidated financial statements.

L'ARCHE U.S.A. AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
Public support				
Membership fees	$ 559,728	$ -	$ 559,728	$ 573,300
Grants and contributions	529,854	682,369	1,212,223	1,738,999
Grant - Lilly Endowment, Inc. (Note J)	-	4,962,580	4,962,580	-
In-kind contributions	-	-	-	108
	1,089,582	5,644,949	6,734,531	2,312,407
Net assets released from restriction	1,021,579	(1,021,579)	-	-
Total public support	2,111,161	4,623,370	6,734,531	2,312,407
Other revenue				
International staff support	141,401	-	141,401	108,562
Registration fees	133,635	-	133,635	44,939
Interest	11,329	-	11,329	3,630
Other income	20,512	-	20,512	2,512
Total other revenue	306,877	-	306,877	159,643
Total public support and other revenue	2,418,038	4,623,370	7,041,408	2,472,050
Expenses				
Program services	1,773,868	-	1,773,868	1,744,689
Supporting services				
Management and general	264,977	-	264,977	256,905
Fundraising	256,221	-	256,221	356,253
Total expenses	2,295,066	-	2,295,066	2,357,847
Increase (decrease) in net assets	**122,972**	**4,623,370**	**4,746,342**	**114,203**
Net assets, beginning of year	351,621	656,012	1,007,633	893,430
Net assets, end of year	**$ 474,593**	**$ 5,279,382**	**$ 5,753,975**	**$ 1,007,633**

See notes to consolidated financial statements.

L'ARCHE U.S.A. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

		SUPPORTING SERVICES		Total	
	PROGRAM SERVICES	Management and General	Fund-Raising	2025	2024
Salaries and related expenses	$ 884,415	$ 164,325	$ 211,401	$ 1,260,141	$ 1,284,772
Professional services	75,795	37,232	19,001	132,028	92,387
Travel and conferences	166,124	8,513	8,861	183,498	146,654
L'Arche International operating support	108,400	-	-	108,400	106,375
L'Arche US Community support	13,015	-	-	13,015	46,159
L'Arche International for developing community support	335,956	-	-	335,956	412,555
International assessment	115,977	-	-	115,977	98,112
Meetings	30,828	11,770	6,089	48,687	55,372
Occupancy and communications	6,150	30,787	2,523	39,460	40,200
Postage and printing	3,520	375	2,442	6,337	6,249
Insurance	4,468	9,345	1,376	15,189	18,915
Uncollectable dues	21,066	-	-	21,066	38,072
Supplies and equipment	8,026	730	2,021	10,777	4,054
Other	128	1,900	2,507	4,535	7,971
	$ 1,773,868	**$ 264,977**	**$ 256,221**	**$ 2,295,066**	**$ 2,357,847**

See notes to consolidated financial statements.

L'ARCHE U.S.A. AND AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 4,746,342	$ 114,203
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Changes in assets and liabilities:		
Accounts receivable, net	32,834	(25,333)
Pledges receivable, net	219,685	-
Grants and contributions receivable	40,030	(198,825)
Prepaid expenses	(2,260)	618
Accounts payable	(2,302)	7,025
Grants payable	(232,141)	75,342
Accrued payroll and retirement payable	(25,945)	2,317
Net cash provided by (used in) operating activities	**4,776,243**	**(24,653)**
Cash flows from investing activities:		
Purchase of investments and earnings retained in account	(303,636)	-
Net cash provided by (used in) operating activities	**(303,636)**	**-**
Net change in cash	**4,472,607**	**(24,653)**
Cash and cash equivalents, beginning of year	688,528	713,181
Cash and cash equivalents, end of year	**$ 5,161,135**	**$ 688,528**

See notes to consolidated financial statements.

L'ARCHE U.S.A. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

NOTE A – DESCRIPTION OF ORGANIZATION

L'Arche USA is a nonprofit 501(c)(3) philanthropic organization that works with and on behalf of L'Arche communities in the United States to advance the rights and inclusion of people with intellectual and developmental disabilities through inclusive leadership, friendship across difference, and bringing the power of community to life. Our goal is to change society so people with intellectual and developmental disabilities are recognized as contributors and can thrive. L'Arche celebrates people across the full spectrum of human ability and creates communities of belonging where people with and without disabilities share life, leadership, and friendship. L'Arche USA is affiliated with L'Arche U.S.A. Foundation, which performs limited outreach for worldwide L'Arche Communities. Both entities are collectively referred to as the Organization, or L'Arche.

We work toward our mission in three fundamental ways:

Building Unity: L'Arche USA connects over 340 people with intellectual and developmental disabilities from 22 communities across 18 states with opportunities for leadership, learning, friendship, and growth. Through regional gatherings, retreats, peer-learning groups, and leadership development initiatives, L'Arche USA fosters personal agency, spiritual growth, and meaningful relationships. We also strengthen connections among 183 L'Arche communities in 37 countries across six continents, creating opportunities for people with disabilities to lead both within and beyond our global federation.

Growing Impact: We believe the L'Arche movement demonstrates the power of more inclusive communities for the benefit of society as a whole. We advance inclusion and self-advocacy by supporting people with disabilities to share their lived experience, exercise leadership, and engage issues that affect their lives. Through partnerships, advocacy, and public engagement, L'Arche USA works to ensure that people with intellectual and developmental disabilities are recognized as essential contributors to their communities and to society. In 2025, L'Arche USA launched Sacred Stories, a five-year national initiative supported by Lilly Endowment Inc. that elevates the faith, wisdom, and lived experiences of people with and without intellectual and developmental disabilities through storytelling, film, retreats, and educational resources.

Fostering Accountability: L'Arche USA ensures that safeguarding mechanisms to protect vulnerable adults are understood and implemented throughout our communities. We engage in capacity building to strengthen governance, volunteer engagement, and inclusive leadership while promoting best practices in organizational development, learning, evaluation, and impact. Through training, consultation, and shared standards, we help communities grow in ways that are sustainable, accountable, and centered on the dignity of every person.

The Organization is primarily funded by membership support from affiliates, grants, contributions, and registration fees from events held.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying financial statements include the net assets of L'Arche U.S.A. consolidated with the accounts of L'Arche U.S.A. Foundation. Significant inter-organization accounts and transactions have been eliminated.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting; consequently, certain revenues are reflected in revenue in the period in which they are considered earned, rather than received, and expenses are recorded when incurred, rather than when paid.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.

- **Net Assets With Donor Restrictions** – Net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of these financial statements, all short-term, highly liquid investments with maturities of three months or less when purchased are considered to be cash equivalents.

Accounts Receivable

L'Arche affiliates in the United States are required to pay membership fees to the Organization and typically are billed monthly for those fees. Management periodically assesses the need for an allowance for credit losses based on historical experience and existing conditions affecting probable collection. Receivables are considered impaired if unpaid balances are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible receivables when management determines the receivable will not be collected. Management has recorded an allowance for credit losses of $48,633 as of December 31, 2025. Most of the allowance consists of receivables that are over 90 days old.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable

Pledges receivable consist of promises to give from individuals. Pledges receivable are considered impaired if unpaid balances are not received in accordance with the terms of the pledge agreement. It is the Organization's policy to charge of uncollectible receivables when management determines the receivable will not be collected. Management has recorded an allowance for uncollectible pledges of $15,000 as of December 31, 2025. All pledges receivable at December 31, 2025 are expected to be collected within one year.

Grants and Contributions Receivable

Grants and contributions receivable are uncollateralized and are recorded monthly as the related services are provided and billed. Management periodically assesses the need for an allowance for uncollectible receivables based on historical experience and existing conditions affecting probable collection. Receivables are considered impaired if unpaid balances are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible receivables when management determines the receivables will not be collected. Management has determined that an allowance for uncollectible receivables was not necessary as of December 31, 2025.

Investments and Fair Value Measurements

Investments are measured at fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Net appreciation in fair value, which consists of the realized gains or losses and the unrealized gains (losses) of the underlying investments, is also shown in the statement of activities. Interest income is accrued as earned.

Leases

The Organization determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset), in exchange for consideration. The Organization determines these assets are leased because the Organization has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset, and would benefit economically from the exercise of the right to substitute the asset, are not considered to be or contain a lease because the Organization determines it does not have the right to contract and direct the use of the identified asset.

In evaluating its contracts, the Organization separately identifies lease and non-lease components, such as fixed common area and other fixed maintenance costs, in calculating the right of use (ROU) lease assets and liabilities for its office space and fixtures. Non-lease components, which primarily include payments for maintenance and utilities, are excluded from lease payments in calculating the ROU balances.

Leases result in the recognition of ROU lease assets and liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and ROU liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

At lease inception, the ROU liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the ROU liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization uses the implicit rate when readily determinable. As most leases do not provide an implicit rate, the Organization uses a risk free discount rate for leased office space. Lease expense is generally recognized on a straight-line basis over the lease term.

Designations Payable

Individuals may designate their pledge to a particular domestic or international L'Arche affiliate. When this occurs, a liability to transfer funds is recorded.

Revenue Recognition

With regard to its revenues from all sources, the Organization evaluates whether each transfer of assets is (1) an exchange (reciprocal) transaction in which a resource provider receives commensurate value in return for the assets transferred, or (2) a contribution or grant (a nonreciprocal transfer), where no value is exchanged.

- *Exchange Transactions* – If the transfer of assets is determined to be an exchange transaction, the Organization recognizes revenue when or as it satisfies the required performance obligations and transfers the promised good or service to a customer, and when the customer obtains control of that good or service. Exchange transactions include membership dues and national staff support from affiliates, as well as conference registration fees.

- *Contributions and Grants* – If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) a barrier that must be overcome to be entitled to the funds and (2) either a right of return of assets transferred or a release of a promisor's obligation to transfer assets.

  Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Otherwise, when a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions and grants include individual contributions, foundation grants, and grants from L'Arche International.

Functional Allocation of Expenses

The costs of providing the programs and supporting services have been summarized in the statement of activities. Directly identifiable expenses are charged to programs and supporting services when incurred. Certain costs, including office expense, occupancy, leases, and utilities have been allocated among the programs and supporting services benefited based primarily on estimates of time and effort or square-footage usage estimates.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Both L’Arche U.S.A. and L’Arche U.S.A Foundation have been approved as tax-exempt organizations under the Internal Revenue Code 501(c)(3) and applicable state laws. Accordingly, no provision for income taxes is included in the accompanying financial statements. The Organization does not believe it has unrelated trade or business income in excess of $1,000.

Prior Year Summarized Financial Information

The financial statements include certain prior year summarized comparative information in total but not by natural expense classification by function or net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2024, from which the summarized information was derived.

NOTE C – CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. At December 31, 2025, the Organization held approximately $4,700,000 in excess of Federal Deposit Insurance Corporation (FDIC) insurance. This uninsured cash is the result of the major grant as described in Note J. Subsequent to year end, the excess funds were transferred to FDIC insured laddered certificates of deposit.

NOTE D – FOUNDATION GRANTS RECEIVABLE

At December 31, 2025, foundation grants receivable represent unconditional promises to give. Foundation grants receivable are expected to be collected in:

Less than one year	$	215,000
One to five years		50,000
	$	265,000

Amounts receivable collectible in periods beyond one year have not been discounted to present value, as the effect of doing so is not material to the financial statements.

NOTE E – FAIR VALUE MEASUREMENTS

Valuation techniques used to measure fair value are prioritized into the following hierarchy:

Level 1 – Quoted prices in active markets for identical assets. Assets in this level typically include publicly traded equities, mutual fund investments, and cash equivalents.

Level 2 – Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data such as published interest rates and yield curves, over-the-counter derivatives, market modeling, or other valuation methodologies.

Level 3 – Unobservable inputs that reflect management's assumptions and best estimates based on available data. Assets in this level include beneficial interests in assets held by others.

Realized and unrealized gains and losses from investments are reported in the statement of activities as they occur. There have been no changes in valuation techniques and related inputs.

Fair values of assets measured on a recurring basis at December 31, 2025, were as follows:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	$ -	$ 303,636	$ -	$ 303,636
	$ -	$ 303,636	$ -	$ 303,636

NOTE F – LINE OF CREDIT

The Organization maintains a demand line of credit with Beneficial State Bank. The credit limit is $150,000 with an interest payable monthly at 2% over prime (10.5% at December 31, 2025). There was no balance on the line of credit at December 31, 2025.

NOTE G – OPERATING LEASE LIABILITIES

The Organization has entered into a sub-lease agreement for office space. As a result, the Organization must pay the Sublessor rent in the amount of 50% of all additional rent and other charges required of Sublessor under the Master Lease when due, including, without limitation, Sublessor's share of building taxes, insurance, and operating expenses.

On May 29, 2023, the Organization renewed the sub-lease for an additional five years through June 17, 2028, at an estimated base rent of $2,010 per month.

NOTE G – OPERATING LEASE LIABILITIES (CONTINUED)

Operating Facilities Lease

The following summarizes cash flow information related to the lease for the year ended December 31, 2025:

		Facilities Lease
Annual Lease Cost	$	24,738
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from leases	$	24,505
Weighted-average remaining lease term		2.5 years
Weighted-average discount rate		1.55%

Future minimum lease payments and reconciliation to the statement of financial position are as follows:

Year Ending December 31,		Facilities Lease
2026	$	24,955
2027		25,367
2028		10,655
Total future undiscounted lease payments		60,977
Less present value discount		(1,173)
Total lease liability	$	59,804

NOTE H – RESTRICTIONS ON NET ASSETS

The Organization's net assets with donor restrictions are subject to the following purpose or time restrictions as of December 31, 2025:

Pledges-timing	$	93,346
Measurement and evaluation		142,071
L'Arche community support		52,095
Disability inclusion		40,000
Storytelling media (see Note J)		4,951,870
Total net assets with donor restrictions	$	5,279,382

NOTE I – RELATED-PARTY TRANSACTIONS AND AFFILIATE SUPPORT

L’Arche communities are organizations of local people coming together to address local needs. They are independent, not-for-profit corporations, whose membership in the International Federation of L’Arche Communities is approved and operates according to a Community Membership Policy by governance structures of L’Arche U.S.A. and L’Arche International. All affiliated communities are encouraged to be self-supporting in their fund-raising efforts. However, the Organization also solicits contributions, both cash and in-kind, on behalf of its affiliates.

All affiliates are expected to provide membership fees to support the work of L’Arche U.S.A. Net support from the United States affiliates totaled $559,728 for the year ended December 31, 2025. Additional fundraising efforts result in financial support that benefits various communities within and outside of the United States.

During 2025, the Organization received contributions totaling $14,492 from members of the Board of Directors. The Organization made grants to L’Arche communities for special projects totaling $13,015. The Organization awarded grants to L’Arche International for operating support as well as special projects totaling $444,356. Many of these grants are funded by donations restricted for international support. At December 31, 2025, $50,000 was recorded as a grant payable to L’Arche International.

NOTE J – SIGNIFICANT GRANTS

During the year ended December 31, 2025, the Organization received a grant in the amount of $4,962,580 from Lilly Endowment, Inc. The grant is unconditional and was recognized as grant revenue in the accompanying statement of activities. The grant supports Sacred Stories, a five-year national initiative that will gather and share the faith experiences of people with and without intellectual and developmental disabilities through films, audio stories, educational resources, and retreats.

The project advances the Organization's mission by promoting the inclusion and leadership of people with intellectual and developmental disabilities, strengthening connections between faith and disability communities, and expanding understanding of the spiritual gifts and contributions of people with disabilities.

The grant is subject to donor-imposed restrictions requiring the funds to be used over a five-year period to implement the Sacred Stories initiative, including the production and dissemination of films, audio resources, educational materials, and related programming. Accordingly, the grant has been classified as net assets with donor restrictions at December 31, 2025.

The grant is nonrecurring in nature and is significantly larger than grants received in prior periods. Management does not expect this level of funding from this source to recur on an annual basis. At December 31, 2025, $15,546 of the restricted funds have been released from restriction.

NOTE K – PENSION PLAN

The Organization has a defined contribution pension plan. Contributions are 5% of salaries for all employees after the first year of employment. Contributions to the plan for the year ended December 31, 2025, amounted to $44,684.

NOTE L – LIQUIDITY

The following table represents the Organization's financial assets available to meet cash needs for general expenditures within one year of December 31, 2025:

Financial assets at year-end		
Cash and cash equivalents	$	5,161,135
Accounts receivable, net		19,069
Pledges receivable, net		78,346
Foundation grants receivable		265,000
Investments		303,636
Less those unavailable for general expenditure within one year, due to:		
Restriction by donor for purpose restriction		(5,186,036)
Restriction by donor for timing restriction		(93,346)
Financial assets available to meet cash needs for general expenditures within one year	$	547,804

As part of its liquidity management, the Organization's policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

NOTE M – SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 25, 2026, which is the date the financial statements were available to be issued.