

Tides Organizations

Consolidated Financial Statements as of and
for the Years Ended December 31, 2023 and 2022,
Supplementary Information as of and for the
Year Ended December 31, 2023, and
Independent Auditor's Report

TIDES ORGANIZATIONS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Tides Organizations:

Opinion

We have audited the consolidated financial statements of Tides Center, Tides Foundation, Tides Network, Tides, Inc., and Tides Two Rivers Fund (collectively, "Tides Organizations"), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Tides Organizations as of December 31, 2023 and 2022, and the results of its operations, its changes in its net assets, functional expenses 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 (GAAS). 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 Tides Organizations and also 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 Tides Organizations' ability to continue as a going concern for 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 GAAS 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 GAAS, 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 Tides Organizations' 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 Tides Organizations' 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 Supplemental Consolidating Schedules

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental consolidating schedules listed in the table of contents on pages 29–31 are presented for the purpose of additional analysis of the financial statements rather than to present the financial position, results of operations, and cash flows of the individual components and are not a required part of the financial statements. These supplementary consolidating schedules are the responsibility of Tides Organizations' management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such schedules have been subjected to the auditing procedures applied in our audits of the financial statements and certain additional procedures, including comparing and reconciling such schedules 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 GAAS. In our opinion, such schedules are fairly stated in all material respects in relation to the financial statements as a whole.

Deloitte & Touche LLP

May 28, 2024

TIDES ORGANIZATIONS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CASH AND CASH EQUIVALENTS	\$163,724,618	\$ 231,384,176
RECEIVABLES:		
Grants and contributions—net	81,043,255	288,941,062
Other	6,492,520	7,634,017
INVESTMENTS	672,400,518	829,905,894
MISSION RELATED:		
Investments	17,260,655	15,113,724
Notes receivable	20,752,922	14,006,906
PREPAID EXPENSES AND OTHER ASSETS	3,083,395	5,125,765
RIGHT-OF-USE OPERATING LEASE ASSETS—Net	6,032,826	8,171,576
PROPERTY AND EQUIPMENT—Net	<u>16,501,672</u>	<u>31,947,698</u>
TOTAL ASSETS	<u>\$987,292,381</u>	<u>\$1,432,230,818</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 17,248,065	\$ 18,474,852
Grants payable—net	73,466,532	128,543,736
Grant advances	78,298	144,547
Bonds payable—net	8,517,115	9,489,780
Lease liabilities	6,524,581	8,853,883
Other liabilities	<u>6,795,151</u>	<u>6,121,638</u>
Total liabilities	<u>112,629,742</u>	<u>171,628,436</u>
COMMITMENTS AND CONTINGENCIES (Note 17)		
NET ASSETS:		
Without donor restrictions:		
Board designated	11,201,786	10,712,557
Designated for projects	92,531,140	95,312,033
Designated for donor-advised funds	405,799,579	635,673,261
Undesignated	<u>167,642,652</u>	<u>150,109,434</u>
Total without donor restrictions	677,175,157	891,807,285
With donor restrictions	<u>197,487,482</u>	<u>368,795,097</u>
Total net assets	<u>874,662,639</u>	<u>1,260,602,382</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$987,292,381</u>	<u>\$1,432,230,818</u>

See notes to consolidated financial statements.

TIDES ORGANIZATIONS

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:						
Grants and contributions	\$ 412,750,041	\$ 115,586,851	\$ 528,336,892	\$ 614,638,798	\$ 184,157,245	\$ 798,796,043
Program revenues	24,240,959	-	24,240,959	22,934,134	-	22,934,134
Investment income—net	73,534,577	-	73,534,577	(128,745,788)	(20,769,179)	(149,514,967)
Other revenue	1,215,755	-	1,215,755	1,857,132	-	1,857,132
Net assets released from restrictions	<u>286,894,466</u>	<u>(286,894,466)</u>	<u>-</u>	<u>255,727,883</u>	<u>(255,727,883)</u>	<u>-</u>
Total revenue and support	<u>798,635,798</u>	<u>(171,307,615)</u>	<u>627,328,183</u>	<u>766,412,159</u>	<u>(92,339,817)</u>	<u>674,072,342</u>
EXPENSES:						
Program:						
Grants and awards	760,664,961	-	760,664,961	854,875,229	-	854,875,229
Services	178,391,539	-	178,391,539	150,799,421	-	150,799,421
Grantmaking program expenses	3,776,098	-	3,776,098	3,446,090	-	3,446,090
General and administrative	48,622,834	-	48,622,834	41,063,565	-	41,063,565
Fundraising	<u>21,812,494</u>	<u>-</u>	<u>21,812,494</u>	<u>19,780,306</u>	<u>-</u>	<u>19,780,306</u>
Total expenses	<u>1,013,267,926</u>	<u>-</u>	<u>1,013,267,926</u>	<u>1,069,964,611</u>	<u>-</u>	<u>1,069,964,611</u>
CHANGE IN NET ASSETS	(214,632,128)	(171,307,615)	(385,939,743)	(303,552,452)	(92,339,817)	(395,892,269)
NET ASSETS—Beginning of year	<u>891,807,285</u>	<u>368,795,097</u>	<u>1,260,602,382</u>	<u>1,195,359,737</u>	<u>461,134,914</u>	<u>1,656,494,651</u>
NET ASSETS—End of year	<u>\$ 677,175,157</u>	<u>\$ 197,487,482</u>	<u>\$ 874,662,639</u>	<u>\$ 891,807,285</u>	<u>\$ 368,795,097</u>	<u>\$1,260,602,382</u>

See notes to consolidated financial statements.

TIDES ORGANIZATIONS

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2023

	2023							
	Program Services				Supporting Services			
	Services	Grants and Awards	Grant Making	Program Services Subtotal	General and Administrative	Fundraising	Supporting Services Subtotal	Total
Personnel	\$ 84,031,255	\$ -	\$1,561,537	\$ 85,592,792	\$37,218,702	\$18,815,620	\$56,034,322	\$ 141,627,114
Consultants/ professional services	66,388,866	-	1,835,567	68,224,433	3,201,526	938,502	4,140,028	72,364,461
Grants awarded	-	760,664,961	-	760,664,961	-	-	-	760,664,961
Advertising and promotion	1,357,043	-	497	1,357,540	134,897	55,061	189,958	1,547,498
Auditing and tax services	-	-	-	-	474,722	-	474,722	474,722
Banking fees	193,238	-	93,894	287,132	6,102	763	6,865	293,997
Board expense	-	-	-	-	110,413	-	110,413	110,413
Depreciation and amortization	1,190,938	-	-	1,190,938	143,213	-	143,213	1,334,151
Facilities	1,912,930	-	-	1,912,930	752,000	-	752,000	2,664,930
Information technology	2,184,103	-	1,995	2,186,098	793,451	108,841	902,292	3,088,390
Insurance	1,557,386	-	-	1,557,386	410,039	-	410,039	1,967,425
Interest	328,355	-	-	328,355	59	6	65	328,420
Investment service fees	136,668	-	-	136,668	-	-	-	136,668
Legal	-	-	-	-	1,765,071	-	1,765,071	1,765,071
Licenses	579,125	-	989	580,114	76,539	12,371	88,910	669,024
Occupancy	6,899,562	-	-	6,899,562	-	142,355	142,355	7,041,917
Office expenses	1,943,785	-	1,731	1,945,516	684,793	83,072	767,865	2,713,381
Professional fundraising fees	-	-	-	-	-	1,172,009	1,172,009	1,172,009
Travel and conference	7,957,499	-	38,034	7,995,533	2,083,109	241,742	2,324,851	10,320,384
All other expenses	1,730,786	-	241,854	1,972,640	768,198	242,152	1,010,350	2,982,990
Total expenses	<u>\$178,391,539</u>	<u>\$760,664,961</u>	<u>\$3,776,098</u>	<u>\$942,832,598</u>	<u>\$48,622,834</u>	<u>\$21,812,494</u>	<u>\$70,435,328</u>	<u>\$1,013,267,926</u>

See notes to consolidated financial statements.

TIDES ORGANIZATIONS

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2022

	2022							
	Program Services				Supporting Services			
	Services	Grants and Awards	Grant Making	Program Services Subtotal	General and Administrative	Fundraising	Supporting Services Subtotal	Total
Personnel	\$ 75,716,034	\$ -	\$1,150,234	\$ 76,866,268	\$30,410,586	\$16,363,391	\$46,773,977	\$ 123,640,245
Consultants/ professional services	53,174,482	-	1,565,118	54,739,600	2,656,450	826,562	3,483,012	58,222,612
Grants awarded	-	854,875,229	-	854,875,229	-	-	-	854,875,229
Advertising and promotion	1,001,464	-	617	1,002,081	171,636	74,914	246,550	1,248,631
Auditing and tax services	-	-	-	-	456,991	-	456,991	456,991
Banking fees	163,094	-	119,199	282,293	21,970	13,174	35,144	317,437
Board expense	-	-	-	-	255,800	-	255,800	255,800
Depreciation and amortization	1,186,809	-	-	1,186,809	92,062	10,000	102,062	1,288,871
Facilities	1,952,956	-	-	1,952,956	1,707,565	-	1,707,565	3,660,521
Information technology	1,900,309	-	6,015	1,906,324	1,819,634	251,441	2,071,075	3,977,399
Insurance	1,034,494	-	-	1,034,494	-	36	36	1,034,530
Interest	368,876	-	-	368,876	-	-	-	368,876
Investment service fees	130,921	-	-	130,921	-	-	-	130,921
Legal	106	-	-	106	1,836,693	-	1,836,693	1,836,799
Licenses	508,791	-	10,634	519,425	125,651	17,695	143,346	662,771
Occupancy	6,068,531	-	274	6,068,805	659	99,708	100,367	6,169,172
Office expenses	1,536,870	-	924	1,537,794	481,085	371,314	852,399	2,390,193
Other project expenses	96,886	-	19,770	116,656	-	-	-	116,656
Professional fundraising fees	-	-	-	-	-	293,157	293,157	293,157
Travel and conference	4,253,682	-	5,914	4,259,596	1,002,475	1,013,811	2,016,286	6,275,882
All other expenses	<u>1,705,116</u>	<u>-</u>	<u>567,391</u>	<u>2,272,507</u>	<u>24,308</u>	<u>445,103</u>	<u>469,411</u>	<u>2,741,918</u>
Total expenses	<u>\$150,799,421</u>	<u>\$854,875,229</u>	<u>\$3,446,090</u>	<u>\$1,009,120,740</u>	<u>\$41,063,565</u>	<u>\$19,780,306</u>	<u>\$60,843,871</u>	<u>\$1,069,964,611</u>

See notes to consolidated financial statements.

TIDES ORGANIZATIONS

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$(385,939,743)	\$(395,892,269)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation and amortization	1,334,151	1,288,871
Amortization—right-of-use operating lease asset	2,974,426	3,406,074
Transfer of donated building to former Tides Center project	15,900,000	-
Transfer of donated investments	105,654,706	-
Discount on grants and contributions receivable	(722,520)	1,109,725
Discount on grants payable	(113,491)	861,911
Impairment of mission-related investments	25,000	2,620
Net (gain) loss on investments	(65,533,412)	153,212,613
Changes in operating assets and liabilities:		
Grants, contributions, and other receivable	209,761,824	(51,758,078)
Mission-related notes receivables	(6,746,016)	(6,675,784)
Prepaid expenses and other assets	2,042,370	(960,553)
Accounts payable and accrued expenses	(1,226,787)	(2,787,346)
Grants payable	(54,963,713)	42,407,070
Grant advances	(66,249)	10,558
Lease liabilities	(3,164,978)	(2,723,767)
Other liabilities	673,513	(6,071,196)
Net cash used in operating activities	<u>(180,110,919)</u>	<u>(264,569,551)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(47,308,363)	(343,032,671)
Proceeds from sales of investments	162,520,514	300,863,610
Proceeds from sale of property and equipment	-	145,995
Purchases of property and equipment	<u>(1,788,125)</u>	<u>(1,221,133)</u>
Net cash provided by (used in) investing activities	<u>113,424,026</u>	<u>(43,244,199)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES—Payments on notes and bonds payable		
	<u>(972,665)</u>	<u>(1,953,789)</u>
Net cash used in financing activities	<u>(972,665)</u>	<u>(1,953,789)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(67,659,558)	(309,767,539)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>231,384,176</u>	<u>541,151,715</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 163,724,618</u>	<u>\$ 231,384,176</u>
SUPPLEMENTAL INFORMATION—Cash paid for interest	<u>\$ 328,424</u>	<u>\$ 368,876</u>
SUPPLEMENTAL NONCASH ACTIVITY—Recognition of right-of-use operating lease assets in exchange lease liabilities	<u>\$ 835,676</u>	<u>\$ 11,577,650</u>

See notes to consolidated financial statements.

TIDES ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

1. DESCRIPTION OF ORGANIZATION

Tides Network (“Network”); Tides Center (“Center”); Tides Foundation (“Foundation”); Tides, Inc. (TINC); and Tides Two Rivers Fund (TTRF) are aligned 501(c)(3) public benefit corporations (collectively, “Tides Organizations”) that are consolidated for financial reporting purposes.

Tides Network—Effective on August 8, 2005, Network began operations as a shared service provider (a Type II supporting organization under Internal Revenue Code Section 509(a)(3)) to Center, Foundation, TINC, and TTRF. Network is the sole member and appoints board members of Center, Foundation, TINC, and TTRF. Network also supports their operations and strategy. Network oversees aligned direction and policy orientation for and has economic interest in all of Tides Organizations. All direct and indirect costs of supporting services of Tides Organizations, including management salaries, are incurred within Network.

The activities of Network include executive leadership and administrative services for related Tides Organizations and other nonprofit organizations. These activities include setting mission and strategy, financial leadership, risk management, communications, administration of human resources, office administration, telephone and telecommunication, and administration of information technology systems and services.

Tides Center—Center is organized and operated to support emerging charitable and educational activities. It also provides fiscal sponsorship and essential services, including financial, legal and personnel services, to nonprofit organizations that promote shared prosperity and social justice. Center operates approximately 140 projects and activities, all of which seek funding from the grant-making community and donors throughout the world. Center reporting includes Tides Center Social Purpose Real Estate Holdings and 401 State St. WBU LLC, wholly owned subsidiaries.

Tides Foundation—Foundation is committed to building a world of shared prosperity and social justice. Foundation accelerates the pace of social change, working with innovative partners to solve the world’s toughest social issues. The Foundation reporting includes Tides Real Estate Holding LLC and EBDE LLC, wholly owned subsidiaries.

Foundation receives funds from individuals and entities, including foundations, other public charities, and corporations. Distribution of funds for philanthropic purposes is made primarily through the direct operation of a grant-making program. Grants are made in the areas of shared prosperity and social justice, domestically and internationally, including equity, human rights and economic empowerment, sustainable environment, and healthy individuals and communities, and education.

Grant-Making Program—Grants are awarded to eligible domestic and foreign organizations to support charitable programming in support of Tides Organizations’ mission through advised funds and other grant-making initiatives. All grants are reviewed by staff and are ratified by the board of directors. Grant-making activities are tracked within discrete funds established by Foundation.

Foundation-Supporting Organizations—Foundation also works with supporting organizations to increase its ability to provide financial and programmatic support in areas consistent with Tides Organizations’ vision, mission, and approach.

Foundation has positions on the board of directors of the supporting organizations to assist in decision-making activities and to act as advisors. The supporting organizations are not considered to be part of the Foundation’s reporting entity because it does not have both control and an economic interest in them. Control is construed to mean majority control of the board. Economic interest is generally indicated by either residual interest in the supporting organization or some type of material financial support. Underdog Foundation is supported by Foundation as of December 31, 2023.

TINC—TINC leases and operates Tides Converge in San Francisco, providing office space to support the operations of Center, Foundation, and other charitable and/or mission-aligned organizations and limited for-profit entities. Network provides asset management services for TINC.

TTRF—TTRF owns and operates Tides Converge in New York City, providing office space to support the operations of Center, Foundation, and other charitable and/or mission-aligned organizations. Network provides asset management services for TTRF.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The accompanying consolidated financial statements have been prepared on the accrual basis of accounting. These are in conformity with accounting principles generally accepted in the United States of America (US GAAP) applicable to not-for-profit organizations. Intercompany accounts and transactions have been eliminated in consolidation.

Net Assets—Net assets are classified based on existence or absence of donor-imposed restrictions as follows:

Without Donor Restrictions—Net assets that are not subject to donor-imposed restrictions and may be designated for specific purposes or locations by actions of the board.

Foundation has net assets without donor restrictions that represent total donor-advised and other client funds held with variance power. The Foundation board has designated \$10,251,786 and \$9,762,557 of net assets without donor restrictions as reserves for specific programmatic or operational purposes as of December 31, 2023 and 2022, respectively.

Center accounts for net assets without donor restrictions as designated for projects when funds raised by projects are for general support in furtherance of Center’s mission in programming areas within projects’ normal operations. Without donor restrictions, project-designated net assets were \$92,531,140 and \$95,312,033 as of December 31, 2023 and 2022, respectively.

The Network board has designated \$350,000 from the Reed Memorial Fund of net assets without donor restrictions as reserves for specific programmatic or operational purposes as of December 31, 2023 and 2022.

The TINC and TTRF boards have designated \$600,000 in a bond sinking fund to cover the interest rate swap as of December 31, 2023 and 2022.

With Donor Restrictions—Net assets that are subject to donor-imposed stipulations that expire by passage of time or fulfillment of programmatic purpose or stipulations that assets provided be retained and invested in perpetuity while permitting Tides Organizations to use all of part of the investment

return for specified or unspecified purposes. When the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

For Center, net assets with donor restrictions relate to the various projects of Center and are restricted for specific programs of the projects. If the net asset restriction will be fulfilled during the fiscal year (usually by passage of time), the net asset is treated as without donor restrictions designated for projects upon receipt.

For Foundation, net assets with donor restrictions relate to the Wikimedia Endowment Fund with the purpose to serve as a permanent safekeeping fund to generate income to support operation and activities of Wikimedia projects in perpetuity. Such fund includes net asset amounts retained in perpetuity, along with investment returns that can be released and appropriated for spending on specified purposes. As of December 31, 2023, the Wikimedia Endowment Fund was transferred out from Foundation and Foundation no longer has any net assets with donor restrictions.

Cash and Cash Equivalents—Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and have original maturities of three months or less.

Grants and Contributions Receivables—Receivables represent grants and contributions unconditionally promised, but not received prior to year-end. Grants and contributions receivables that are expected to be collected in future years are subject to discounting. Management determines the allowance for doubtful accounts by evaluating individual balances and assessing the likelihood of collections. No allowance for doubtful accounts is recorded as of December 31, 2023 or 2022.

Investments—Investments are recorded at fair value, using quoted market prices. Net realized and unrealized gains and losses are included in the accompanying consolidated statements of activities and changes in net assets. Investments received by donation are recorded at estimated fair value at the date of donation. Interest and dividend income is recorded when earned and reinvested in the investment pool.

Valuation of investments held in pooled funds is based on net asset value per share of the pooled fund.

Nonpublicly traded investments are in the form of interests in limited partnerships, limited liability companies, or corporations. These represent investments in private companies and investment trust funds. Because no readily ascertainable market value exists for these investments, the values are based on the net asset value per share as a practical expedient. Due to the uncertainty of valuations, however, these amounts may differ materially from values that would be determined if the investments were publicly traded.

Fair Value Measurements—Tides Organizations carry certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Tides Organizations classify their financial assets and liabilities according to three levels and maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Level 1—Quoted prices in active markets for identical assets or liabilities. The fair value of the marketable equity securities is determined using quoted market.

Level 2—Observable inputs other than quoted prices included within Level 1 such as quoted prices for similar securities or quoted prices in inactive markets.

Level 3—Unobservable inputs for the asset or liability that are not directly corroborated by market data.

The following are descriptions of valuation inputs and techniques that the Tides Organizations utilize to determine fair value of each major category of assets:

Cash and Cash Equivalents—Cash and cash equivalents primarily consist of cash on deposit with banks and amounts held in interest-bearing money market accounts. Cash equivalents are carried at cost, which approximates their fair market value. The values of cash and cash equivalents are categorized as Level 1.

Equity Securities (Domestic and International)—Equity securities actively traded on a securities exchange are valued based on quoted prices from the applicable exchange. To the extent valuation adjustments are not applied to these securities, the values are categorized as Level 1; otherwise, the values are categorized as Level 2.

Equity securities related to common stock of private companies are valued based on unobservable inputs not directly corroborated by market data. Valuation inputs include analysis of comparable public companies and recent transactions, adjusted for differences in the size and risks and applicable discounts. These investments are classified as Level 3.

US Government and Agency Obligations—US government and agency obligations include US Treasury notes and government bonds. US Treasury notes are valued based on prices provided by third-party vendors that obtain feeds from a number of live data sources, including active market makers and interdealer brokers. To the extent that the values are actively quoted, they are categorized as Level 1. To the extent that the values are not actively quoted, the securities are categorized as Level 2. Government bonds are valued using inputs and techniques, which include identification of similar issues and bond market activity. Prices are determined taking into account the bond's terms and conditions, including any features specific to that issue, which may influence risk and, thus, marketability. The values of government bonds are categorized as Level 2.

Corporate Debt (Domestic and International)—The estimated fair values are based on quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices. To the extent that the values are actively quoted, they are categorized as Level 1. Due to the nature of pricing fixed-income securities and as values may not be actively quoted, management classifies the majority of corporate debt securities at Level 2.

Real Estate—Direct investment in real estate is reviewed no less than annually using a variety of qualitative factors to subjectively determine the most appropriate valuation methodologies consistent with the market, income, and cost approaches. Valuation inputs may include, but are not limited to, the initial investment amount, market comparable real estate, qualified appraisals, discounted cash flow, and Tides Organizations' assessment of value and applicable discounts. Investments are valued using a terminal capitalization rate of 4.75%. Independent appraisals of significant real estate held for investment are conducted as needed, depending on the nature of the investment. These investments are classified as Level 3.

Fund of Funds—Foundation invests in a fund of funds consisting of a diversified group of select, primarily domestic, private equity limited partnerships. The investment is not generally eligible for

redemption. Proceeds are distributed upon the disposition of portfolio securities and/or dissolution of the fund. This includes an unfunded commitment of \$3,220,000, which is excluded from the net asset value reported. Future call requests against this unfunded commitment are expected to be made until the unfunded commitment is fully paid. Fund of funds are valued based on the net asset value reported by the fund manager as a practical expedient and, therefore, are not required to be leveled.

Swap Agreements—Tides Organizations entered into an International Swaps and Derivatives Association Master Agreement with Wells Fargo Bank (WFB) and swap transactions occurred for each of the 2013 bond issuances at amounts equal to the original notional amounts of the bonds payable. As of December 31, 2023 and 2022, the swap agreements have a fair value totaling \$359,755 and \$485,037, respectively, based on Level 3 inputs.

Fair Value of Financial Instruments—As of December 31, 2023 and 2022, the estimated fair value of Tides Organizations' financial instruments not measured at fair value on a recurring basis (including receivables, notes receivable, accounts payable, grants payable, and advances) approximates their carrying values due to their short duration to maturity.

Mission-Related Investments and Notes Receivable—Mission-related investments are investments that would not be made were it not for the relationship of the investment to Foundation's programmatic mission. Although the underlying investments may or may not have a profit motive, that is not the primary focus of the investment by Foundation. Mission-related investments must be consistent with Foundation's mission. These investments usually are recommended by donor advisors or fund managers from the funds with which they are associated. Sometimes they may also be a result of a gift by a donor. As the mission-related investments do not have readily determinable fair values, Foundation elects the measurement alternative to measure these investments at cost, minus impairment, if any. For the years ended December 31, 2023 and 2022, mission-related investments of \$17,260,655 and \$15,113,724, respectively, were recorded. For the years ended December 31, 2023 and 2022, the cumulative impairment recognized for mission-related investments was \$5,030,842 and \$4,955,842, respectively. The value of the investments is categorized as Level 3 as pricing inputs are other-than-quoted prices in active markets, but for which no significant observable market inputs are available.

Mission-related notes receivable consists of loans to organizations that support Foundation's mission. The organizations may be commercial companies or nonprofit organizations. Management determines the allowance for doubtful accounts by evaluating individual balances and assessing the likelihood of collections. No allowance for doubtful accounts for the mission-related notes receivable has been recorded as of December 31, 2023 and 2022.

Leases—The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) operating lease assets and lease liabilities in the statements of financial position. ROU operating lease assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. The Division does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Property and Equipment—Net—Property and equipment are stated at cost, or if donated, at estimated fair value at the date of donation. Depreciation and amortization are calculated on the straight-line method over the estimated useful lives of the assets. Estimated useful lives are as follows: structures

are depreciated over 30 to 40 years, furniture and equipment are depreciated three to five years, and leasehold improvements are depreciated over the shorter of the term of the lease or the estimated useful life.

Interest Rate Swap Agreement—The fair value of the interest rate swap is accrued as market rates change. The fair value of interest rate swap is reported within bonds payable in the consolidated statements of financial position. The change in fair value of the derivative during the year, if material, is recognized within other expense or revenue in the consolidated statements of activities and changes in net assets.

Grant Advances—Grants received in advance of incurrence of qualifying expenditures from various government agencies are recorded as grant advances in the consolidated statements of financial position.

Revenue Recognition—Contributions and grants are recognized at fair value, as revenue, when received, if unconditional, and when conditions are met, if conditional.

Grants and Contributions—Tides Organizations report grants and contributions as with donor restrictions if such gifts are received with donor stipulations that limit the use of the donated assets, unless there are written agreements that supersede those stipulations. For Foundation, most written agreements with donors (donor-advised funds and other client funds) stipulate that contributions are within the exclusive control of Foundation and that Foundation is not bound by recommendations by the donors, thus creating variance power.

When a donor restriction exists with no variance power, Tides Organizations account for the grants as net assets with donor restrictions. When the restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions. Contributions with donor restrictions whose restrictions are met in the same year they are received are reported as grants and contributions without donor restrictions.

A portion of the Tides Organizations' revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenditures. Amounts received are recognized as revenue when Tides Organizations have incurred expenditures in compliance with specific contract or grant provisions.

Tides Organizations do not recognize conditional contributions until the conditions are met. Center and Foundation are the recipients of conditional contributions totaling approximately \$10,250,255 and \$1,092,000, respectively, as of December 31, 2023, and \$10,494,517 and \$6,165,442, respectively, as of December 31, 2022. These conditional contributions are contingent on donors' continued discretionary approval based on meeting specified milestones.

Program Revenues—Program revenues, which include both fees and rental income, are recognized as earned. Rental income is recorded on a straight-line basis over the lease terms.

Contract Fee Revenue—Contract fee revenue in the amount of \$14,643,341 and \$12,087,681 was included in program revenues as of December 31, 2023 and 2022, respectively. Tides Organizations earn contract fee revenue from customers for services rendered as the contract transaction occurs. Contract fee revenue is charged to customers on a monthly or quarterly basis and is recognized as the performance obligation is satisfied or at the end of the service period. The performance obligation is met when services are performed and/or when expenses are incurred.

Admin Fee Revenue—Admin fee revenue in the amount of \$29,715,995 and \$33,336,858 was included in program revenues as of December 31, 2023 and 2022, respectively. Center and Foundation earn admin fee revenue from projects and funds based on agreed-upon rates within the memorandum of understanding with each project or fund partner. The admin fee revenue is expressed as a percentage of revenue earned by a Center project ranging from 5% to 15% or a Foundation fund partner ranging from 1% to 10%. Admin fee revenue earned is eliminated upon consolidation.

Grant Expenses—Grants expense and payable represent amounts committed by Foundation and project accounts at Center, and approved pursuant to processes approved by the board of directors to be distributed to various organizations for their charitable activities. Conditional grants are not recognized until the conditions are met. As of December 31, 2023 and 2022, Foundation had approved conditional grants totaling \$4,135,597 and \$35,462,842, respectively. Grant refunds, rejections, and cancellations are recorded as a reduction of grants and awards expense at the time the grant is refunded or cancelled. For the year ended December 31, 2023, grants with payment terms in excess of one year are subject to discounting based on Foundation’s internal discount rate of 4.58% for grants payable in two years, 4.30% for grants payable of three years, and 4.18% for four years and beyond. For the year ended December 31, 2022, grants with payment terms in excess of one year are subject to discounting based on Foundation’s internal discount rate of 2.99% for grants payable in two years, 3.05% for grants payable of three years, and 3.02% for four years and beyond.

Income Taxes—Tides Organizations are tax exempt under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in these consolidated financial statements. Foundation, Center, Network, TTRF, and TINC are not considered private foundations under Internal Revenue Code Section 509(a), as these organizations meet public support or supporting organization qualifications. The organizations could be subject to tax on regularly carried on unrelated business activities not substantially related to furthering an exempt purpose.

Management evaluated Tides Organizations’ tax positions and concluded that they had maintained their tax exempt status and had taken no uncertain tax positions that require adjustment to the consolidated financial statements. Therefore, no provision or liability for income taxes has been included in the consolidated financial statements.

The federal income tax return has a three-year statute of limitations and the California return has a four-year statute of limitations from the latter of a) the due date of the return or b) the date the return is filed. During this time period, the income tax returns could be subject to examination. The federal income tax returns subject to examination are those for 2020, 2021, and 2022 and state income tax returns subject to examination are those for 2019, 2020, 2021, and 2022.

Functional Expense Allocations—Expenses are allocated among program services, general and administrative, and fundraising based on management’s estimate of time spent on the function by specific employees, and remaining costs are charged directly to the appropriate functional category. For Center, direct expenses of the various projects are allocated to program services using time and effort percentages.

Use of Estimates—The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk—Financial instruments that are potentially subject to risk consist primarily of cash and investments. Financial instruments potentially subjecting Tides Organizations to concentrations of credit risk consist primarily of operating cash and investment balances at financial institutions in excess of Federal Deposit Insurance Corporation insurance thresholds, cash held in money market accounts in excess of the amounts insured by the US Treasury insurance for money market funds, and various debt and equity instruments in excess of Securities Investor Protection Corporation insurance limits. Throughout the year, Tides Organizations maintain amounts on deposit at financial institutions that exceed federally insured limits; as of December 31, 2023 and 2022, such amounts totaled \$161,474,618 and \$231,134,176, respectively. Tides Organizations have not experienced any credit losses in such accounts in the past.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Pronouncements—In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which increases transparency and comparability among organizations by providing more decision-useful information about expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity. The provisions of ASU No. 2016-13 were adopted by Tides Organizations during the year ended December 31, 2023 and did not have a material impact on the financial statements.

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848)*. The objective of this update is to provide optional guidance to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. It provides optional expedients and exceptions for applying US GAAP to contracts, hedging relationships, and other transactions that reference London InterBank Offered Rate (LIBOR) or another reference rate expected to be discontinued because of reference rate reform. During the year ended December 31, 2023, the Organization successfully transitioned their bonds agreements from LIBOR to the Secured Overnight Financing Rate (SOFR). The adoption of Topic 848 did not have a material impact on the financial statements.

4. GRANTS AND CONTRIBUTIONS—NET

Grants and contributions receivable as of December 31, 2023 and 2022, are due as follows:

	2023	2022
Less than one year	\$ 68,425,760	\$ 251,157,832
One to five years	13,192,160	39,080,415
Discounts on grants and contributions receivable	<u>(574,665)</u>	<u>(1,297,185)</u>
Grants and contributions—net	<u>\$ 81,043,255</u>	<u>\$ 288,941,062</u>

Grants and contributions receivable as of December 31, 2023, are split between the Center and the Foundation as follows:

	The Center	The Foundation
Less than one year	\$ 50,826,744	\$ 17,599,016
One to five years	12,178,870	1,013,290
Discounts on grants and contributions receivable	<u>(530,261)</u>	<u>(44,404)</u>
 Grants and contributions—net	 <u>\$ 62,475,353</u>	 <u>\$ 18,567,902</u>

Discount rates range from 4.58% for receivables of two years and 4.30% for receivables of three years and 4.18% for four years and beyond.

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The tables below present the balances of investments measured at fair value on a recurring basis as of December 31, 2023 and 2022:

	2023				
	Total	Level 1	Level 2	Level 3	NAV
Cash and cash equivalents	\$ 42,765,676	\$ 42,765,676	\$ -	\$ -	\$ -
Equities:					
Domestic	127,621,283	88,556,869	36,945,128	2,119,286	-
International	3,867,365	3,867,365	-	-	-
Fixed income:					
US government agency, state, and municipal	218,025,628	116,946,256	101,079,372	-	-
Corporate debt	177,633,237	-	177,633,237	-	-
Foreign debt (sovereign and corporate)	78,764,312	-	78,764,312	-	-
Alternative investments:					
Real estate	16,681,332	-	-	16,681,332	-
Fund of funds	<u>7,041,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,041,685</u>
 Total assets measured at fair value	 <u>\$672,400,518</u>	 <u>\$252,136,166</u>	 <u>\$394,422,049</u>	 <u>\$18,800,618</u>	 <u>\$7,041,685</u>

	2022				
	Total	Level 1	Level 2	Level 3	NAV
Cash and cash equivalents	\$ 24,289,085	\$ 24,289,085	\$ -	\$ -	\$ -
Equities:					
Domestic	178,288,885	78,414,259	98,322,865	1,551,761	-
International	3,748,006	3,748,006	-	-	-
Fixed income:					
US government agency, state, and municipal	268,259,627	131,080,047	137,179,580	-	-
Corporate debt	239,876,794	235,888	239,640,906	-	-
Foreign debt (sovereign and corporate)	91,920,123	-	91,920,123	-	-
Alternative investments:					
Real estate	16,298,011	-	-	16,298,011	-
Fund of funds	<u>7,225,363</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,225,363</u>
Total assets measured at fair value	<u>\$829,905,894</u>	<u>\$237,767,285</u>	<u>\$567,063,474</u>	<u>\$17,849,772</u>	<u>\$7,225,363</u>

Foundation has two investment pools available for investment of gifted assets. Donor funds with a longer time horizon are typically pooled in an actively managed balanced fund of equity and fixed-income securities with an emphasis on growth and preservation of capital. Donor funds with a shorter time horizon typically are invested in fixed-income securities that provide liquidity for cash flow needs. Foundation's separate investments were approximately \$534,971,790 and \$688,001,452 as of December 31, 2023, and 2022, respectively, the substantial portion of which is allocated to grant-making funds. Social goals and screens are applied to the management of the investments when practical.

As of December 31, 2023 and 2022, the following table presents the unfunded commitments, redemption frequency, and notice period for investments in entities that calculate fair value using net asset value per share or its equivalent:

2023				
Fund Type	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Fund of funds	<u>\$ 7,041,685</u>	<u>\$ 3,220,000</u>	N/A	N/A
2022				
Fund Type	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Fund of funds	<u>\$ 7,225,363</u>	<u>\$ 3,780,000</u>	N/A	N/A

While Tides Organizations believe their valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Those estimated values may differ significantly from the values that would have been used had a readily available market for such investments existed, or had such investments been liquidated, and these differences could be material to the consolidated financial statements.

6. MISSION-RELATED INVESTMENTS AND NOTES RECEIVABLE

Mission-related investments are made for a primary purpose of advancing Tides Organizations' mission, with less emphasis on economic returns. Mission-related investments are composed of the following as of December 31, 2023 and 2022:

	2023	2022
Community development investments	\$ 9,685,285	\$ 8,585,812
Global environmental investments	3,955,390	3,215,416
Other	<u>3,619,980</u>	<u>3,312,496</u>
	<u>\$ 17,260,655</u>	<u>\$ 15,113,724</u>

Notes receivable of \$20,752,922 and \$14,006,906 is composed of loans to companies and organizations ranging from \$75,000 to \$2,000,000 at interest rates ranging from zero to the current prime interest rate of 7.5% as of December 31, 2023 and 2022, respectively. The notes are due at various dates through 2025. As of December 31, 2023 and 2022, interest receivable amounting to \$2,035,637 and \$2,198,653, respectively, is included in other receivables in the consolidated statements of financial position.

7. PROPERTY AND EQUIPMENT—NET

Property and equipment—net consists of the following as of December 31, 2023 and 2022:

	2023	2022
Land	\$ 1,710,828	\$ 1,710,828
Structures	22,148,230	38,035,404
Leasehold improvements	4,561,185	3,798,244
Furniture and equipment	284,651	260,323
Other	<u>1,684,125</u>	<u>1,760,070</u>
	30,389,019	45,564,869
Accumulated depreciation and amortization	<u>(13,887,347)</u>	<u>(13,617,171)</u>
	<u>\$ 16,501,672</u>	<u>\$ 31,947,698</u>

Depreciation and amortization expense of the years ended December 31, 2023 and 2022, were \$1,334,151 and \$1,288,871, respectively.

Women Building Up (a project of Tides Center) created a new 501(c)(3) organization and separated from Tides Center on December 31, 2023. Tides Center contributed property and equipment amounting to \$15,900,000 to the new organization.

8. GRANTS PAYABLE—NET

Multiyear grants as of December 31, 2023 and 2022, are scheduled to be paid as follows:

Years Ending December 31,	2023	
	Tides Center	Tides Foundation
2024	\$ 11,186,238	\$ 39,412,805
2025	-	15,561,991
2026	-	5,170,900
2027	-	3,110,000
Total grants payable	11,186,238	63,255,696
Discounts on grants payable	-	(975,402)
Grants payable—net	<u>\$ 11,186,238</u>	<u>\$ 62,280,294</u>
Years Ending December 31,	2022	
	Tides Center	Tides Foundation
2023	\$ 50,957,068	\$ 48,661,311
2024	-	20,856,368
2025	-	5,210,200
2026	-	2,220,700
2027	-	1,500,000
Total grants payable	50,957,068	78,448,579
Discounts on grants payable	-	(861,911)
Grants payable—net	<u>\$ 50,957,068</u>	<u>\$ 77,586,668</u>

9. LEASES

The lease liability for each lease is recognized on the basis present value of the lease payments not yet paid at the commencement date of the lease. The right-of-use asset for each lease is recorded at the amount equal to the initial measurement of lease liability, adjusted for balances of prepaid rent, lease incentives received, and initial direct costs incurred. When readily determinable, the discount rate used to calculate the lease liability is the rate implicit in the lease. Otherwise, Tides Organizations use their incremental borrowing rate based on the information available at lease commencement date. For all of Tides Organizations' leases active during the year, Tides Organizations have, as an accounting policy election, used the risk-free discount rate in lieu of the incremental borrowing rate for the calculation of lease liability as the rate implicit in the lease was not readily determinable. When determining lease term, Tides Organizations consider renewal options that Tides Organizations are reasonably certain to exercise and termination options that Tides Organizations are reasonably certain not to exercise, in addition to the noncancellable period of the lease. Tides Organizations lease real estate for office space under operating leases. For operating leases, expense is generally recognized on a straight-line basis over the lease term.

Tides Organizations' real estate leases have lease terms ranging from 24 months to 240 months, with no option to extend or terminate the lease without cause at the option of either party during the lease term. Tides Organizations reevaluate their lease life assumptions at least annually, or more frequently as circumstances warrant. Certain renewal terms contain rent escalation clauses stipulating specific rent increases, some of which are based on the market rental value adjustments. Additionally, certain leases require the payment of contingent rent based on a percentage of gross revenues, as defined in the leases. Tides Organizations' leases typically provide for fixed minimum rental payments, and certain leases provide for contingent rental payments based upon various specified percentages of sales above minimum levels. In addition to rental payments, Tides Organizations are required to pay certain nonlease components, such as real estate taxes, insurance, and common area maintenance, on most of their real estate leases. Such nonlease components are typically variable in nature. Certain real estate leases also contain escalation clauses for increases in minimum rentals, operating costs, and taxes. There are no restrictions or covenants imposed by any of the leases, and none of Tides Organizations' leases contain material residual value guarantees. Tides Organizations have elected the practical expedient under which lease components would not be separated from the nonlease components for their real estate leases. Accordingly, each lease component and the nonlease components related to the lease component are accounted for as a single lease component.

Right-of-use operating lease assets—net as of December 31, 2023 and 2022, were as follows:

	2023	2022
Right-of-use operating lease assets—real estate	\$ 11,585,192	\$ 11,577,650
Less accumulated amortization	<u>(5,552,366)</u>	<u>(3,406,074)</u>
Right-of-use operating lease assets—net	<u>\$ 6,032,826</u>	<u>\$ 8,171,576</u>

The components of lease expense included within services and general and administrative expenses in the consolidated statement of activities and changes in net assets and within occupancy and facilities in the consolidated statement of functional expenses for the year ended December 31, 2023 and 2022, were as follows:

	2023	2022
Operating lease costs	\$ 3,787,386	\$ 2,742,739
Short-term and variable lease costs	<u>1,135,134</u>	<u>2,341,324</u>
Total lease expense	<u>\$ 4,922,520</u>	<u>\$ 5,084,063</u>

As of December 31, 2023 and 2022, cash flow information related to leases was as follows:

	2023	2022
Cash paid for amounts included in the measurement of lease liabilities—operating cash flows from operating leases	<u>\$ 3,358,096</u>	<u>\$ 2,725,992</u>

Future minimum lease payments as of December 31, 2023, are as follows:

**For the Years Ending
December 31**

2024	\$ 3,219,966
2025	2,155,786
2026	326,648
2027	195,772
2028	80,467
Thereafter	<u>861,327</u>
 Total	 6,839,966
 Less present value discount	 <u>(315,385)</u>
 Lease liabilities	 <u>\$ 6,524,581</u>

The weighted-average remaining lease term and weighted-average discount rate as of December 31, 2023, were as follows:

	2023	2022
Weighted-average remaining lease term—operating leases	4.09 years	4.5 years
Weighted-average discount rate—operating leases	1.86 %	2.27 %

Tides Organizations also receive rental payments on operating leases for various periods. Future minimum rents receipts under noncancelable operating leases with remaining terms in excess of one year are:

**Years Ending
December 31**

2024	\$ 3,018,671
2025	2,252,383
2026	1,027,746
2027	571,190
Thereafter	<u>738,682</u>
	<u>\$ 7,608,672</u>

10. REVOLVING CREDIT AGREEMENT

Foundation has a \$4,000,000, unsecured, revolving bank line of credit with WFB that expires on January 29, 2025. Advances under the line of credit bear interest at a fluctuating rate per annum of 2.2% above Daily Simply Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York. There were no borrowings under the WFB line of credit as of December 31, 2023 or 2022.

11. BONDS PAYABLE

In December 2003, the Association of Bay Area Governments Finance Authority for Nonprofit Corporations (ABAG) issued “Series 2003A—Insured Mortgage Revenue Bonds (Tides, Inc.) and Series 2003B—Taxable Insured Mortgage Revenue Bonds (Tides, Inc.)” with a discount of \$207,088, which had been accreted to their redemption value over the bond term. TINC used the proceeds to purchase the leasehold improvements related to the San Francisco facility. The bonds bore interest at fixed rates ranging from 2.25% to 6.4% per annum.

In June 2007, the New York City Industrial Development Agency (NYIDA) issued “Civic Facility Revenue Bonds (2007 Tides Two Rivers Fund Project)” totaling \$9,950,000. TTRF used the proceeds to refinance debt incurred from the purchase of the New York facility. The interest rate on the bonds was 5.65%. The bonds were secured by the fourth floor of the office condominium.

The ABAG bonds were retired through a loan refunding transaction in December 2013 and replaced by Public Finance Authority (PFA) issued “Series 2013A Tax Exempt and Series 2013B Taxable Refunding Mortgage Revenue Bonds” secured by existing and future lease agreements. The NYIDA bonds were retired through a loan refunding transaction in December 2013 and replaced by PFA issued “Series 2013 Refunding Revenue Bonds” secured by real property comprising the fourth floor and lower floor of the office condominium. The tax exempt bonds were previously linked to LIBOR, bearing interest at 70% of 30-day LIBOR, plus 1.225%. The 30-day LIBOR rate as of December 31, 2022 was 4.392%. Effective April 1, 2023 the interest rate was changed to SOFR. The amended rate is based on 79% of SOFR, plus 1.3262%. The SOFR Index rate as of December 31, 2023 was 5.48030%.

Interest Rate Swap—Bonds Payable—On December 24, 2013, Tides Organizations entered into an International Swaps and Derivatives Association Master Agreement with WFB, and swap transactions occurred for each of the 2013 bond issuances at amounts equal to the original notional amounts of the bonds payable. The result of these swap agreements is to effectively fix the rate on the bonds from 2.975% to 3.59%. Payments are due on the first of each month commencing on January 2, 2014, through and including the maturity date of December 1, 2030.

The agreements related to the tax-exempt bonds are cancellable during the period from May 3, 2027, to December 1, 2030, their maturity date. The agreements related to the taxable bonds expired on December 1, 2018. The swap agreements have a fair value totaling \$359,755 and \$485,037 as of December 31, 2023 and 2022, respectively.

These obligations as of December 31, 2023 and 2022, consisted of the following:

	2023			
	Interest Rate with Swap	Final Maturity Date of Bonds	Original Issue Amount	Amount Outstanding
TINC—Series 2013A tax exempt	3.26 %	12/1/2030	\$ 7,935,000	\$4,832,439
TTRF—Series 2013 tax exempt	3.21	12/1/2030	<u>7,905,000</u>	<u>3,684,676</u>
Total bonds payable—net			<u>\$ 15,840,000</u>	<u>\$ 8,517,115</u>

	2022			
	Interest Rate with Swap	Final Maturity Date of Bonds	Original Issue Amount	Amount Outstanding
TINC—Series 2013A tax exempt	3.26 %	12/1/2030	\$ 7,935,000	\$ 5,384,976
TTRF—Series 2013 tax exempt	3.21	12/1/2030	<u>7,905,000</u>	<u>4,104,804</u>
Total bonds payable—net			<u>\$ 15,840,000</u>	<u>\$ 9,489,780</u>

The Series 2013 Bonds contain various restrictive covenants related to reporting, finance, and additional debt. Tides Organizations believe that they were in compliance with all the covenants related to the bonds as of December 31, 2023. The bonds are guaranteed by the Foundation and are payable as follows:

**Years Ending
December 31**

2024	\$ 1,136,695
2025	1,178,558
2026	1,221,073
2027	1,265,121
Thereafter	<u>3,715,668</u>
	<u>\$ 8,517,115</u>

Interest expense on bonds payable for the years ended December 31, 2023 and 2022, was \$323,310 and \$368,057, respectively.

12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets released from donor restrictions in 2023 and 2022 due to the satisfaction of time and purpose restrictions are as follows:

	2023	2022
Time restrictions	\$ 158,832,838	\$ 232,928,166
Program/purpose restrictions	29,288,840	22,799,717
Perpetual (Note 13)	<u>98,772,788</u>	<u>-</u>
	<u>\$ 286,894,466</u>	<u>\$ 255,727,883</u>

As of December 31, 2023 and 2022, net assets with donor restrictions are restricted for the following:

	2023	2022
Time restrictions	\$ 150,879,912	\$ 226,485,887
Program/purpose restrictions	46,607,570	43,536,422
Perpetual	<u>-</u>	<u>98,772,788</u>
Total	<u>\$ 197,487,482</u>	<u>\$ 368,795,097</u>

Net assets with donor restrictions related to time restrictions and program/purpose restrictions are expected to be released from restriction between years ending 2024 through 2027.

13. ENDOWMENT

Tides Organizations' endowment consists of a single endowment fund, which is donor restricted. As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Tides Organizations comply with the requirements of the California Uniform Prudent Management of Institutional Funds Act (UPMIFA) governing the expenditure and investment of institutional funds, including endowments. Tides Organizations have interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, Tides Organizations retain in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not held in perpetuity is classified as with donor restrictions as restricted for a specified purpose until those amounts are appropriated for expenditure by Tides Organizations in a manner consistent with the standard of prudence prescribed by UPMIFA. Tides Organizations' staff administer the endowment fund in good faith with the "care that an ordinarily prudent person in a like position would exercise under similar circumstances." Tides Organizations consider the following factors in managing and investing donor-restricted endowment funds:

- General economic conditions
- The possible effect of inflation and deflation
- The expected tax consequences, if any, of investment decisions or strategies
- The role that each investment or course of action plays within the overall investment portfolio of the fund
- The expected total return from income and the appreciation of investments
- Other resources of Tides Organizations
- The needs of the institution and the fund to make distributions and to preserve capital
- An asset's special relationship or special value, if any to the charitable purposes of the institution

In addition, Tides Organizations need to (1) incur only costs that are appropriate and reasonable in relation to the assets, the purposes of the institution, and the skills available to the institution and (2) make a reasonable effort to verify facts relevant to the management and investment of the fund.

Tides Organizations have adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by their endowment, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that tracks the performance of a global passive investment market index with the goal of producing returns that match a recognized benchmark for institutional investors. Actual returns in any given year may vary from this amount.

To satisfy their long-term rate-of-return objectives, the Tides Organizations rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Tides Organizations target a diversified asset allocation intended to achieve their long-term return objectives within prudent risk constraints.

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 Tides Organizations to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2023 or 2022.

Tides Organizations have a policy of appropriating for distribution each year up to a maximum of 5.7% of their endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, Tides Organizations considered the uses, benefits, purposes, and duration for which the endowment was established. Over the long term, Tides Organizations expect the current spending policy to allow their endowment to grow at an average real rate of return greater than inflation. This is consistent with the Tides Organizations' objective to maintain the purchasing power of the endowment assets, as well as to provide additional real growth through new gifts and investment return.

The endowment net assets with donor restriction composition as of December 31, 2023 and 2022, are as follows:

	2023	2022
Donor-restricted endowment funds:		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 98,772,788
Accumulated investment earnings—portion of endowment funds subject to time or purpose restrictions	<u>-</u>	<u>3,782,252</u>
Total	<u>\$ -</u>	<u>\$ 102,555,040</u>
Endowment net assets—beginning of year	\$ 102,555,040	\$ 112,129,404
Investment return—net	10,184,658	(20,769,178)
Contributions	6,547,663	11,549,006
Appropriation of endowment assets pursuant to spending-rate policy	(4,761,590)	(354,192)
Transfer out	<u>(114,525,771)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 102,555,040</u>

Effective September 30, 2023 (the "Termination Date"), Foundation and Wikimedia Foundation agreed to terminate the Wikimedia Endowment Fund at Tides Foundation. Foundation transferred all remaining assets in the Wikimedia Endowment Fund by the Termination Date to Wikimedia Endowment, and Wikimedia Endowment agreed to comply with all of Tides Foundation's obligations in administering the endowment, including reporting requirements and use restrictions. The Wikimedia Endowment has been recognized by the Internal Revenue Service as a tax-exempt organization described in Sections 501(c)(3) and 170(b)(1)(A)(vi) of the Internal Revenue Code and by the state of California as a nonprofit public benefit corporation. As of December 31, 2023, Tides Organizations no longer has any endowment funds.

14. LIQUIDITY AND FUNDS AVAILABLE

The following table reflects Tides Organizations financial assets reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid, not convertible to cash within one year, time restricted, purpose restricted, or board designated. Board-designated assets could be drawn upon if the board were to approve that action.

Financial assets available to meet cash needs for general expenditures within one year as of December 31, 2023 and 2022, are as follows:

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 163,724,618	\$ 231,384,176
Contributions and grants receivable	81,043,255	288,941,062
Other receivables	6,492,520	7,634,017
Investments	672,400,518	829,905,894
Mission-related investments	17,260,655	15,113,724
Mission-related notes receivable	<u>20,752,922</u>	<u>14,006,906</u>
 Total financial assets	 961,674,488	 1,386,985,779
 Less those unavailable for general expenditure within one year, due to:		
Contributions and grants receivable collectible beyond one year	(12,617,495)	(37,783,230)
Investments not convertible to cash within one year:		
Alternative investments	(23,723,017)	(23,523,374)
Mission-related investments	(17,260,655)	(15,113,724)
Mission-related notes receivable	(20,752,922)	(14,006,906)
Board designations	(11,201,786)	(10,712,557)
Endowments	<u>-</u>	<u>(102,555,040)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 876,118,613</u>	 <u>\$1,183,290,948</u>

Tides Organizations have a policy to structure their financial assets to be available as their general expenditures, liabilities, and other obligations come due. Available to Tides Organizations is their revolving line of credit as discussed in Note 10 above which may be utilized should Tides Organizations face shortfalls in liquidity from operations.

15. RETIREMENT PLANS

An Internal Revenue Service qualified defined contribution 403(b) plan is provided to Network and Center employees. The employer contribution is a percentage of compensation, ranging from 2% to 5%. Contributions made by Tides Organizations approximated \$3,695,982 and \$3,039,934 in 2023 and 2022, respectively.

In 2016, Network and Center established a 457(b) deferred compensation plan for qualified employees. Tides Organizations do not contribute to the deferred compensation plan; however, employee contributions totaled \$142,620 and \$110,454 in 2023 and 2022, respectively. These amounts are recorded in other assets with a matching liability included in employee benefits payable in accounts payable and accrued expenses in the accompanying consolidated statements of financial position.

16. PROJECTS

Center provides fiscal sponsorship and organization services to approximately 140 projects. From time to time, projects will obtain their own 501(c)(3) status and net assets of the respective project are transferred to the newly formed 501(c)(3) organization. During 2023 and 2022, net assets of \$26,040,222 and \$4,163,706, respectively, were contributed to these organizations. These amounts are recorded as grants and awards in the accompanying consolidated statements of activities and changes in net assets.

17. COMMITMENTS AND CONTINGENCIES

Certain grants and contracts that the Center administers and receives reimbursement for are subject to audit and final acceptance by the federal and state granting agencies. Current- and prior-year revenues of such grants are subject to adjustment upon audit.

Tides Organizations are parties to various legal actions in the ordinary course of business. In the opinion of management, the outcome of these matters would not have a material effect on their consolidated financial statements.

18. SUBSEQUENT EVENTS

Tides Organizations have evaluated subsequent events through May 28, 2024, the date the consolidated financial statements were available to be issued and concluded that there were no events or transactions that need to be disclosed or recorded.

* * * * *

SUPPLEMENTAL CONSOLIDATING SCHEDULES

TIDES ORGANIZATIONS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2023

	Tides Network	Tides Center	Tides Foundation	Tides, Inc.	Tides Two River Fund	Subtotal	Eliminations	Consolidated Total
ASSETS								
CASH AND CASH EQUIVALENTS	\$ 2,333,502	\$114,697,059	\$ 45,450,664	\$ 981,682	\$ 261,711	\$163,724,618	\$ -	\$163,724,618
RECEIVABLES:								
Grants and contributions—net	-	62,475,353	18,567,902	-	-	81,043,255	-	81,043,255
Related parties	3,977,411	2,000	12,315	70,000	7,170	4,068,896	(4,068,896)	-
Other	449,075	3,489,910	2,415,388	128,871	9,276	6,492,520	-	6,492,520
INVESTMENTS	-	137,428,728	534,971,790	-	-	672,400,518	-	672,400,518
MISSION RELATED:								
Investments—net	-	-	17,260,655	-	-	17,260,655	-	17,260,655
Notes receivable—net	-	-	20,752,922	-	-	20,752,922	-	20,752,922
NOTES RECEIVABLE—RELATED PARTY	-	-	6,065,050	2,078,070	-	8,143,120	(8,143,120)	-
PREPAID EXPENSES AND OTHER ASSETS	573,568	1,650,351	600,000	75,285	184,191	3,083,395	-	3,083,395
RIGHT-OF-USE OPERATING LEASE ASSETS	2,352,089	1,897,613	-	1,783,124	-	6,032,826	-	6,032,826
PROPERTY AND EQUIPMENT—Net	<u>789,038</u>	<u>677,944</u>	<u>-</u>	<u>6,401,976</u>	<u>8,632,714</u>	<u>16,501,672</u>	<u>-</u>	<u>16,501,672</u>
TOTAL ASSETS	<u>\$10,474,683</u>	<u>\$322,318,958</u>	<u>\$646,096,686</u>	<u>\$11,519,008</u>	<u>\$ 9,095,062</u>	<u>\$999,504,397</u>	<u>\$(12,212,016)</u>	<u>\$987,292,381</u>
LIABILITIES AND NET ASSETS								
LIABILITIES:								
Accounts payable and accrued expenses	\$ 3,683,403	\$ 12,989,500	\$ 292,861	\$ 197,748	\$ 84,553	\$ 17,248,065	\$ -	\$ 17,248,065
Payable-related parties	21,485	1,544,100	1,446,409	999,232	57,670	4,068,896	(4,068,896)	-
Grants payable—net	-	11,186,238	62,280,294	-	-	73,466,532	-	73,466,532
Grant advances	-	78,298	-	-	-	78,298	-	78,298
Bonds payable—net	-	-	-	4,832,439	3,684,676	8,517,115	-	8,517,115
Notes payable to related party	-	-	-	-	8,143,120	8,143,120	(8,143,120)	-
Lease Liabilities	2,446,778	1,964,679	-	2,113,124	-	6,524,581	-	6,524,581
Other Liabilities	<u>3,830</u>	<u>1,751,960</u>	<u>4,551,235</u>	<u>390,517</u>	<u>97,609</u>	<u>6,795,151</u>	<u>-</u>	<u>6,795,151</u>
Total liabilities	<u>6,155,496</u>	<u>29,514,775</u>	<u>68,570,799</u>	<u>8,533,060</u>	<u>12,067,628</u>	<u>124,841,758</u>	<u>(12,212,016)</u>	<u>112,629,742</u>
NET ASSETS:								
Without donor restrictions:								
Board designated	350,000	-	10,251,786	340,611	259,389	11,201,786	-	11,201,786
Designated for projects	-	92,531,140	-	-	-	92,531,140	-	92,531,140
Designated for donor advised funds	-	-	405,799,579	-	-	405,799,579	-	405,799,579
Undesignated	<u>3,969,187</u>	<u>2,785,561</u>	<u>161,474,522</u>	<u>2,645,337</u>	<u>(3,231,955)</u>	<u>167,642,652</u>	<u>-</u>	<u>167,642,652</u>
Total without donor restrictions	4,319,187	95,316,701	577,525,887	2,985,948	(2,972,566)	677,175,157	-	677,175,157
With donor restrictions	<u>-</u>	<u>197,487,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,487,482</u>	<u>-</u>	<u>197,487,482</u>
Total net assets	<u>4,319,187</u>	<u>292,804,183</u>	<u>577,525,887</u>	<u>2,985,948</u>	<u>(2,972,566)</u>	<u>874,662,639</u>	<u>-</u>	<u>874,662,639</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$10,474,683</u>	<u>\$322,318,958</u>	<u>\$646,096,686</u>	<u>\$11,519,008</u>	<u>\$ 9,095,062</u>	<u>\$999,504,397</u>	<u>\$(12,212,016)</u>	<u>\$987,292,381</u>

TIDES ORGANIZATIONS

CONSOLIDATING STATEMENT OF ACTIVITY AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2023

	Tides Network	Tides Center	Tides Foundation	Tides, Inc.	Tides Two Rivers Fund	Subtotal	Eliminations	Without Donor Restrictions	Consolidated With Donor Restrictions	Total
REVENUE AND SUPPORT:										
Grants and contributions	\$ 18,236	\$204,124,169	\$ 324,194,472	\$ 15	\$ -	\$ 528,336,892	\$ -	\$ 412,750,041	\$ 115,586,851	\$ 528,336,892
Grants and contributions—related parties	-	4,676,137	5,641,144	70,000	-	10,387,281	(10,387,281)	-	-	-
Program revenues	46,001,622	18,461,703	1,253,386	4,120,867	1,130,050	70,967,628	(46,726,669)	24,240,959	-	24,240,959
Investment income-net	-	11,014,256	62,645,603	(69,932)	(55,350)	73,534,577	-	73,534,577	-	73,534,577
Other revenue	309,806	459,155	609,027	61,306	152	1,439,446	(223,691)	1,215,755	-	1,215,755
Net assets released from restrictions	-	-	-	-	-	-	-	286,894,466	(286,894,466)	-
Total revenue and support	<u>46,329,664</u>	<u>238,735,420</u>	<u>394,343,632</u>	<u>4,182,256</u>	<u>1,074,852</u>	<u>684,665,824</u>	<u>(57,337,641)</u>	<u>798,635,798</u>	<u>(171,307,615)</u>	<u>627,328,183</u>
EXPENSES:										
Program:										
Grants and awards	194,500	74,860,208	685,601,753	8,500	-	760,664,961	-	760,664,961	-	760,664,961
Services	7,096,878	168,253,500	-	2,560,286	1,050,052	178,960,716	(569,177)	178,391,539	-	178,391,539
Grantmaking program expenses	1,561,537	-	2,314,711	-	-	3,876,248	(100,150)	3,776,098	-	3,776,098
Grants and contributions—related parties	57,208	5,634,644	4,695,429	-	-	10,387,281	(10,387,281)	-	-	-
General and administrative	35,998,240	38,622,317	17,602,670	1,516,024	150,627	93,889,878	(45,267,044)	48,622,834	-	48,622,834
Fundraising	<u>1,515,990</u>	<u>20,435,766</u>	<u>874,727</u>	<u>-</u>	<u>-</u>	<u>22,826,483</u>	<u>(1,013,989)</u>	<u>21,812,494</u>	<u>-</u>	<u>21,812,494</u>
Total expenses	<u>46,424,353</u>	<u>307,806,435</u>	<u>711,089,290</u>	<u>4,084,810</u>	<u>1,200,679</u>	<u>1,070,605,567</u>	<u>(57,337,641)</u>	<u>1,013,267,926</u>	<u>-</u>	<u>1,013,267,926</u>
CHANGE IN NET ASSETS	(94,689)	(69,071,015)	(316,745,658)	97,446	(125,827)	(385,939,743)	-	(214,632,128)	(171,307,615)	(385,939,743)
NET ASSETS—Beginning of year	<u>4,413,876</u>	<u>361,875,198</u>	<u>894,271,545</u>	<u>2,888,502</u>	<u>(2,846,739)</u>	<u>1,260,602,382</u>	<u>-</u>	<u>891,807,285</u>	<u>368,795,097</u>	<u>1,260,602,382</u>
NET ASSETS—End of year	<u>\$ 4,319,187</u>	<u>\$292,804,183</u>	<u>\$ 577,525,887</u>	<u>\$2,985,948</u>	<u>\$(2,972,566)</u>	<u>\$ 874,662,639</u>	<u>\$ -</u>	<u>\$ 677,175,157</u>	<u>\$ 197,487,482</u>	<u>\$ 874,662,639</u>

TIDES ORGANIZATIONS

CONSOLIDATING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

	Tides Network	Tides Center	Tides Foundation	Tides, Inc.	Tides Two Rivers Fund	Subtotal	Eliminations	Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES:								
Changes in net assets	\$ (94,689)	\$ (69,071,015)	\$(316,745,658)	\$ 97,446	\$(125,827)	\$(385,939,743)	\$ -	\$(385,939,743)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:								
Depreciation and amortization	143,213	547,495	-	285,816	357,627	1,334,151	-	1,334,151
Amortization—Right of Use operating lease asset	1,270,862	653,900	-	1,049,664	-	2,974,426	-	2,974,426
Transfer of donated building to former Tides Center project	-	15,900,000	-	-	-	15,900,000	-	15,900,000
Transfer of donated investment	-	-	105,654,706	-	-	105,654,706	-	105,654,706
Discount of grants and contributions receivable	-	(580,537)	(141,983)	-	-	(722,520)	-	(722,520)
Discount on grants payable	-	-	(113,491)	-	-	(113,491)	-	(113,491)
Impairment of mission related investments	-	-	25,000	-	-	25,000	-	25,000
Net gain (loss) on investments	-	(7,024,288)	(58,509,124)	-	-	(65,533,412)	-	(65,533,412)
Changes in operating assets and liabilities:								
Grants, contributions, and other receivable	(152,760)	27,100,843	183,149,940	(38,566)	(10,778)	210,048,679	(286,855)	209,761,824
Mission-related notes receivable	-	-	(6,746,016)	-	-	(6,746,016)	-	(6,746,016)
Prepaid expenses and other assets	(171,544)	2,768,503	(600,000)	20,741	24,670	2,042,370	-	2,042,370
Accounts payable and accrued expenses	(687,114)	(1,006,363)	(209,180)	332,596	56,419	(1,513,642)	286,855	(1,226,787)
Grants payable	-	(39,770,830)	(15,192,883)	-	-	(54,963,713)	-	(54,963,713)
Grant advances	-	(66,249)	-	-	-	(66,249)	-	(66,249)
Lease liabilities	(1,279,279)	(638,035)	-	(1,247,664)	-	(3,164,978)	-	(3,164,978)
Other liabilities	(105,749)	1,037,360	(251,125)	19,837	(26,810)	673,513	-	673,513
Net cash (used in) provided by operating activities	<u>(1,077,060)</u>	<u>(70,149,216)</u>	<u>(109,679,814)</u>	<u>519,870</u>	<u>275,301</u>	<u>(180,110,919)</u>	<u>-</u>	<u>(180,110,919)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:								
Purchases of investments	-	-	(47,308,363)	-	-	(47,308,363)	-	(47,308,363)
Proceeds from sales of investments	-	11,500,000	151,020,514	-	-	162,520,514	-	162,520,514
Purchases of property and equipment	(38,579)	(1,656,772)	-	(77,767)	(15,007)	(1,788,125)	-	(1,788,125)
Net cash (used in) provided by investing activities	<u>(38,579)</u>	<u>9,843,228</u>	<u>103,712,151</u>	<u>(77,767)</u>	<u>(15,007)</u>	<u>113,424,026</u>	<u>-</u>	<u>113,424,026</u>
CASH FLOWS USED IN FINANCING ACTIVITIES—Payments on notes and bonds payable								
Net cash used in financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(552,537)</u>	<u>(420,128)</u>	<u>(972,665)</u>	<u>-</u>	<u>(972,665)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,115,639)	(60,305,988)	(5,967,663)	(110,434)	(159,834)	(67,659,558)	-	(67,659,558)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>3,449,141</u>	<u>175,003,047</u>	<u>51,418,327</u>	<u>1,092,116</u>	<u>421,545</u>	<u>231,384,176</u>	<u>-</u>	<u>231,384,176</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 2,333,502</u>	<u>\$ 114,697,059</u>	<u>\$ 45,450,664</u>	<u>\$ 981,682</u>	<u>\$ 261,711</u>	<u>\$ 163,724,618</u>	<u>\$ -</u>	<u>\$ 163,724,618</u>
SUPPLEMENTAL INFORMATION—Cash paid for interest	<u>\$ 76</u>	<u>\$ 5,038</u>	<u>\$ -</u>	<u>\$ 176,756</u>	<u>\$ 146,554</u>	<u>\$ 328,424</u>	<u>\$ -</u>	<u>\$ 328,424</u>
SUPPLEMENTAL NONCASH ACTIVITY—Recognition of right-of-use operating lease assets in exchange lease liabilities	<u>\$ 563,784</u>	<u>\$ 271,892</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 835,676</u>	<u>\$ -</u>	<u>\$ 835,676</u>