



Report of Independent Auditors and
Consolidated Financial Statements with
Supplementary Information

Tides Organizations

December 31, 2015 and 2014

MOSS-ADAMS LLP

Certified Public Accountants | Business Consultants

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REPORT OF INDEPENDENT AUDITORS

The Board of Directors
Tides Organizations

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Tides Network, Tides Center, Tides Foundation, Tides, Inc., and Tides Two Rivers Fund (collectively, Tides Organizations), which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the related consolidated statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tides Organizations as of December 31, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

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

Mass Adams LLP

San Francisco, California
June 29, 2016

CONSOLIDATED FINANCIAL STATEMENTS



TIDES ORGANIZATIONS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 39,369,674	\$ 30,829,508
Receivables:		
Grants and contributions, net	31,116,636	34,132,555
Other	886,276	655,912
Investments	186,125,443	171,401,154
Mission related:		
Investments	3,938,202	4,418,309
Notes receivable	377,164	527,165
Property and equipment, net	20,775,667	21,471,725
Prepaid expenses and other assets	1,971,021	1,866,741
Total assets	<u>\$ 284,560,083</u>	<u>\$ 265,303,069</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 9,986,512	\$ 7,957,276
Grants payable, net	34,773,995	18,820,565
Grant advances	1,294,185	682,709
Bonds payable, net	17,237,965	18,135,312
Other liabilities	1,608,910	1,238,925
Total liabilities	<u>64,901,567</u>	<u>46,834,787</u>
NET ASSETS		
Unrestricted		
Designated for projects	32,590,491	29,867,963
Designated for donor advised funds	136,244,568	142,561,343
Undesignated	12,760,216	10,680,941
Total unrestricted	181,595,275	183,110,247
Temporarily restricted	38,063,241	35,358,035
Total net assets	<u>219,658,516</u>	<u>218,468,282</u>
Total liabilities and net assets	<u>\$ 284,560,083</u>	<u>\$ 265,303,069</u>

See accompanying notes.

TIDES ORGANIZATIONS
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended December 31, 2015 and 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT						
Grants and contributions	\$ 186,298,324	\$ 52,782,085	\$ 239,080,409	\$ 174,749,203	\$ 43,167,355	\$ 217,916,558
Program revenues	17,899,537	-	17,899,537	16,703,316	-	16,703,316
Interest and dividend income	2,854,090	-	2,854,090	2,941,402	-	2,941,402
Net (loss) gain on investments	(723,855)	-	(723,855)	2,156,226	-	2,156,226
Other revenue	208,051	-	208,051	473,388	-	473,388
Net assets released from restrictions	50,076,879	(50,076,879)	-	46,272,082	(46,272,082)	-
Total revenue and support	<u>256,613,026</u>	<u>2,705,206</u>	<u>259,318,232</u>	<u>243,295,617</u>	<u>(3,104,727)</u>	<u>240,190,890</u>
EXPENSES						
Program						
Services	72,673,020	-	72,673,020	68,865,429	-	68,865,429
Grants and awards	149,771,848	-	149,771,848	131,559,774	-	131,559,774
Grantmaking program expense	14,604,700	-	14,604,700	9,245,656	-	9,245,656
General and administrative	13,392,564	-	13,392,564	13,071,323	-	13,071,323
Fundraising	7,685,866	-	7,685,866	7,941,391	-	7,941,391
Total expenses	<u>258,127,998</u>	<u>-</u>	<u>258,127,998</u>	<u>230,683,573</u>	<u>-</u>	<u>230,683,573</u>
CHANGE IN NET ASSETS	(1,514,972)	2,705,206	1,190,234	12,612,044	(3,104,727)	9,507,317
NET ASSETS, beginning of year	<u>183,110,247</u>	<u>35,358,035</u>	<u>218,468,282</u>	<u>170,498,203</u>	<u>38,462,762</u>	<u>208,960,965</u>
NET ASSETS, end of year	<u>\$ 181,595,275</u>	<u>\$ 38,063,241</u>	<u>\$ 219,658,516</u>	<u>\$ 183,110,247</u>	<u>\$ 35,358,035</u>	<u>\$ 218,468,282</u>

See accompanying notes.

TIDES ORGANIZATIONS
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 1,190,234	\$ 9,507,317
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	917,393	1,097,158
Discount on grants and contributions receivable	(12,940)	(1,370)
Discount on grants payable	41,471	22,624
Loss on disposal of property and equipment	-	3,587
Net loss (gain) on investments	723,855	(2,156,226)
Dividend reinvestment	(39,263)	(47,454)
Property and equipment granted out	25,229	364,200
Changes in operating assets and liabilities:		
Grants and contributions receivable	2,948,496	1,406,260
Prepaid expenses and other assets	(104,280)	346,063
Accounts payable and accrued expenses	2,029,238	1,192,958
Grants payable	15,911,960	10,912,944
Grant advances	611,476	(171,234)
Other liabilities	(380,019)	(109,261)
Net cash provided by operating activities	<u>23,862,850</u>	<u>22,367,566</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(23,596,718)	(47,248,082)
Proceeds from sales of investments	8,667,945	36,144,633
Purchases of property and equipment	(246,565)	(316,254)
Net cash used in investing activities	<u>(15,175,338)</u>	<u>(11,419,703)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bond issuance and lines of credit	811,649	-
Payments on notes and bonds payable	(958,995)	(861,898)
Net cash used in financing activities	<u>(147,346)</u>	<u>(861,898)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	8,540,166	10,085,965
CASH AND CASH EQUIVALENTS, beginning of year	<u>30,829,508</u>	<u>20,743,543</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 39,369,674</u>	<u>\$ 30,829,508</u>
SUPPLEMENTAL INFORMATION		
Cash paid for interest	<u>\$ 597,174</u>	<u>\$ 680,856</u>

See accompanying notes.

NOTE 1 – DESCRIPTION OF ORGANIZATION

Tides Network, Tides Center, Tides Foundation, Tides, Inc. and Tides Two Rivers Fund are aligned 501(c) (3) public benefit corporations (collectively, Tides Organizations) that are consolidated for primary financial reporting purposes. All significant intercompany accounts and transactions have been eliminated.

Tides Network

Effective on January 1, 2012, Tides Network (the “Network”) began operations as a shared service provider to the other Tides Organizations (Tides Center, Tides Foundation, Tides, Inc. and Tides Two Rivers Fund). Tides Network supports the operating organizations and appoints board members for Tides Center, Tides Foundation, Tides, Inc., and Tides Two Rivers Fund. Tides Network sets the direction and policy orientation for and has economic interest in all of Tides organizations. All direct and indirect costs including management salaries and supporting services of Tides Organizations’ central office are incurred within Tides Network.

The activities of the 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

Tides Center (the “Center”) is organized and operated to support emerging charitable and educational activities. The Center provides fiscal sponsorship and essential backbone services, including financial and personnel services to projects promoting shared prosperity and social justice. The Center operates hundreds of projects and activities, all of which seek funding from the grant making community and donors throughout the world.

Tides Foundation

Tides Foundation (the “Foundation”) is committed to building a world of shared prosperity and social justice. The Foundation accelerates the pace of social change, working with innovative partners to solve the world’s toughest problems.

The Foundation receives funds through grants and donations from individuals, foundations, 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 equality and human rights, sustainable environment, and health and education. The Foundation also provides grant making support and related assistance to other mission-aligned foundations.

Grant Making Program

Grants are awarded to eligible domestic nonprofit and qualified foreign charitable organizations through advised funds and direct grant making initiatives. All grants are taken under consideration by the staff of the Foundation and approved by the Board of Directors. Grant making activities are tracked within discrete funds administered by the Foundation.

Supporting Organizations

The Foundation also works with supporting organizations operated in connection with the Foundation to increase their ability to provide financial and programmatic support in areas consistent with the Foundation’s vision, mission, and approach. The Foundation has positions on the Board of Directors of the supporting organizations to assist in decision-making activities and to act as advisors. With the exception of Harding Rock Fund, the supporting organizations are not considered to be part of the Foundation’s reporting entity because the Foundation does not have both control and an economic interest in them. Control is construed to mean majority control of the Board of Directors. Economic interest is generally indicated by either residual interest in the supporting organization or some type of material financial support. The supporting organizations as of December 31, 2015 are listed below:

Beauchamp Charities	One Pacific Coast Foundation
Rouhana Family Foundation	Underdog Foundation
Harding Rock Fund	Weithorn and Ehrmann Families Foundation

TIDES ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

During the year ended December 31, 2014, the Foundation and JK Irwin Foundation determined it was in their mutual best interests to discontinue JK Irwin Foundation's status as a supporting organization and convert to a private foundation to best achieve their respective charitable, educational and philanthropic goals.

Tides, Inc.

Tides, Inc. (TINC) operates and manages the Tides' Thoreau Center for Sustainability (the Facility) in San Francisco providing supportive office space to other charitable and/or mission aligned organizations.

Tides Two Rivers Fund

Tides Two Rivers Fund (TTRF) operates and manages the Facility in New York City, providing office space to other charitable and/or mission aligned organizations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The consolidated financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America applicable to not-for-profit organizations. Accordingly, Tides Organizations present information regarding net assets and activities according to three classes of net assets:

Unrestricted net assets – Unrestricted net assets represent resources that are not subject to donor-imposed restrictions and are available to support all activities of Tides Organizations.

The Foundation has unrestricted net assets that represent total donor advised and other client funds held by the Foundation with variance power. The Foundation board has designated approximately \$586,000 and \$521,000 of unrestricted net assets as reserves for specific programmatic or operational purposes as of December 31, 2015 and 2014, respectively.

The Center accounts for unrestricted funds as designated for projects when funds raised by projects are for general support funding for furtherance of the Center's mission in programming areas within projects' normal operations.

Temporarily restricted net assets – Temporarily restricted net assets are resources whose use by Tides Organizations is limited by donor-imposed stipulations that either expire by passage of time or fulfillment of programmatic purpose.

For the Center, temporarily restricted net assets primarily relate to the various projects of the 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 grant is treated as unrestricted-designated for projects upon receipt.

Permanently restricted net assets – Permanently restricted net assets are resources that are restricted by the donor to endowment purposes and only the income generated by these assets may be used. There were no permanently restricted net assets as of December 31, 2015 or 2014.

Cash and cash equivalents – Include cash and all highly liquid investments with maturities of three months or less at date of acquisition, except those that are held for investment purposes.

Receivables – Receivables represent grants and contributions unconditionally promised or for which constructive delivery of service has been made, but which have not been received prior to year-end. Management determines the allowance for doubtful accounts by evaluating individual balances and assessing the likelihood of collections. No allowance for doubtful accounts is considered necessary at December 31, 2015 or 2014. Grants which have not been received prior to year-end are subject to discounting based on Tides Organizations' internal discount rate of 0.69% for grants receivable in two years and 1.02% for grants receivable in three to five years.

Investments – Investments are stated at estimated 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 date of donation. Interest and dividend income are recorded when earned, and reinvested in the investment pool.

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

TIDES ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Non-publicly traded investments are in the form of shares in limited partnerships or limited liability 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 latest available valuations which may be determined by the general partner or fund manager. 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.

Fair value of financial instruments – As of December 31, 2015 and 2014, 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 the 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 the Foundation. Mission related investments must be consistent with the 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.

Mission related notes receivable consist of loans to organizations which support the Foundation's mission. The organizations may be commercial companies or nonprofit organizations.

The Foundation records mission related investments and notes receivable at cost if purchased or fair value on the date of donation. These investments are evaluated for impairment annually and written down when appropriate. During the years ended December 31, 2015 and 2014, no impairments were recorded.

Property and equipment – Property and equipment is 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: furniture and equipment, three to five years; 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 change in fair value of the derivative during the year, if material, is recognized within other expense or income in the consolidated statements of activities and changes in net assets.

Grants advance – Grants received in advance of effective date from various government agencies are recorded as a liability.

Revenue recognition – Contributions and grants are recognized at fair value, as revenue, when received or unconditionally promised and collection is deemed to be reasonably certain.

Tides Organizations report contributions and grants as temporarily restricted support if such gifts are received with donor stipulations that limit the use of the donated assets, unless there are written agreements which supersede those stipulations. For the Foundation, most written agreements with donors (donor advised funds and other client funds) stipulate that contributions are within the exclusive control of the Foundation, and the Foundation is not bound by recommendations by the donors, thus creating variance power. When a donor restriction exists with no variance power, the Foundation accounts for the grants as temporarily restricted net assets. When the restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions. Temporarily restricted contributions whose restrictions are met in the same year they are received are reported as unrestricted contributions.

TIDES ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Tides Organizations do not recognize conditional contributions until the conditions are met. As of December 31, 2015 and 2014, the Foundation and Center are the recipients of conditional contributions totaling approximately \$300,000 and \$23,728,000 and \$1,314,400 and \$17,326,000, respectively. These conditional contributions are contingent on donors' continued discretionary approval.

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

Grants – Grants expense and payable represent amounts committed by the Foundation and approved by the Board of Directors to be distributed to various nonprofit organizations for their charitable activities. Grant refunds, rejections, and cancellations are recorded as a reduction of grants and awards expense at the time the grant is refunded or cancelled. Grants with payment terms in excess of one year are subject to discounting based on the Foundation's internal discount rate of 0.69% for grants payable in two years, and 1.02% for grants payable in three years.

Income taxes – Tides Organizations are tax exempt under the provisions of the Internal Revenue Service Code, Section 501(c)(3). Accordingly, no provision for income taxes has been reflected in these consolidated financial statements. Tides Foundation, Tides Center, Tides Network, Tides Two Rivers Fund, and Tides, Inc. are not considered private foundations under the Internal Revenue Service Code and could be subject to tax on unrelated business activities, if any, generated by certain investments and activities.

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.

Functional expense allocations – Expenses are allocated among program services, general and administrative and fundraising based on management's estimate. For the Center, direct expenses of the various projects are allocated to program.

Use of estimates – The preparation of consolidated financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events – Subsequent events are events or transactions that occur after the financial statement date but before the financial statements are issued. Tides Organizations recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statement of activities and changes in net assets, including the estimates inherent in the process of preparing the consolidated financial statements.

Tides Organizations have evaluated subsequent events through June 29, 2016, which is the date the consolidated financial statements were available to be issued.

NOTE 3 – GRANTS AND CONTRIBUTIONS

Grants receivable as of December 31, 2015 and 2014 are due as follows:

	<u>2015</u>	<u>2014</u>
Less than one year	\$ 29,306,292	\$ 27,911,114
One to five years, net of discount	1,810,344	6,221,441
	<u>\$ 31,116,636</u>	<u>\$ 34,132,555</u>

Discounts applied to grants receivable as of December 31, 2015 and 2014 were \$18,266 and \$31,206, respectively.

TIDES ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

The tables below present the balances of investments measured at fair value on a recurring basis at December 31, 2015 and 2014:

	2015			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents:	\$ 4,220,377	\$ 4,220,377	\$ -	\$ -
Equities:				
Domestic	44,955,228	44,955,228	-	-
International	5,312,913	5,312,913	-	-
Fixed income:				
U.S. Government agency, state, and municipal	73,065,147	-	73,065,147	-
Corporate debt	47,247,343	-	47,247,343	-
Foreign debt (sovereign and corporate)	1,150,508	-	1,150,508	-
Nonpublicly traded investments:				
Telecommunications	1,223,400	-	-	1,223,400
Real estate	8,630,527	-	-	8,630,527
Fund of funds	320,000	-	-	320,000
Total assets measured at fair value	<u>\$ 186,125,443</u>	<u>\$ 54,488,518</u>	<u>\$ 121,462,998</u>	<u>\$ 10,173,927</u>
	2014			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents:	\$ 9,534,085	\$ 9,534,085	\$ -	\$ -
Equities:				
Domestic	48,147,256	48,147,256	-	-
International	6,628,263	6,628,263	-	-
Fixed income:				
U.S. Government agency, state, and municipal	87,009,103	-	87,009,103	-
Corporate debt	15,354,011	-	15,354,011	-
Foreign debt (sovereign and corporate)	680,770	-	680,770	-
Nonpublicly traded investments:				
Telecommunications	1,273,699	-	-	1,273,699
Real estate	2,653,967	-	-	2,653,967
Fund of funds	120,000	-	-	120,000
Total assets measured at fair value	<u>\$ 171,401,154</u>	<u>\$ 64,309,604</u>	<u>\$ 103,043,884</u>	<u>\$ 4,047,666</u>

The Foundation has two investment pools available to donors 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. The Foundation's separate investments approximate \$145.5 million, the substantial portion of which is allocated to grantmaking funds. Social goals and screens are applied to the management of the investments when practical.

Net realized and unrealized gain (loss) for 2015 and 2014 were \$1,910,547 and (\$2,634,402) and \$6,758,536 and (\$4,602,310), respectively.

A description of the valuation techniques and inputs applied to Tides Organizations' classes of investments, which are not listed or quoted on a securities exchange or other regulated markets measured at fair value is described in Note 2 above and below for the level 3 investments.

TIDES ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The changes in nonpublicly traded investments classified as Level 3 are as follows for the years ended December 31, 2015 and 2014:

	2015			
	<u>Fund of Funds</u>	<u>Telecom</u>	<u>Real Estate</u>	<u>Total</u>
Balance, January 1, 2015	\$ 120,000	\$ 1,273,699	\$ 2,653,967	\$ 4,047,666
Contributions	200,000	-	5,976,560	6,176,560
Unrealized loss	-	(50,299)	-	(50,299)
Balance, December 31, 2015	<u>\$ 320,000</u>	<u>\$ 1,223,400</u>	<u>\$ 8,630,527</u>	<u>\$ 10,173,927</u>

	2014			
	<u>Fund of Funds</u>	<u>Telecom</u>	<u>Real Estate</u>	<u>Total</u>
Balance, January 1, 2014	\$ -	\$ 1,403,759	\$ -	\$ 1,403,759
Contributions	120,000	-	2,653,967	2,773,967
Income	-	85,989	-	85,989
Unrealized loss	-	(216,049)	-	(216,049)
Balance, December 31, 2014	<u>\$ 120,000</u>	<u>\$ 1,273,699</u>	<u>\$ 2,653,967</u>	<u>\$ 4,047,666</u>

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 Organization’s assessment of value and applicable discounts. Independent appraisals of significant real estate held for investment are conducted as needed, depending on the nature of the investment.

Telecom – Investment in telecom is considered to be a closely-held private or restricted stock. Closely-held private or restricted stock is reviewed no less than annually using a variety of qualitative factors to subjectively determine the most appropriate valuation methodologies. Valuation inputs may include, but are not limited to, initial investment amount, observed transaction price used in subsequent valuations, liquidation value, qualified opinion or appraisal company financial statements, and the Tides Organization’s own assessment of value and applicable discounts.

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.

As of December 31, 2015 or 2014 there were no unfunded commitments.

NOTE 5 – MISSION RELATED INVESTMENTS

Mission related investments are made primarily for desirable social outcomes consistent with Tides Foundation’s mission, with less emphasis on economic returns. Mission related investments are comprised of the following at December 31:

	<u>2015</u>	<u>2014</u>
Land and nonprofit community real estate	\$ 553,171	\$ 553,171
Community development investments	2,015,000	3,016,662
Global environmental investments	340,455	-
Other	1,029,576	848,476
	<u>\$ 3,938,202</u>	<u>\$ 4,418,309</u>

TIDES ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Mission related investments are valued at original cost unless impaired. Overall, the value of these investments decreased by \$480,108 and \$599,500 in 2015 and 2014, respectively.

Notes receivable - mission related – Notes receivable of \$377,164 is comprised of five loans to companies and organizations ranging from \$25,393 to \$100,000 at interest rates from zero to the current prime interest rate of 3.5% at December 31, 2015. The notes are due at various dates ranging between 2016 and 2018.

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2015 and 2014:

	2015	2014
Land	\$ 1,710,828	\$ 1,710,828
National AIDS Memorial Grove	1,237,217	1,168,130
Structures	22,106,159	22,106,159
Leasehold improvements	3,073,878	3,019,701
Furniture and equipment	1,079,802	1,618,522
Other	604,528	206,853
	29,812,412	29,830,193
Accumulated depreciation and amortization	(9,036,745)	(8,358,468)
	\$ 20,775,667	\$ 21,471,725

Depreciation and amortization expense for the years ended December 31, 2015 and 2014 were \$917,393 and \$1,097,158, respectively.

The National Aids Memorial Grove is not depreciated because it is to be maintained in perpetuity.

Land and structures include the fourth floor and lower floor of an office condominium that is collateral for certain bonds (see Note 9).

NOTE 7 – GRANTS PAYABLE

Multi-year grants as of December 31, 2015 are scheduled to be paid as follows:

Years Ending December 31.

2016	\$ 24,928,148
2017	9,467,533
2018	378,314
	\$ 34,773,995

Conditional grants are not recognized until the conditions are met. As of December 31, 2015, conditional grants totaling approximately \$578,000 have been approved. Payment of these grants is contingent on the grantees fulfilling specific requirements.

Discounts applied to grants payable as of December 31, 2015 and 2014 were \$68,896 and \$27,425, respectively.

NOTE 8 – REVOLVING CREDIT AGREEMENTS

Tides Foundation has a \$4,000,000, unsecured, revolving bank line of credit with Wells Fargo Bank (WFB) that expires on October 31, 2016. Advances under the line of credit bear interest at the bank's prime rate or LIBOR plus 2.5%. There were no borrowings under the WFB line of credit at December 31, 2015 or 2014.

TIDES ORGANIZATIONS NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Tides Foundation has a \$1,500,000, unsecured line of credit with Annie E. Casey Foundation, Inc. (AECF) that expires in August 2017. Advances under the line of credit bear interest at a fixed rate of 2% per annum. There was \$750,000 drawn on the AECF line of credit at December 31, 2015. There was no outstanding balance at December 31, 2014.

NOTE 9 - 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 Facility. The bonds bore interest at fixed rates 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 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 bear interest at 70% of 30 day LIBOR plus 1.225%. The taxable bonds bear interest at 30 day LIBOR plus 1.75%. The 30 day LIBOR rate at December 31, 2015 was 0.43%.

Interest rate swap - bonds payable - On December 24, 2013, Tides Organization entered into an International Swaps and Derivatives Association Master Agreement with Wells Fargo Bank, National Association 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 1st of each month commencing January 2, 2014, through and including the maturity date, December 2, 2023.

The agreements related to the tax exempt bonds are cancellable during the period from December 1, 2018 to November 1, 2023, their maturity date. The agreements related to the taxable bonds expire on December 1, 2018.

The swap agreements have a fair value totaling \$567,061 and \$628,709 as of December 31, 2015 and 2014, respectively, which was a derivative liability.

TIDES ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

These obligations as of December 31, 2015 and 2014 consisted of the following:

	2015			
	Interest Rate with Swap	Final Maturity Date of Bonds	Original Issue Amount	Amount Outstanding
TINC:				
Series 2013A tax exempt	3.59%	12/01/2023	\$ 7,935,000	\$ 7,935,000
Series 2013B taxable	2.98%	12/01/2018	2,515,000	1,913,534
TTRF:				
Series 2013 tax exempt	3.46%	12/01/2023	7,905,000	7,389,431
Total bonds payable			<u>\$ 18,355,000</u>	<u>\$ 17,237,965</u>

	2014			
	Interest Rate with Swap	Final Maturity Date of Bonds	Original Issue Amount	Amount Outstanding
TINC:				
Series 2013A tax exempt	3.59%	12/01/2023	\$ 7,935,000	\$ 7,935,000
Series 2013B taxable	2.98%	12/01/2018	2,515,000	2,403,003
TTRF:				
Series 2013 tax exempt	3.46%	12/01/2023	7,905,000	7,797,309
Total bonds payable			<u>\$ 18,355,000</u>	<u>\$ 18,135,312</u>

The Series 2013 Bonds contain various restrictive covenants related to reporting, finance, and additional debt. The Bonds are guaranteed by Tides Foundation.

Maturities on bonds payable are as follows:

Years Ending December 31.

2016	\$ 861,759
2017	891,770
2018	921,157
2019	952,880
2020	985,981
Thereafter	<u>12,624,418</u>
	<u>\$ 17,237,965</u>

Interest expense on bonds payable for the years ended December 31, 2015 and 2014 were \$597,174 and \$680,856, respectively.

NOTE 10 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets released from restriction in 2015 and 2014 because of satisfying time and purpose restrictions are as follows at December 31, 2015 and 2014:

	2015	2014
Time restrictions	\$ 11,507,192	\$ 15,122,602
Program/purpose restrictions	<u>38,569,687</u>	<u>31,149,480</u>
	<u>\$ 50,076,879</u>	<u>\$ 46,272,082</u>

TIDES ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Temporarily restricted net assets as of December 31, 2015 and 2014 are restricted for:

	<u>2015</u>	<u>2014</u>
Time restrictions	\$ 8,238,792	\$ 4,563,629
Program/purpose restrictions	29,824,449	30,794,406
	<u>\$ 38,063,241</u>	<u>\$ 35,358,035</u>

NOTE 11 - RETIREMENT PLANS

An IRS qualified defined contribution plan 403(b) is provided to Tides Organizations' employees including those working on projects. The employer contribution is a percentage of compensation, ranging from 2% to 5%, based upon years of service. Contributions made by Tides Organizations approximated \$685,000 and \$713,000 in 2015 and 2014, respectively.

NOTE 12 - PROJECTS

The Center provides fiscal sponsorship and organization services to approximately 165 projects. From time to time, projects will obtain their own 501(c)(3) status and are "spun-off" as separate organizations. During 2015 and 2014, net assets of \$1,028,000 and \$3,242,000, respectively, were distributed to spun-off projects. These amounts are recorded as grant expense.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Commitments – Tides Organizations have lease arrangements as both a Lessee and Lessor.

As Lessee

TINC leases a complex of 12 historic buildings, the Facility, within the Presidio, which was a United States Army base from 1848 through 1994. In 1994, the Presidio was transferred to the Golden Gate National Recreation Area and came under the administration of the National Park Service of the United States Department of the Interior (the Park Service).

The Facility is currently under the administration of the Presidio Trust (the Trust), a government corporation which serves as Master Lessor on two long term ground leases (the Ground Leases).

Pursuant to documents dated December 23, 2003, and with the approval of the Trust, TINC assumed the Master Lessee function on the Ground Leases and purchased the leasehold improvements related to the Facility in order to operate a center for nonprofit organizations in the Facility.

The first Ground Lease ("Phase I") was entered into in 1995, and the second ("Phase II") was entered into in 1997. Both Ground Leases expire on September 10, 2050. The minimum annual rental through September 10, 2020 is as follows:

	<u>Phase I</u>	<u>Phase II</u>	<u>Total</u>
September 11, 2010 to September 10, 2015	\$ 65,000	\$ 65,000	\$ 130,000
September 11, 2015 to September 10, 2020	\$ 80,000	\$ 80,000	\$ 160,000

Beginning September 11, 2020, the minimum rent is subject to appraisal adjustments and consumer price index ("CPI") adjustments.

The Trust and Tides, Inc. amended the Ground Leases, effective January 1, 2007. The amendment provides for the payment of percentage rent, increasing from 5% to 10%, through September 2020 including at a minimum the rent schedule detailed above.

For the years ended December 31, 2015 and 2014, TINC has made the required minimum rent payments to the Trust amounting to \$139,167 and \$130,000, respectively.

TIDES ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Tides Organizations have minimum lease commitments under real property, equipment, and other operating leases for projects which as of December 31, 2015 are:

Years Ending December 31.

2016	\$	1,219,000
2017		928,000
2018		654,000
2019		213,000
2020		16,000
		<u>3,030,000</u>
	\$	<u>3,030,000</u>

Rent expense was approximately \$2,544,000 and \$2,931,000 for 2015 and 2014, respectively.

As Lessor

Tides Organizations have long-term operating leases for various periods to 2026. Future minimum rents receivable under noncancelable leases with remaining terms in excess of one year are:

Years Ending December 31.

2016	\$	4,073,000
2017		3,280,000
2018		2,904,000
2019		1,849,000
2020		1,298,000
Thereafter		2,580,000
		<u>15,984,000</u>
	\$	<u>15,984,000</u>

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 its consolidated financial statements.

SUPPLEMENTARY INFORMATION

TIDES ORGANIZATIONS
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
Year ended December 31, 2015

	Tides Network	Tides Center	Tides Foundation	Tides Inc.	Tides Two Rivers Fund	Subtotal	Eliminations	Consolidated Total
ASSETS								
Cash and cash equivalents	\$ 864,738	\$ 18,099,192	\$ 18,274,323	\$ 1,741,104	\$ 390,317	\$ 39,369,674	\$ -	\$ 39,369,674
Receivables:								
Grants and contributions, net	-	18,757,600	12,359,036	-	-	31,116,636	-	31,116,636
Related parties	1,747,187	-	122,795	115,448	-	1,985,430	(1,985,430)	-
Other	73,645	108,007	7,644	85,249	611,731	886,276	-	886,276
Investments	-	40,620,085	145,505,358	-	-	186,125,443	-	186,125,443
Mission related:								
Investments	-	-	3,938,202	-	-	3,938,202	-	3,938,202
Notes receivable	-	-	377,164	-	-	377,164	-	377,164
Notes receivable, related party	-	-	7,634,575	1,962,622	-	9,597,197	(9,597,197)	-
Property and equipment, net	99,043	1,576,334	49,745	7,721,399	11,329,146	20,775,667	-	20,775,667
Prepaid expenses and other assets	219,402	1,148,819	-	155,926	446,874	1,971,021	-	1,971,021
Total assets	\$ 3,004,015	\$ 80,310,037	\$ 188,268,842	\$ 11,781,748	\$ 12,778,068	\$ 296,142,710	\$ (11,582,627)	\$ 284,560,083
LIABILITIES AND NET ASSETS								
LIABILITIES								
Accounts payable and accrued expenses	\$ 1,944,106	\$ 6,992,865	\$ 859,890	\$ 126,627	\$ 63,024	\$ 9,986,512	\$ -	\$ 9,986,512
Payable - related parties	122,918	665,213	684,231	37,789	475,279	1,985,430	(1,985,430)	-
Grants payable, net	-	7,062	34,766,933	-	-	34,773,995	-	34,773,995
Grant advances	-	1,294,185	-	-	-	1,294,185	-	1,294,185
Bonds payable, net	-	-	-	9,848,534	7,389,431	17,237,965	-	17,237,965
Notes payable to related party	-	-	-	-	9,597,197	9,597,197	(9,597,197)	-
Other liabilities	17,809	174,467	750,000	422,118	244,516	1,608,910	-	1,608,910
Total liabilities	2,084,833	9,133,792	37,061,054	10,435,068	17,769,447	76,484,194	(11,582,627)	64,901,567
NET ASSETS								
Unrestricted:								
Designated for projects	\$ -	\$ 32,590,491	\$ -	\$ -	\$ -	\$ 32,590,491	\$ -	\$ 32,590,491
Designated for donor advised funds	-	-	136,244,568	-	-	136,244,568	-	136,244,568
Undesignated	919,182	522,513	14,963,220	1,346,680	(4,991,379)	12,760,216	-	12,760,216
Total unrestricted	919,182	33,113,004	151,207,788	1,346,680	(4,991,379)	181,595,275	-	181,595,275
Temporarily restricted	-	38,063,241	-	-	-	38,063,241	-	38,063,241
Total net assets	919,182	71,176,245	151,207,788	1,346,680	(4,991,379)	219,658,516	-	219,658,516
Total liabilities and net assets	\$ 3,004,015	\$ 80,310,037	\$ 188,268,842	\$ 11,781,748	\$ 12,778,068	\$ 296,142,710	\$ (11,582,627)	\$ 284,560,083

TIDES ORGANIZATIONS
CONSOLIDATING STATEMENT OF ACTIVITY AND CHANGES IN NET ASSETS
Year ended December 31, 2015

	Tides Network	Tides Center	Tides Foundation	Tides Inc.	Tides Two Rivers Fund	Subtotal	Eliminations	Consolidated		
								Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT										
Grants and contributions	\$ 63,710	\$ 88,948,548	\$ 150,068,145	\$ 6	\$ -	\$ 239,080,409	\$ -	\$ 186,298,324	\$ 52,782,085	\$ 239,080,409
Grants and contributions - related parties	412,372	1,969,554	8,859,861	-	-	11,241,787	(11,241,787)	-	-	-
Program revenues	13,336,795	13,232,380	439,018	3,430,866	1,402,152	31,841,211	(13,941,674)	17,899,537	-	17,899,537
Interest and dividend income	-	559,573	2,459,411	88,389	30,357	3,137,730	(283,640)	2,854,090	-	2,854,090
Net gain (loss) on investments	-	(315,392)	(408,463)	-	-	(723,855)	-	(723,855)	-	(723,855)
Other revenue	117,618	-	-	41,472	48,961	208,051	-	208,051	-	208,051
Net assets released from restrictions	-	-	-	-	-	-	-	50,076,879	(50,076,879)	-
Total revenue and support	<u>13,930,495</u>	<u>104,394,663</u>	<u>161,417,972</u>	<u>3,560,733</u>	<u>1,481,470</u>	<u>284,785,333</u>	<u>(25,467,101)</u>	<u>256,613,026</u>	<u>2,705,206</u>	<u>259,318,232</u>
EXPENSES										
Program										
Services	-	68,907,025	-	2,661,947	1,387,688	72,956,660	(283,640)	72,673,020	-	72,673,020
Grants and awards - related parties	995	8,859,861	2,380,931	-	-	11,241,787	(11,241,787)	-	-	-
Grants and awards	-	5,106,185	144,665,663	-	-	149,771,848	-	149,771,848	-	149,771,848
Grantmaking program expense	-	-	14,666,683	-	-	14,666,683	(61,983)	14,604,700	-	14,604,700
General and administrative	12,327,493	10,709,021	3,846,179	220,939	168,623	27,272,255	(13,879,691)	13,392,564	-	13,392,564
Fundraising	1,602,007	5,584,073	499,786	-	-	7,685,866	-	7,685,866	-	7,685,866
Total expenses	<u>13,930,495</u>	<u>99,166,165</u>	<u>166,059,242</u>	<u>2,882,886</u>	<u>1,556,311</u>	<u>283,595,099</u>	<u>(25,467,101)</u>	<u>258,127,998</u>	<u>-</u>	<u>258,127,998</u>
CHANGE IN NET ASSETS	-	5,228,498	(4,641,270)	677,847	(74,841)	1,190,234	-	(1,514,972)	2,705,206	1,190,234
NET ASSETS - beginning of year	<u>919,182</u>	<u>65,947,747</u>	<u>155,849,058</u>	<u>668,833</u>	<u>(4,916,538)</u>	<u>218,468,282</u>	<u>-</u>	<u>183,110,247</u>	<u>35,358,035</u>	<u>218,468,282</u>
NET ASSETS - end of year	<u>\$ 919,182</u>	<u>\$ 71,176,245</u>	<u>\$ 151,207,788</u>	<u>\$ 1,346,680</u>	<u>\$ (4,991,379)</u>	<u>\$ 219,658,516</u>	<u>\$ -</u>	<u>\$ 181,595,275</u>	<u>\$ 38,063,241</u>	<u>\$ 219,658,516</u>

TIDES ORGANIZATIONS
CONSOLIDATING STATEMENT OF CASH FLOW
Year ended December 31, 2015

	Tides Network	Tides Center	Tides Foundation	Tides Inc.	Tides Two Rivers Fund	Subtotal	Eliminations	Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES								
Change in net assets	\$ -	\$ 5,228,498	\$ (4,641,270)	\$ 677,847	\$ (74,841)	\$ 1,190,234	\$ -	\$ 1,190,234
Adjustments to reconcile changes in net assets to net cash provided by operating activities:								
Depreciation and amortization	34,779	231,243	2,488	287,545	361,338	917,393	-	917,393
Discount on grants and contributions receivable	-	(12,940)	-	-	-	(12,940)	-	(12,940)
Discount on grants payable	-	-	41,471	-	-	41,471	-	41,471
Gain on disposal of property and equipment	-	-	-	-	-	-	-	-
Net (gain) loss on investments	-	315,392	408,463	-	-	723,855	-	723,855
Dividend reinvestment	-	(39,263)	-	-	-	(39,263)	-	(39,263)
Property and equipment granted out	-	25,229	-	-	-	25,229	-	25,229
Changes in operating assets and liabilities:								
Grants and contributions receivable	277,979	2,467,060	1,487,637	129,230	(600,076)	3,761,830	(813,334)	2,948,496
Prepaid expenses and other assets	(164,232)	(462,202)	295	37,613	484,246	(104,280)	-	(104,280)
Accounts payable and accrued expenses	115,826	587,966	599,154	(333,689)	185,415	1,154,672	874,566	2,029,238
Grants payable	-	(1,242,945)	17,154,905	-	-	15,911,960	-	15,911,960
Grant advances	-	611,476	-	-	-	611,476	-	611,476
Other liabilities	(14,735)	46,671	(444,573)	50,191	(17,573)	(380,019)	-	(380,019)
Net cash provided by operating activities	<u>249,617</u>	<u>7,756,185</u>	<u>14,608,570</u>	<u>848,737</u>	<u>338,509</u>	<u>23,801,618</u>	<u>61,232</u>	<u>23,862,850</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Purchases of investments	-	(577,863)	(23,018,855)	-	-	(23,596,718)	-	(23,596,718)
Proceeds from sales of investments	-	189,394	8,478,551	-	-	8,667,945	-	8,667,945
Purchases of property and equipment	-	(221,616)	-	(24,949)	-	(246,565)	-	(246,565)
Net cash (used in) investing activities	<u>-</u>	<u>(610,085)</u>	<u>(14,540,304)</u>	<u>(24,949)</u>	<u>-</u>	<u>(15,175,338)</u>	<u>-</u>	<u>(15,175,338)</u>
CASH FLOWS FROM FINANCING ACTIVITIES								
Proceeds from bond issuances and lines of credit	-	-	750,000	31,290	91,591	872,881	(61,232)	811,649
Payments on notes and bonds payable	-	-	-	(520,760)	(438,235)	(958,995)	-	(958,995)
Net cash used in financing activities	<u>-</u>	<u>-</u>	<u>750,000</u>	<u>(489,470)</u>	<u>(346,644)</u>	<u>(86,114)</u>	<u>(61,232)</u>	<u>(147,346)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>249,617</u>	<u>7,146,100</u>	<u>818,266</u>	<u>334,318</u>	<u>(8,135)</u>	<u>8,540,166</u>	<u>-</u>	<u>8,540,166</u>
CASH AND CASH EQUIVALENTS - beginning of year	<u>615,121</u>	<u>10,953,092</u>	<u>17,456,057</u>	<u>1,406,786</u>	<u>398,452</u>	<u>30,829,508</u>	<u>-</u>	<u>30,829,508</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 864,738</u>	<u>\$ 18,099,192</u>	<u>\$ 18,274,323</u>	<u>\$ 1,741,104</u>	<u>\$ 390,317</u>	<u>\$ 39,369,674</u>	<u>\$ -</u>	<u>\$ 39,369,674</u>
SUPPLEMENTAL INFORMATION								
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 341,661</u>	<u>\$ 255,513</u>	<u>\$ 597,174</u>	<u>\$ -</u>	<u>\$ 597,174</u>