

# Tides Organizations

Consolidated Financial Statements as of and for  
the Years Ended December 31, 2022 and 2021,  
Supplementary Information as of and for the  
Year Ended December 31, 2022, 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, 2022 and 2021, 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, 2022 and 2021, and the results of its operations, its changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 30–32 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*

July 26, 2023

# TIDES ORGANIZATIONS

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2022 AND 2021

	2022	2021
<b>ASSETS</b>		
CASH AND CASH EQUIVALENTS	\$ 231,384,176	\$ 541,151,715
RECEIVABLES:		
Grants and contributions—net	288,941,062	239,980,646
Other	7,634,017	5,946,080
INVESTMENTS	829,905,894	946,198,770
MISSION RELATED:		
Investments	15,113,724	9,867,020
Notes receivable	14,006,906	7,331,122
PREPAID EXPENSES AND OTHER ASSETS	5,125,765	4,165,212
RIGHT-OF-USE OPERATING LEASE ASSETS	8,171,576	
PROPERTY AND EQUIPMENT—Net	<u>31,947,698</u>	<u>32,161,431</u>
<b>TOTAL ASSETS</b>	<b><u>\$1,432,230,818</u></b>	<b><u>\$1,786,801,996</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 18,474,852	\$ 21,262,189
Grants payable—net	128,543,736	85,274,764
Grant advances	144,547	133,989
Bonds payable—net	9,489,780	11,443,569
Lease liabilities	8,853,883	
Other liabilities	<u>6,121,638</u>	<u>12,192,834</u>
Total liabilities	<u>171,628,436</u>	<u>130,307,345</u>
COMMITMENTS AND CONTINGENCIES (Note 17)		
NET ASSETS:		
Without donor restrictions:		
Board designated	10,712,557	10,674,100
Designated for projects	95,312,033	145,729,525
Designated for donor-advised funds	635,673,261	843,170,032
Undesignated	<u>150,109,434</u>	<u>195,786,080</u>
Total without donor restrictions	891,807,285	1,195,359,737
With donor restrictions	<u>368,795,097</u>	<u>461,134,914</u>
Total net assets	<u>1,260,602,382</u>	<u>1,656,494,651</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$1,432,230,818</u></b>	<b><u>\$1,786,801,996</u></b>

See notes to consolidated financial statements.

## TIDES ORGANIZATIONS

### CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT:</b>						
Grants and contributions	\$ 614,638,798	\$ 184,157,245	\$ 798,796,043	\$ 914,571,203	\$ 393,384,520	\$ 1,307,955,723
Program revenues	22,934,134		22,934,134	15,961,343		15,961,343
Investment income—net	(128,745,788)	(20,769,179)	(149,514,967)	258,008	13,126,553	13,384,561
Other revenue	1,857,132		1,857,132	2,104,687		2,104,687
Net assets released from restrictions	<u>255,727,883</u>	<u>(255,727,883)</u>	<u>-</u>	<u>146,662,457</u>	<u>(146,662,457)</u>	<u>-</u>
Total revenue and support	<u>766,412,159</u>	<u>(92,339,817)</u>	<u>674,072,342</u>	<u>1,079,557,698</u>	<u>259,848,616</u>	<u>1,339,406,314</u>
<b>EXPENSES:</b>						
Program:						
Grants and awards	854,875,229		854,875,229	663,168,377		663,168,377
Services	150,799,421		150,799,421	119,152,099		119,152,099
Grantmaking program expenses	3,446,090		3,446,090	1,938,541		1,938,541
General and administrative	41,063,565		41,063,565	30,050,133		30,050,133
Fundraising	<u>19,780,306</u>		<u>19,780,306</u>	<u>22,193,097</u>		<u>22,193,097</u>
Total expenses	<u>1,069,964,611</u>	<u>-</u>	<u>1,069,964,611</u>	<u>836,502,247</u>	<u>-</u>	<u>836,502,247</u>
CHANGE IN NET ASSETS	(303,552,452)	(92,339,817)	(395,892,269)	243,055,451	259,848,616	502,904,067
NET ASSETS—Beginning of year	<u>1,195,359,737</u>	<u>461,134,914</u>	<u>1,656,494,651</u>	<u>952,304,286</u>	<u>201,286,298</u>	<u>1,153,590,584</u>
NET ASSETS—End 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>

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	1,705,116		567,391	2,272,507	24,308	445,103	469,411	2,741,918
<b>Total expenses</b>	<b>\$150,799,421</b>	<b>\$854,875,229</b>	<b>\$3,446,090</b>	<b>\$1,009,120,740</b>	<b>\$41,063,565</b>	<b>\$19,780,306</b>	<b>\$60,843,871</b>	<b>\$1,069,964,611</b>

See notes to consolidated financial statements.

# TIDES ORGANIZATIONS

## CONSOLIDATED STATEMENT OF FINANCIAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2021

	2021							Total
	Program Services			Supporting Services				
	Services	Grants and Awards	Grant Making	Program Services Subtotal	General and Administrative	Fundraising	Supporting Services Subtotal	
Personnel	\$ 62,708,174	\$ -	\$ -	\$ 62,708,174	\$20,824,622	\$20,555,329	\$41,379,951	\$104,088,125
Consultants/professional services	37,251,429		794,670	38,046,099	1,446,146	269,089	1,715,235	39,761,334
Grants awarded		663,168,377		663,168,377			-	663,168,377
Advertising and promotion	2,675,149			2,675,149	132,753	70,986	203,739	2,878,888
Auditing and tax services	33,000		9,241	42,241	311,377	22,694	334,071	376,312
Banking fees	212,500		148,164	360,664	88,692	11,900	100,592	461,256
Board expense				-	76,434	9,630	86,064	86,064
Depreciation and amortization	772,618		1,651	774,269	6,126	797	6,923	781,192
Facilities			144	144			-	144
Information technology	1,478,749		2,475	1,481,224	2,142,106	289,553	2,431,659	3,912,883
Insurance	848,517			848,517	14,071	1,832	15,903	864,420
Interest	409,637			409,637			-	409,637
Investment service fees	99,184		574,781	673,965			-	673,965
Legal	14,313		13,388	27,701	1,891,777	78,311	1,970,088	1,997,789
Licenses	327,546		84,170	411,716	52,851	8,335	61,186	472,902
Occupancy	7,892,209		4,139	7,896,348	2,276,414	205,389	2,481,803	10,378,151
Office expenses	1,713,285		1,095	1,714,380	275,998	35,935	311,933	2,026,313
Other project expenses			31,440	31,440			-	31,440
Professional fundraising fees				-		361,522	361,522	361,522
Travel and conference	1,590,553		336	1,590,889	129,087	184,406	313,493	1,904,382
All other expenses	1,125,236		272,847	1,398,083	381,679	87,389	469,068	1,867,151
<b>Total expenses</b>	<b><u>\$119,152,099</u></b>	<b><u>\$663,168,377</u></b>	<b><u>\$1,938,541</u></b>	<b><u>\$784,259,017</u></b>	<b><u>\$30,050,133</u></b>	<b><u>\$22,193,097</u></b>	<b><u>\$52,243,230</u></b>	<b><u>\$836,502,247</u></b>

See notes to consolidated financial statements.

# TIDES ORGANIZATIONS

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$(395,892,269)	\$ 502,904,067
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	1,288,871	781,192
Amortization—right-of-use operating lease asset	3,406,074	
Discount on grants and contributions receivable	1,109,725	34,273
Discount on grants payable	861,911	(30,360)
Impairment of mission-related investments	2,620	205,400
Net loss on investments	153,212,613	3,987,171
Property and equipment contributed		1,655,447
Contribution of property and equipment		(15,900,000)
Contribution of stock		(33,667,636)
Changes in operating assets and liabilities:		
Grants, contributions, and other receivable	(51,758,078)	(18,356,598)
Mission-related notes receivables	(6,675,784)	(269,572)
Prepaid expenses and other assets	(960,553)	(735,588)
Accounts payable and accrued expenses	(2,787,346)	7,192,613
Grants payable	42,407,070	9,043,651
Grant advances	10,558	79,845
Lease liabilities	(2,723,767)	
Other liabilities	(6,071,196)	3,628,080
Net cash (used in) provided by operating activities	<u>(264,569,551)</u>	<u>460,551,985</u>
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Purchases of investments	(343,032,671)	(243,867,469)
Proceeds from sales of investments	300,863,610	144,151,008
Proceeds from sale of property and equipment	145,995	865,000
Purchases of property and equipment	<u>(1,221,133)</u>	<u>(236,753)</u>
Net cash used in investing activities	<u>(43,244,199)</u>	<u>(99,088,214)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES—Payments on notes and bonds payable		
	<u>(1,953,789)</u>	<u>(1,488,098)</u>
Net cash used in financing activities	<u>(1,953,789)</u>	<u>(1,488,098)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(309,767,539)	359,975,673
CASH AND CASH EQUIVALENTS—Beginning of year	<u>541,151,715</u>	<u>181,176,042</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 231,384,176</u>	<u>\$ 541,151,715</u>
SUPPLEMENTAL INFORMATION—Cash paid for interest	<u>\$ 368,876</u>	<u>\$ 409,637</u>
SUPPLEMENTAL NONCASH ACTIVITY—Recognition of right-of-use operating lease assets in exchange lease liabilities	<u>\$ 11,577,650</u>	<u>\$ -</u>

See notes to consolidated financial statements.

# TIDES ORGANIZATIONS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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### 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. With the exception of Harding Rock Fund, 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. Foundation supporting organizations as of December 31, 2022, are listed below:

- Beauchamp Charities
- Rouhana Family Foundation
- Underdog Foundation
- Harding Rock Fund

**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 \$9,762,557 and \$9,724,100 of net assets without donor restrictions as reserves for specific programmatic or operational purposes as of December 31, 2022 and 2021, 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 \$95,312,033 and \$145,729,525 as of December 31, 2022 and 2021, 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, 2022 and 2021.

The TINC and TTRF boards have designated \$600,000 in a bond sinking fund to cover the interest rate swap as of December 31, 2022 and 2021.

**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.

**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 at December 31, 2022 or 2021.

**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, 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. 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 \$3,780,000, 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, 2022 and 2021, the swap agreements have a fair value totaling \$485,037 and \$409,033, respectively, based on Level 3 inputs.

**Fair Value of Financial Instruments**—As of December 31, 2022 and 2021, 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, 2022 and 2021, mission-related investments of \$15,113,724 and \$9,867,020, respectively, were recorded. For the years ended December 31, 2022 and 2021, the cumulative impairment recognized for mission-related investments was \$4,955,842 and \$4,953,222, 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 at December 31, 2022 and 2021.

**Property and Equipment**—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 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 \$10,494,517 and \$6,165,442, respectively, as of December 31, 2022, and \$47,817,804 and \$2,884,031, respectively, as of December 31, 2021. These conditional contributions are contingent on donors' continued discretionary approval.

**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 \$12,087,681 and \$10,599,793 was included in program revenues as of December 31, 2022 and 2021, 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 \$33,336,858 and \$28,082,463 was included in program revenues as of December 31, 2022 and 2021, 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, 2022 and 2021, Foundation had approved conditional grants totaling \$35,462,842 and \$28,003,114, respectively. Grant refunds, rejections, and cancellations are recorded as a reduction of grants and awards expense at the time the grant is refunded or canceled. 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. For the year ended December 31, 2021, grants with payment terms in excess of one year are subject to discounting based on Foundation’s internal discount rate of 0.27% for grants payable in two years, 0.46% for grants payable of three years, and 0.66% 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 2019, 2020, and 2021 and state income tax returns subject to examination are those for 2018, 2019, 2020, and 2021.

**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, 2022 and 2021, such amounts totaled \$231,134,176 and \$540,901,715, respectively. Tides Organizations have not experienced any credit losses in such accounts in the past.

### 3. RECENT ACCOUNTING PRONOUNCEMENTS

**Recently Adopted Accounting Pronouncements**—In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. The objective of this update is to address the off-balance-sheet financing concerns related to lessees' operating leases. This update introduces a lessee model that brings substantially all leases onto the statements of financial position. Tides Organizations adopted the provisions of ASU No. 2016-02 as of and for the year ended December 31, 2022. Tides Organizations elected not to restate the comparative period. Tides Organizations also elected to use the package of transition provisions and certain practical expedients available, which allow carryforward historical statements of whether contracts are or contain leases, lease classification, and initial direct costs of existing leases. As a result of the adoption, Tides Organizations recognized right-of-use operating lease assets and lease liabilities of \$11,577,650 in their consolidated statement of financial position as of January 1, 2022. The provisions of ASU No. 2016-02 did not have a material impact on the consolidated financial statements.

**Other Accounting Pronouncements**—In June 2016, the FASB issued 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. In November 2019, the FASB issued ASU No. 2019-10, *Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*, which formally delayed the effective date of ASU No. 2016-13 and allowed for early adoption as of the original effective date. The provisions of ASU No. 2016-13, as amended, are effective for Tides Organizations beginning during the year ending December 31, 2023. Management is currently evaluating the impact of the provisions of ASU No. 2016-13 on the consolidated 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. In December 2022, the FASB issued ASU No. 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*, which formally extended the relief date of ASU No. 2020-04. The provisions of ASU No. 2020-04, as amended, are applicable for Tides Organizations through December 31, 2024. The expedients and exceptions provided by the

amendments do not apply to contract modifications entered into or evaluated after December 31, 2024. Management is currently evaluating the impact on the consolidated financial statements.

#### 4. GRANTS AND CONTRIBUTIONS

Grants and contributions receivable as of December 31, 2022 and 2021, are due as follows:

	<b>2022</b>	<b>2021</b>
Less than one year	\$ 251,157,832	\$ 226,527,959
One to five years	39,080,415	13,640,147
Discounts on grants and contributions receivable	<u>(1,297,185)</u>	<u>(187,460)</u>
Grants and contributions—net	<u>\$ 288,941,062</u>	<u>\$ 239,980,646</u>

Grants and contributions receivable as of December 31, 2022, are split between the Center and the Foundation as follows:

	<b>The Center</b>	<b>The Foundation</b>
Less than one year	\$ 56,691,418	\$ 194,466,414
One to five years	32,654,382	6,426,033
Discounts on grants and contributions receivable	<u>(1,110,798)</u>	<u>(186,387)</u>
Grants and contributions—net	<u>\$ 88,235,002</u>	<u>\$ 200,706,060</u>

Discount rates range from 2.99% for receivables of two years and 3.05% for receivables of three years and 3.02% 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 at December 31, 2022 and 2021:

	<b>2022</b>				
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>NAV</b>
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>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>

	<b>2021</b>				
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>NAV</b>
Cash and cash equivalents	\$ 63,894,910	\$ 63,894,910	\$ -	\$ -	\$ -
Equities:					
Domestic	283,967,377	183,363,987	100,603,390		
International	4,623,442	4,623,442			
Fixed income:					
US government agency, state, and municipal	274,502,464	145,655,051	128,847,413		
Corporate debt	225,747,396	277,540	225,469,856		
Foreign debt (sovereign and corporate)	70,698,366		70,698,366		
Alternative investments:					
Real estate	16,193,000			16,193,000	
Fund of funds	<u>6,571,815</u>				<u>6,571,815</u>
Total assets measured at fair value	<u>\$946,198,770</u>	<u>\$397,814,930</u>	<u>\$525,619,025</u>	<u>\$16,193,000</u>	<u>\$6,571,815</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 \$688,001,452 and \$821,601,977 as of December 31, 2022, and 2021, 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, 2022 and 2021, 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:

<b>Fund Type</b>	<b>Fair Value</b>	<b>2022</b>		
		<b>Unfunded Commitments</b>	<b>Redemption Frequency (if Currently Eligible)</b>	<b>Redemption Notice Period</b>
Fund of funds	<u>\$7,225,363</u>	<u>\$3,780,000</u>	N/A	N/A
<b>Fund Type</b>	<b>Fair Value</b>	<b>2021</b>		
		<b>Unfunded Commitments</b>	<b>Redemption Frequency (if Currently Eligible)</b>	<b>Redemption Notice Period</b>
Fund of funds	<u>\$6,571,815</u>	<u>\$2,790,000</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, 2022 and 2021:

	<b>2022</b>	<b>2021</b>
Community development investments	\$ 8,585,812	\$ 400,000
Global environmental investments	3,215,416	883,925
Other	<u>3,312,496</u>	<u>8,583,095</u>
	<u>\$ 15,113,724</u>	<u>\$ 9,867,020</u>

Notes receivable of \$14,006,906 and \$7,331,122 is composed of loans to companies and organizations ranging from \$75,000 to \$2,000,000 and from \$100,000 to \$350,000, at interest rates ranging from zero to the current prime interest rate of 7.5% at December 31, 2022 and 2021, respectively. The notes are due at various dates through 2025. As of December 31, 2022 and 2021, interest receivable amounting to \$2,198,653 and \$1,775,218, 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 at December 31, 2022 and 2021:

	<b>2022</b>	<b>2021</b>
Land	\$ 1,710,828	\$ 1,710,828
Structures	38,035,404	38,033,224
Leasehold improvements	3,798,244	3,560,300
Furniture and equipment	260,323	302,895
Other	<u>1,760,070</u>	<u>1,565,078</u>
	45,564,869	45,172,325
Accumulated depreciation and amortization	<u>(13,617,171)</u>	<u>(13,010,894)</u>
	<u>\$ 31,947,698</u>	<u>\$ 32,161,431</u>

Depreciation and amortization expense of the years ended December 31, 2022 and 2021, were \$1,288,871 and \$781,192, respectively.

## 8. GRANTS PAYABLE

Multiyear grants as of December 31, 2022 and 2021, are scheduled to be paid as follows:

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		<u>1,500,000</u>
Total grants payable	50,957,068	78,448,579
Discounts on grants payable		<u>(861,911)</u>
Grants payable—net	<u>\$ 50,957,068</u>	<u>\$ 77,586,668</u>

  

Years Ending December 31,	2021	
	Tides Center	Tides Foundation
2022	\$ 12,633,956	\$ 47,613,587
2023		12,098,070
2024		7,133,500
2025		2,210,000
2026		2,200,000
Thereafter		<u>1,500,000</u>
Total grants payable	12,633,956	72,755,157
Discounts on grants payable		<u>(114,349)</u>
Grants payable—net	<u>\$ 12,633,956</u>	<u>\$ 72,640,808</u>

## 9. LEASES

Effective January 1, 2022, Tides Organizations adopted ASU No. 2016-02, using the optional alternative approach. Prior-period financial statement amounts and disclosures have not been adjusted to reflect the provisions of the new standard. Tides Organizations elected the package of practical expedient that permits the Tides Organizations to not reassess, under the new standard, their prior conclusion for any expired or existing contracts, lease identification, lease classification, and initial direct costs, as well as the practical expedient to not separate lease components from nonlease components in accounting for all classes of underlying assets. Tides Organizations chose not to elect the use of hindsight to reassess lease term, or the practical expedient relating to accounting for land easements, the latter not being applicable to Tides Organizations. The new lease accounting standard also provides practical expedients for an entity's ongoing accounting. Tides Organizations made an accounting policy election to not recognize right-of-use assets and lease liabilities that arise from short-term leases, which are defined as leases with a lease term of 12 months or less at the lease commencement date. Tides Organizations also elected the practical expedient to not separate lease and nonlease components for all 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 as of December 31, 2022, were as follows:

Right-of-use operating lease assets—real estate	\$ 11,577,650
Less accumulated amortization	<u>(3,406,074)</u>
Right-of-use operating lease assets	<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 in the consolidated statement of functional expenses for the year ended December 31, 2022, were as follows:

Operating lease costs	\$ 2,742,739
Short-term and variable lease costs	<u>2,341,324</u>
Total lease expense	<u>\$ 5,084,063</u>

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

Cash paid for amounts included in the measurement of lease liabilities—operating cash flows from operating leases	<u>\$ 2,725,992</u>
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Future minimum lease payments as of December 31, 2022, are as follows:

**For the Years Ending  
December 31**

2023	\$ 3,098,844
2024	2,916,909
2025	1,971,641
2026	292,794
2027	151,601
Thereafter	<u>775,342</u>
Total	9,207,131
Less present value discount	<u>(353,248)</u>
Lease liabilities	<u>\$ 8,853,883</u>

The weighted-average remaining lease term and weighted-average discount rate at December 31, 2022, were as follows:

Weighted-average remaining lease term—operating leases	4.5 years
Weighted-average discount rate—operating leases	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**

2023	\$ 4,423,197
2024	2,875,243
2025	1,324,767
2026	281,735
Thereafter	<u>774,685</u>
	<u>\$ 9,679,627</u>

**10. REVOLVING CREDIT AGREEMENT**

Foundation has a \$4,000,000, unsecured, revolving bank line of credit with WFB that expires on February 1, 2024. 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 at December 31, 2022 or 2021.

## 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 bear interest at 70% of 30-day LIBOR, plus 1.225%. The taxable and refunding revenue bonds bear interest at 30-day LIBOR, plus 1.75%. The 30-day LIBOR rate at December 31, 2022 and 2021, was 4.392% and 0.14%, respectively.

**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 \$485,037 and \$409,033 as of December 31, 2022 and 2021, respectively.

These obligations as of December 31, 2022 and 2021, consisted of the following:

	<b>2022</b>			
	<b>Interest Rate with Swap</b>	<b>Final Maturity Date of Bonds</b>	<b>Original Issue Amount</b>	<b>Amount Outstanding</b>
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			<u>\$ 15,840,000</u>	<u>\$ 9,489,780</u>

	<b>2021</b>			
	<b>Interest Rate with Swap</b>	<b>Final Maturity Date of Bonds</b>	<b>Original Issue Amount</b>	<b>Amount Outstanding</b>
TINC—Series 2013A tax exempt	3.26 %	12/1/2030	\$ 7,935,000	\$ 6,493,985
TTRF—Series 2013 tax exempt	3.21	12/1/2030	<u>7,905,000</u>	<u>4,949,584</u>
Total bonds payable			<u>\$ 15,840,000</u>	<u>\$ 11,443,569</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, 2022. The bonds are guaranteed by the Foundation.

**Years Ending  
December 31**

2023	\$ 1,097,946
2024	1,136,695
2025	1,178,558
2026	1,221,073
Thereafter	<u>4,855,508</u>
	<u>\$ 9,489,780</u>

Interest expense on bonds payable for the years ended December 31, 2022 and 2021, was \$368,057 and \$409,637, respectively.

**12. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets released from donor restrictions in 2022 and 2021 due to the satisfaction of time and purpose restrictions are as follows:

	<b>2022</b>	<b>2021</b>
Time restrictions	\$ 232,928,166	\$ 127,528,277
Program/purpose restrictions	<u>22,799,717</u>	<u>19,134,180</u>
	<u>\$ 255,727,883</u>	<u>\$ 146,662,457</u>

At December 31, 2022 and 2021, net assets with donor restrictions are restricted for the following:

	<b>2022</b>	<b>2021</b>
Time restrictions	\$ 226,485,887	\$ 314,962,160
Program/purpose restrictions	43,536,422	58,948,972
Perpetual	<u>98,772,788</u>	<u>87,223,782</u>
Total	<u>\$ 368,795,097</u>	<u>\$ 461,134,914</u>

Net assets with donor restrictions related to time restrictions and program/purpose restrictions are expected to be released from restriction between years ending 2023 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, 2022 or 2021.

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 at December 31, 2022 and 2021, are as follows:

	<b>2022</b>	<b>2021</b>
Donor-restricted endowment funds:		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 98,772,788	\$ 87,223,782
Accumulated investment earnings—portion of endowment funds subject to time or purpose restrictions	<u>3,782,252</u>	<u>24,905,622</u>
Total	<u>\$ 102,555,040</u>	<u>\$ 112,129,404</u>
Endowment net assets—beginning of year	\$ 112,129,404	\$ 75,239,295
Investment return—net	(20,769,178)	13,126,553
Contributions	11,549,006	24,093,050
Appropriation of endowment assets pursuant to spending-rate policy	<u>(354,192)</u>	<u>(329,494)</u>
	<u>\$ 102,555,040</u>	<u>\$ 112,129,404</u>

#### 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, 2022 and 2021, are as follows:

	<b>2022</b>	<b>2021</b>
Financial assets:		
Cash and cash equivalents	\$ 231,384,176	\$ 541,151,715
Contributions and grants receivable	288,941,062	239,980,646
Other receivables	7,634,017	5,946,080
Investments	829,905,894	946,198,770
Mission-related investments	15,113,724	9,867,020
Mission-related notes receivable	<u>14,006,906</u>	<u>7,331,122</u>
 Total financial assets	 1,386,985,779	 1,750,475,353
 Less those unavailable for general expenditure within one year, due to:		
Contributions and grants receivable collectible beyond one year	(37,783,230)	(13,452,687)
Investments not convertible to cash within one year:		
Alternative investments	(23,523,374)	(22,764,815)
Mission-related investments	(15,113,724)	(9,867,020)
Mission-related notes receivable	(14,006,906)	(7,331,122)
Board designations	(10,712,557)	(10,674,100)
Endowments	<u>(102,555,040)</u>	<u>(112,129,403)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$1,183,290,948</u>	 <u>\$1,574,256,206</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 \$3,039,934 and \$2,822,542 in 2022 and 2021, 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 \$110,454 and \$145,286 in 2022 and 2021, 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 2022 and 2021, net assets of \$4,163,706 and \$29,818,012, 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. RESTATEMENT

Subsequent to the issuance of Tides Organization's 2021 consolidated financial statements, the Organization's management determined that a fund reported as undesignated within net assets without donor restrictions was misclassified and should have been reported as an endowment within net assets with donor restrictions. As a result, the Organization has restated the accompanying consolidated financial statements as of and for the year ended December 31, 2021, from amounts previously reported to correct this matter. A summary of the effects of the restatement is presented in the following tables. Additionally, applicable disclosures have been restated to reflect the corrected 2021 with donor restrictions amounts. Management does not believe the classification misstatement is material to the previously issued consolidated financial statements.

<b>Consolidated Statement of Financial Position</b>	<b>As Reported 2021</b>	<b>Correction</b>	<b>As Restated 2021</b>
Net assets:			
Without donor restrictions— undesignated	<u>\$ 307,915,483</u>	<u>\$(112,129,403)</u>	<u>\$ 195,786,080</u>
Total without donor restrictions	\$1,307,489,140	\$(112,129,403)	\$1,195,359,737
With donor restrictions	<u>349,005,511</u>	<u>112,129,403</u>	<u>461,134,914</u>
Total net assets	<u>\$1,656,494,651</u>	<u>\$ -</u>	<u>\$1,656,494,651</u>

**Consolidated Statement of  
Activities and Changes in  
Net Assets**

	<b>As Reported 2021</b>	<b>Correction</b>	<b>As Restated 2021</b>
<b>Without Donor Restrictions</b>			
Grants and contributions	\$ 938,664,253	\$ (24,093,050)	\$ 914,571,203
Investment income—net	13,384,561	(13,126,553)	258,008
Net assets released from restrictions	<u>146,332,963</u>	<u>329,494</u>	<u>146,662,457</u>
Total revenue and support	<u>\$1,116,447,807</u>	<u>\$ (36,890,109)</u>	<u>\$1,079,557,698</u>
Change in net assets	\$ 279,945,560	\$ (36,890,109)	\$ 243,055,451
Net assets—beginning of year	<u>1,027,543,580</u>	<u>(75,239,294)</u>	<u>952,304,286</u>
Net assets—end of year	<u>\$1,307,489,140</u>	<u>\$(112,129,403)</u>	<u>\$1,195,359,737</u>
<b>With Donor Restrictions</b>			
Grants and contributions	\$ 369,291,470	\$ 24,093,050	\$ 393,384,520
Investment income—net		13,126,553	13,126,553
Net assets released from restrictions	<u>(146,332,963)</u>	<u>(329,494)</u>	<u>(146,662,457)</u>
Total revenue and support	<u>\$ 222,958,507</u>	<u>\$ 36,890,109</u>	<u>\$ 259,848,616</u>
Change in net assets	\$ 222,958,507	\$ 36,890,109	\$ 259,848,616
Net assets—beginning of year	<u>126,047,004</u>	<u>75,239,294</u>	<u>201,286,298</u>
Net assets—end of year	<u>\$ 349,005,511</u>	<u>\$ 112,129,403</u>	<u>\$ 461,134,914</u>

**19. SUBSEQUENT EVENTS**

Tides Organizations have evaluated subsequent events through July 26, 2023, the date the consolidated financial statements were available to be issued.

\* \* \* \* \*

**SUPPLEMENTAL CONSOLIDATING SCHEDULES**

## TIDES ORGANIZATIONS

### CONSOLIDATING STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2022

	Tides Network	Tides Center	Tides Foundation	Tides, Inc.	Tides Two Rivers Fund	Subtotal	Eliminations	Consolidated Total
<b>ASSETS</b>								
CASH AND CASH EQUIVALENTS	\$ 3,449,141	\$175,003,047	\$ 51,418,327	\$ 1,092,116	\$ 421,545	\$ 231,384,176	\$ -	\$ 231,384,176
RECEIVABLES:								
Grants and contributions—net		88,235,002	200,706,060			288,941,062		288,941,062
Related parties	3,998,357	250,001	4,288	103,105		4,355,751	(4,355,751)	-
Other	275,369	4,002,566	3,293,214	57,200	5,668	7,634,017		7,634,017
INVESTMENTS		141,904,440	688,001,454			829,905,894		829,905,894
MISSION RELATED:								
Investments—net			15,113,724			15,113,724		15,113,724
Notes receivable—net			14,006,906			14,006,906		14,006,906
NOTES RECEIVABLE—RELATED PARTY			6,065,050	2,078,070		8,143,120	(8,143,120)	-
PREPAID EXPENSES AND OTHER ASSETS	402,024	4,418,854		96,026	208,861	5,125,765		5,125,765
RIGHT-OF-USE OPERATING LEASE ASSETS	3,059,167	2,279,621		2,832,788		8,171,576		8,171,576
PROPERTY AND EQUIPMENT—Net	893,672	15,468,667		6,610,025	8,975,334	31,947,698		31,947,698
<b>TOTAL ASSETS</b>	<b><u>\$12,077,730</u></b>	<b><u>\$431,562,198</u></b>	<b><u>\$978,609,023</u></b>	<b><u>\$12,869,330</u></b>	<b><u>\$ 9,611,408</u></b>	<b><u>\$1,444,729,689</u></b>	<b><u>\$(12,498,871)</u></b>	<b><u>\$1,432,230,818</u></b>
<b>LIABILITIES AND NET ASSETS</b>								
LIABILITIES:								
Accounts payable and accrued expenses	\$ 4,284,607	\$ 13,746,196	\$ 220,583	\$ 161,445	\$ 62,021	\$ 18,474,852	\$ -	\$ 18,474,852
Payable—related parties	107,395	1,793,767	1,727,867	702,939	23,783	4,355,751	(4,355,751)	-
Grants payable—net		50,957,068	77,586,668			128,543,736		128,543,736
Grant advances		144,547				144,547		144,547
Bonds payable—net				5,384,976	4,104,804	9,489,780		9,489,780
Notes payable to related party					8,143,120	8,143,120	(8,143,120)	-
Lease liabilities	3,162,273	2,330,822		3,360,788		8,853,883		8,853,883
Other liabilities	109,579	714,600	4,802,360	370,680	124,419	6,121,638		6,121,638
<b>Total liabilities</b>	<b><u>7,663,854</u></b>	<b><u>69,687,000</u></b>	<b><u>84,337,478</u></b>	<b><u>9,980,828</u></b>	<b><u>12,458,147</u></b>	<b><u>184,127,307</u></b>	<b><u>(12,498,871)</u></b>	<b><u>171,628,436</u></b>
NET ASSETS:								
Without donor restrictions:								
Board designated	350,000		9,762,557	340,611	259,389	10,712,557		10,712,557
Designated for projects		95,312,033				95,312,033		95,312,033
Designated for donor-advised funds			635,673,261			635,673,261		635,673,261
Undesignated	4,063,876	323,108	146,280,687	2,547,891	(3,106,128)	150,109,434		150,109,434
<b>Total without donor restrictions</b>	<b>4,413,876</b>	<b>95,635,141</b>	<b>791,716,505</b>	<b>2,888,502</b>	<b>(2,846,739)</b>	<b>891,807,285</b>	<b>-</b>	<b>891,807,285</b>
With donor restrictions		266,240,057	102,555,040			368,795,097		368,795,097
<b>Total net assets</b>	<b><u>4,413,876</u></b>	<b><u>361,875,198</u></b>	<b><u>894,271,545</u></b>	<b><u>2,888,502</u></b>	<b><u>(2,846,739)</u></b>	<b><u>1,260,602,382</u></b>	<b><u>-</u></b>	<b><u>1,260,602,382</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$12,077,730</u></b>	<b><u>\$431,562,198</u></b>	<b><u>\$978,609,023</u></b>	<b><u>\$12,869,330</u></b>	<b><u>\$ 9,611,408</u></b>	<b><u>\$1,444,729,689</u></b>	<b><u>\$(12,498,871)</u></b>	<b><u>\$1,432,230,818</u></b>

## TIDES ORGANIZATIONS

### CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2022

	Tides Network	Tides Center	Tides Foundation	Tides, Inc.	Tides Two Rivers Fund	Subtotal	Eliminations	Consolidated		Total
								Without Donor Restrictions	With Donor Restrictions	
REVENUE AND SUPPORT:										
Grants and contributions	\$ 276,197	\$ 232,118,342	\$ 566,401,499	\$ 5	\$ -	\$ 798,796,043	\$ -	\$ 614,638,798	\$ 184,157,245	\$ 798,796,043
Grants and contributions—related parties		11,339,832	7,312,405			18,652,237	(18,652,237)			-
Program revenues	38,853,158	16,897,071	1,297,896	4,240,280	1,171,906	62,460,311	(39,526,177)	22,934,134		22,934,134
Investment income—net		(7,708,309)	(142,700,727)	508,213	385,856	(149,514,967)		(128,745,788)	(20,769,179)	(149,514,967)
Other revenue	287,733	853,004	899,057	61,250		2,101,044	(243,912)	1,857,132		1,857,132
Net assets released from restrictions								255,727,883	(255,727,883)	-
Total revenue and support	<u>39,417,088</u>	<u>253,499,940</u>	<u>433,210,130</u>	<u>4,809,748</u>	<u>1,557,762</u>	<u>732,494,668</u>	<u>(58,422,326)</u>	<u>766,412,159</u>	<u>(92,339,817)</u>	<u>674,072,342</u>
EXPENSES:										
Program:										
Grants and awards	101,000	198,684,013	656,081,716	8,500		854,875,229		854,875,229		854,875,229
Services	7,970,396	158,144,471		2,314,531	684,176	169,113,574	(18,314,153)	150,799,421		150,799,421
Grantmaking program expenses	1,150,234		2,323,887			3,474,121	(28,031)	3,446,090		3,446,090
Grants and contributions—related parties	56,217	7,312,405	11,283,615			18,652,237	(18,652,237)			-
General and administrative	28,697,922	15,214,284	14,050,358	2,428,424	127,709	60,518,697	(19,455,132)	41,063,565		41,063,565
Fundraising	1,441,319	18,491,693	1,820,067			21,753,079	(1,972,773)	19,780,306		19,780,306
Total expenses	<u>39,417,088</u>	<u>397,846,866</u>	<u>685,559,643</u>	<u>4,751,455</u>	<u>811,885</u>	<u>1,128,386,937</u>	<u>(58,422,326)</u>	<u>1,069,964,611</u>	<u>-</u>	<u>1,069,964,611</u>
CHANGE IN NET ASSETS	-	(144,346,926)	(252,349,513)	58,293	745,877	(395,892,269)	-	(303,552,452)	(92,339,817)	(395,892,269)
NET ASSETS—Beginning of year	<u>4,413,876</u>	<u>506,222,124</u>	<u>1,146,621,058</u>	<u>2,830,209</u>	<u>(3,592,616)</u>	<u>1,656,494,651</u>		<u>1,195,359,737</u>	<u>461,134,914</u>	<u>1,656,494,651</u>
NET ASSETS—End 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>

## TIDES ORGANIZATIONS

### CONSOLIDATING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2022

	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	\$ -	\$(144,346,926)	\$(252,349,513)	\$ 58,293	\$ 745,877	\$(395,892,269)	\$ -	\$(395,892,269)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:								
Depreciation and amortization	92,062	811,962		28,174	356,672	1,288,870		1,288,870
Amortization—right-of-use operating lease asset	1,201,266	544,315		1,660,493		3,406,074		3,406,074
Discount on grants and contributions receivable		930,040	179,685			1,109,725		1,109,725
Discount on grants payable			861,911			861,911		861,911
Impairment of mission-related investments			2,620			2,620		2,620
Net loss on investments		7,946,710	145,265,903			153,212,613		153,212,613
Changes in operating assets and liabilities:								
Grants, contributions, and other receivable	2,511,201	125,276,634	(176,846,216)	(74,198)	(849)	(49,133,428)	(2,624,650)	(51,758,078)
Mission-related notes receivable			(6,675,784)			(6,675,784)		(6,675,784)
Prepaid expenses and other assets	(91,214)	(905,157)		17,969	17,849	(960,553)		(960,553)
Accounts payable and accrued expenses	(1,746,137)	(2,755,122)	(1,234,994)	691,513	(367,256)	(5,411,996)	2,624,650	(2,787,346)
Grants payable		38,323,112	4,083,958			42,407,070		42,407,070
Grant advances		10,558				10,558		10,558
Lease liabilities	(1,098,160)	(493,114)		(1,132,493)		(2,723,767)		(2,723,767)
Other liabilities	103,938	(608,066)	(5,628,366)	59,213	2,085	(6,071,196)		(6,071,196)
Net cash provided by (used in) operating activities	972,956	24,734,946	(292,340,796)	1,308,964	754,378	(264,569,552)	-	(264,569,552)
CASH FLOWS USED IN INVESTING ACTIVITIES:								
Purchases of investments		(50,459,999)	(292,572,672)			(343,032,671)		(343,032,671)
Proceeds from sales of investments		25,205,652	275,657,958			300,863,610		300,863,610
Proceeds from sales of property and equipment				145,995		145,995		145,995
Purchases of property and equipment	(795,890)	(408,081)			(17,161)	(1,221,132)		(1,221,132)
Net cash (used in) provided by investing activities	(795,890)	(25,662,428)	(16,914,714)	145,995	(17,161)	(43,244,198)	-	(43,244,198)
CASH FLOWS USED IN FINANCING ACTIVITIES—Payments on notes and bonds payable								
Net cash used in financing activities	-	-	-	(1,109,009)	(844,780)	(1,953,789)	-	(1,953,789)
NET CHANGE IN CASH AND CASH EQUIVALENTS	177,066	(927,482)	(309,255,510)	345,950	(107,563)	(309,767,539)	-	(309,767,539)
CASH AND CASH EQUIVALENTS—Beginning of year	3,272,075	175,930,529	360,673,837	746,166	529,108	541,151,715		541,151,715
CASH AND CASH EQUIVALENTS—End of year	\$ 3,449,141	\$ 175,003,047	\$ 51,418,327	\$ 1,092,116	\$ 421,545	\$ 231,384,176	\$ -	\$ 231,384,176
SUPPLEMENTAL INFORMATION—Cash paid for interest	\$ 10	\$ 809	\$ -	\$ 202,316	\$ 165,741	\$ 368,876	\$ -	\$ 368,876
SUPPLEMENTAL NONCASH ACTIVITY—Recognition of right-of-use operating lease assets in exchange of lease liabilities	\$ 4,260,433	\$ 2,823,936	\$ -	\$ 4,493,281	\$ -	\$ 11,577,650	\$ -	\$ 11,577,650