

Glide Foundation

Consolidated Financial Statements
and Supplementary Information

June 30, 2022
(With Comparative Totals for 2021)



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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Glide Foundation
San Francisco, California

Opinion

We have audited the accompanying consolidated financial statements of Glide Foundation (the "Foundation"), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Glide Foundation as of June 30, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Glide Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Glide Foundation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.



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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Glide Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Glide Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Armanino^{LLP}
San Francisco, California

July 26, 2023

Glide Foundation
Consolidated Statement of Financial Position
June 30, 2022
(With Comparative Totals for 2021)

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 7,788,835	\$ 3,892,777
Line of credit collateral	-	1,582,669
Restricted cash for CDE	14,769	14,767
Certificates of deposit	495,944	3,021,386
Prepaid expenses and other assets	420,425	463,125
Contributions, grants and other receivables, net	1,301,667	1,559,473
Contracts receivable	1,536,176	1,082,415
Investments	21,409,939	11,611,317
Deferred compensation assets	1,668,677	2,061,806
Property and equipment, net	32,788,714	31,883,870
Total assets	\$ 67,425,146	\$ 57,173,605
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 1,906,671	\$ 1,572,978
Accrued expenses	1,257,757	1,140,585
Loan payable	-	2,642,273
Deferred compensation liability	1,668,677	2,061,806
Capital lease obligation	10,118	26,793
Asset retirement obligation	-	25,001
CDE reserve liability	14,769	14,767
Total liabilities	4,857,992	7,484,203
Net assets		
Without donor restrictions		
Board-designated for operations	-	645,648
Board-designated for endowment	1,722	1,722
Undesignated	60,064,995	46,894,906
Total without donor restrictions	60,066,717	47,542,276
With donor restrictions		
Total net assets	2,500,437	2,147,126
Total net assets	62,567,154	49,689,402
Total liabilities and net assets	\$ 67,425,146	\$ 57,173,605

The accompanying notes are an integral part of these consolidated financial statements.

Glide Foundation
Consolidated Statement of Activities
For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
Revenue				
Contributions, grants, and other support	\$ 9,509,331	\$ 1,676,707	\$ 11,186,038	\$ 18,064,527
Contract revenue	6,768,961	-	6,768,961	5,421,761
Special events	20,009,723	-	20,009,723	-
Forgiveness of loan payable - Paycheck Protection Program	2,685,056	-	2,685,056	-
Donated goods and services	1,765,606	-	1,765,606	1,627,971
Other income	154,612	-	154,612	127,527
Interest and investment income (loss), net	(1,516,390)	-	(1,516,390)	237,552
Net assets released from restrictions	1,323,396	(1,323,396)	-	-
Total revenue	<u>40,700,295</u>	<u>353,311</u>	<u>41,053,606</u>	<u>25,479,338</u>
Functional expenses				
Program services				
Program	18,383,192	-	18,383,192	17,738,231
Church	1,312,840	-	1,312,840	1,284,308
Total program services	<u>19,696,032</u>	<u>-</u>	<u>19,696,032</u>	<u>19,022,539</u>
Support services				
General and administration	5,251,982	-	5,251,982	2,911,156
Fund development	3,227,840	-	3,227,840	2,172,464
Total support services	<u>8,479,822</u>	<u>-</u>	<u>8,479,822</u>	<u>5,083,620</u>
Total functional expenses	<u>28,175,854</u>	<u>-</u>	<u>28,175,854</u>	<u>24,106,159</u>
Non-operating				
Transfer of investments from Glide Legacy Fund	-	-	-	11,790,758
Transfer in connection with receipt of real property	-	-	-	25,919,849
Distribution in consideration for real property from trust	-	-	-	(6,000,000)
Total non-operating	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,710,607</u>
Change in net assets	12,524,441	353,311	12,877,752	33,083,786
Net assets, beginning of year	<u>47,542,276</u>	<u>2,147,126</u>	<u>49,689,402</u>	<u>16,605,616</u>
Net assets, end of year	<u>\$ 60,066,717</u>	<u>\$ 2,500,437</u>	<u>\$ 62,567,154</u>	<u>\$ 49,689,402</u>

The accompanying notes are an integral part of these consolidated financial statements.

Glide Foundation
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

	<u>Program</u>	<u>Church</u>	<u>General and Administration</u>	<u>Fund Development</u>	<u>2022 Total</u>	<u>2021 Total</u>
Personnel expenses						
Salaries and wages	\$ 9,162,825	\$ 431,784	\$ 1,771,957	\$ 743,513	\$ 12,110,079	\$ 11,635,970
Employee benefits	1,662,009	78,320	321,409	134,863	2,196,601	1,985,978
Bonuses	408,431	19,247	190,457	33,142	651,277	-
Payroll taxes	747,814	35,240	147,800	60,681	991,535	915,326
Total personnel expenses	<u>11,981,079</u>	<u>564,591</u>	<u>2,431,623</u>	<u>972,199</u>	<u>15,949,492</u>	<u>14,537,274</u>
Professional services	1,098,071	350,377	1,275,388	944,258	3,668,094	2,740,938
Depreciation and amortization	706,633	30,393	359,322	159,562	1,255,910	997,986
Occupancy	532,128	37,746	177,155	84,551	831,580	858,746
Food cost	1,933,303	1,076	19,052	2,247	1,955,678	1,886,111
Information technology	399,773	23,954	279,828	68,149	771,704	573,153
Postage and printing	273,804	17,275	104,391	201,081	596,551	473,468
Other expenses	199,973	14,605	21,740	75,711	312,029	342,339
Holiday events	49,174	9,885	72,358	545,088	676,505	261,781
Insurance	170,817	10,939	66,104	31,549	279,409	247,075
Production and events	1,387	208,507	46,031	50,847	306,772	216,113
Kitchen supplies	274,167	-	1,570	-	275,737	189,553
Supplies and equipment	227,203	26,239	95,218	34,270	382,930	279,729
Advertising and public relations	27,387	1,815	12,009	34,153	75,364	117,113
Travel, entertainment and training	82,133	6,527	121,105	16,605	226,370	115,245
Program incentives	147,661	150	18,539	2,375	168,725	115,861
Rentals	69,432	2,500	30,321	1,095	103,348	67,720
Repairs and maintenance	26,401	372	59,765	1,072	87,610	53,897
Uniforms	36,609	653	1,437	1,974	40,673	19,816
Scholarship awards, gifts and benevolence	88,131	5,236	6,333	731	100,431	11,534
Subcontractors	50,000	-	-	-	50,000	-
Interest expense	-	-	52,693	-	52,693	-
Field trips	7,926	-	-	323	8,249	707
	<u>\$ 18,383,192</u>	<u>\$ 1,312,840</u>	<u>\$ 5,251,982</u>	<u>\$ 3,227,840</u>	<u>\$ 28,175,854</u>	<u>\$ 24,106,159</u>

The accompanying notes are an integral part of these consolidated financial statements.

Glide Foundation
Consolidated Statement of Cash Flows
For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ 12,877,752	\$ 33,083,786
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	1,255,910	997,986
Net realized and unrealized (gain) loss on investments	1,863,255	(190,129)
Changes in asset retirement obligation	(25,001)	(127,527)
Transfer of investments from Glide Legacy Fund	-	(11,321,986)
Transfer in connection with receipt of real property	-	(25,919,849)
Forgiveness of loan payable - Paycheck Protection Program	(2,685,056)	-
Changes in operating assets and liabilities		
Prepaid expenses and other assets	42,700	(6,128)
Contributions, grants and other receivables, net	252,806	(1,019,967)
Contracts receivables	(453,761)	(390,049)
Deferred compensation assets	393,129	-
Accounts payable	338,693	432,240
Accrued expenses	159,955	(118,278)
Deferred compensation liability	(393,129)	-
CDE reserve liability	<u>2</u>	<u>8,211</u>
Net cash provided by (used in) operating activities	<u>13,627,255</u>	<u>(4,571,690)</u>
Cash flows from investing activities		
Proceeds from maturities of certificates of deposit	2,525,442	686,313
Purchases of property and equipment	(2,160,754)	(873,540)
Purchases of investments	(12,212,708)	(400,208)
Proceeds from sales of investments	550,831	310,651
Net cash used in investing activities	<u>(11,297,189)</u>	<u>(276,784)</u>
Cash flows from financing activities		
Payments made on capital lease obligation	<u>(16,675)</u>	<u>(15,864)</u>
Net cash used in financing activities	<u>(16,675)</u>	<u>(15,864)</u>
Net increase (decrease) in cash	2,313,391	(4,864,338)
Cash, cash equivalents and restricted cash, beginning of year	<u>5,490,213</u>	<u>10,354,551</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 7,803,604</u>	<u>\$ 5,490,213</u>

The accompanying notes are an integral part of these consolidated financial statements.

Glide Foundation
Consolidated Statement of Cash Flows
For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

	2022	2021
Cash, cash equivalents and restricted cash consisted of the following:		
Cash and cash equivalents	\$ 7,788,835	\$ 3,892,777
Line of credit collateral	-	1,582,669
Restricted cash for CDE	14,769	14,767
	\$ 7,803,604	\$ 5,490,213

Supplemental schedule of noncash investing and financing activities

Construction in progress included in accounts payable	\$ 428,317	\$ 340,059
Transfer in connection with receipt of real property	\$ -	\$ 25,919,849

The accompanying notes are an integral part of these consolidated financial statements.

Glide Foundation
Notes to Consolidated Financial Statements
June 30, 2022
(With Comparative Totals for 2021)

1. ORGANIZATION

Glide Foundation ("Glide"), formerly known as the Board of Trustees of the Glide Foundation, is a nonprofit public benefit corporation formed in 1929 under the laws of the State of California. Its mission is to create a radically inclusive, just, and loving community mobilized to alleviate suffering and break the cycles of poverty and marginalization. On March 17, 2021, Glide formally changed its name to Glide Foundation.

Glide Memorial Church ("the Church"), formerly known as the Glide Community Church, is a religious corporation formed under the laws of the State of California and is engaged in charitable, educational, and religious activities. The Church's Board of Directors is effectively controlled by Glide.

Glide and the Church will collectively be referred to as the "Foundation".

Programs and services:

As part of its mission, the Foundation, located in San Francisco's Tenderloin Community, provides the following services to the socially, economically disadvantaged and marginalized in the San Francisco and broader Bay Area Communities. The Foundation provides a variety of human services, education and family programs. These include:

- *Daily Free Meals Program* - serves three nutritious free meals every day of the year except January 1st. The Daily Free Meals Program utilizes one commercial grade kitchen, two dining rooms, and thousands of volunteers. The Daily Free Meals Program emphasizes cultural appropriate meals, with choice and variety. The program has partnered with the Foundation's Family Resource Center to create its own sustainable Zero Waste Food Pantry allowing it to provide nourishing food in reusable and compostable containers. Each holiday season, the Foundation brings much needed services, nourishment, and joy to the community. This includes special meals served on Thanksgiving, Christmas Eve, Christmas Day and New Year's Eve. In support of the Daily Free Meals Program and all other Foundation programs, is the Community Safety and Training program and the Community Engagement Volunteer Program.
- *Community Safety and Training* - supports the Foundation's mission to maintain a safe, welcoming, and supportive environment for everyone seeking services year round, 7 days a week, 364 days a year. Primary areas of responsibilities include monitoring of lines for various services (e.g. Daily Free Meals Program, special holiday events), crisis prevention, emergency response, conflict de-escalation, event set up support, general building security, and janitorial. The Community Safety and Training Program is also a workforce reentry and job development program for many of the staff who have shared similar life experiences as the community it serves.

Glide Foundation
Notes to Consolidated Financial Statements
June 30, 2022
(With Comparative Totals for 2021)

1. ORGANIZATION (continued)

- *Community Engagement Volunteers* - the Foundation's Community Engagement and Volunteer Program stands to support the Foundation by connecting the community, programs and volunteer needs together. The Foundation focuses on two parts, bringing willing, skilled volunteers to the Foundation's programs that need this support, and by engaging the community to create Social Justice partners that can go out to share the Foundation's values.
- *Center for Social Justice* - ("the Center") guides the application of the Foundation's vision for a radically inclusive and loving community. Through cultivation of a beloved community, the Center creates bold, systematic change, impacting the most significant social and racial justice issues facing the Foundation's clients, staff, and community. The Center moves from a belief in the need to address both the manifestations (harms to people and communities) and root causes (systemic inequities) of injustices. The Center uses a system change framework to identify and understand the critical issues impacting the Foundation's clients. Through grassroots organizing, transformational learning, and policy advocacy, the Center convenes community members and policymakers to amplify the voices of impacted people. In addition, the Center seeks to mobilize the Foundation's clients, congregants, volunteers, supporters, community partners, and neighbors to become agents of change.
- *Family Youth and Childcare Center* - provides low income children and their families with culturally competent, multilingual licensed childcare (toddler and preschool age) and K5 after-school programs including tutoring, literacy enhancement, creative arts, advocacy, case management, and nutrition education. In addition, parenting classes and other family support activities are offered through the Family Resource Center.
- *Violence Prevention* - The Foundation's Women's Center helps women who have slipped through the social safety net and live on the street, in unstable housing situations or are experiencing trauma as a result of domestic violence. Through drop-in support groups, individual counseling and case management, the Women's Center provides a safe space for women as they work towards freeing themselves from unhealthy relationships, reducing the harm of risky behaviors and taking incremental steps toward healthier life choices.
- *Men in Progress* - ("MIP") teaches men who want to discontinue their violent behaviors how to break the cycles of violence for themselves, their families, and their communities. This peer reeducation program empowers men to hold themselves and each other accountable for their violence and to learn and practice positive, healthy ways to resolve conflict, build strong personal relationships, and improve coping skills. MIP is a certified batterer's recovery program. Most clients are court-mandated, and their participation is monitored by their Probation Officer.
- *Walk-In Center* - serves as the Foundation's central resource center for emergency/crisis-related services by providing internal and external referrals to the Foundation's on-site programs and other external community and municipal resources so that individuals may empower themselves to make positive changes in their lives.

Glide Foundation
Notes to Consolidated Financial Statements
June 30, 2022
(With Comparative Totals for 2021)

1. ORGANIZATION (continued)

- *Harm Reduction* - provides culturally competent HIV and Hep C prevention interventions using a harm reduction syringe access services model. Drop-in HIV and Hep C testing is provided onsite and at community-based venues around the City. Outreach is conducted in the Tenderloin neighborhood, providing harm reduction and overdose prevention training and supplies, including safer injection kits. Through conversations with clients during outreach, client needs are assessed and linked to HIV and Hep C treatment, case management, substance use treatment, and medical and dental care.
- *Church* - Glide Memorial Church and Sunday Celebrations offer a unique weekly connection point, both communal and spiritual, for people from all walks of life. In addition to Sunday services, the Church provides a range of spiritual and human services, including numerous ministry groups, such as wellness programming, LGBTQ support groups, social and racial justice advocacy groups, and art forums.

The Church's practice lifts up people's strength and resilience, seeking to empower people who are surviving the daily challenges of social oppression and economic inequity. Drawing on musical traditions of jazz, blues, gospel, and Negro Spirituals, the Church is rooted in liberation theologies (preferential options for the poor) and celebration of the human spirit.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The accompanying consolidated financial statements include the accounts of Glide and the Church. All inter-organizational transactions and balances have been eliminated in consolidation.

Basis of accounting and financial statement presentation

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") applicable to nonprofit organizations. Accordingly, net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Net assets and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* - net assets available for use in general operations and not subject to donor-imposed restrictions. The Foundation's governing board may designate a portion of its net assets without donor restrictions to function as an endowment or quasi-endowment fund.

Glide Foundation
Notes to Consolidated Financial Statements
June 30, 2022
(With Comparative Totals for 2021)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting and financial statement presentation (continued)

- *Net assets with donor restrictions* - net assets available subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time and those net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. The investment income and appreciation on net assets held in perpetuity may be spent in accordance with donor-imposed stipulations.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restriction or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as transfers between the applicable classes of net assets. Contributions with donor-imposed restrictions whose restriction are satisfied in the same reporting period as received are reported as net assets without donor restrictions. Investment income (e.g. interest and dividends and realized and unrealized gains) with donor-imposed restrictions that are met in the same year as earned are also reported as net assets without donor restrictions.

Cash and cash equivalents

The Foundation considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. Financial instruments which are otherwise considered cash equivalents but are intended for long-term investment purposes and are held temporarily until suitable investment opportunities are identified, are included in the classification "Investments" in the consolidated statement of financial position. Included in cash and cash equivalents at June 30, 2021 is \$1,582,669 of cash held as collateral on the line of credit (see Note 6) as well as \$14,769 and \$14,767 as of June 30, 2022 and 2021, respectively, of cash held in reserve to be used in accordance with the California Department of Education contract terms and conditions.

Certificates of deposit

In order to maximize short term returns, the Foundation invests a portion of cash on hand in laddered certificates of deposit accounts, with maturity dates of one year or less, which provide some income while maintaining liquidity. Certificates of deposit with original maturities of three months or less are reported as cash equivalents.

Contributions, grants and other receivables

Contributions received are recorded as net assets without donor restrictions or with donor restrictions, depending on the existence or nature of any donor restrictions. Contributions include individual, foundation, corporation, and bequests.

Glide Foundation
Notes to Consolidated Financial Statements
June 30, 2022
(With Comparative Totals for 2021)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions, grants and other receivables (continued)

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give, which contain donor-imposed conditions that represent a barrier that must be overcome as well as a right of release from obligation, shall be recognized when the condition or conditions on which they depend are substantially met; that is, when the conditional promise becomes unconditional. Contributions receivable that are promised in one year but are not expected to be collected until after the end of that year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of any such discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Contributions, grants and other receivables, net, at June 30, 2022 and 2021 amounted to \$1,301,667 and \$1,559,473, respectively, and substantially all are expected to be collected within one year or less of the respective year end date.

Church contributions received from members at Sunday Services and through pledges and fundraising efforts are used for church programs and support, unless otherwise directed by the donor.

An allowance for doubtful contributions receivable is provided based upon management's judgment including factors such as prior collection history, type of contribution and current aging of contributions receivable. At June 30, 2022 and 2021 the allowance for doubtful contributions receivable amounted to \$50,000.

Contract revenue and receivables

The Foundation receives funding under grants and contracts from city, state and federal agencies. This funding is subject to contractual restrictions, which must be met by incurring qualifying expenses for particular programs. Accordingly, such grants are considered conditional contributions and are recorded as income without donor restriction to the extent that related expenses are incurred in compliance with the criteria stipulated in the grant agreements.

Contracts receivable amounted to \$1,536,176 and \$1,082,415 as of June 30, 2022 and 2021, respectively, and substantially all are expected to be collected within one year or less of the respective year end date.

Contributions of services and goods

Donated goods are recorded as contributions based on the estimated fair value at the date the contribution is made. Donated goods recognized in the consolidated financial statements for the years ended June 30, 2022 and 2021 amounted to \$1,216,852 and \$1,566,548, respectively.

Glide Foundation
Notes to Consolidated Financial Statements
June 30, 2022
(With Comparative Totals for 2021)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions of services and goods (continued)

Donated services are recorded as contributions at their estimated fair value of those services, if the services (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills, and (c) would typically need to be purchased if not donated. The Foundation received contributed services from organizations and individuals. During 2022 and 2021, contributed services amounted to \$548,754 and \$61,423, respectively.

Investments

The Foundation accounts for investments in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 958-320, *Not-for-Profit Entities: Investments - Debt and Equity Securities and Disclosures* ("ASC 958-320"). ASC 958-320 requires that investments in debt and equity securities with readily determinable fair values be reported at fair market value in the consolidated statement of financial position.

Sales and purchases of securities are recorded on the trade date, which results in receivables and payables on trades that have not yet settled at the financial statement date. Interest income is recorded as earned on an accrual basis, and dividend income is recorded based upon the ex-dividend date. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Unrealized gains and losses are included in the consolidated statement of activities and represent the difference between the cost and current market quotations of investments held at the end of the fiscal year. Investments received by donation are recorded at fair value at the date of donation. Net realized and unrealized gains or losses are classified as increases or decreases in net assets without donor restrictions, unless their use is restricted by the donor.

Investments in general are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Glide Foundation
Notes to Consolidated Financial Statements
June 30, 2022
(With Comparative Totals for 2021)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Foundation determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value (Level 1, Level 2 and Level 3). Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

Unobservable inputs reflect the Foundation's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Foundation's own data.

Property and equipment

Property and equipment are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from three to thirty-nine years for building improvements, equipment and furniture.

The Foundation capitalizes any furniture or equipment greater than \$3,000 with a useful life greater than 1 year. Minor replacements, betterments, maintenance and repairs are charged to expense as incurred. Major replacements and betterments are capitalized and depreciated over the remaining useful lives of the assets.

Asset retirement obligations

Management of the Foundation determined that sufficient information was available to reasonably estimate the fair value of known retirement obligations and recognized a liability for the remediation of asbestos. The Foundation annually reviews its calculations with respect to asbestos abatement retirement obligations unless there is a significant change in the facts and circumstances related to the abatement during the year, in which case the Foundation reviews its calculations after the significant change has occurred. The asset retirement obligation amounted to \$25,001 as of June 30, 2021. There was no asset retirement obligation as of June 30, 2022.

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Notes to Consolidated Financial Statements
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and support services benefited.

Direct identification of specific expenses is the Foundation's preferable method of charging expenses to various functions. The Foundation has a number of expenses which relate to more than one program or support activity, or to a combination of programs and support activities. Expenses are allocated among program services, general and administrative, and fund development classifications based primarily upon estimates of employee head count and square feet.

Income tax status

Glide and the Church are exempt from federal income and California franchise taxes under the provisions of Sections 501(c)(3) of the Internal Revenue Code and 23701d of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been included in the accompanying consolidated financial statements.

The Foundation has evaluated its current tax positions and has concluded that as of June 30, 2022 and 2021, Glide and the Church do not have any material uncertain tax positions for which a reserve would be necessary.

Use of estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the 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. Accordingly, actual results could differ from those estimates. Use of estimates includes, but are not limited to, accounting for allowances for doubtful contributions, grants and other receivables, determination of investment fair values, in-kind goods and services, the valuation of the asset retirement obligation, depreciation, and allocation of certain indirect costs.

Summarized comparative financial information

The consolidated financial statements include certain prior-period summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements as of and for the year ended June 30, 2021, from which the summarized information was derived.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle

In September 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Under this ASU, a not-for-profit entity is required to present contributed nonfinancial assets as a separate line-item in the statement of activities, apart from contributions of cash and other financial assets as well as include enhanced disclosures surrounding the nature and valuation techniques of the contributed nonfinancial assets. The Foundation adopted ASU 2020-07 with a date of the initial application of July 1, 2021. The adoption of ASU 2020-07 did not have a significant impact on the Foundation's financial position, results of operations, or cash flows.

Reclassifications

Certain reclassifications have been made to prior year balances to conform to the current year presentation with no changes to net assets.

3. INVESTMENTS

Investments consisted of the following:

	<u>2022</u>	<u>2021</u>
Domestic equity securities	\$ 6,869,066	\$ 3,371,506
International equity securities	5,344,074	2,508,093
Fixed income securities	7,853,530	5,100,615
Real estate investments	<u>1,343,269</u>	<u>631,103</u>
	<u>\$ 21,409,939</u>	<u>\$ 11,611,317</u>

Interest and investment income (loss), net consisted of the following:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 391,562	\$ 60,058
Net realized and unrealized gains (losses)	(1,863,255)	190,129
Investment fees	<u>(44,697)</u>	<u>(12,635)</u>
	<u>\$ (1,516,390)</u>	<u>\$ 237,552</u>

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4. FAIR VALUE MEASUREMENTS

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets and liabilities at fair value as of June 30, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Assets				
Domestic equity securities	\$ 6,869,066	\$ -	\$ -	\$ 6,869,066
International equity securities	5,344,074	-	-	5,344,074
Fixed income securities	7,853,530	-	-	7,853,530
Real estate investments	1,333,624	-	9,645	1,343,269
Deferred compensation assets	<u>1,668,677</u>	<u>-</u>	<u>-</u>	<u>1,668,677</u>
	<u>\$ 23,068,971</u>	<u>\$ -</u>	<u>\$ 9,645</u>	<u>\$ 23,078,616</u>
Liabilities				
Deferred compensation liability	<u>\$ 1,668,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,668,677</u>
	<u>\$ 1,668,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,668,677</u>

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets and liabilities at fair value as of June 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Assets				
Domestic equity securities	\$ 3,371,506	\$ -	\$ -	\$ 3,371,506
International equity securities	2,508,093	-	-	2,508,093
Fixed income securities	5,100,615	-	-	5,100,615
Real estate investments	621,458	-	9,645	631,103
Deferred compensation assets	<u>2,061,806</u>	<u>-</u>	<u>-</u>	<u>2,061,806</u>
	<u>\$ 13,663,478</u>	<u>\$ -</u>	<u>\$ 9,645</u>	<u>\$ 13,673,123</u>
Liabilities				
Deferred compensation liability	\$ 2,061,806	\$ -	\$ -	\$ 2,061,806
Asset retirement obligation	<u>-</u>	<u>-</u>	<u>25,001</u>	<u>25,001</u>
	<u>\$ 2,061,806</u>	<u>\$ -</u>	<u>\$ 25,001</u>	<u>\$ 2,086,807</u>

Glide Foundation
Notes to Consolidated Financial Statements
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4. FAIR VALUE MEASUREMENTS (continued)

The fair value of equity securities, fixed income securities, deferred compensation assets and deferred compensation liability is measured on a recurring basis using quoted market prices. The fair value of the asset retirement obligation is based on a model that incorporates estimated settlement costs and anticipated completion dates and has been recorded at present value using a discount rate of approximately 4%.

The following table sets forth a summary of changes in the fair value of Level 3 liabilities for the years ended June 30, 2022 and 2021:

	Asset Retirement Obligation
Balance, June 30, 2020	\$ 152,528
Accretion expenses	(127,527)
Balance, June 30, 2021	25,001
Accretion adjustment	(25,001)
Balance, June 30, 2022	\$ -

5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following:

	2022	2021
Building and building improvements	\$ 24,741,856	\$ 24,741,856
Equipment and furniture	6,693,526	6,131,278
Accumulated depreciation and amortization	(13,402,144)	(12,146,234)
	18,033,238	18,726,900
Land	12,533,102	12,533,102
Construction in progress	2,222,374	623,868
	\$ 32,788,714	\$ 31,883,870

Depreciation and amortization expense for the years ended June 30, 2022 and 2021 totaled \$1,255,910 and \$997,986, respectively.

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6. LINE OF CREDIT

The Foundation entered into a line of credit on January 22, 2021 for \$1,500,000 with an interest rate equal to the greater of the annual Prime rate or 3.25%. The line of credit matured on March 21, 2022 and was renewed with a maturity date of March 1, 2025. No amounts were drawn on the line of credit at June 30, 2022 and 2021. As part of the terms of the line of credit, the Foundation must hold as collateral a money market account with the lending bank in which the loan commitment shall not exceed 95% of the deposit account balance. As of June 30, 2021, the balance of the money market account held as collateral was \$1,582,669. In June 2022, the line of credit was closed.

In March 2022, the Foundation entered into a line of credit for \$5,000,000 with an interest rate equal to the greater of 1% of the Prime rate minus 0.5%. The line of credit had a maturity date of March 16, 2023 and was extended through March 2024 (see Note 18). As of June 30, 2022, there was no outstanding balance on the line of credit.

7. PAYCHECK PROTECTION PROGRAM LOAN

On April 17, 2020, the Foundation received loan proceeds of \$2,642,273 from a promissory note issued by Signature Bank, under the Paycheck Protection Program ("PPP") which was established under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act and is administered by the U.S. Small Business Administration. The term on the loan was two years and the annual interest rate was 1.00%. Payments of principal and interest were deferred for the first six months of the loan. Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of the loans granted under PPP. Such forgiveness is determined based on the use of the loan proceeds for payroll costs, rent and utility expenses and the maintenance of workforce and compensation levels with certain limitations. The Foundation applied for and was granted full forgiveness of the PPP loan on December 2, 2021. The Foundation accounts for the PPP as debt and recognized a gain on loan forgiveness of \$2,685,056 during the year ended June 30, 2022, which is comprised of principle of \$2,642,273 and interest of \$42,783.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

	2022	2021
Amounts restricted for donor specified programs from contributions	\$ 1,900,437	\$ 1,347,126
Time restricted	600,000	800,000
	\$ 2,500,437	\$ 2,147,126

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8. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets with donor restrictions released from restriction during the years ended June 30, 2022 and 2021 were as follows:

	2022	2021
Amounts released for donor specified programs	\$ 1,123,396	\$ 2,492,705
Amounts released for time restrictions	200,000	-
Release of endowment assets in consideration for real property from trust	-	5,945,843
	\$ 1,323,396	\$ 8,438,548

The Foundation previously held amounts to be kept in perpetuity related to the Lizzie Glide Trust and the Epworth/Wesley Trust.

The Lizzie Glide Trust is a charitable trust established in 1929 for the purpose of advancing and fostering the Christian spirit, education, service to the poor, and maintaining an evangelical center in San Francisco. Under the terms of the Lizzie Glide Trust, the principal is to be held in perpetuity and the current and accumulated income, together with principal appreciation or depreciation, is purpose-restricted for the maintenance, operation, and support of the church, as well as the promotion of religion, religious education and charity.

The purpose of the Epworth/Wesley Trust is to foster and promote religious training and education among students at the Berkeley, Davis and San Francisco campuses of the University of California. Under the terms of the Epworth/Wesley Trust, the principal is to be held in perpetuity and the current and accumulated income, together with principal appreciation or depreciation, is purpose-restricted for the above-mentioned purpose.

During 2021, trustee responsibility for both the Lizzie Glide Trust and Epworth/Wesley Trust were transferred to the California-Nevada Annual Conference of the United Methodist Church ("CNAC") (see Note 16).

9. ENDOWMENT

The Foundation's endowment consists of funds designated by the Board of Trustees to function as endowments. The Foundation also previously held two donor-restricted endowments established for a variety of purposes. As required U.S. GAAP, net assets associated with endowment funds, including funds designated by the Foundation to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

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9. ENDOWMENT (continued)

During 2019, the Foundation made an \$11,000,000 grant from board-designated net assets to the Glide Legacy Fund ("GLF") for the purpose of establishing a board-designated endowment known as the Glide Program Fund. In February 2021, the Board of Directors of GLF announced the dissolution of GLF with a wind down of operations completed by May 31, 2021. As part of the dissolution plan, GLF was required to settle all debts and liabilities with the remaining assets of GLF to be distributed to the Foundation. In April 2021, the Board of Directors of GLF removed the restriction on the Glide Program Fund and approved the transfer of the funds to the Foundation. In May 2021, GLF transferred the funds which amounted to \$11,790,758, to the Foundation. In January 2022, the Board of Trustees of the Foundation established a quasi-endowment with the intent to designate the funds received from GLF to the quasi-endowment. The Board of Trustees formally designated the funds received from GLF to the quasi-endowment in June 2023 (see Note 18).

As described in Note 16, as part of the settlement agreement with the CNAC, the Foundation transferred their trustee responsibility over the donor-restricted endowments to CNAC, and CNAC will act as the new trustee over these funds and use them for their restricted purposes. The value of the endowment on the date of the transfer amounted to \$5,945,893.

Interpretation of relevant law

The Foundation has interpreted the California enacted version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as allowing the Foundation to appropriate for expenditure or accumulate so much of an endowment fund as the Foundation determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board of Trustees. The remaining portion of the donor-restricted endowment fund that is not to be held in perpetuity is classified as with donor restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

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9. ENDOWMENT (continued)

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions unless the income from such endowment funds are restricted as to use in which case such amounts are reflected in net assets with donor restrictions. There were no such deficiencies as of June 30, 2022 and 2021.

Return objectives and risk parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity and board-designated quasi-endowment funds.

In the absence of new inflows into the endowment funds, in order for the fund to preserve purchasing power, the real (inflation-adjusted) return of the fund net of fees must be equal to or exceed the distribution rate. The target rate of return for the invested assets has been based upon the assumption that future real rates of return will be close to the historical long run rates of return experienced for each asset class in the endowment funds. The Foundation's Investment Committee realizes that historical performance is no guarantee of future performance, that asset class and market returns vary, and that even with a 10-year investment horizon that actual real returns may differ significantly from expectations.

Strategies employed for achieving objectives

The Investment Committee will strive to ensure that the endowment funds are diversified across asset classes as well as within each asset class with the intent to minimize the risk of large losses to the endowment funds.

The investment objectives of maintaining purchasing power while helping to fund current and future Foundation needs and services require an equity-based portfolio to generate expected returns that are consistent with the distribution rate.

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9. ENDOWMENT (continued)

Spending policy and how the investment objectives relate to spending policy

Gains and losses on investments held in perpetuity are classified as net assets with donor restrictions consistent with the donors' restrictions on the use of interest and dividend income generated by those assets. The annual disbursement formula target is set by the Board of Trustees of the Foundation. Quarterly distributions during the year ended June 30, 2021 were calculated based on 4% of the 60-month rolling average of the investments' fair value. There were no distributions made during the year ended June 30, 2022. In establishing its distribution policy, the Foundation considered the long-term expected return on its endowment and the goal of maintaining the purchasing power of the endowment assets.

Endowment composition

Endowment net asset composition by type of fund as of June 30, 2022 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	<u>\$ 1,722</u>	<u>\$ -</u>	<u>\$ 1,722</u>

Endowment net asset composition by type of fund as of June 30, 2021 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	<u>\$ 1,722</u>	<u>\$ -</u>	<u>\$ 1,722</u>

Changes in endowment net assets for the fiscal years ended June 30, 2022 and 2021 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, June 30, 2020	<u>\$ 9,840</u>	<u>\$ 5,953,988</u>	<u>\$ 5,963,828</u>
Investment return			
Investment loss	<u>(4,477)</u>	<u>(8,145)</u>	<u>(12,622)</u>
Total investment return	<u>(4,477)</u>	<u>(8,145)</u>	<u>(12,622)</u>
Distribution in consideration for real property from trust (see Note 16)	<u>(3,641)</u>	<u>(5,945,843)</u>	<u>(5,949,484)</u>
	<u>(8,118)</u>	<u>(5,953,988)</u>	<u>(5,962,106)</u>

Glide Foundation
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9. ENDOWMENT (continued)

Endowment composition (continued)

Balance, June 30, 2021	\$ 1,722	\$ -	\$ 1,722
Balance, June 30, 2022	<u>\$ 1,722</u>	<u>\$ -</u>	<u>\$ 1,722</u>

10. DONATED GOODS AND SERVICES

Donated goods and services consisted of the following:

	<u>2022</u>	<u>2021</u>
Food	\$ 1,085,024	\$ 1,316,663
Professional services	510,552	68,324
Software	78,000	78,000
Other goods	92,030	82,682
COVID supplies	<u>-</u>	<u>82,302</u>
	<u>\$ 1,765,606</u>	<u>\$ 1,627,971</u>

Donated goods and services valuation techniques

Donated food, software, COVID supplies, and other goods are valued using the U.S wholesale purchase prices. Donated professional services are valued using the fair market value of the services provided.

Donor restrictions and donated goods and services use

All donated goods and services received during the years ended June 30, 2022 and 2021 included no donor restrictions. The Foundation uses donated food in its Free Meals Program. Donated professional services include services from attorneys advising the Foundation on various strategic, administrative, and legal matters. Donated software is used by the administrative team for general and administrative purposes. Donated other goods are used to support the Foundation's various programs. Donated COVID supplies include donated masks that were utilized for health and safety measures at the Foundation's offices.

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11. PENSION PLAN

The Foundation's employees can participate in the Foundation's Pension Plan (the "Plan"), a 403(b) defined contribution plan. All employees are eligible to contribute to the Plan. In order for the employee to participate in the employer matching portion of the Plan, the employee must have worked at the Foundation for at least one year, work a minimum of 20 hours per week, and contribute a minimum of 2% of salary to the Plan. The Foundation makes discretionary contributions at an amount equal to 3% of the employee's salary and employer contributions vest 100% from the first day that the employee is eligible and contributes to the Plan. The Foundation's contributions amounted to \$395,092 and \$279,097 for the years ended June 30, 2022 and 2021, respectively.

The Foundation has also established a Deferred Compensation Plan under which it will provide supplemental retirement benefits to certain employees. The plan is intended to qualify as a "church plan" under Section 3(33) of ERISA. The Foundation selects the eligible participants in the plan and may make discretionary contributions to the plan on their behalf. All amounts contributed to the plan are immediately vested but are subject to the claims of creditors of the Foundation. At the present time, employees cannot contribute any portion of their compensation to the plan.

12. RESOURCE SHARING AGREEMENT

The Foundation entered into Resource Sharing Agreements with the Church and GLF during 2019. These agreements allow for both parties to share resources, such as office space, furniture, equipment, maintenance, and personnel, in order for the Church and GLF to conduct its activities in the most economical fashion. The Foundation received \$26,683 during the year ended June 30, 2021 from GLF and \$12,464 during the year ended June 30, 2021 from the Church under these agreements. During the year ended June 30, 2022, the Resource Sharing Agreements were terminated and no funds were received from GLF or the Church.

13. COMMITMENTS AND CONTINGENCIES

Operating leases

The Foundation leases equipment and facilities under long-term operating leases expiring in various years. For the year 2022, the Foundation entered into a 36 month lease agreement with a monthly rental expense of \$7,200 for April 1, 2022 to March 31, 2023 and the monthly rental expense increased to \$8,400 for April 1, 2023 to March 31, 2025. Additionally, the Foundation leases various equipment on a month-to-month basis.

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13. COMMITMENTS AND CONTINGENCIES (continued)

Operating leases (continued)

The scheduled minimum lease payments under the lease terms are as follows:

<u>Year ending June 30,</u>	
2023	\$ 90,000
2024	<u>75,600</u>
	<u>\$ 165,600</u>

Rent expense, including that related to month-to-month operating leases, amounted to \$35,508 and \$29,339 for the years ended June 30, 2022 and 2021, respectively.

Capital lease obligation

The Foundation leases a copier under a capital lease with a capitalized cost of \$49,038. Accumulated depreciation in the consolidated statement of financial position as of June 30, 2022 and 2021 included \$38,920 and \$22,246, respectively, relating to this leased copier. Depreciation expense reported in the consolidated statement of activities for the years ended June 30, 2022 and 2021 includes \$16,674 and \$15,865, respectively, for the equipment under capital lease.

Future maturities of the capital lease obligation are as follows:

<u>Year ending June 30,</u>	
2023	<u>\$ 10,287</u>
	10,287
Less: imputed interest	<u>(169)</u>
	<u>\$ 10,118</u>

Grants and contracts

Certain grants and contracts require compliance with various requirements. Failure to comply with these requirements could result in disallowance of costs and potential repayment to the sponsor(s). However, the Foundation's management considers the likelihood of a need to return funds to sponsors to be remote.

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14. CONCENTRATIONS

As of June 30, 2022, amounts from one donor composed approximately 21% of contributions, grants and other receivables, and amounts from three contracts composed approximately 59% of contracts receivable. As of June 30, 2021, amounts from two donors composed approximately 42% of contributions, grants and other receivables, and amounts from one contract composed approximately 11% of contracts receivable.

15. LIQUIDITY AND FUNDS AVAILABLE

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Foundation regularly monitors liquidity required to meet its operating needs and its commitments to its partners, while also striving to maximize the investment of its available funds. To meet liquidity needs, the Foundation has cash and cash equivalents, certificates of deposit, contributions, grants and other receivables, contracts receivable, and investments available.

The following is a quantitative disclosure which describes assets that are available or expected to become available within one year of June 30, to fund general expenditures and other obligations when they become due:

	<u>2022</u>	<u>2021</u>
Financial assets		
Cash and cash equivalents	\$ 7,788,835	\$ 3,892,777
Certificates of deposit	495,944	3,021,386
Contributions, grants and other receivables	1,301,667	1,559,473
Contracts receivable	1,536,176	1,082,415
Investments	<u>21,409,939</u>	<u>11,611,317</u>
	32,532,561	21,167,368
Donor specified programs	<u>(1,900,437)</u>	<u>(1,347,126)</u>
	<u>\$ 30,632,124</u>	<u>\$ 19,820,242</u>

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16. CNAC AGREEMENT

On November 5, 2020, the Foundation reached an agreement with the CNAC, whereby the Foundation and the CNAC will move forward as wholly separate and autonomous organizations. As part of this agreement, the Foundation transferred their trustee responsibility over the Lizzie Glide Trust and the Epworth/Wesley Trust ("the donor-restricted endowments") to CNAC, and CNAC will act as the new trustee over these funds and use them for their restricted purposes. The total consideration transferred to CNAC was \$6,000,000. The value of the endowment on the date of the transfer amounted to \$5,945,843. The agreement further provided that the Foundation would retain title to the 330 Ellis Street property and parking lot as well as the Church building at 302 Ellis Street so that the properties could continue to be used to for the Foundation's programs. Title of the properties was transferred to the Foundation on March 10, 2021. The value of the properties as of June 30, 2021 amounted to \$25,919,849 and is included in property and equipment on the consolidated statement of financial position.

17. REAL ESTATE LLCS

In August 2021, the Foundation formed two real estate LLCs. 330 Ellis Development, LLC was created for contracting and development purposes. 330 Ellis Holding, LLC was created to hold the real estate assets of the Foundation. In July 2022, the properties received in the CNAC agreement (see Note 16) were transferred to 330 Ellis Holding, LLC (see Note 18). There has been no activity in 330 Ellis Development, LLC, since it was formed.

18. SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 26, 2023, which is the date the financial statements were available to be issued. Other than the events noted below, no subsequent events have occurred that would have a material impact on the presentation of the Foundation's financial statements.

In July 2022, the properties that the Foundation retained title to as part of the CNAC agreement (see Note 16) were transferred to 330 Ellis Holding, LLC.

From September 2022 through April 2023, the Foundation drew down \$5,000,000 on the Northern Trust line of credit. In December 2022 and July 2023, the Foundation paid down \$500,000 and \$1,000,000, respectively, of the outstanding line of credit balance. In March 2023, the line of credit was extended through March 2024.

In June 2023, the Board of Trustees formally resolved to designate the funds received from GLF to the quasi-endowment (see Note 9).

SUPPLEMENTARY INFORMATION



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Trustees of
Glide Foundation
San Francisco, California

We have audited the consolidated financial statements of Glide Foundation as of and for the year ended June 30, 2022 and our report thereon dated July 26, 2023, which expressed an unmodified opinion on those financial statements, appears on pages 1 - 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information on pages 31 - 32 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 audit 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.

A handwritten signature in black ink that reads "Armanino LLP". The signature is written in a cursive, flowing style.

Armanino^{LLP}
San Francisco, California

July 26, 2023

Glide Foundation
Consolidating Statement of Financial Position
June 30, 2022

	<u>Glide Foundation</u>	<u>Glide Memorial Church</u>	<u>Eliminating Entries</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 7,583,771	\$ 205,064	\$ -	\$ 7,788,835
Restricted cash for CDE	14,769	-	-	14,769
Certificates of deposit	495,944	-	-	495,944
Prepaid expenses and other assets	420,425	-	-	420,425
Contributions, grants and other receivables, net	1,306,667	-	(5,000)	1,301,667
Contracts receivable	1,536,176	-	-	1,536,176
Investments	21,409,939	-	-	21,409,939
Deferred compensation assets	1,668,677	-	-	1,668,677
Property and equipment, net	<u>32,788,714</u>	<u>-</u>	<u>-</u>	<u>32,788,714</u>
 Total assets	 <u>\$ 67,225,082</u>	 <u>\$ 205,064</u>	 <u>\$ (5,000)</u>	 <u>\$ 67,425,146</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	\$ 1,906,671	\$ 5,000	\$ (5,000)	\$ 1,906,671
Accrued expenses	1,257,757	-	-	1,257,757
Deferred compensation liability	1,668,677	-	-	1,668,677
Capital lease obligation	10,118	-	-	10,118
CDE reserve liability	<u>14,769</u>	<u>-</u>	<u>-</u>	<u>14,769</u>
Total liabilities	<u>4,857,992</u>	<u>5,000</u>	<u>(5,000)</u>	<u>4,857,992</u>
Net assets				
Without donor restrictions				
Board-designated for endowment	1,722	-	-	1,722
Undesignated	<u>59,864,931</u>	<u>200,064</u>	<u>-</u>	<u>60,064,995</u>
Total without donor restrictions	59,866,653	200,064	-	60,066,717
With donor restrictions	<u>2,500,437</u>	<u>-</u>	<u>-</u>	<u>2,500,437</u>
Total net assets	<u>62,367,090</u>	<u>200,064</u>	<u>-</u>	<u>62,567,154</u>
 Total liabilities and net assets	 <u>\$ 67,225,082</u>	 <u>\$ 205,064</u>	 <u>\$ (5,000)</u>	 <u>\$ 67,425,146</u>

Glide Foundation
Consolidating Statement of Activities
For The Year Ended June 30, 2022

	<u>Glide Foundation</u>	<u>Glide Memorial Church</u>	<u>Eliminating Entries</u>	<u>Total</u>
Revenue				
Contributions, grants, and other support	\$ 10,985,189	\$ 200,849	\$ -	\$ 11,186,038
Contract revenue	6,768,961	-	-	6,768,961
Special events	20,009,723	-	-	20,009,723
Forgiveness of loan payable - Paycheck Protection Program	2,685,056	-	-	2,685,056
Donated goods and services	1,765,606	-	-	1,765,606
Other income	154,612	-	-	154,612
Interest and investment income (loss), net	<u>(1,516,390)</u>	<u>-</u>	<u>-</u>	<u>(1,516,390)</u>
Total revenue	<u>40,852,757</u>	<u>200,849</u>	<u>-</u>	<u>41,053,606</u>
Functional expenses				
Program services				
Program	18,383,192	-	-	18,383,192
Church	<u>1,312,840</u>	<u>-</u>	<u>-</u>	<u>1,312,840</u>
Total program services	<u>19,696,032</u>	<u>-</u>	<u>-</u>	<u>19,696,032</u>
Support services				
General and administrative	5,251,197	785	-	5,251,982
Fund development	<u>3,227,840</u>	<u>-</u>	<u>-</u>	<u>3,227,840</u>
Total support services	<u>8,479,037</u>	<u>785</u>	<u>-</u>	<u>8,479,822</u>
Total functional expenses	<u>28,175,069</u>	<u>785</u>	<u>-</u>	<u>28,175,854</u>
Change in net assets	<u>12,677,688</u>	<u>200,064</u>	<u>-</u>	<u>12,877,752</u>
Net assets, beginning of year	<u>49,689,402</u>	<u>-</u>	<u>-</u>	<u>49,689,402</u>
Net assets, end of year	<u>\$ 62,367,090</u>	<u>\$ 200,064</u>	<u>\$ -</u>	<u>\$ 62,567,154</u>