

The California Endowment and Subsidiary

(A California Nonprofit Public Benefit Corporation)

**Consolidated Financial Statements as of
December 31, 2024 and March 31, 2024, and for
the Period from April 1, 2024 to December 31,
2024 and Year Ended March 31, 2024, and
Independent Auditor's Report**

**THE CALIFORNIA ENDOWMENT AND SUBSIDIARY
(A California Nonprofit Public Benefit Corporation)**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The California Endowment:

Opinion

We have audited the accompanying consolidated financial statements of The California Endowment ("The Endowment") and its subsidiary, which comprise the consolidated statements of financial position as of December 31, 2024 and March 31, 2024, the related consolidated statements of activities and cash flows for the period from April 1, 2024 to December 31, 2024 and year ended March 31, 2024, and the related notes to the consolidated financial statements (collectively, the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Endowment as of December 31, 2024 and March 31, 2024, and the changes in net assets and its cash flows for the period from April 1, 2024 to December 31, 2024 and year ended March 31, 2024, 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 The Endowment and 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 The Endowment's 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 The Endowment's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Endowment'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.

Deloitte & Touche LLP

June 26, 2025

THE CALIFORNIA ENDOWMENT AND SUBSIDIARY
(A California Nonprofit Public Benefit Corporation)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND MARCH 31, 2024
(In thousands of dollars)

	December 31, 2024	March 31, 2024
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 214,987	\$ 227,083
INVESTMENTS	4,030,625	3,984,571
PROGRAM-RELATED INVESTMENTS—Net	90,703	81,140
ACCRUED POSTRETIREMENT BENEFIT	2,332	1,339
OTHER ASSETS	32,994	62,620
DEFERRED TAX ASSET—Net	12,612	21,459
PROPERTY AND EQUIPMENT—Net	<u>73,513</u>	<u>75,205</u>
TOTAL ASSETS	<u>\$ 4,457,766</u>	<u>\$ 4,453,417</u>
LIABILITIES AND NET ASSETS WITHOUT DONOR RESTRICTIONS		
LIABILITIES:		
Accounts payable and other liabilities	\$ 95,372	\$ 82,820
Grants payable—net	110,044	132,862
Long-term debt	<u>298,793</u>	<u>298,758</u>
Total liabilities	<u>504,209</u>	<u>514,440</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>3,953,557</u>	<u>3,938,977</u>
TOTAL LIABILITIES AND NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 4,457,766</u>	<u>\$ 4,453,417</u>

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

THE CALIFORNIA ENDOWMENT AND SUBSIDIARY
(A California Nonprofit Public Benefit Corporation)

CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE PERIOD FROM APRIL 1, 2024 TO DECEMBER 31, 2024 AND
YEAR ENDED MARCH 31, 2024
(In thousands of dollars)

	Period from April 1, 2024 to December 31, 2024	Year Ended March 31, 2024
INVESTMENT RETURN:		
Net gain on investments	\$ 179,445	\$ 365,519
Program-related investment interest and other income	<u>9,849</u>	<u>15,567</u>
 Total investment return—net	 <u>189,294</u>	 <u>381,086</u>
EXPENSES:		
Grants awarded	116,365	172,452
Direct charitable expenses	11,191	16,405
Program operating expenses	20,212	24,790
General and administrative expenses	9,406	12,543
Program-related investment expenses	1,663	2,321
Interest expense	5,621	7,494
Tax provision:		
Current	2,407	(3,257)
Deferred	<u>8,847</u>	<u>(531)</u>
 Total expenses	 <u>175,712</u>	 <u>232,217</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	13,582	148,869
PENSION-RELATED CHANGES OTHER THAN NET PERIODIC PENSION COST	<u>998</u>	<u>1,765</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	14,580	150,634
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Beginning of period	<u>3,938,977</u>	<u>3,788,343</u>
 End of period	 <u>\$3,953,557</u>	 <u>\$3,938,977</u>

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

THE CALIFORNIA ENDOWMENT AND SUBSIDIARY
(A California Nonprofit Public Benefit Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD FROM APRIL 1, 2024 TO DECEMBER 31, 2024 AND
YEAR ENDED MARCH 31, 2024
(In thousands of dollars)

	Period from April 1, 2024 to December 31, 2024	Year Ended March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets without donor restrictions	\$ 14,580	\$ 150,634
Adjustments to reconcile change in net assets without donor restrictions to net cash used in operating activities:		
Net realized and unrealized gain on investments	(157,578)	(330,116)
Dividends, interest, and other investment income—net of fees	367	(326)
Accretion of program-related investment discount	(954)	(2,449)
Depreciation on property and equipment	2,468	3,020
Provision on program-related investments	1,779	3,272
Net periodic pension cost	81	103
Deferred taxes	8,847	(531)
Change in operating assets and liabilities:		
Program-related investments	(10,387)	(9,426)
Other assets	250	(5,942)
Contributions into postretirement plan	(175)	-
Accrued postretirement obligation	(899)	(1,765)
Accounts payable and other liabilities	4,808	691
Grants payable	<u>(22,818)</u>	<u>(43,486)</u>
Net cash used in operating activities	<u>(159,631)</u>	<u>(236,321)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(741)	(1,012)
Purchases of investments	(1,361,176)	(1,006,430)
Proceeds from sales of investments	<u>1,509,452</u>	<u>1,200,884</u>
Net cash provided by investing activities	<u>147,535</u>	<u>193,442</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from line of credit borrowing	-	-
Repayments of line of credit borrowing	-	-
Net cash provided by financing activities	-	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(12,096)	(42,879)
CASH AND CASH EQUIVALENTS:		
Beginning of period	<u>227,083</u>	<u>269,962</u>
End of period	<u>\$ 214,987</u>	<u>\$ 227,083</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for federal excise taxes	\$ -	\$ 2,600
Cash paid during the period for interest	<u>\$ 3,747</u>	<u>\$ 7,494</u>
Cash paid during the period for agency transactions	<u>\$ 73</u>	<u>\$ -</u>
Noncash investing activities—pending investment trades	<u>\$ 36,643</u>	<u>\$ (1,248)</u>

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

THE CALIFORNIA ENDOWMENT AND SUBSIDIARY

(A California Nonprofit Public Benefit Corporation)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2024 AND MARCH 31, 2024, AND FOR THE PERIOD FROM APRIL 1, 2024 TO DECEMBER 31, 2024 AND YEAR ENDED MARCH 31, 2024

1. ORGANIZATION

The California Endowment (“The Endowment”), a California nonprofit public benefit corporation, is a private foundation that began operations in May 1996. The Endowment’s mission is to expand access to affordable, quality health care for underserved individuals and communities, and to promote fundamental improvements in the health status of all Californians.

In May 2009, 800 N. Main LLC (the “LLC”) was organized and operates for charitable purposes described in Section 501(c)(3) of the Internal Revenue Code (IRC) of 1986 and Sections 214 and 23701h of the California Revenue and Taxation Code. The LLC operates exclusively for the benefit of The Endowment, with The Endowment as the sole member of the LLC. The LLC holds title to land located adjacent to The Endowment’s premises.

The Endowment and the LLC are consolidated for financial statement presentation. All intercompany balances and transactions have been eliminated from the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The Endowment changed its fiscal year end from March 31 to December 31. Accordingly, these financial statements cover the period from April 1, 2024 through December 31, 2024. Comparative financial information for the prior year ending March 31, 2024 is presented as previously reported.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”), which require The Endowment to report information regarding its statements of financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions—Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of The Endowment’s management and the board of directors consistent with The Endowment’s mission.

There were no board-designated amounts as of December 31, 2024 and March 31, 2024.

Net Assets with Donor Restrictions—Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

The Endowment has no net assets with donor restrictions as of December 31, 2024 and March 31, 2024.

Cash and Cash Equivalents—Cash and cash equivalents consist of funds held in a commercial checking account and money market funds used for operating expenses. At December 31, 2024 and March 31, 2024, the balance consists primarily of undistributed proceeds from The Endowment's social bond offering as discussed in Note 11. Cash also includes minimal amounts of restricted-use funds as of December 31, 2024 and March 31, 2024, held in connection with certain agency transactions as discussed in Note 9.

Investments—Investments in publicly traded securities are valued using quoted market prices. Investments in fixed-income securities are valued based on relevant broker quotes, observable market prices for similar securities, or discounted cash flows. Investments in mutual funds are valued using net asset value (NAV) per share. Derivatives are used to hedge risks of (or gain exposure to) interest rates, foreign currencies, equities, or commodities and are recorded at fair value using quoted market prices or relevant broker quotes. Changes in fair values are recorded in the consolidated statements of activities.

Long-only commingled funds, hedge funds, private equity, and other limited partnership interests are typically illiquid and not publicly listed or traded and are valued using NAV per share, as a practical expedient, as provided by The Endowment's investment managers. Such valuations are generally determined by the partnerships' general partners, who must follow the valuation guidelines, such as appraisals and comparable public company trade data, stipulated in the respective limited partnership agreements. The Endowment reviews and evaluates the values provided by the investments' managers and assesses the valuation methods and assumptions used. Management may make specific or general valuation reserves based on portfolio analysis.

Dividend income is recorded on the ex-dividend date and interest income is recorded as earned on an accrual basis. Unrealized gains and losses are recorded for changes in the difference between the recorded costs of the investments and the fair value of the investments at the financial statement date.

Cash equivalents categorized as investments include short-term investment funds that may be used by managers for collateral and pending trades with original or remaining maturities of three months or less at time of purchase and not immediately available for the operating expense of The Endowment.

Investment sales and purchases are recorded on trade date, which may result in receivables and payables on trades that have not yet settled at the financial statement date. The Endowment had unsettled trade purchases of approximately \$80,130,000 and \$72,516,000 as of December 31, 2024 and March 31, 2024, respectively. Unsettled trade sales were approximately \$16,401,082 and \$45,428,000 as of December 31, 2024 and March 31, 2024, respectively. Unsettled trade purchases and sales are reported in accounts payable and other liabilities and other assets in the consolidated statements of financial position.

Property and Equipment—Property and equipment consist of buildings, land, leasehold improvements, furnishings, equipment, and software for The Endowment's offices and are carried at cost, less accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over estimated useful lives of individual assets ranging from 3 to 7 years for furnishings, equipment, and software; 15 years for machinery; 39 years for buildings; and the shorter of 10 years or the related lease term for leasehold improvements. When items are retired or otherwise disposed of, the cost and accumulated depreciation and amortization are removed from the accounts and any profit or loss on such retirements or disposal is recognized in the year of disposal.

Grants Awarded—Unconditional grants awarded are recognized as an expense in the period in which they are approved. Grants payable in future years are discounted to present value using rates ranging between 2.2% and 4.9% for December 31, 2024 and 2.2% and 5.0% for March 31, 2024. Grants awarded that are conditioned on future uncertain events are expensed when those conditions are substantially met. The Endowment had one conditional grant in the amount of \$72,175,000 as of December 31, 2024. There were no conditional grants as of March 31, 2024.

Direct Charitable and Program Operating Expenses—Direct charitable expenses pertain to charitable activities for the benefit of others initiated and conducted in whole or in part by The Endowment. The Endowment's direct charitable activities consist of the administration and operation of conference centers in Los Angeles, Oakland, and Sacramento, in addition to content creation and communication on health issues; policy and advocacy work; and health-related research, publishing, and dissemination of research. Program operating expenses pertain to the grantmaking activities of The Endowment, such as reviewing grant applications, awarding, monitoring, and evaluating grants. Certain program operating expenses are allocated based on estimates made by management.

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

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.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1—Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2—Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through models or other valuation methodologies.

Level 3—Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

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

Cash Equivalents—Cash equivalents primarily consist of amounts held in actively traded interest-bearing money market accounts and are categorized as Level 1.

Equity Securities (Domestic, International, Emerging Markets, and Global)—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. In the case of commingled funds, the Endowment values these investments based on NAV as a practical expedient. Such value generally represents the limited partner's proportionate share of the investment partnerships as reported by their general partners. Accordingly, the value of the investment

in these limited partnerships is generally increased by additional contributions and the limited partner's share of net earnings from the underlying investments and decreased by distributions and the limited partner's share of net losses from the underlying investments.

Government-Related Fixed Income and Municipal Bonds—Government-related and municipal bonds 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 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 Fixed Income—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. Due to the nature of pricing fixed-income securities, management classifies the majority of corporate debt securities as Level 2.

The Endowment considers unobservable inputs to be those for which market data is not available and that are developed using the best information available to us about the assumptions that market participants would use when pricing the asset or liability. Relevant inputs vary depending on the nature of the instrument being measured at fair value. For those securities that management classifies as Level 3, significant unobservable inputs include the following: industry multiples (primarily based on revenue or earnings before interest, taxes, depreciation, and amortization (EBITDA)), public comparables, transactions in similar instruments, discounted cash flow techniques, and third-party appraisals. Managers also consider changes in the outlook for the relevant industry and the financial performance of the issuer as compared to projected performance. Significant inputs include market and transaction multiples, discount rates, long-term growth rates, and capitalization rates. There were no transfers in or out of Level 3 during the period from April 1, 2024 to December 31, 2024, and year ended March 31, 2024.

Private Credit—The Endowment values these investments based on NAV as a practical expedient. Such value generally represents the limited partner's proportionate share of the investment partnerships as reported by their general partners. Accordingly, the value of the investment in these limited partnerships is generally increased by additional contributions and the limited partner's share of net earnings from the underlying investments and decreased by distributions and the limited partner's share of net losses from the underlying investments.

Mortgage- and Asset-Backed Securities—Mortgage- and asset-backed securities include US government agency issues and mortgage- and asset-backed securities, which are valued using price quotes from pricing services. To the extent that these inputs are observable and timely, the values of US government agency issues and mortgage- and asset-backed securities are categorized as Level 2.

Hedge Funds (Relative Value, Long/Short, and Event Driven), Private Equity (Venture Capital and Buyout/Growth), Real Estate, and Real Assets—The Endowment values these investments based on NAV as a practical expedient. Such value generally represents the limited partner's proportionate share of the investment partnerships as reported by their general partners. Accordingly, the value of the investment in these limited partnerships is generally increased by additional contributions and the

limited partner's share of net earnings from the underlying investments and decreased by distributions and the limited partner's share of net losses from the underlying investments.

3. CONCENTRATIONS OF CREDIT RISK

Credit risk is the potential failure of another party to perform in accordance with the contract terms. Financial instruments, which potentially subject The Endowment to concentrations of credit risk, consist primarily of cash and cash equivalents, investments, and program-related investments.

The Endowment maintains its cash and cash equivalents primarily with its custodian bank, Bank of New York Mellon ("BNY Mellon"). The cash and cash equivalent balances are generally not federally insured; however, The Endowment has not experienced any losses in such positions and believes that they do not represent significant credit risk.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. The Endowment will be exposed to credit risk to parties with whom it trades and will also bear the risk of settlement default. The Endowment minimizes concentrations of credit risk by undertaking transactions with a large number of investment managers and counterparties on recognized and reputable exchanges, where applicable. The Endowment could lose money if the issuer or guarantor of an investment is unable or unwilling to make timely payments or to otherwise honor its obligations. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings. Due to the level of risk associated with certain investment securities, it is possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the value of The Endowment's investments and total net assets balance.

With respect to program-related investments, The Endowment routinely assesses the financial strength of its debtors and believes that the related credit risk exposure is limited and appropriately reserved for.

4. INVESTMENTS

At December 31, 2024 and March 31, 2024, investments consist of the following at fair value (in thousands of dollars):

	December 31, 2024	March 31, 2024
Cash equivalents	\$ 6,616	\$ 9,755
Fixed income	325,887	299,149
Equities	1,383,723	1,449,093
Private equity, real assets, real estate, and hedge funds	<u>2,314,399</u>	<u>2,226,574</u>
 Total investments	 <u>\$4,030,625</u>	 <u>\$3,984,571</u>

Net realized and unrealized gains and losses on investments are included in net gain on investments in the consolidated statements of activities. The net gains on The Endowment's investment portfolio for the period from April 1, 2024 to December 31, 2024 and year ended March 31, 2024, consists of the following (in thousands of dollars):

	Period from April 1, 2024 to December 31, 2024	Year Ended March 31, 2024
Net realized gain	\$ 106,903	\$ 64,248
Net unrealized gain	<u>50,675</u>	<u>265,868</u>
Total gain	<u>\$ 157,578</u>	<u>\$ 330,116</u>

The investment goal of The Endowment is to maintain or grow its asset size and spending power in real (inflation-adjusted) terms with risk at a level appropriate to The Endowment's program objectives. The Endowment diversifies its investments among various financial instruments and asset categories and uses multiple investment strategies. As a general practice, the financial assets of The Endowment are managed by external investment management firms selected by The Endowment. All financial assets of The Endowment are held in custody by BNY Mellon, except for assets invested with partnerships and commingled funds, which have separate arrangements related to their legal structure.

Derivative Instruments—The Endowment transacts in a variety of derivative instruments, including futures, swaps, and options primarily for trading purposes with each instrument's primary risk exposure being interest rate, credit, currency, equity, or commodity risk. The fair value of these derivative instruments is included in the investments line item in the consolidated statements of financial position with changes in fair value included in net gain on investments within the consolidated statements of activities.

The use of financial derivative instruments in its investment program is appropriate and customary for the investment strategies employed by The Endowment. These instruments do involve investment and counterparty risk in amounts greater than what is reflected in The Endowment's financial statements; however, management does not anticipate that losses, if any, from such instruments would materially affect the consolidated statements of financial position of The Endowment.

As of December 31, 2024 and March 31, 2024, The Endowment held derivative positions with notional amounts of \$15,000 and \$5,545,000, respectively. The Endowment records the assets or liabilities associated with derivative instruments at fair value based on Level 1 inputs in the consolidated statement of financial position. The Endowment recognized a realized loss of \$146,000 and \$552,000 on foreign exchange contract derivatives for the period from April 1, 2024 to December 31, 2024 and year ended March 31, 2024, respectively. Such amounts are included in the net gain on investments in the consolidated statements of activities.

5. FAIR VALUE

The following table summarizes the valuation of The Endowment's investments fair value hierarchy levels according to Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, as of December 31, 2024 (in thousands of dollars):

	Level 1	Level 2	Level 3	NAV as Practical Expedient	Total
Cash equivalents	\$ 6,616	\$ -	\$ -	\$ -	\$ 6,616
Equities:					
Domestic	-	-	-	198,907	198,907
International	-	-	-	84,765	84,765
Emerging markets	-	-	-	106,009	106,009
Global	96,654	-	-	897,389	994,043
Fixed income:					
Corporates	-	75,053	5,052	-	80,105
Mortgage/asset-backed securities	-	157,439	-	-	157,439
Private credit	-	-	-	7,390	7,390
Government-related	64,075	2,870	-	-	66,945
Municipal bonds	-	14,006	-	-	14,006
Hedge funds:					
Relative value	-	-	-	480,550	480,550
Long/short	-	-	-	228,696	228,696
Private equity:					
Venture capital	-	-	-	378,703	378,703
Buyout/growth	-	-	-	583,777	583,777
Real estate	-	-	-	344,899	344,899
Real assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>297,775</u>	<u>297,775</u>
Total investment valuation	<u><u>\$ 167,345</u></u>	<u><u>\$ 249,368</u></u>	<u><u>\$ 5,052</u></u>	<u><u>\$ 3,608,860</u></u>	<u><u>\$ 4,030,625</u></u>

The following table summarizes the valuation of The Endowment's investments fair value hierarchy levels according to Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, as of March 31, 2024 (in thousands of dollars):

	Level 1	Level 2	Level 3	NAV as Practical Expedient	Total
Cash equivalents	\$ 9,755	\$ -	\$ -	\$ -	\$ 9,755
Equities:					
Domestic	-	-	-	175,844	175,844
International	12,828	-	-	98,091	110,919
Emerging markets	-	-	-	93,571	93,571
Global	129,941	-	-	938,818	1,068,759
Fixed income:					
Corporates	-	69,302	6,413	-	75,715
Mortgage/asset-backed securities	-	129,198	-	-	129,198
Private credit	-	-	-	4,417	4,417
Government-related	70,861	2,943	-	-	73,804
Municipal bonds	-	16,015	-	-	16,015
Hedge funds:					
Relative value	-	-	-	399,727	399,727
Long/short	-	-	-	229,613	229,613
Private equity:					
Venture capital	-	-	-	358,009	358,009
Buyout/growth	-	-	-	573,389	573,389
Real estate	-	-	-	354,787	354,787
Real assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>311,049</u>	<u>311,049</u>
Total investment valuation	<u><u>\$ 223,385</u></u>	<u><u>\$ 217,458</u></u>	<u><u>\$ 6,413</u></u>	<u><u>\$ 3,537,315</u></u>	<u><u>\$ 3,984,571</u></u>

The Endowment uses NAV as a practical expedient to determine the fair value of all the underlying investments, which (a) do not have readily determinable fair values and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. The following table lists investments in other investment companies by major category as of December 31, 2024 (in millions of dollars):

	Strategy	Fair Value	Remaining Life	Unfunded Commitment	Redemption Terms	Redemption Restrictions
Private equity*	Venture and buyout/growth in the United States and international	\$ 962.5	1 to 15 years	\$ 211.9	N/A	N/A
Real estate*	Real estate primarily in the United States	344.9	1 to 15 years	78.9	N/A	N/A
Real assets*	Natural resources primarily in the United States	297.8	1 to 15 years	40.6	N/A	N/A
Hedge funds	Relative value, long-/short-, event-driven, and global macro hedge funds	709.2	N/A	-	Ranges between monthly redemption to a redemption with a three-year lock-up period	One fund limits redemption to 8% of capital per period
Commingled funds—equities	Long-only equities	1,287.1	-	20.2	Ranges between daily redemption to a redemption every two years	One fund limits redemption to a maximum of 33% of capital per year
Fixed income private credit	Private lending primarily in the United States	<u>7.4</u>	1 to 9 years	<u>10.9</u>	N/A	N/A
Total partnership and commingled fund investments		<u><u>\$ 3,608.9</u></u>		<u><u>\$ 362.5</u></u>		

* These investments are in private fund structures which generally have no redemption rights.

The Endowment uses NAV as a practical expedient to determine the fair value of all the underlying investments, which (a) do not have readily determinable fair values and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. The following table lists investments in other investment companies by major category as of March 31, 2024 (in millions of dollars):

	Strategy	Fair Value	Remaining Life	Unfunded Commitment	Redemption Terms	Redemption Restrictions
Private equity*	Venture and buyout/growth in the United States and international	\$ 931.4	1 to 15 years	\$ 229.3	N/A	N/A
Real estate*	Real estate primarily in the United States	354.8	1 to 15 years	88.5	N/A	N/A
Real assets*	Natural resources primarily in the United States	311.1	1 to 15 years	49.4	N/A	N/A
Hedge funds	Relative value, long/short-, event-driven, and global macro hedge funds	629.3	N/A	-	Ranges between monthly redemption to a redemption with a three-year lock-up period	Some funds limit redemption to 8% of capital per period
Commingled funds—equities	Long-only equities	1,306.3	-	27.5	Ranges between daily redemption to a redemption every two years	One fund limits redemption to a maximum of 33% of capital per year
Fixed income private credit	Private lending primarily in the United States	<u>4.4</u>	1 to 9 years	<u>12.7</u>	N/A	N/A
Total partnership and commingled fund investments		<u>\$3,537.3</u>		<u>\$407.4</u>		

* These investments are in private fund structures which generally have no redemption rights.

6. PROGRAM-RELATED INVESTMENTS—NET

The Endowment invests a portion of its assets in projects that advance its philanthropic purposes by providing low or non-interest-bearing loans, guarantees, and equity investments to organizations with proceeds to be expended by the recipients in furtherance of The Endowment's charitable purpose. Loans are either in the form of direct loans or loan participations. At December 31, 2024 and March 31, 2024, these loans, including interest receivables, totaled \$90,703,000 and \$81,140,000, respectively, and have been recorded net of the reserve for credit losses of \$6,639,000 and \$6,007,000 at December 31, 2024 and March 31, 2024, respectively, and net of discount of \$8,381,000 and \$8,313,000 at December 31, 2024 and March 31, 2024, respectively. The loans have stated rates of 0%–2.5%, with effective rates of 2%–6.5% based on the credit risks of these organizations, which represent Level 3 inputs. The loans have maturities ranging from May 2026 through July 2035 and are expected to be repaid in various installments over their terms. Loans are individually monitored to determine net realizable value based on an evaluation of recoverability. The table below represents the expected future repayments from these organizations as of December 31, 2024 (in thousands of dollars):

Years Ending December 31	
2025	\$ 8,518
2026	12,496
2027	18,152
2028	3,919
2029	2,650
Thereafter	<u>59,748</u>
Program-related investments receivable	105,483
Interest receivable	365
Less discount and reserves for credit losses	<u>(15,145)</u>
Program-related investments—net	<u>\$ 90,703</u>

The table below represents the expected future repayments from these organizations as of March 31, 2024 (in thousands of dollars):

Years Ending March 31	
2025	\$ 5,802
2026	9,099
2027	12,496
2028	18,227
2029	4,339
Thereafter	<u>44,998</u>
Program-related investments receivable	94,961
Interest receivable	499
Less discount and reserves for credit losses	<u>(14,320)</u>
Program-related investments—net	<u>\$ 81,140</u>

As of December 31, 2024 and March 31, 2024, The Endowment had unfunded loan commitments of \$11,800,000 and \$8,000,000, respectively, related to program-related investments.

The Endowment's guarantee commitments were \$8,000,000 as of December 31, 2024 and March 31, 2024. In December 2019, The Endowment entered into a third-party loan guarantee agreement with a 15-year term totaling \$5,000,000, amended with an increase of \$3,000,000 in December 2023. The total loss exposure related to the guarantee was \$1,000,000 and \$1,200,000 as of December 31, 2024 and March 31, 2024, respectively, and a loss reserve has been recorded related to the exposure. The total losses incurred on guarantee commitments were \$131,000 during the period from April 1, 2024 to December 31, 2024. The Endowment recorded a contingent liability at the larger of the net present value of the guarantee or the minimum amount of probable loss. These contingencies amounted to \$80,000 and \$88,000 as of December 31, 2024 and March 31, 2024, respectively.

7. PROPERTY AND EQUIPMENT—NET

At December 31, 2024 and March 31, 2024, property and equipment consist of the following (in thousands of dollars):

	December 31, 2024	March 31, 2024
Building, easement, and leasehold improvements	\$ 87,133	\$ 87,120
Land	23,599	23,599
Furnishings and equipment	12,778	12,646
Software	22	22
Work in progress	<u>721</u>	<u>975</u>
Total property and equipment	124,253	124,362
Less accumulated depreciation and amortization	<u>(50,740)</u>	<u>(49,157)</u>
Property and equipment—net	<u>\$ 73,513</u>	<u>\$ 75,205</u>

Depreciation expense was \$2,468,000 and \$3,020,000 for the period from April 1, 2024 to December 31, 2024, and year ended March 31, 2024, respectively.

8. GRANTS PAYABLE—NET

At December 31, 2024 and March 31, 2024, grants payable are as follows (in thousands of dollars):

	December 31, 2024	March 31, 2024
Amounts due in:		
Less than one year	\$ 72,087	\$ 62,954
One year to five years	<u>42,143</u>	<u>75,387</u>
Gross grants payable	114,230	138,341
Less discount to present value	<u>(4,186)</u>	<u>(5,479)</u>
Grants payable—net	<u><u>\$ 110,044</u></u>	<u><u>\$ 132,862</u></u>

The Endowment made grant payments of \$138,515,000 and \$215,065,000 for the period from April 1, 2024 to December 31, 2024, and year ended March 31, 2024, respectively.

9. COMMITMENTS AND CONTINGENCIES

The Endowment is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of such matters will not have a material adverse effect on the consolidated statements of financial position of The Endowment.

In September 2011, The Endowment and members of a coalition of nonprofit organizations (the “Coalition”) reached an agreement whereby The Endowment agreed to receive proceeds from a settlement benefiting the Coalition to be used towards supporting a community-serving health and wellness center, community health promotion, affordable housing, small business support, and jobs training opportunities for local residents and at-risk youth. The Coalition is composed of various nonprofit corporations. Under the terms of the agreement, The Endowment agreed to receive the settlement proceeds and then distribute such funds as directed by the members of the Coalition.

Since the inception of the agreement through December 31, 2024, The Endowment has received from the Coalition \$4,253,000 in cash, of which most has been expended. At December 31, 2024, The Endowment’s obligation under the terms of the agreement was \$300.

10. CREDIT FACILITY

The Endowment has an unsecured line of credit (LOC) totaling \$20,000,000 as of December 31, 2024 and March 31, 2024. Drawdowns on the LOC incur an interest rate either at the Secured Overnight Financing Rate, plus 100 basis points or at a reference rate as announced by the lender, at The Endowment’s option. The LOC contains no unused commitment fee, was previously set to expire on December 29, 2024, and has been extended on February 1, 2025 through February 2027. During the extension process from December 29, 2024 through February 1, 2025, the line of credit was accessible to draw as needed through executing extension amendments. As no amounts were drawn, no extension amendments were executed until February 1, 2025.

As of December 31, 2024 and March 31, 2024, there were no amounts due and The Endowment believes it was in compliance with all covenants related to the LOC.

11. BONDS PAYABLE

On January 27, 2021, The Endowment issued \$300 million of Social Bonds, Series 2021 (taxable). The Endowment is using the proceeds to fund grants to stabilize and strengthen the infrastructure and capacity of nonprofit organizations within six priority areas: power building, health coverage, health and wellness, health workforce, resilient communities, and research and evaluation. The bonds were sold at par with a coupon rate of 2.498%, interest payable semiannually on April 1 and October 1, with a balloon payment of the principal at the maturity date of April 1, 2051. No principal payments are required until maturity in 2051. Bonds payable as of December 31, 2024, consists of a principal of \$300 million less \$1.2 million of debt issuance costs. The fair value of the bonds, based on quoted broker prices, which are considered Level 2 inputs, is \$177 million as of December 31, 2024. As of December 31, 2024, The Endowment believes it was in compliance with all covenants related to the bonds.

12. TAXES

The Endowment is exempt from federal income taxes under IRC Section 501(c)(3). As a private foundation, The Endowment is subject to a federal excise tax of 1.39% imposed on net investment income, as defined under federal tax law, which includes interest and dividend income, and realized gains, net of investment expenses, among other items. Deferred excise taxes arise primarily from unrealized gains on investments and are calculated at the effective rate expected to be paid by The Endowment.

The Endowment is also subject to income tax on unrelated business income. An operating loss carryforward of approximately \$84,931,000 is available to offset future taxable income of The Endowment.

The components of the deferred tax asset recognized in the consolidated statements of financial position were as follows as of December 31, 2024 and March 31, 2024 (in thousands of dollars):

	December 31, 2024	March 31, 2024
Deferred tax asset	\$ 25,343	\$ 32,840
Deferred excise taxes payable	<u>(12,731)</u>	<u>(11,381)</u>
Total deferred tax asset—net	<u>\$ 12,612</u>	<u>\$ 21,459</u>

The components of the provision (benefit) for federal and state income taxes recognized in the consolidated statements of activities for the period from April 1, 2024 to December 31, 2024, and year ended March 31, 2024, were as follows (in thousands of dollars):

	Period from April 1, 2024 to December 31, 2024	Year Ended March 31, 2024
Current excise tax	\$ 2,407	\$ (3,257)
Deferred excise tax	1,350	3,045
Deferred income tax	<u>7,497</u>	<u>(3,576)</u>
 Total tax provision	 <u>\$ 11,254</u>	 <u>\$ (3,788)</u>

The Endowment believes that it has appropriate support for tax positions taken and, as such, does not have any uncertain tax positions that result in a material impact on The Endowment's consolidated statements of financial position or statements of activities.

The federal income tax return has a three-year statute of limitation and the California return has a four-year statute of limitation 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 are subject to examination from 2022 through 2024 and state income tax returns are subject to examination from 2021 through 2024.

13. DISTRIBUTION REQUIREMENTS

The Endowment is subject to the distribution requirements of the IRC. Accordingly, it must distribute, within one year after the end of each fiscal year, a minimum of 5% of the net value of noncharitable-use assets, as defined. The assets that are to be included in the 5% distribution requirement are based on average monthly balances and are exclusive of those assets deemed to be held for charitable activities or program-related investments. In determining qualifying distributions, grant payments are considered on a cash basis and certain expenses are considered as qualifying distributions.

For the five-year period March 2019 through March 2023, The Endowment exceeded the minimum distribution requirements by \$246 million. The IRC allows The Endowment to utilize all or some of this excess to meet future years' distribution requirements. Each fiscal year's excess distributions carryover expires after five years.

14. RETIREMENT PLAN

The Endowment maintains a qualified 401(k) Employee Investment Plan that provides for uniform employer match and discretionary contributions to participants. The Endowment's contributions to this plan for the period from April 1, 2024 to December 31, 2024 and year ended March 31, 2024, were \$2,472,000 and \$2,598,000, respectively.

The Endowment maintains a defined benefit cash balance plan (the "Plan") covering all employees with one year of service prior to 2022. The Plan is entirely funded by The Endowment. Under the Plan, each employee's account received an annual service credit equal to 8% of eligible wages for each year in which employees work more than 1,000 hours, with additional credits based on age. In addition, each employee's account receives an interest credit equal to the annual interest on US 20-year Treasury

bonds as of the last day of the previous Plan year, or 5%, if higher. At retirement, employees are paid their accumulated vested amount in the Plan, either as an annuity or lump sum, at their election. Upon termination of service, participants may withdraw or roll over their vested accumulated cash balance.

As of December 31, 2021, The Endowment amended the Plan document to freeze the defined benefit cash balance plan. Participants who were not fully vested at this date were brought to 100%. From this date forward, interest credits continue to accrue to participant balances; however, service credits have ceased.

The benefit cost for the year ending December 31, 2025, is estimated to be \$10,000. The Endowment's funding policy is to contribute amounts to the Plan sufficient to meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974 (ERISA), plus additional amounts as deemed to be appropriate. The Plan had no ERISA funding overage as of January 1, 2024 and no quarterly contributions needed for the 2024 Plan year. The Endowment may fulfill the quarterly contribution requirements either through cash contributions or the use of its ERISA prefunding balance.

In order to determine the expected long-term rate of return for the Plan's assets, The Endowment considered the historical performance of various asset classes, investment community forecasts, and current economic and market conditions.

The Plan's investment policy allows assets to be allocated to various asset classes, which include cash and liquid investments, income and equity investments, balanced investments, real estate and real estate trusts, and sector-based and alternative investments. The Plan's assets are invested with the goal of providing both a reasonable level of income and long-term growth of capital and income, along with achieving a broadly diversified holding of stocks and bonds.

The Plan's assets are invested in a variety of equity and fixed-income mutual funds as of December 31, 2024, composed of 70% fixed income, 23% equities, and 7% cash and cash equivalents and, as of March 31, 2024, composed of 67% fixed income, 24% equities, and 9% cash and cash equivalents.

The changes in accumulated postretirement benefit obligation, Plan's assets, and the amounts recognized in the financial statements are as follows as of December 31, 2024 and March 31, 2024, and for the period from April 1, 2024 to December 31, 2024 and year ended March 31, 2024 (in thousands of dollars):

	December 31, 2024	March 31, 2024
Projected benefit obligation—beginning of the period	\$ 20,980	\$ 22,248
Interest cost	792	1,007
Other assumption changes	(751)	(1,144)
Actuarial loss (gain)	55	(79)
Settlement	(1,111)	-
Benefits paid by employer	<u>(63)</u>	<u>(1,052)</u>
Projected benefit obligation—end of the period	<u><u>\$ 19,902</u></u>	<u><u>\$ 20,980</u></u>

	December 31, 2024	March 31, 2024
Fair value of Plan's assets—beginning of the period	\$ 22,319	\$ 21,925
Actual return on Plan's assets	981	1,525
Employer contributions	175	-
Expenses	(67)	(79)
Settlement	(1,111)	-
Benefits paid	<u>(63)</u>	<u>(1,052)</u>
 Fair value of Plan's assets—end of the period	 <u>\$ 22,234</u>	 <u>\$ 22,319</u>
 Funded status of the Plan	 <u>\$ 2,332</u>	 <u>\$ 1,339</u>
	December 31, 2024	March 31, 2024
Amounts recognized in the consolidated statements of financial position	<u>\$ 2,332</u>	<u>\$ 1,339</u>
Net asset	<u>\$ 2,332</u>	<u>\$ 1,339</u>
	December 31, 2024	March 31, 2024
Amounts recognized in net assets without donor restrictions:		
Net actuarial loss	<u>\$ 1,765</u>	<u>\$ 2,763</u>
Net amounts recognized in net assets without donor restrictions	<u>\$ 1,765</u>	<u>\$ 2,763</u>
	Period from April 1, 2024 to December 31, 2024	Year Ended March 31, December 31, 2024
Net periodic pension cost and amounts recognized in the change in net assets without donor restrictions:		
Interest cost	\$ 792	\$ 1,007
Expected return on Plan's assets	(740)	(1,072)
Amortization of prior service cost	-	-
Amortization of net loss	<u>29</u>	<u>167</u>
 Net periodic pension cost	 81	 102
Settlement charge	<u>99</u>	<u>-</u>
 Total pension expense	 <u>\$ 180</u>	 <u>\$ 102</u>

	Period from April 1, 2024 to December 31, 2024	Year Ended March 31, 2024
Pension-related changes other than net periodic pension cost:		
Net gain	\$ (899)	\$ (1,765)
Settlement charge	<u>(99)</u>	<u>-</u>
Total pension-related changes other than net periodic pension cost	<u><u>\$ (998)</u></u>	<u><u>\$ (1,765)</u></u>

There is no estimated prior service cost or actuarial gain/loss for the Plan that will be amortized from net assets without donor restrictions into net periodic benefit cost during the following fiscal year.

Weighted-average assumptions used to determine benefit obligations at December 31, 2024 and March 31, 2024, are as follows:

	December 31, 2024	March 31, 2024
Discounts	5.71 %	5.25 %
Cash balance interest crediting rate	5.00	5.00

Weighted-average assumptions used to determine net periodic pension costs at December 31, 2024 and March 31, 2024, are as follows:

	December 31, 2024	March 31, 2024
Discounts	5.25 %	4.63 %
Expected return on Plan's assets	4.60	5.00
Cash balance interest crediting rate	5.00	5.00

The estimated future benefit payments as of December 31, 2024, are as follows (in thousands of dollars):

**Years Ending
December 31**

2026	\$ 4,181
2027	1,018
2028	1,067
2029	664
2030	903
Years 2031 through 2035	6,967

The following table sets forth, by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2024 (in thousands of dollars):

	Level 1	Level 2	Level 3	NAV as Practical Expedient	Total
Equities	\$ -	\$ 5,106	\$ -	\$ -	\$ 5,106
Fixed income	-	15,604	-	-	15,604
Cash and cash equivalents	<u>1,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,524</u>
Total Plan assets	<u>\$ 1,524</u>	<u>\$ 20,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,234</u>

The following table sets forth, by level, within the fair value hierarchy, the Plan's assets at fair value as of March 31, 2024 (in thousands of dollars):

	Level 1	Level 2	Level 3	NAV as Practical Expedient	Total
Equities	\$ -	\$ 5,232	\$ -	\$ -	\$ 5,232
Fixed income	-	14,981	-	-	14,981
Cash and cash equivalents	<u>2,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,106</u>
Total Plan assets	<u>\$ 2,106</u>	<u>\$ 20,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,319</u>

15. ANALYSIS OF EXPENSES

The Endowment's expenses have been allocated between grantmaking, direct charitable, and operational support activities based on estimates made by The Endowment's management of time spent by employees on various activities. Grantmaking expenses pertain to the general grantmaking activities of The Endowment, such as reviewing proposals and awarding, monitoring, and evaluating grants. Direct charitable activities represent expenses incurred for the charitable benefit of others, initiated and conducted in whole or in part by The Endowment. Operational support expenses include costs related to managing The Endowment.

The Endowment's functional expenses, displayed by natural and functional expense classification, for the period from April 1, 2024 to December 31, 2024, were as follows (in thousands of dollars):

	Grantmaking Program	Direct Charitable Activities	General and Administrative	Total
Grants and contracts for program activities	\$ 116,365	\$ 5,936	\$ -	\$ 122,301
Salaries, benefits, and payroll taxes	14,037	1,980	6,386	22,403
Legal and accounting fees	683	319	370	1,372
Consulting and other professional fees	1,583	31	505	2,119
Depreciation	1,259	261	809	2,329
Occupancy	1,027	1,188	660	2,875
Travel, conference, and meetings	883	392	463	1,738
Information technology equipment, online services, and software	337	696	213	1,246
Interest	-	-	5,621	5,621
Taxes	-	-	11,254	11,254
Other expenses	<u>2,066</u>	<u>388</u>	<u>-</u>	<u>2,454</u>
 Total functional expenses	 <u>\$ 138,240</u>	 <u>\$ 11,191</u>	 <u>\$ 26,281</u>	 <u>\$ 175,712</u>

The Endowment's functional expenses, displayed by natural and functional expense classification, for the year ended March 31, 2024, were as follows (in thousands of dollars):

	Grantmaking Program	Direct Charitable Activities	General and Administrative	Total
Grants and contracts for program activities	\$ 172,452	\$ 9,662	\$ -	\$ 182,114
Salaries, benefits, and payroll taxes	16,607	2,502	8,550	27,659
Legal and accounting fees	513	587	217	1,317
Consulting and other professional fees	2,854	51	1,154	4,059
Depreciation	1,581	272	1,000	2,853
Occupancy	1,264	1,560	800	3,624
Travel, conference, and meetings	1,068	318	608	1,994
Information technology equipment, online services, and software	333	1,012	211	1,556
Interest	-	-	7,494	7,494
Taxes	-	-	(3,788)	(3,788)
Other expenses	<u>2,891</u>	<u>441</u>	<u>3</u>	<u>3,335</u>
 Total functional expenses	 <u>\$ 199,563</u>	 <u>\$ 16,405</u>	 <u>\$ 16,249</u>	 <u>\$ 232,217</u>

16. LIQUIDITY

The Endowment structures its financial assets to be available and liquid as its grants, general expenditures, liabilities, and other obligations become due. In addition to the available financial assets listed below, The Endowment has a LOC agreement of \$20 million, which can be drawn upon to meet near-term liquidity needs. There are likely to be additional components of The Endowment's investments that may be available and liquid within one year, which is not included in the table below. These components include certain portions of marketable alternatives as well as the return of capital from private equity, real estate, and real asset holdings. Although The Endowment does not intend to spend from these investments in the normal course of business, the amounts listed below could be made available if necessary.

The following table summarizes The Endowment's financial assets available for general expenditure and grant obligations within one year of December 31, 2024 and March 31, 2024 (in thousands of dollars):

	December 31, 2024	March 31, 2024
Cash and cash equivalents	\$ 221,603	\$ 236,765
Interest and dividends receivable	3,607	3,956
Investment sales receivable (included in other assets)	16,401	45,428
Investment purchases/fees payable (included in other liabilities)	(80,659)	(72,914)
Equities	1,266,763	1,335,445
Fixed income	258,940	270,291
Hedge funds	526,441	453,025
 Total available financial assets	 <u>\$2,213,096</u>	 <u>\$2,271,996</u>

17. RELATED PARTIES

In September 2009, the LLC engaged The Endowment to provide various management and administrative services, equipment, supplies, and other goods and services on its behalf under an administrative services agreement. Under the terms of the agreement, The Endowment shall be compensated annually by the LLC for \$1 and the agreement shall have a term of one year, with an automatic annual renewal, unless otherwise terminated by either party for cause. All intercompany balances and transactions have been eliminated from the financial statements.

The Endowment leases office space in its main building to certain tax-exempt organizations that may also be recipients of various grants awarded by The Endowment. Receivables from such leasing arrangements are not considered material and are not separately disclosed in the financial statements.

18. SUBSEQUENT EVENTS

The Endowment has evaluated subsequent events to assess the need for potential recognition or disclosure in the financial statements through June 26, 2025, the date the financial statements were available to be issued, and believes no additional disclosures are required in the financial statements.

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