Candid

Financial Statements

December 31, 2021 and 2020

Independent Auditors' Report

The Board of Trustees
Candid

Opinion

We have audited the accompanying financial statements of Candid, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Candid as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Candid 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.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Candid's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility 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 auditors' 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 the 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 Candid's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Candid'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.

May 11, 2022

Candid

Statements of Financial Position

	December 31, 2021	December 31, 2020
ASSETS		
Cash	$ 2,843,402	$ 1,047,958
Restricted cash - letter of credit	542,122	542,122
Investments (note 5)	70,046,423	50,544,016
Accounts and grants receivable, net (note 6)	3,258,438	6,147,752
Prepaid expenses and other assets	547,603	536,139
Property and equipment, net (note 7)	10,768,050	10,418,451
	$ 88,006,038	$ 69,236,438
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 3,458,679	$ 1,732,239
Deferred revenue	13,271,662	11,813,951
Deferred rent (note 10)	3,364,923	3,643,339
Postretirement healthcare benefits (note 9)	1,333,411	1,606,597
Total Liabilities	21,428,675	18,796,126
Net Assets		
Without donor restrictions (note 11)	58,417,640	34,456,131
With donor restrictions (notes 11 and 12)	8,159,723	15,984,181
Total Net Assets	66,577,363	50,440,312
	$ 88,006,038	$ 69,236,438

See notes to financial statements

Statement of Activities
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE			
Foundation and corporate contributions	$ 17,687,625	$ 5,984,799	$ 23,672,424
Product revenues	31,034,819	-	31,034,819
Program service and other fees	423,640	-	423,640
Rental income	20,000	-	20,000
	49,166,084	5,984,799	55,150,883
Net asset released from restrictions	14,364,315	(14,364,315)	-
Total Operating Revenue	63,530,399	(8,379,516)	55,150,883
OPERATING EXPENSES			
Program Services			
Data collection and publications	20,108,910	-	20,108,910
Library/learning centers and other public services	10,273,894	-	10,273,894
Research and other programs	2,420,688	-	2,420,688
Total Program Services	32,803,492	-	32,803,492
Supporting Services			
General and administrative	9,655,520	-	9,655,520
Fundraising	1,272,106	-	1,272,106
Total Supporting Services	10,927,626	-	10,927,626
Total Operating Expenses	43,731,118	-	43,731,118
Excess (Deficiency) of Operating Revenue Over Operating Expenses	19,799,281	(8,379,516)	11,419,765
NON-OPERATING ACTIVITIES			
Investment return (notes 5 and 12)	4,027,538	555,058	4,582,596
Loss on the disposal of property and equipment	(98,042)	-	(98,042)
Postretirement changes other than net periodic benefit cost (note 9)	232,732	-	232,732
Total Non-Operating Activities	4,162,228	555,058	4,717,286
Change in Net Assets	23,961,509	(7,824,458)	16,137,051
NET ASSETS			
Beginning of year	34,456,131	15,984,181	50,440,312
Ended of year	$ 58,417,640	$ 8,159,723	$ 66,577,363

See notes to financial statements

Candid

Statement of Activities
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE			
Foundation and corporate contributions	$ 4,206,570	$ 8,124,551	$ 12,331,121
Product revenues	29,103,808	-	29,103,808
Program service and other fees	1,368,729	-	1,368,729
Rental income	245,518	-	245,518
	34,924,625	8,124,551	43,049,176
Net asset released from restrictions	13,059,113	(13,059,113)	-
Total Operating Revenue	47,983,738	(4,934,562)	43,049,176
OPERATING EXPENSES			
Program Services			
Data collection and publications	20,146,629	-	20,146,629
Library/learning centers and other public services	7,325,428	-	7,325,428
Research and other programs	4,456,782	-	4,456,782
Total Program Services	31,928,839	-	31,928,839
Supporting Services			
General and administrative	7,511,027	-	7,511,027
Fundraising	1,245,596	-	1,245,596
Total Supporting Services	8,756,623	-	8,756,623
Total Operating Expenses	40,685,462	-	40,685,462
Excess (Deficiency) of Operating Revenue Over Operating Expenses	7,298,276	(4,934,562)	2,363,714
NON-OPERATING ACTIVITIES			
Investment return (notes 5 and 12)	1,436,488	472,425	1,908,913
Business acquisition	624,565	-	624,565
Postretirement changes other than net periodic benefit cost (note 9)	71,353	-	71,353
Total Non-Operating Activities	2,132,406	472,425	2,604,831
Change in Net Assets	9,430,682	(4,462,137)	4,968,545
NET ASSETS			
Beginning of year	25,025,449	20,446,318	45,471,767
Ended of year	$ 34,456,131	$ 15,984,181	$ 50,440,312

See notes to financial statements

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Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services						
	Data Collection and Publications	Library/Learning Centers and Other Public Services	Research and Other Programs	Total Program Services	General and Administrative	Fundraising	Total
PERSONNEL COSTS							
Salaries and benefits	$ 13,265,140	$ 7,241,242	$ 1,896,361	$ 22,402,743	$ 4,720,109	$ 1,015,615	$ 28,138,467
OTHER THAN PERSONNEL COSTS							
Advertising	731,738	70,930	-	802,668	750	-	803,418
Computer hardware and supplies	1,495,762	661,538	151,920	2,309,220	769,947	74,282	3,153,449
Depreciation	1,079,077	551,314	129,898	1,760,289	651,198	68,263	2,479,750
Equipment rental and leases	11,723	5,989	1,411	19,123	7,074	742	26,939
Insurance	57,333	29,292	6,902	93,527	34,599	3,627	131,753
Bad debt expense and bank charges	401,475	754	178	402,407	575,550	93	978,050
Member and registration fees	34,342	123,336	4,552	162,230	277,637	604	440,471
Other	69,739	58,358	8,320	136,417	597,660	4,463	738,540
Printing and postage	11,688	8,166	610	20,464	4,076	320	24,860
Professional fees / contracted services	1,694,235	862,440	65,022	2,621,697	1,227,895	11,851	3,861,443
Rent and related costs	1,123,949	574,230	135,300	1,833,479	678,096	71,102	2,582,677
Travel and entertainment	31,091	28,200	7,490	66,781	57,879	15,164	139,824
Utilities and telephone	101,618	58,105	12,724	172,447	53,050	5,980	231,477
Total Operating Expenses	$ 20,108,910	$ 10,273,894	$ 2,420,688	$ 32,803,492	$ 9,655,520	$ 1,272,106	$ 43,731,118

See notes to financial statements

Candid

Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services						
	Data Collection and Publications	Library/Learning Centers and Other Public Services	Research and Other Programs	Total Program Services	General and Administrative	Fundraising	Total
PERSONNEL COSTS							
Salaries and benefits	$ 13,132,029	$ 5,348,478	$ 3,554,564	$ 22,035,071	$ 2,864,848	$ 948,283	$ 25,848,202
OTHER THAN PERSONNEL COSTS							
Advertising	664,154	35,144	3,685	702,983	15,273	1,296	719,552
Computer hardware and supplies	1,374,382	362,206	213,059	1,949,647	752,313	67,745	2,769,705
Depreciation	1,129,754	410,808	249,872	1,790,434	825,691	88,722	2,704,847
Equipment rental and leases	48	1,385	-	1,433	31,166	-	32,599
Insurance	-	-	-	-	163,988	-	163,988
Bad debt expense and bank charges	1,422,410	-	-	1,422,410	54,809	-	1,477,219
Member and registration fees	103,275	163,721	9,825	276,821	51,243	3,615	331,679
Other	306,940	111,611	67,887	486,438	279,676	24,103	790,217
Printing and postage	7,364	16,486	3,125	26,975	16,580	69	43,624
Professional fees / contracted services	903,590	333,192	116,669	1,353,451	1,456,651	24,726	2,834,828
Rent and related costs	948,476	344,890	209,778	1,503,144	764,867	74,486	2,342,497
Supplies	-	44,712	-	44,712	43,239	-	87,951
Travel and entertainment	51,194	102,418	7,549	161,161	118,168	5,489	284,818
Utilities and telephone	103,013	50,377	20,769	174,159	72,515	7,062	253,736
Total Operating Expenses	$ 20,146,629	$ 7,325,428	$ 4,456,782	$ 31,928,839	$ 7,511,027	$ 1,245,596	$ 40,685,462

Candid

Statements of Cash Flows

	For the Years Ended December 31, 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 16,137,051	$ 4,968,545
Adjustments to reconcile change in net assets to net cash from operating activities		
Postretirement changes other than net periodic benefit cost	(232,732)	(71,353)
Depreciation and amortization	2,479,750	2,704,847
Goodwill	-	348,561
Bad debt expense	400,000	1,000,000
Deferred rent	(278,416)	(220,489)
Loss on disposal of property and equipment	98,042	-
Realized and unrealized gains on investments	(4,580,723)	(1,860,883)
Changes in operating assets and liabilities, net of acquisition in 2020		
Accounts and grants receivable	2,489,314	2,280,356
Prepaid expenses and other assets	(11,464)	970,105
Accounts payable and accrued expenses	1,726,440	(1,785,513)
Deferred revenue	1,457,711	245,699
Accumulated postretirement benefit obligation	(40,454)	(31,311)
Net Cash from Operating Activities	19,644,519	8,548,564
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(42,478,810)	(10,151,905)
Proceeds from sale of investments	27,557,126	4,894,000
Acquisition of property and equipment	(2,927,391)	(4,670,941)
Net Cash from Investing Activities	(17,849,075)	(9,928,846)
Net Change in Cash and Restricted Cash	1,795,444	(1,380,282)
CASH AND RESTRICTED CASH		
Beginning of year	1,590,080	2,970,362
End of year	$ 3,385,524	$ 1,590,080

See notes to financial statements

1. Organization and Tax Status

Candid (the "Organization") is a not-for-profit organization exempt from United States federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization that is not a private foundation. Candid's mission is to get you the information you need to do good. Every year, millions of nonprofits spend trillions of dollars around the world. Candid finds out where that money comes from, where it goes, and why it matters. Through research, collaboration, and training, Candid connects people who want to change the world to the resources they need to do it. Candid's data tools on nonprofits, foundations, and grants are the most comprehensive in the world.

Candid has offices in New York, Williamsburg, Washington, D.C., Atlanta and Cleveland, as well as data and research partners in Asia, Africa, Europe, and Latin America.

2. Summary of Significant Accounting Policies

Basis of Presentation Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Net Asset Classifications

Candid reports information regarding financial position and activities according to two classes of net assets: without and with donor restrictions.

Without donor restrictions - Resources that are fully available at the discretion of management and the Board of Trustees (the "Board"), for use in activities within Candid's charter and mission. The Board has designated a portion of Candid's net assets for various purposes. Board-designated net assets consist of endowments within Candid's institutional funds that donors do not require to be held in perpetuity and related investment income, or asset appreciation, that have been designated by the Board for long-term investment and other purposes.

With donor restrictions - Represent amounts restricted by donors to be used for specific activities or at some future date, or which require Candid to maintain in perpetuity, including funds that are subject to restrictions or gift instruments requiring that the principal be invested in perpetuity and the income be used for specific or general purposes. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Income and gains earned on endowment fund investments are available to be used in the "without donor restrictions" or "with donor restrictions" net asset classes based upon stipulations by the donors.

2. Summary of Significant Accounting Policies *(continued)*

Functional Allocation of Expenses

The financial statements report categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Candid's program expenses include Data Collection and Publications, Library/Learning Centers and Other Public Services, and Research and Other Programs. Candid's supporting services expenses include general and administrative and fundraising. Expenses reported by functional categories include allocations of costs for operations and depreciation and amortization expense. Candid allocates costs among the program and supporting functions based on the total salaries per program.

Cash

Candid considers all liquid investments purchased with a remaining maturity of three months or less to be cash equivalents, with the exception of those money market funds which are included in investments.

Restricted Cash

Restricted cash consists of cash set aside as collateral under the terms of the letter of credit agreement related to a lease agreement. Cash and restricted cash consists of the following at December 31:

	2021	2020
Cash	$ 2,843,402	$ 1,047,958
Restricted cash	542,122	542,122
Total Cash and Restricted Cash Shown on the Statements of Cash Flows	$ 3,385,524	$ 1,590,080

Fair Value Measurements

Candid follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Candid follows U.S. GAAP guidance which removed the requirements to categorize within the fair value hierarchy alternative investments where fair value is measured using net asset value ("NAV") as a practical expedient.

2. Summary of Significant Accounting Policies *(continued)*

Investments Valuation and Income Recognition

Investments are stated at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized gains and losses on the sale of investments are computed on the average cost basis. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Investment Risks and Uncertainties

Alternative investments consist of non-traditional, not readily marketable investments, some of which may be structured as offshore limited partnerships, venture capital funds, hedge funds, private equity funds and common trust funds. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees' financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

Accounts Receivable

Accounts receivable represent subscription and other charges earned but not yet collected. Accounts receivables are presented net of allowances for doubtful accounts. Interest is not accrued or recorded on outstanding receivables.

Grants Receivable

Revenue is recognized by Candid when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to Candid. Unconditional promises to give are recorded at net realizable value. Promises to contribute that are open-ended and subject to conditions by a potential donor are not recognized until the conditions imposed by the donor are satisfied.

Contributions received are reported as without donor restrictions unless the gift was received with donor stipulations that limit the use of the donated amount and as such, are recognized as with donor restrictions.

2. Summary of Significant Accounting Policies *(continued)*

Allowance for Accounts Doubtful for Collection

Candid determines whether an allowance for uncollectible balances should be provided for grants and accounts receivable. Such estimates are based on management's assessment of the aged basis of its receivables, current economic conditions, subsequent receipts and historical information. Grants and accounts receivable are written off when all reasonable collection efforts have been exhausted. The allowance for doubtful accounts was $1,231,402 and $1,096,513 at December 31, 2021 and 2020.

Property and Equipment

Candid follows the practice of capitalizing all expenditures for property and equipment with a useful life greater than one year and a cost greater than $5,000. Assets are recorded at cost or in the case of gift, at the fair value at the date of the gift. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Furniture and equipment	10 years
Computer hardware	5 years
Capitalized software	3 – 10 years

Leasehold improvements are amortized over the shorter of the remaining term of the leases or useful lives. Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is identified. If the carrying amount for the asset is not recoverable, the asset is written down to the fair value. Management concluded there were no asset impairments for the years ended December 31, 2021 and 2020.

Revenue Recognition

Subscription fees are recognized on a straight line basis as revenue during the applicable subscription period. Subscription fees paid in advance are classified to their related product deferred revenue account. Revenues derived from knowledge services are recognized when the related service or sale takes place. Revenues from rental income and other charges to residents are recognized in the month earned.

Leases

Leases are classified as operating or capital leases in accordance with the terms of the underlying agreements. Capital leases are recorded at the lower of the fair value of the assets or the present value of the minimum lease payments and are amortized over the lease term or estimated useful life of the assets, whichever is shorter, unless the lease provides for transfer of title or includes a bargain purchase option, in which case the asset is amortized over the estimated useful life of the asset. Operating lease payments are charged to rental expenses on a straight-line basis with the difference between cash payments and the straight-line amount recorded to deferred rent.

2. Summary of Significant Accounting Policies *(continued)*

Acquisitions

U.S. GAAP requires that the cost of acquired businesses be allocated to all identifiable assets and liabilities at the date of acquisition based on their estimated fair values. These allocations are based on fair value of similar business using level 3 inputs.

Advertising

Advertising costs are expensed as incurred and totaled $803,418 and $719,522 in 2021 and 2020.

Measure of Operations

Candid has elected to present their activities as either operating or non-operating in its statements of activities. Accordingly, items affecting operations are segregated from those not affecting operations. In addition, investment returns and postretirement changes other than net periodic benefit cost are treated as non-operating.

Accounting for Uncertainty in Income Taxes

Candid recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that Candid had no uncertain tax positions that would require financial statement recognition or disclosure. Candid is no longer subject to examination by the applicable jurisdictions for periods prior to December 31, 2018.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is May 11, 2022.

3. Acquisitions

On February 1, 2019, the Organization acquired certain assets and liabilities of GuideStar (a separate corporation) for $0 in cash, which was accounted for using the acquisition method of accounting. Accordingly, the purchase price has been allocated to the fair value of the assets and liabilities assumed.

3. Acquisitions *(continued)*

The following summarizes the estimated fair value of the assets acquired and liabilities assumed as of February 1, 2019:

Cash	$ 700,000
Accounts receivable, net	1,102,364
Grants receivable	950,000
Other assets	175,730
Property and equipment, net	912,081
Accounts payable, accrued expenses and other liabilities	(34,984)
Deferred revenue	(4,232,001)
Net Assets Acquired at Fair Value	(426,810)
Goodwill	426,810
Total Purchase Price	$ -

In accordance with the terms of the asset transfer agreement, during fiscal year 2020, the remaining cash from Legacy GuideStar was transferred to Candid. As such, the goodwill amount recognized in 2019 was relieved and the remaining amount was reported as a transfer related to acquired operations on the statement of activities for the year ended December 31, 2020.

4. Concentration of Credit Risk

Candid maintains cash in bank accounts which at times may exceed federally insured limits. This potentially subjects Candid to a concentration of credit risk. Candid has not experienced any losses in such accounts. Concentrations of credit risk with respect to receivables are generally diversified. Candid invests its assets in an equity fund and a bond fund which include a variety of securities such as domestic and international equities, fixed income securities and hedge funds. Candid routinely assesses the diversification and financial strength of its cash and investment portfolio with the assistance of an independent investment consultant.

Canid has a concentration of credit risk with respect to the volume of contributions received from a specific donor. For the year ended December 31, 2021, one donor accounted for 63% of Candid’s total contributions received.

5. Investments

Investments at December 31 are as follows:

	2021	
	Investments Valued Using NAV*	Total
Multi-strategy equity fund	$ 36,371,181	$ 36,371,181
Multi-strategy bond fund	12,670,010	12,670,010
Total Investments Measured at Fair Value	$ 49,041,191	49,041,191
Money market funds, at cost		21,005,232
Total Investments		$ 70,046,423

	2020	
	Investments Valued Using NAV*	Total
Multi-strategy equity fund	$ 15,110,765	$ 15,110,765
Multi-strategy bond fund	5,501,329	5,501,329
Total Investments Measured at Fair Value	$ 20,612,094	20,612,094
Money market funds, at cost		29,931,922
Total Investments		$ 50,544,016

(*) As discussed in Note 2, investments that are measured using the practical expedient are not classified within the fair value hierarchy.

The Board has approved an annual spending rate of up to 4.5% of the average fair value of the investments managed by the investment manager at the end of the three preceding years. The actual spending rate for the years ended December 31, 2021 and 2020 was 0%.

5. Investments *(continued)*

The composition of investment return as reported in the statements of activities for the years ended December 31, was as follows:

	2021	2020
Interest and dividends	$ 1,873	$ 48,030
Unrealized and realized gains	4,580,723	1,860,883
Total Return on Investments	$ 4,582,596	$ 1,908,913

Information regarding alternative investments valued at NAV using the practical expedient at December 31, 2021 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Funds				
Multi-strategy equity fund - see "a" below	$36,371,181	$ -	N/A	6 business days
Bond Funds				
Multi-strategy bond fund - see "b" below	12,670,010	-	N/A	6 business days
	$49,041,191	$ -		

a. The multi-strategy equity fund invests directly or indirectly in a portfolio of common stocks and securities convertible into common stocks of U.S. companies. Additionally, the multi-strategy equity fund seeks to diversify its portfolio by allocating assets to common stocks and other equity securities of foreign companies in both developed and emerging markets.

b. The multi-strategy bond fund invests directly or indirectly in dollar-denominated investment grade bonds and other fixed income securities in an attempt to outperform the broad U.S. bond market. The multi-strategy bond fund seeks to diversify its portfolio by allocating assets to other fixed income securities and strategies, including but not limited to global bonds, inflation indexed bonds, high yield bonds, emerging markets debt and opportunistic fixed income strategies.

The underlying securities in the funds are primarily marketable.

6. Accounts and Grants Receivables

Accounts and grants receivables consist of the following at December 31:

	2021	2020
Grants receivable, due to be collected as follows:		
Due within one year	$ 599,548	$ 2,897,207
Due within two to five years	298,334	25,000
Other receivables	3,591,958	4,340,058
	4,489,840	7,262,265
Allowance for doubtful accounts	(1,231,402)	(1,096,513)
	$ 3,258,438	$ 6,165,752

7. Property and Equipment

Property and equipment consists of the following at December 31:

	2021	2020
Computer hardware	$ 90,875	$ 7,038,277
Furniture and equipment	1,158,036	3,961,202
Leasehold improvements	5,170,273	6,141,185
Capitalized software	17,677,719	18,737,267
Construction in progress	2,011,429	-
	26,108,332	35,877,931
Less accumulated depreciation	(15,340,282)	(25,459,480)
	$ 10,768,050	$10,418,451

During the year ended December 31, 2021, property and equipment with a cost of $12,696,991 were disposed of and resulted in a loss of $98,042. Depreciation expense amounted to $2,479,750 and $2,704,847 for 2021 and 2020. Construction in progress costs consist of database integration.

8. Retirement Benefits

Candid has a defined contribution group annuity pension plan, which provides for the option of voluntary employee contributions and covers all employees who meet minimum age and service requirements. Candid matches 50% of an employee's contribution up to a maximum of 2.5% of the employee's salary. Pension costs are funded when accrued, and benefits vest upon contribution to the plan. Total cost of the plan for the years ended December 31, 2021 and 2020 approximated $1,610,000 and $1,710,000.

8. Retirement Benefits *(continued)*

Candid has adopted a retirement plan under the Internal Revenue Code Sections 457(b) and 457(f) for its senior executives which allows the employees to make contributions to such plans. Candid does not contribute to the plan and the assets are held by a third party administrator.

9. Postretirement Healthcare Benefits

Candid sponsors an unfunded postretirement healthcare plan that covers former employees who met certain eligibility requirements. Candid chose to enroll eligible retirees into a Medicare Advantage Plan. Candid's postretirement healthcare benefits program has been terminated with respect to individuals whose Candid employment terminated on or after November 1, 2009, except for individuals who elected to participate in, and retire under, Candid's Voluntary Early Retirement Program (VERP), and who satisfy the VERP's requirements for retiree health benefits. These individuals remain eligible for health benefits after retirement from Candid, in accordance with and subject to Candid's retiree health program terms, even if their employment terminated after November 1, 2009.

Candid records annual amounts relating to the plan based on calculations that incorporate various actuarial and other assumptions including discount rates, mortality, assumed rates of return, and healthcare cost trend rates. Candid reviews its assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends when it is appropriate to do so. The effect of modifications to these assumptions is recorded as a charge to net assets without donor restrictions and amortized to net periodic cost over future periods using the corridor method. Candid believes that the assumptions utilized in recording its obligation under its plan are reasonable based on its experience and market conditions.

Candid recognizes the unfunded status of its defined benefit postretirement plan on a net basis as a liability and recognizes changes in that unfunded status in the year in which the changes occur through a charge to net assets without donor restrictions to the extent those changes are not included in net periodic benefit cost. The funded status is reported on the statements of financial position as the difference between the fair value of plan assets and the benefit obligation.

9. Postretirement Healthcare Benefits *(continued)*

Information with respect to this plan as of and for the years ended December 31 is as follows:

	2021	2020
Change in benefit obligation		
Benefit obligation at beginning of year	$ 1,606,597	$ 1,709,261
Interest cost	29,007	46,433
Actuarial gain	(232,732)	(71,353)
Benefits paid	(69,461)	(77,744)
Benefit obligation at end of year	1,333,411	1,606,597
Change in plan assets		
Fair value of plan assets at beginning of year	-	-
Employer contributions	69,461	77,744
Benefits paid	(69,461)	(77,744)
Fair value of plan assets at end of year	-	-
Funded status at end of year	$ (1,333,411)	$ (1,606,597)

Other changes in plan assets and benefit obligation recognized in changes in net assets without donor restrictions are as follows:

	2021	2020
Net periodic cost		
Interest cost	$ 29,007	$ 46,433
Amortization of loss	-	2,687
	29,007	49,120
Net actuarial gain	(232,732)	(71,353)
Total recognized in net periodic postretirement benefit cost and net assets without donor restrictions	$ (203,725)	$ (22,233)

9. Postretirement Healthcare Benefits *(continued)*

The estimated service cost, interest cost and prior service and experience loss that will be amortized from net assets without donor restrictions into net periodic benefit cost over the next fiscal year is as follows:

Unrecognized net actuarial loss	$ 7,669

	2021	2020
Weighted average assumptions as of the measurement date		
Discount rate - benefit obligation	2.51%	2.08%
Discount rate - net periodic benefit cost	2.08%	2.97%
Assumed healthcare cost trend rates		
Healthcare cost trend rate assumed for next year	5.00%	6.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year that the rate reaches the ultimate trend	2022	2022

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plan. A one-percentage-point change in assumed healthcare cost trend rates would have the following effects:

	1% point increase	1% point decrease
Effect in total of service and interest cost components	$ 3,424	$ (2,947)
Effect on accumulated postretirement benefit obligation	158,427	(136,566)

Projected payments to retired participants over the next 10 years, which reflect expected future service, are as follows:

2022	$ 71,710
2023	73,168
2024	74,470
2025	75,593
2026	76,512
2027-2031	387,899
	$ 759,352

10. Lease Commitments

Candid occupies office facilities in New York City, Williamsburg, Washington, D.C., Atlanta and Cleveland under various lease agreements that expire at various dates through 2030. Future minimum annual rental payments under the lease agreements at December 31, 2021 are as follows:

	Rental Payments
2022	$ 2,292,246
2023	2,304,368
2024	2,085,671
2025	2,046,477
2026	2,207,975
Thereafter	2,120,360
	$ 13,057,097

Rent expense was approximately $2,291,000 and $2,343,000 in 2021 and 2020.

Certain leases include scheduled rent increases that have been recognized on a straight-line basis over the term of the lease. The accumulated difference between rent expense and cash payments is included as deferred rent in the accompanying statements of financial position. Candid received an incentive payment of $2,807,418 for leasehold improvements as part of its New York City lease which it is recognizing as a reduction of rental expense over the term of the lease. The unamortized balance of the incentive payment is also included as deferred rent in the accompanying statements of financial position.

In connection with the existing New York City lease, Candid maintains a letter of credit in the amount of $542,122 at December 31, 2021 and 2020. There were no amounts outstanding under this letter of credit during 2021 and 2020.

11. Net Assets

Net Assets without Donor Restrictions

The Board of Trustees of Candid has designated certain assets without donor restrictions (see note 12).

Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31 are restricted for the following purposes:

	2021	2020
Time or Purpose Restricted		
Library/learning centers and other public services	$ 604,121	$ 523,370
Research and other programs	339,101	1,099,415
Regional support	92,500	-
Integration campaign	750,377	8,613,412
Future periods	1,035,304	876,667
Public education	1,753,383	1,549,873
General purpose endowment	1,870,937	1,607,444
Total Time or Purpose Restrictions	6,445,723	14,270,181
Held in Perpetuity		
General Purpose	1,000,000	1,000,000
New York Library	250,000	250,000
Public Education	464,000	464,000
	$ 8,159,723	$ 15,984,181

Candid has three endowments restricted in perpetuity: general endowment, library acquisition endowment, and public education endowment.

The general endowment fund was established in 1996. The income from this endowment is without donor restrictions and used for general purposes in accordance with Candid's spending policy. Income earned beyond the spending policy limit is classified as with donor restrictions until appropriated by the Board.

The library acquisitions endowment fund was created to provide support for acquisitions for Candid's New York library. Income from the library acquisitions endowment is classified as with donor restrictions.

The public education endowment fund was created to provide support for Candid's public education programs. Income from the public education endowment is classified as with donor restrictions.

11. Net Assets *(continued)*

Net Assets with Donor Restrictions (continued)

During fiscal years 2021 and 2020, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by the donors as follows:

	2021	2020
Data collection and publications	$ -	$ 6,113
Regional support	540,800	748,350
Research and other programs	1,258,814	1,176,775
Integration campaign	11,713,035	9,104,543
Future periods	851,666	2,023,332
	$ 14,364,315	$ 13,059,113

12. Endowment

Interpretation of Relevant Law

The Board has interpreted the New York Prudent Management of Institutional Funds Act (“NYPMIFA”) as requiring the preservation of the value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Candid classified as net assets restricted in perpetuity (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations of investment returns to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets restricted in perpetuity is classified as time or purpose restricted until those amounts are appropriated for expenditure by Candid in a manner consistent with the standard of prudence prescribed by NYPMIFA.

Return Objectives, Strategies Employed and Spending Policy

The objective of Candid’s endowment is to maintain the principal endowment funds at the original amount designated by the donor. The investment policy to achieve this objective is to invest in a balanced portfolio. Interest earned in relation to the endowment funds is reported as time or purpose restricted income. Time or purpose restricted income funds are reduced by the spending allocation reported as transferred to the current operating budget.

The primary objective of Candid’s investment policy is to produce optimal long-range total return on its funds without assuming inappropriate risk and commensurate with applicable legal requirements and sound investment principles.

12. Endowment *(continued)*

Return Objectives, Strategies Employed and Spending Policy (continued)

The absolute performance objective of Candid's investment portfolio is an average total annual real return (net of inflation) of 4.5%. The intent of this objective is to preserve over time the principal value of assets as measured in real, inflation-adjusted terms.

Candid's investments consist of expendable and endowed funds. The spending policy for Candid's portfolio established by the Board permits 4.5% of the average market value of the portfolio over the prior three years to be withdrawn from the accounts, with the understanding that this spending rate plus inflation will not normally exceed total return from investment.

The composition of Candid's board-designated and donor-restricted endowment by net asset class and reconciliation of the beginning and ending balances at December 31 are as follows:

	2021			
	Board Designated	Time or Purpose Restricted	Held in Perpetuity	Total
Balance at December 31, 2020	$ 17,015,532	$ 3,679,319	$ 1,714,000	$ 22,408,851
Interest, dividends and fees	(46,347)	(2,903)	-	(49,250)
Net appreciation in fair value of investments	4,025,665	555,058	-	4,580,723
Balance at December 31, 2021	$ 20,994,850	$ 4,231,474	$ 1,714,000	$ 26,940,324

	2020			
	Board Designated	Time or Purpose Restricted	Held in Perpetuity	Total
Balance at December 31, 2019	$ 15,653,766	$ 3,211,072	$ 1,714,000	$ 20,578,838
Interest and dividends	(26,692)	(4,178)	-	(30,870)
Net appreciation in fair value of investments	1,388,458	472,425	-	1,860,883
Balance at December 31, 2020	$ 17,015,532	$ 3,679,319	$ 1,714,000	$ 22,408,851

Funds with Deficiencies

Due to unfavorable market fluctuations, from time to time the fair value of assets associated with individual donor-restricted endowment funds may decline below historic dollar value of the donor's original permanently restricted contribution. Candid is not aware of any funds with deficiencies as of December 31, 2021 and 2020.

13. Liquidity and Availability of Financial Assets

The following reflects Candid's financial assets as of December 31 reduced by amounts not available for general use within one year of that date because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside for operating and other revenues that could be drawn upon with Board approval.

13. Liquidity and Availability of Financial Assets *(continued)*

	2021	2020
Financial assets:		
Cash	$ 2,843,402	$ 1,047,958
Restricted cash - letter of credit	542,122	542,122
Accounts and grants receivable, net	3,258,438	6,147,752
Investment	70,046,423	50,544,016
Total financial assets	76,690,385	58,281,848
Less: Contractual or donor imposed restrictions amounts		
Restricted cash - letter of credit	542,122	542,122
Accounts and grants receivable, net - Due in future years	298,334	25,000
Restricted by donor with time or purpose restrictions	1,915,915	10,565,862
Endowment funds:		
Board designated reserve fund	20,994,850	17,015,532
Donor restricted endowment funds	5,945,474	5,393,319
	29,696,695	33,541,835
Financial assets available to meet general expenditures over the next twelve months	$ 46,993,690	$ 24,740,013

Candid's working capital and cash flows are driven by the revenue streams of online products, knowledge services and general contributions. Candid receives funds in advance for certain types of memberships throughout the year, which is amortized according to the structure of the membership terms. Candid has a goal to maintain financial assets, which consist of cash and investments, on hand to meet normal operating expenses, which were, on average, approximately $3,187,000 and $3,116,000 per month for fiscal years 2021 and 2020. Candid has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, as part of its liquidity management, Candid invests cash in excess of daily requirements in various short-term investments.

Candid's endowment funds consist of funds designated by the Board as endowments and donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. As part of Candid's liquidity management, Candid strives to maintain funds in accessible accounts to cover operating expenses. At December 31, 2021, Candid's board-designated endowment of $20,994,850 is subject to an annual spending rate of up to 4.5**%** as described in Note 12. Candid does not intend to spend from the board-designated endowment, other than amounts appropriated for general expenditure as part of the annual budget approval and appropriation.

14. Risks and Uncertainties

The ongoing Coronavirus pandemic has resulted in substantial volatility in the global economy. The pandemic may potentially have an adverse effect on the results of operations. While management has implemented measures to mitigate the impact of the pandemic, the extent to which Candid's operations are impacted will depend on future developments, which are highly uncertain and cannot be predicted. As a result, management cannot reasonably estimate the overall impact of the Coronavirus pandemic to Candid's future results of operations, cash flows, or financial condition.

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