

WALTER AND ELISE HAAS FUND

DECEMBER 31, 2022 AND 2021

INDEPENDENT AUDITORS' REPORT,
FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION

Walter and Elise Haas Fund

Independent Auditors' Report, Financial Statements and Supplemental Information

Independent Auditors' Report	1 - 3
-------------------------------------	-------

Financial Statements

Statements of Financial Position	4
Statements of Changes in Net Assets	5
Statements of Cash Flows	6
Notes to the Financial Statements	7 - 18

Supplemental Information

Schedule 1 - Supplemental Schedule of Investments	19
Schedule 2 - Supplemental Schedule of Grant Expense by Sector	20



A Century Strong

Independent Auditors' Report

THE BOARD OF TRUSTEES
WALTER AND ELISE HAAS FUND
San Francisco, California

Opinion

We have audited the financial statements of the **WALTER AND ELISE HAAS FUND (the Fund)**, which comprise the statements of financial position as of December 31, 2022 and 2021, the related statements of changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2022 and 2021, 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund 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 Fund's ability to continue as a going concern for one year from the date of this report.

Auditors' 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 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 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 Fund'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 Fund'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.

Supplementary Information

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

Hood & Strong LLP

San Francisco, California
September 11, 2023

Walter and Elise Haas Fund

Statements of Financial Position

<i>December 31,</i>	2022	2021
Assets		
Cash	\$ 1,270,133	\$ 2,602,003
Receivables:		
Investments in transit	3,273,887	2,875,375
Investments	235,175,380	284,815,174
Property and equipment, net	338,312	399,779
Operating lease right-of-use asset	707,850	-
Other assets	123,601	81,088
Total assets	\$ 240,889,163	\$ 290,773,419
Liabilities and Net Assets		
Liabilities:		
Creative Work Fund	\$ 322,416	\$ 315,000
Accounts payable and accrued expenses	675,923	613,129
Lease liability	843,805	-
Deferred taxes	380,619	1,357,430
Total liabilities	2,222,763	2,285,559
Net Assets Without Donor Restriction	238,666,400	288,487,860
Total liabilities and net assets	\$ 240,889,163	\$ 290,773,419

See accompanying notes to the financial statements.

Walter and Elise Haas Fund

Statements of Changes in Net Assets

<i>December 31,</i>	2022	2021
Net Investment (Loss) Income:		
Dividends, interest and partnership income	\$ 4,432,024	\$ 15,979,264
Net gain (loss) on investments:		
Realized	31,895,948	11,438,328
Unrealized	(70,274,180)	18,194,730
Other income	1,153	917
Investment management and related fees	(703,805)	(1,113,138)
Net investment (loss) income before excise & income taxes	(34,648,860)	44,500,101
Federal excise and income tax benefit (expense)	461,811	(596,907)
Net investment (loss) income	(34,187,049)	43,903,194
Expenses:		
Grant activities:		
Grants	12,437,941	13,923,692
Salaries, benefits and taxes	1,564,036	1,475,949
Occupancy costs	382,508	339,389
Professional services	185,438	219,989
Depreciation	60,398	58,925
Direct charitable expense	28,886	31,598
	14,659,207	16,049,542
Management and general:		
Salaries, benefits and taxes	493,906	466,089
Occupancy costs	100,265	96,108
Professional services	363,423	366,122
Depreciation	17,610	17,181
	975,204	945,500
Total expenses	15,634,411	16,995,042
(Decrease) Increase in Net Assets	(49,821,460)	26,908,152
Net Assets Without Donor Restriction , beginning of year	288,487,860	261,579,708
Net Assets Without Donor Restriction , end of year	\$ 238,666,400	\$ 288,487,860

See accompanying notes to the financial statements.

Walter and Elise Haas Fund

Statements of Cash Flows

<i>December 31,</i>	2022	2021
Cash Flows from Operating Activities:		
Change in net assets	\$ (49,821,460)	\$ 26,908,152
Adjustment to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	78,008	76,106
Operating right-of-use asset	333,830	-
Realized gain on investments	(31,895,948)	(11,438,328)
Unrealized gain (loss) on investments	70,274,180	(18,194,730)
Deferred taxes	(976,811)	252,907
Changes in operating assets and liabilities:		
Other assets	(42,513)	20,533
Creative Work Fund	7,416	315,000
Accounts payable and accrued expenses	62,794	(4,256)
Lease liability	(197,875)	
Net cash used by operating activities	(12,178,379)	(2,064,616)
Cash Flows from Investing Activities:		
Sales of investments	27,638,835	30,995,826
Purchases of investments	(16,377,273)	(28,544,764)
Investments in transit	(398,512)	607,638
Purchases of property and equipment	(16,541)	(13,581)
Net cash provided by investing activities	10,846,509	3,045,119
Net (Decrease) Increase in Cash	(1,331,870)	980,503
Cash - Beginning of Year	2,602,003	1,621,500
Cash - End of Year	\$ 1,270,133	\$ 2,602,003
Supplemental Disclosures:		
Cash paid for federal excise taxes	\$ 217,000	\$ 258,000
Non-cash acquisition of operating lease right-of-use asset through lease obligation	\$ 1,041,680	

See accompanying notes to the financial statements.

Walter and Elise Haas Fund

Notes to the Financial Statements

Note 1 - **Organization:**

The Walter and Elise Haas Fund (the Fund) is a private foundation established in 1952. The Fund makes contributions to organizations involved in the arts, economic security, Jewish life, public education and other grantmaking interests. Only organizations that are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or certain governmental agencies are considered for support.

Grantmaking Areas:

Arts

The Fund's arts grantmaking helps Bay Area residents to appreciate and benefit from art's full potential to build cross-cultural understanding, explore ideas, and enrich their lives. Grantmaking reflects the Fund's beliefs that arts education is essential, that the arts build resilient communities, and that artists engage us through collaboration.

Disaster Preparedness and Relief

The Fund's disaster preparedness and relief grantmaking helps Bay Area nonprofit organizations and their constituents plan and prepare for disasters; and strengthens organizations providing immediate humanitarian relief and/or long-term rebuilding and recovery from disaster.

Economic Security

The purpose of the Fund's grantmaking in economic security is to help low-income adults and families achieve economic security and upward mobility. Grantmaking reflects the Fund's beliefs that quality employment is essential, that assets fuel mobility, and that policy must expand opportunity.

Education

The purpose of the Fund's grantmaking in education is to support the preparation of all Oakland and San Francisco public school students - especially those furthest from opportunity - for college, career, and civic life.

Jewish Life

The purpose of the Fund's grantmaking in Jewish life is to support a vibrant, inclusive Jewish community that is meaningful, compelling, and responsive to contemporary concerns. Grantmaking reflects the Fund's beliefs that diversity is a strength, social justice is a mandate, and innovation is imperative.

Walter and Elise Haas Fund

Notes to the Financial Statements

Racial Justice

The Fund's racial justice grantmaking supports Bay Area Asian-, Black-, and Indigenous-led social change organizations that are vested in community organizing, grassroots movement building, and health and well-being.

Safety Net

The Fund's safety net grantmaking supports Bay Area service providers meet the increasing demand for emergency food, housing, and legal assistance for vulnerable communities, and supports policy and advocacy efforts for increased effectiveness and coordination of statewide safety net grantmaking systems.

Other Grantmaking Interests

The Fund is also engaged in capital, grantmaking, as well as certain legacy and mission-related responsive grantmaking. Legacy grantmaking encompasses several programs, each of which has a direct relationship to the Fund's founders, Walter and Elise Haas. Mission-related responsive grantmaking provides the Fund flexibility to respond to emerging and changing community needs, and to address key areas of interest that cut across or otherwise support the Fund's overall mission and categorical programs.

Note 2 - Summary of Significant Accounting Policies:

a. Basis of Accounting and Presentation

The financial statements of the Fund have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to not-for-profit organizations.

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions are those that are not restricted by donor-imposed stipulations. There are no net assets with donor restrictions as of December 31, 2022 and 2021.

b. Cash

For purposes of reporting cash flows, cash includes the Fund's operating checking account.

Walter and Elise Haas Fund

Notes to the Financial Statements

c. Investments

Investments are reported at fair value. Changes in fair values as well as realized gains and losses are reflected in the statements of changes in net assets. Dividend and interest income are accrued when earned. The fair value of equity and fixed income funds are based on their quoted prices. The fair value of alternative investments is determined using the Net Asset Value (NAV) per share as determined by investment managers under the so-called “practical expedient.” The practical expedient allows NAV per share to represent fair value for reporting purposes when the criteria for using this method are met.

d. Fair Value Measurements

The Fund carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement standards also require the Fund to classify these financial instruments into a three-level hierarchy. The Fund classifies its financial assets and liabilities according to three levels and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 - Observable inputs other than quoted prices included within Level 1 for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability that are not corroborated by market data.

e. Property and Equipment

Equipment and furnishings are stated at cost and depreciated over five to seven years using the straight-line method. Leasehold improvements are stated at cost and are amortized using the straight-line method over the remaining life of the lease.

f. Grants

Grants awarded with an unconditional promise to give are accrued as a liability and expensed when approved. Grant cancellations or unspent funds are recorded in the year cancelled or when the funds are returned.

Walter and Elise Haas Fund

Notes to the Financial Statements

g. Creative Work Fund

The Fund is participating in and administering the Creative Work Fund, a collaborative funding initiative with other organizations that supports the creation of new work in the Bay Area by artists and fiscally sponsored organizations. Only 501(c)(3) organizations are eligible to receive grant funds. The Fund records amounts received and paid on behalf of the other participating foundations as agency transactions. Therefore, no revenue or expense is recorded for the amounts received from the other participating foundations or for their share of the grants.

Administrative expenses are shared by participating foundations, based on each foundation's proportionate rate of contributions.

h. Federal Excise Taxes

The Fund is a private foundation and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from California franchise and/or income taxes under Section 23701(d) of the California Revenue and Taxation Code.

The Fund is subject to federal excise tax on its investment income. A provision for federal excise tax is accrued. Deferred excise taxes arise primarily from unrealized tax basis gains on investments and are calculated at the statutory rate of 1.39%. In addition, the Fund may be subject to tax on unrelated business income, if any, generated by its investments.

The Fund follows the guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740 for accounting for uncertainty in income taxes. As of December 31, 2022, and 2021, management evaluated the Fund's tax positions and concluded that the Fund had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustment to the financial statements.

i. Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of 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.

j. Functional Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or management services of the Fund. Those expenses include salaries, benefits and taxes, occupancy costs, professional services, depreciation and direct charitable expense. Salaries, benefits and taxes are allocated based on amount of time spent per the job descriptions detailing where efforts are made. Occupancy costs and depreciation are allocated based on a square footage basis. Professional service expenses and direct charitable expense are allocated based on a cost study of specific services used.

Walter and Elise Haas Fund

Notes to the Financial Statements

k. Recent Accounting Pronouncement

Pronouncement Adopted

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. Among other things, lessees are required to recognize the following at the commencement date of all leases not classified as short term: 1) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and 2) a right-of-use asset, which represents the lessee's right to use, or control the use of, a specified asset for the lease term. The Fund adopted the ASU as of January 1, 2022 by recording a right-of-use asset and corresponding lease liability in the amount of \$885,889 and \$1,041,680, respectively. The Fund applied a package of practical expedients to its leases that commenced before the adoption date, electing not to reassess the following: (i) whether any expired or existing contracts contain leases; (ii) the lease classification for any expired or existing leases; and (iii) initial direct costs for any existing leases. There was no effect on net income, cash flows or net assets as a result of adopting this standard. The transition method used to adopt the ASU does not require the prior year's presentation of lease information to be restated, therefore, it is presented in accordance with Topic 840.

l. Subsequent Events

The management of the Fund has reviewed the changes in its net assets for the period from December 31, 2022 through September 11, 2023, the date the financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements and no subsequent events have occurred which would require disclosure.

Walter and Elise Haas Fund

Notes to the Financial Statements

Note 3 - Liquidity and Availability:

Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Fund's goal is to maintain financial assets to meet all grant and operating needs. As financial obligations become due, investments are liquidated. None of the Fund's financial assets are subject to donor restrictions that make them unavailable for general expenditure within one year of the date of financial statements.

Financial Assets as of December 31	2022	2021
Cash	\$ 1,270,133	\$ 2,602,003
Investments in transit	3,273,887	2,875,375
Investments, at fair value	235,175,380	284,815,174
Total financial assets	239,719,400	290,292,552
Amount not available to be used within one year:		
Investments with liquidity restrictions	(98,478,691)	(120,970,570)
Financial assets available to meet general expenditures over the next twelve months	\$ 141,240,709	\$ 169,321,982

Investments with liquidity restrictions include a portion of the pooled fund investments. See Note 5(e) for details and multi-strategy, equity/debt securities, real assets, and private equity investments.

Walter and Elise Haas Fund

Notes to the Financial Statements

Note 4 - Investments and Fair Value Measurements:

Investments:

Investments consisted of the following at December 31:

	2022	2021
Investments measured at fair value:		
Money market accounts	\$ 150,517	\$ 190,908
Global equity fund	14,195,838	16,818,381
Intermediate-term bond fund	7,957,573	8,870,613
<u>Subtotal investments measured at fair value</u>	<u>22,303,928</u>	<u>25,879,902</u>
Alternative investments measured at net asset value:		
Absolute return/market neutral:		
Multi-strategy	731,008	769,904
Real assets	2,337,096	2,810,014
Private equity	10,875,783	17,094,812
Pooled funds	198,927,565	238,260,542
<u>Subtotal alternative investments measured at net asset value</u>	<u>212,871,452</u>	<u>258,935,272</u>
<u>Total</u>	<u>\$ 235,175,380</u>	<u>\$ 284,815,174</u>

Fair Value Measurements:

Investments that were valued using Level 1 measurement included money market funds, a global equity fund, and an intermediate-term bond fund with a total fair value of \$ 22,303,928 and \$25,879,902 at December 31, 2022 and 2021, respectively. There were no investments classified using Level 2 or Level 3 measurements. In accordance with Subtopic 820-10, the alternative investments held by the Fund were valued using the Net Asset Value (NAV) per share (or its equivalent) practical expedient.

Walter and Elise Haas Fund

Notes to the Financial Statements

Note 5 - Net Asset Value Disclosure:

The following table lists those investments by major category which were reported at NAV as of December 31:

Strategies	2022		2021		Redemption Frequency	Notice Period
	# of Funds	Valuation	# of Funds	Valuation		
Absolute return/ market neutral (a):						
Multi-strategy: Redeemable	1	\$ 731,008	1	\$ 769,904	Bi-annually - Annually	45 – 60 days
Real assets (b):						
Natural resources: Non-redeemable	4	2,251,955	5	2,713,494		
Real Estate	3	85,141	3	96,520		
Private equity (c):						
Venture capital funds	8	10,573,710	9	16,786,779		
Closed-end	6	302,073	6	308,033		
Pooled funds:						
Multi-hedge fund (d)	1	29,857,958	1	37,668,861	Quarterly	75 days
Multi-hedge fund (e)	1	169,069,607	1	200,591,681	Quarterly	75 days
Total	24	\$ 212,871,452	26	\$ 258,935,272		

- a) The strategy of the Absolute Return and Market Neutral portfolio is to provide diversification benefits to the overall portfolio through lower correlation to other traditional asset classes (e.g. Equity and Fixed Income) and to provide a buffer during equity market declines. The Absolute Return/Market Neutral investment includes several funds with varying strategies, including Multi-strategy and Equity/Debt funds.

Multi-strategy managers invest in a wide variety of securities, typically rotating between equity, bank debt, convertible bonds, and other fixed income securities depending on the manager's view on relative attractiveness, with the objective of exploiting arbitrage opportunities or identifying undervalued assets without incurring systemic market risk.

Walter and Elise Haas Fund

Notes to the Financial Statements

The Equity and Debt strategy takes positions in securities the manager finds attractive and anticipates will appreciate in value and short portions in securities the manager believes will underperform. The fund is not redeemable during the lock-up period. Additionally, the fund does not hold non-redeemable securities nor does the fund invest in side pockets.

- b) This strategy invests in real estate and natural resources, both domestic and international. Natural resource funds invest primarily in crude oil, natural gas production and timberland. These funds generally cannot be redeemed, and liquidity is expected in the form of distributions from the funds when the underlying assets are sold over the life of the partnerships, which is estimated to be over two to 17 years. Unfunded commitments were \$355,116 and \$377,420 at December 31, 2022 and 2021, respectively.
- c) Private equity funds are comprised of domestic and international venture capital investments with the objective of long-term growth of capital. The partnerships typically have a remaining legal life span of one to 13 years with no redemption rights for the limited partners. The funds also include non-redeemable closed-end opportunistic funds invested over a projected two-year to five-year holding period for real estate related and other debt and equity securities. Unfunded commitments were \$633,209 and \$690,897 at December 31, 2022 and 2021, respectively.
- d) The multi-hedge fund (Centerstone Fund) employs strategies including unrestricted access to hedge funds and less-liquid marketable equity managers, but no private investments. The Centerstone Fund is subject to quarterly liquidity with 75 days' notice with no side pockets.
- e) The multi-hedge fund (Keystone Fund) employs strategies including hedge fund strategies, private equity strategies, private real estate strategies and other resource strategies. The Keystone Fund is subject to quarterly redemption with a 75-day redemption notice period. Purchases are subject to a one year lock up period. At least 50% (and up to 100%) of any amount withdrawn will be paid within 30 days. The remaining amount will be paid as soon as possible, but no later than three years from the redemption date.

Note 6 - Summary of Fund Operations:

A summary of the Fund's operations since inception, April 27, 1952, was as follows:

Contributions to the Fund	\$ 126,620,588
Increase in net assets, excluding grants	503,089,403
	<u>629,709,991</u>
Less grants	(391,043,591)
	<u>\$ 238,666,400</u>
Net assets, December 31, 2022	\$ 238,666,400

Walter and Elise Haas Fund

Notes to the Financial Statements

Note 7 - Commitments:

a. Grants

Multi-year grants are made on a conditional basis and are not recorded until the condition has been met. The conditional grants are subject to review and approval of program and financial reports and a work plan and budget for the ensuing year(s) of the grant.

Conditional grant commitments outstanding were \$935,000 and \$2,670,000 as of December 31, 2022 and 2021, respectively.

b. Operating Lease

The Fund leases its office space through November 2026. Under the lease, the Fund shares office space with another entity, with the Fund utilizing approximately 50% of the space. The Fund's estimated share of future minimum lease payments under the above lease is approximately as follows:

Year Ending December 31,		
2023	\$	216,600
2024		223,100
2025		229,700
2026		196,500
<hr/>		
Total lease payments		865,900
Less interest		(22,100)
<hr/>		
Present value of lease liabilities	\$	843,800

The weighted average remaining lease term as of December 31, 2022, was approximately 3.8 years. The weighted average discount rate as of December 31, 2022, was 1.3%.

Rent expense totaled \$210,064 and \$209,290 for the years ended December 31, 2022 and 2021, respectively.

Walter and Elise Haas Fund

Notes to the Financial Statements

Future minimum lease commitments, as determined under Topic 840, for all non-cancelable leases are as follows as of December 31, 2021:

Year Ended December 31,		
2022	\$	212,200
2023		217,100
2024		223,100
2025		229,700
2026		196,500
		<hr/>
	\$	1,078,600

c. Investments

The Fund had capital commitments totaling \$988,325 and \$1,068,317 as of December 31, 2022 and 2021, respectively.

Note 8 - Excise Taxes:

In accordance with applicable Treasury regulations, the Fund is classified as a private foundation and is subject to an excise tax on net investment income, including realized gains. The tax rate was 1.39% for 2022 and 2021.

The provisions for current and deferred excise taxes were as follows for the years ended December 31,

	2022	2021
Current excise tax	\$ 515,000	\$ 344,000
Deferred excise (benefit)/expense tax	(976,811)	252,907
	<hr/>	<hr/>
Total	\$ (461,811)	\$ 596,907

The Fund is required by the Internal Revenue Code to make a minimum distribution of its net assets for charitable purposes. The Fund had complied with these distribution requirements through December 31, 2022.

Walter and Elise Haas Fund

Notes to the Financial Statements

Note 9 - Retirement Plan:

The Fund has a 403(b) retirement plan covering all eligible employees whereby the Fund contributes 15 percent of compensation for all eligible employees. Fund contributions to the plan amounted to \$205,547 and \$200,095 for the years ended December 31, 2022 and 2021, respectively.

Note 10 - Concentrations of Risk:

Investments in general are exposed to various risks, such as interest rate, credit and overall market volatility. The alternative investments include additional risks such as limited liquidity, absence of oversight, non-marketable investments and dependence on key individuals. To address the risk of investments, the Fund maintains a formal investment policy that sets out performance criteria, investment guidelines, asset allocation guidelines and requires regular review of the investment performance.

As of December 31, 2022, and 2021, two investments in the Pooled Funds Strategy represented 85% and 84%, respectively, of total investments. However, these investments are diversified.

Cash and cash equivalents are maintained in bank deposit accounts that, at times, may exceed federally insured limits. The Foundation has not experienced, nor does it anticipate, any losses in such accounts.

Note 11 - Related Party Transaction:

The Fund contracts with Argonaut Securities Company (Argonaut) for accounting and tax services. In 2022 and 2021, none of the current Board members of the Fund were owners of Argonaut. The fees for accounting services performed by Argonaut were approximately \$250,020 and \$259,000 for the years ended December 31, 2022 and 2021, respectively.

Walter and Elise Haas Fund

Schedule 1 Supplemental Schedule of Investments (See Independent Auditors' Report on Supplemental Information)

Year Ended December 31, 2022									
Schedule 1									
Investment Manager	Fair Value Level	Cost	Fair Value	Cumulative Unrealized Gain (Loss)	Change in Unrealized Gain (Loss)	Investment Management and Related Fees	Investment Income		
							Dividends, Interest and Partnership Income (Loss)	Realized Gain (Loss)	Total
<u>Equities, Bonds and General</u>									
Mutual Funds - equities, bonds	1	\$ 25,207,408	\$ 22,303,928	\$ (2,903,480)	\$ (5,622,623)	\$ 9,097	\$ 559,089	\$ 381,741	\$ 940,830
First Republic Bank		-	-	-	-	-	18,365	-	18,365
<u>Pooled Funds</u>									
TIFF KeyStone Fund	NAV	143,317,288	169,069,607	25,752,319	(53,283,824)	558,513	2,702,116	30,402,440	33,104,556
TIFF CenterStone Fund	NAV	28,996,798	29,857,958	861,160	(6,959,511)	104,534	942,923	411,081	1,354,004
<u>Absolute Return/Market Neutral</u>									
Farallon Capital Institutional Partners	NAV	1,282,177	731,008	(551,169)	140,166	-	36,685	(104,138)	(67,453)
<u>Real Assets</u>									
Lonestar Real Estate	NAV	50,078	21,848	(28,230)	(933)	-	(119)	-	(119)
Lonestar Real Estate II	NAV	22,524	3,605	(18,919)	5,998	-	(5,895)	4,820	(1,075)
Metropolitan Real Estate Partners Global II	NAV	121,569	59,688	(61,881)	(25,825)	-	(5,133)	24,796	19,663
Park Street Capital Natural Resource Fund II	NAV	125,738	158,155	32,417	235,372	1,369	(117,563)	(122,761)	(240,324)
Park Street Capital Natural Resource Fund II AIV	NAV	180,506	42,056	(138,450)	53,042	188	(8,209)	(46,725)	(54,934)
Park Street Capital Natural Resource Fund II AIV II	NAV			-	26,176	0	(3,229)	(23,823)	(27,052)
Park Street Capital Natural Resource Fund III	NAV	74,090	210,280	136,190	57,051	809	245,894	(212,409)	33,485
Park Street Capital Natural Resource Fund V	NAV	1,597,013	1,841,464	244,451	123,965	4,247	146,239	28,532	174,771
<u>Private Equity</u>									
Commonfund Capital International Partners V	NAV	-	-	-	35,380	2	519	(77,850)	(77,331)
Commonfund Capital International Partners VI	NAV	574,410	272,883	(301,527)	(107,177)	1,334	(3,844)	13,888	10,044
Commonfund Capital Private Equity Partners VI	NAV	7,082	2,900	(4,182)	7,921	3	(1,986)	(56,867)	(58,853)
Commonfund Capital Private Equity Partners VII	NAV	479,453	803,488	324,035	(501,473)	4,358	(10,802)	394,763	383,961
Commonfund Capital Venture Partners VIII	NAV	589,748	1,129,361	539,613	(495,060)	5,099	(2,692)	54,196	51,504
Endowment Venture Partners V	NAV	25,170	26,604	1,434	8,804	2	(505)	(22,808)	(23,313)
Legacy Venture IV	NAV	720,681	898,223	177,542	(485,861)	-	(3,660)	80,623	76,963
Legacy Venture V (QP)	NAV	1,390,137	1,915,668	525,531	(911,414)	-	(14,572)	155,729	141,157
Legacy Venture VI (QP)	NAV	1,689,765	5,524,583	3,834,818	(2,569,994)	14,250	(39,576)	605,398	565,822
Lonestar Europe Holding (US)	NAV	125,296	179,752	54,456	1,429	-	(408)	1,716	1,308
Lonestar Fund IV	NAV	648,361	9,796	(638,565)	(7,373)	-	(1,217)	(21)	(1,238)
Lonestar Fund V	NAV	178,653	61,207	(117,446)	1,955	-	344	4,528	4,872
Lonestar Fund VI	NAV	198,109	17,014	(181,095)	(1,311)	-	(213)	(1,651)	(1,864)
Lonestar Fund VII	NAV	1,523	4,598	3,075	(186)	-	(41)	1,564	1,523
Lonestar US Investment	NAV	189,175	29,706	(159,469)	1,126	-	(486)	(814)	(1,300)
		\$ 207,792,752	\$ 235,175,380	\$ 27,382,628	\$ (70,274,180)	\$ 703,805	\$ 4,432,024	\$ 31,895,948	\$ 36,327,972

Walter and Elise Haas Fund

Schedule 2

Supplemental Schedule of Grant Expense by Sector

(See Independent Auditors' Report on Supplemental Information)

<i>Years Ended December 31,</i>	2022	2021
Program Area Grants		
Arts	\$ 1,841,500	\$ 1,724,663
Disaster preparedness and relief	350,150	350,000
Economic security	1,875,000	1,905,000
Education	1,850,000	1,602,150
Jewish life	2,250,000	1,900,000
Racial justice	800,000	250,000
Safety net	1,180,000	1,145,000
Program area grants total	10,146,650	8,876,813
Other Grantmaking Interests		
COVID-19 response	100,000	2,099,734
Legacy:		
Annual grants	-	457,000
Descendant and Trustee grants	190,000	220,000
Capital	750,000	112,500
Mission related:		
Civic engagement and leadership	-	495,500
Philanthropic Field Building	291,845	160,739
Responsive grantmaking	509,000	200,000
Board awarded	-	950,000
Employee matching grants	21,946	26,530
Other grantmaking interests total	1,862,791	4,722,003
Creative Work Fund	428,500	324,876
Grand Total	\$ 12,437,941	\$ 13,923,692