

Omidyar Network Fund, Inc.

Consolidated Financial Statements

December 31, 2022 and 2021

Omidyar Network Fund, Inc.
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December 31, 2022 and 2021

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Report of Independent Auditors

To the Board of Trustees of Omidyar Network Fund, Inc.

Opinion

We have audited the accompanying consolidated financial statements of Omidyar Network Fund, Inc. and its subsidiary (the "Foundation"), which comprise the consolidated statements of financial position as of December 31, 2022, and 2021, and the related consolidated statements of activities and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2022, and 2021, and the results of its activities 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 audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 US 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 consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

PricewaterhouseCoopers LLP

Denver, Colorado

June 9, 2023

Omidyar Network Fund, Inc.
Consolidated Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 31,236,221	\$ 45,665,690
Interest, dividends and receivables	972,226	967,292
Receivable for investment sold	9,025,708	-
Investments	282,140,408	360,740,235
Program and mission related investments	44,217,959	87,827,839
Total assets	<u>\$ 367,592,522</u>	<u>\$ 495,201,056</u>
Liabilities and Net Assets		
Accounts payable and accrued liabilities	\$ 39,021	\$ 47,159
Grants payable	5,336,332	11,075,455
Current and deferred federal excise tax liability	407,591	1,765,592
Total liabilities	<u>5,782,944</u>	<u>12,888,206</u>
Total net assets	<u>361,809,578</u>	<u>482,312,850</u>
Total liabilities and net assets	<u>\$ 367,592,522</u>	<u>\$ 495,201,056</u>

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

Omidyar Network Fund, Inc.
Consolidated Statements of Activities
Years Ended December 31, 2022 and 2021

	2022	2021
Revenues and support without donor restrictions		
Contributed services and in-kind gifts	\$ 15,405,191	\$ 22,915,514
Investment return, net	<u>(64,515,428)</u>	<u>54,904,917</u>
Total revenues and support without donor restrictions	<u>(49,110,237)</u>	<u>77,820,431</u>
Expenses		
Grants awarded	31,319,540	51,617,268
Other grantmaking expenses	<u>8,314,685</u>	<u>13,676,231</u>
Total grantmaking expenses	39,634,225	65,293,499
Management and general expenses	5,997,162	9,924,703
Total expenses	<u>45,631,387</u>	<u>75,218,202</u>
Increase (decrease) in net assets	<u>(94,741,624)</u>	<u>2,602,229</u>
Other changes in unrestricted net assets		
Donation of mission related investments to affiliates	(33,570,442)	-
Assumption of grant liabilities by an affiliate	<u>7,808,794</u>	<u>-</u>
Increase (decrease) in total net assets	(120,503,272)	2,602,229
Total net assets		
Beginning of year	<u>482,312,850</u>	<u>479,710,621</u>
End of year	<u>\$ 361,809,578</u>	<u>\$ 482,312,850</u>

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

Omidyar Network Fund, Inc.
Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ (120,503,272)	\$ 2,602,229
Adjustments to reconcile change in total net assets to net cash used in operating activities		
Unrealized and realized loss (gain) on investments	68,317,657	(50,887,873)
Amortization of premium on bond investments	1,654,996	1,797,432
Changes in operating assets and liabilities		
Interest, dividends and receivables	(4,934)	1,718,825
Accounts payable and accrued liabilities	(8,138)	13,361
Grants payable	(5,739,123)	2,195,455
Current and deferred federal excise tax liability	(1,358,001)	351,231
Net cash (used in) provided by operating activities	<u>(57,640,815)</u>	<u>(42,209,340)</u>
Cash flows from investing activities		
Purchase of investments	(53,630,352)	(74,188,599)
Distributions and proceeds from sale of investments	<u>96,841,698</u>	<u>128,942,627</u>
Net cash (used in) provided by investing activities	<u>43,211,346</u>	<u>54,754,028</u>
Net change in cash and cash equivalents	(14,429,469)	12,544,688
Cash and cash equivalents		
Beginning of year	<u>45,665,690</u>	<u>33,121,002</u>
End of year	<u>\$ 31,236,221</u>	<u>\$ 45,665,690</u>
Supplemental schedule of noncash activities		
Contributed services and in-kind gifts	\$ 15,405,191	\$ 22,915,514
Receivable for investment sold	\$ 9,025,708	\$ -

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

Omidyar Network Fund, Inc.

Notes to Consolidated Financial Statements

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1. Organization

Omidyar Network Fund, Inc. (the “Foundation”) is a 501(c)(3) entity incorporated in the State of Delaware. The purpose of the Foundation is to support organizations that create opportunities for people to improve their lives, thereby catalyzing economic and social change.

In 2015, the Foundation formed a wholly owned subsidiary, ONFI Brazil LLC, to facilitate activities in Brazil. On January 1, 2022, the ONFI Brazil LLC entity was transferred to the Imaginable Futures Foundation, Inc. (IFF), a related party.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements of the Foundation include the accounts of ONFI Brazil LLC prior to its transfer. All intercompany balances and transactions have been eliminated.

Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America applicable to non-profit organizations.

Revenues and gains or losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expenses and other assets or liabilities are reported as decreases or increases in net assets without donor restrictions.

Contributions are recognized at fair value in the period received. The Foundation has been funded through contributions received from the Pierre M. Omidyar Trust (the “Trust”), a related party. The Foundation has also received contributions in the form of donated stock from Omidyar Network Fund LLC, a related party.

Net Assets Without Donor Restrictions

Net Assets without donor restrictions represent resources that are not subject to donor-imposed restrictions and are available to support the Foundation’s activities.

Net Assets With Donor Restrictions

Net Assets with donor restrictions represent donations that are subject to donor-imposed restrictions which expires with the passage of time. Upon the passage of time, the associated net assets are released and recognized as net assets without donor restrictions.

Uses of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The carrying amount of cash and cash equivalents approximates fair value due to short-term maturities of the instruments. The Foundation deposits

Omidyar Network Fund, Inc.

Notes to Consolidated Financial Statements

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cash and cash equivalents with high credit quality financial institutions. At times, such amounts may exceed federally insured limits.

Investments

Investments, including program related investments (PRIs) and mission related investments (MRIs), are reported at fair value. Fair value is defined as the amount at which an asset could be exchanged between unrelated willing market participants, in an orderly transaction at the measurement date (i.e., the exit price). Investments are classified as program or mission related investments when they have a direct link to the Foundation's strategic purpose.

Securities

Securities listed on a securities exchange are valued at the last quoted sale price from the principal market on which the security is traded. Investments in open-end mutual funds are valued at the closing net asset value. Securities that trade in over-the-counter markets, including most debt and convertible securities, are valued within the range of the most recent quoted bid and ask prices or if such quotes are not available may be valued using evaluated prices determined by the Foundation's pricing services. The Foundation's pricing services may use valuation models which consider information with respect to comparable bond and note transactions, quotations from bond dealers, conversion premiums, interest rate spreads and yield curves to determine current value.

Private Equity

Private equity investments are not registered for public sale and are carried at estimated fair value as determined in good faith by the Foundation's management after consideration of available relevant financial, operational, and economic data. Significant factors considered in the estimation of fair value include, but are not limited to, the price at which the investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance and financing transactions subsequent to the acquisition of the investment. The inputs into the determination of fair value require significant management judgment. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed.

Limited Partnerships

Investments in limited partnerships, which include private equity funds, venture capital funds and hedge funds, are generally subject to certain withdrawal restrictions. Because no readily ascertainable market value exists for these investments, the estimated fair values are determined in good faith by the Foundation's management on the basis of the latest available valuations of the Foundation's pro-rata interest in the net assets of the partnership as determined in good faith by the general partner of each partnership.

The Foundation follows the authoritative guidance for estimating the fair value of investments in investment companies, including limited partnerships that have calculated net asset value in accordance with the specialized accounting guidance for investment companies. Accordingly, in circumstances in which the fair value of an investment in a limited partnership is not readily determinable, the Foundation estimates the fair value of an investment in a limited partnership using the net asset value of the investment without further adjustment if the net asset value per share of the investment is determined in accordance with the specialized accounting guidance for investment companies as of the reporting entity's measurement date.

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Management may determine to adjust the valuations after consideration of relevant factors that market participants would consider in a transaction for an interest in the partnership including redemption restrictions.

Investment Income

Realized gains or losses, unrealized gains or losses, and dividends and interest are accrued as earned and are reported on the Consolidated Statement of Activities within investment return, net.

Grants

Grant expenses include unconditional grants. Unconditional grants are expensed when grant agreements are executed and effective. Certain grants may be subject to the grantee fulfilling specific conditions. Such conditional grants are considered commitments and are not recorded as expense until the conditions of the grant are met.

Recent Accounting Pronouncements

No recent accounting pronouncements are expected to materially impact the Foundation's financial statements.

3. Investments

Investments held at December 31:

	2022	2021
Convertible securities	\$ 4,525,256	\$ 6,512,196
Public equity securities	145,181,254	177,782,978
Fixed income securities	88,210,113	107,164,423
Private equity, venture capital and hedge funds	<u>44,223,785</u>	<u>69,280,638</u>
Total investments	<u>\$ 282,140,408</u>	<u>\$ 360,740,235</u>

The Foundation had no unfunded commitments at December 31, 2022 and December 31, 2021.

4. Program and Mission Related Investments

Program and mission related investments are strategic investments aligned with the Foundation's mission. These investments are primarily composed of equities, equity funds and debt.

Program and mission related investments held at December 31:

	2022	2021
Private equity investments	\$ 36,482,293	\$ 75,011,586
Private equity and venture capital funds	6,314,897	8,392,366
Debt and convertible notes	<u>1,420,769</u>	<u>4,423,887</u>
Total program and mission related investments	<u>\$ 44,217,959</u>	<u>\$ 87,827,839</u>

As of December 31, 2022 and 2021, the Foundation had unfunded commitments of \$1,602,827, related to program and mission related investments in companies and limited partnerships. The

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unfunded commitments to private equity and venture capital funds can be called at any time at the request of the general partners and are not accrued until called.

5. Investment Valuation

The accounting standard over fair value measurements established a framework for measuring fair value and expands disclosures about fair value measurements. The standard prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or liability as of the measurement date.

The three-level hierarchy for fair value measurements is defined as follows:

- Level 1 Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2 Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active; and
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The inputs into the determination of fair value require significant management judgment.

Net Asset Value (NAV) – Investments whose fair value is measured at NAV are excluded from the fair value hierarchy. Investments in investment funds that do not have a readily determinable fair value may be valued at NAV as a practical expedient. Investments measured at NAV include private equity and venture capital funds.

The categorization of an investment within the valuation hierarchy is based upon the lowest level input that is significant to the fair value measurement.

The following table presents the investments carried at fair value on the Consolidated Statement of Financial Position as of December 31, 2022 (as described above):

	Assets at Fair Value as of December 31, 2022				
	Level 1	Level 2	Level 3	NAV	Total
Convertible securities	\$ -	\$ 4,525,256	\$ -	\$ -	\$ 4,525,256
Public equity securities	145,181,254	-	-	-	145,181,254
Fixed income securities	-	88,210,113	-	-	88,210,113
Private equity, venture capital and hedge funds	-	-	-	44,223,785	44,223,785
PRI and MRI - private equity	-	-	36,482,293	-	36,482,293
PRI and MRI - private equity funds and venture capital funds	-	-	-	6,314,897	6,314,897
PRI and MRI - private debt and convertible notes	-	-	1,420,769	-	1,420,769
	<u>\$ 145,181,254</u>	<u>\$ 92,735,369</u>	<u>\$ 37,903,062</u>	<u>\$ 50,538,682</u>	<u>\$ 326,358,367</u>

There were no transfers of assets into or out of level 3 in 2022. For the year ending December 31, 2022, purchases of level 3 investments totaled \$2,178,926.

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The following table presents the investments carried at fair value on the Consolidated Statement of Financial Position as of December 31, 2021.

	Assets at Fair Value as of December 31, 2021				
	Level 1	Level 2	Level 3	NAV	Total
Convertible securities	\$ -	\$ 6,512,196	\$ -	\$ -	\$ 6,512,196
Public equity securities	177,782,978	-	-	-	177,782,978
Fixed income securities	-	107,164,423	-	-	107,164,423
Private equity, venture capital and hedge funds	-	-	-	69,280,638	69,280,638
PRI and MRI - private equity	-	-	75,011,586	-	75,011,586
PRI and MRI - private equity funds and venture capital funds	-	-	-	8,392,366	8,392,366
PRI and MRI - private debt and convertible notes	-	-	4,423,887	-	4,423,887
	<u>\$ 177,782,978</u>	<u>\$ 113,676,619</u>	<u>\$ 79,435,473</u>	<u>\$ 77,673,004</u>	<u>\$ 448,568,074</u>

There were no transfers of assets into or out of level 3 in 2021. For the year ending December 31, 2021, purchases of level 3 investments totaled \$3,625,822.

The Foundation uses significant unobservable inputs in the fair value measurements of certain direct private equity investments. The following table provides quantitative information about the valuation techniques and significant unobservable inputs used to determine the fair value of such investments at December 31, 2022.

Direct Private Equity Investment	Fair Value	Valuation Technique(s)	Unobservable Input	Assumptions or Range
Financial Inclusion	\$ 8,270,357	Market comparable	Book value multiple	2.0
			Revenue multiple	2.5
			DLOM	20%
Tech & Society	598,911	Option pricing model	Expected volatility	120.6%
			Time to exit (years)	2.9
Experimental	27,478,176	Market comparable	Revenue multiple	2.5 - 3.7
			DLOM	9.8% - 24.3%
		Option pricing model	Expected volatility	49.0%
			Time to exit (years)	4.5

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The following table provides quantitative information about the valuation techniques and significant unobservable inputs used to determine the fair value of such investments at December 31, 2021.

Direct Private Equity Investment	Fair Value	Valuation Technique(s)	Unobservable Input	Assumptions or Range
Education	\$ 14,697,122	Option pricing model	Expected volatility Time to exit (years)	53.4% - 86.6% 1.0 - 2.0
Financial Inclusion	7,796,806	Market comparable Option pricing model	Book value multiple Expected volatility Time to exit (years)	2.0 64.1% 4.0
Tech & Society	304,357	Option pricing model	Expected volatility Time to exit (years)	79.1% 5.1
Experimental	26,127,220	Market comparable Option pricing model	Book value multiple Revenue multiple Expected volatility Time to exit (years)	1.1 3.0 - 4.0 90.4% 3.2

The Foundation uses NAV to determine the fair value of its investments in limited partnerships. The following table lists such investments by major category at December 31, 2022:

	Number of funds	Fair Value	Unfunded Commitments	Redemption Terms	Redemption Restrictions in Place at Year End
(a) Hedge funds					
- equity strategies	1	\$ 3,460,216	\$ -	Ranges from monthly redemption with 35 days' notice to annual redemption with 90 days' notice	None
- equity strategies	1	8,295,823			25% per quarter gate on quarterly redemptions
(b) Hedge funds - diversified	1	12,584,792	-	Ranges from monthly redemption with 45 days' notice to semiannual redemption with 90 days' notice	None
(c) Private equity and venture capital funds	1	2,994,081	-	Not redeemable	Not applicable
(d) Hedge funds					
- debt strategies	3	16,888,873	-	Range from monthly redemption with 45 days' notice to annual redemption with 90 days' notice	None
- debt strategies					
(e) PRI and MRI - private equity funds	4	6,314,897	1,602,827	Not redeemable	Not applicable
	<u>11</u>	<u>\$ 50,538,682</u>	<u>\$ 1,602,827</u>		

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The following table lists such investments by major category at December 31, 2021:

	Number of funds	Fair Value	Unfunded Commitments	Redemption Terms	Redemption Restrictions in Place at Year End
(a) Hedge funds					
- equity strategies	1	\$ 15,569,944	\$ -	Ranges from monthly redemption with 35 days' notice to annual redemption with 90 days' notice	None
- equity strategies	1	12,528,282			25% per quarter gate on quarterly redemptions
(b) Hedge funds - diversified	1	16,813,408		Ranges from monthly redemption with 45 days' notice to semiannual redemption with 90 days' notice	None
(c) Private equity and venture capital funds - U.S.	1	5,024,791		Not redeemable	Not applicable
(d) Hedge funds					
- debt strategies	2	896,572		Range from monthly redemption with 45 days' notice to annual redemption with 90 days' notice	None
- debt strategies	1	18,447,641			Lock on redemption ranges from February 2021 to January 2022
(e) PRI and MRI - private equity funds	5	8,392,366	1,602,827	Not redeemable	Not applicable
	<u>12</u>	<u>\$ 77,673,004</u>	<u>\$ 1,602,827</u>		

- This category includes investments in hedge funds that primarily pursue equity value strategies that provide superior risk-adjusted returns.
- This category includes investments in a hedge fund that pursues multiple strategies to diversify risks and reduce volatility including U.S. equity value and growth opportunities, distressed debt, arbitrage and emerging market equities.
- This category includes several private equity and venture capital funds that invest primarily in U.S. private companies. Distributions from these funds will be received as the underlying investments of the funds are liquidated.
- This category includes investments in hedge funds that primarily invest in multi-credit debt strategies that include investments in distressed debt.
- This category includes investments in private equity funds that invest primarily in institutions in emerging economies and small to medium enterprises. Distributions from these funds will be received as the underlying investments of the funds are liquidated.

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6. Related Party Transactions

During 2022, affiliated entities of the Foundation (Omidyar Network Services LLC and Flourish Ventures Services LLC) provided program and general and administrative support to and paid for professional legal costs on behalf of the Foundation. The amount of contributed services and in-kind gifts to the Foundation is determined by each supporting entity and is recognized as support. Each entity determines the portion of operating activity related to the Foundation and employs this as a basis to allocate a pro rata portion of operating expenses as a gift to the Foundation. The allocated amount may fluctuate significantly as the pro rata portion changes from year to year. For the year ending December 31, 2022, support and related expenses by affiliated entities totaled \$15,319,791. For the year ending December 31, 2021, support and related expenses provided by Omidyar Network Services LLC, Flourish Ventures Services LLC, and Imaginable Futures LLC totaled \$22,644,014.

On January 1, 2022, the Foundation spun off its education initiative to IFF and assign grants related to the initiative to the new entity. Grants payable in the amount of \$7,808,794, along with \$925,000 in unfunded commitments related to conditional grants, were transferred. Additionally, on January 1, 2022, program and mission related investments in the amount of \$5,999,054 were sold to IFF at fair market value, and mission related investments with a fair market value of \$31,810,376 were donated to IFF and, for tax purposes, treated as a non-qualifying distribution.

In addition, other affiliated entities and related parties provided in-kind services related to investment management, governance and operational support of \$85,400 during 2022 and \$271,500 during 2021 to the Foundation.

7. Grants and Support

Grant expenses for the year ended by December 31 are as follows:

	2022	2021
Grant payments	\$ 30,439,365	\$ 49,805,253
Less: Amounts committed in previous years and paid	(2,453,500)	(7,460,958)
Grants recognized in prior years and cancelled	(613,000)	-
Refunds received on grants paid in prior years	(689,657)	(22,321)
Expected grant return	(500,000)	(380,000)
Add: Future payments committed in the current year on unconditional grants	<u>5,136,332</u>	<u>9,675,294</u>
Grant expenses	<u>\$ 31,319,540</u>	<u>\$ 51,617,268</u>

Grants payable are due as follows:

Year Ending December 31,	Amount
2023	\$ 3,636,332
2024	1,350,000
2025	<u>350,000</u>
Grants Payable	<u>\$ 5,336,332</u>

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All grants payable are recorded at face value, which, as of December 31, 2022 and 2021, was immaterially different from present value.

As of December 31, 2022, and 2021, the Foundation had unfunded commitments of \$10,739,119 and \$14,395,428, respectively, related to conditional grants. Future installments are payable upon the satisfaction of certain conditions and therefore, will not be accrued until such conditions have been met.

In 2016, the Foundation provided a financial guarantee for one organization in the form of a Security and Deposit Account Arrangement and Control Agreement. The arrangement expires on October 25, 2024. As of December 31, 2022 and 2021, the Deposit Account held \$2,000,000, of which no amounts have been drawn upon.

8. Analysis of Expenses

The Foundation reported other program and administrative activities occurring both within the Foundation and supported by affiliates, Omidyar Network Services LLC, Flourish Ventures Services LLC, and Imaginable Futures. Expenditures directly associated with these affiliates' initiatives were classified as program activities. All other indirect expenses were classified as supporting activities.

The total expenses, displayed by natural expense classification, for the year ended December 31, 2022 were as follows:

	<u>Program Activities</u>	<u>Supporting Activities</u>	
	<u>Grantmaking</u>	<u>Management and General</u>	<u>Total Expenses</u>
Grants awarded	\$ 31,319,540	\$ -	\$ 31,319,540
Other expenses			
Salary and benefits	6,795,517	4,099,064	10,894,581
Professional services	539,711	929,289	1,469,000
Travel and conference	786,590	102,903	889,493
Facilities	1,239	1,451,266	1,452,505
Federal excise tax	-	(1,059,939)	(1,059,939)
Miscellaneous expenses	191,628	474,579	666,207
Subtotal of other expenses	<u>8,314,685</u>	<u>5,997,162</u>	<u>14,311,847</u>
Total expenses	<u>\$ 39,634,225</u>	<u>\$ 5,997,162</u>	<u>\$ 45,631,387</u>

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The total expenses, displayed by natural expense classification, for the year ended December 31, 2021 were as follows:

	<u>Program Activities</u>	<u>Supporting Activities</u>	
	Grantmaking	Management and General	Total Expenses
Grants awarded	\$ 51,617,268	\$ -	\$ 51,617,268
Other expenses			
Salary and benefits	11,631,909	4,028,716	15,660,625
Professional services	1,413,345	2,584,901	3,998,246
Travel and conference	101,109	16,365	117,474
Facilities	-	1,653,174	1,653,174
Federal excise tax	-	770,972	770,972
Miscellaneous expenses	529,868	870,575	1,400,443
Subtotal of other expenses	<u>13,676,231</u>	<u>9,924,703</u>	<u>23,600,934</u>
Total expenses	<u>\$ 65,293,499</u>	<u>\$ 9,924,703</u>	<u>\$ 75,218,202</u>

9. Liquidity

The Foundation's financial assets available within one year of December 31, 2022 to meet general expenditures include:

	2022
Cash and cash equivalents	\$ 31,236,221
Interest and dividends receivable	972,226
Marketable securities	237,916,623
Redeemable hedge funds	<u>44,223,785</u>
Available financial assets	<u>\$ 314,348,855</u>

The Foundation intends to structure its financial assets to cover grants awarded and excise tax expenses. All other program expenses and management and general expenses are contributed services and in-kind gifts from Omidyar Network Services LLC, Flourish Ventures Services LLC, and Imaginable Futures LLC. The Foundation has no payment obligation, nor liabilities associated with these contributed and in-kind expenses.

10. Taxes

Omidyar Network Fund, Inc. is a private foundation and qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, and from state income taxes under Section 23701(d) of the Revenue and Taxation Code of the State of California, respectively.

Beginning January 1, 2020, with the enactment of the 2019 Taxpayer Certainty and Disaster Tax Relief Act, private foundations are subject to a flat rate federal excise tax of 1.39%. The Foundation recognized deferred excise tax liabilities on net unrealized gains from investments of 1.39% as of December 31, 2022 and December 31, 2021.

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Certain investments provide unrelated business income, which is subject to unrelated business income tax. For the years ended December 31, 2022 and 2021, the unrelated business income provided by investments was immaterial.

The expenses for federal excise tax are as follows:

	2022	2021
Current	\$ 163,503	\$ 623,252
Deferred	<u>(1,223,442)</u>	<u>147,720</u>
Federal excise tax expenses	<u>\$ (1,059,939)</u>	<u>\$ 770,972</u>

The Foundation believes that it has appropriate support for the excise tax positions taken and, as such, does not have any uncertain tax positions that result in a material impact on the Foundation's consolidated financial position or changes in net assets.

11. Subsequent Events

The Foundation has evaluated subsequent events for the period from December 31, 2022 through June 9, 2023, the date the consolidated financial statements were available to be issued, and determined there are no other items to disclose.