



**Pacific Institute for Research
and Evaluation, Inc.
Profit Sharing Plan and Trust**

Financial Statements
and ERISA-Required Supplemental Schedule
Years Ended December 31, 2022 and 2021

The report accompanying these financial statements was issued by
BDO USA, P.C., a Virginia professional corporation, and the U.S. member of
BDO International Limited, a UK company limited by guarantee.



**Pacific Institute for Research
and Evaluation, Inc.
Profit Sharing Plan and Trust**

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and ERISA-Required Supplemental Schedule
Years Ended December 31, 2022 and 2021

**Pacific Institute for Research and Evaluation, Inc.
Profit Sharing Plan and Trust**

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| ERISA - Required Supplemental Schedule | |
| Schedule H, Line 4i - Schedule of Assets (Held at End of Year) | 21-22 |

Note: Other schedules required by Section 2520.103.10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.



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Independent Auditor's Report

To the Plan Administrator
Pacific Institute for Research and Evaluation, Inc.
Profit Sharing Plan and Trust
Beltsville, Maryland

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of **Pacific Institute for Research and Evaluation, Inc. Profit Sharing Plan and Trust** (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statements of changes in net assets available for benefits for the years then ended December 31, 2022 and 2021 and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA (ERISA Section 103(a)(3)(C) audit). As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency (qualified institution), provided that the investment information is prepared and certified to by the qualified institution in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Management has obtained certifications from qualified institutions as of December 31, 2022 and 2021, and for the years then ended, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and the procedures performed as described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report:

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (GAAP); and
- the certified investment information in the accompanying financial statements agrees to, or is derived from, in all material respects, the information prepared and certified by qualified institutions that management determined meet the requirements of ERISA Section 103(a)(3)(C).

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Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan 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 ERISA Section 103(a)(3)(C) 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 GAAP, 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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 Plan's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Management is responsible for maintaining a current plan instrument, including all plan amendments. Management is also responsible for administering the Plan and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the *Scope and Nature of the ERISA Section 103(a)(3)(C) Audit* section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan'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 Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certifications, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.

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.

Other Matter –Supplemental Schedule Required by ERISA

The supplemental Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2022 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. 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 included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to 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 GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- the certified investment information in the supplemental schedule agrees to, or is derived from, in all material respects, the information prepared and certified by qualified institutions that management determined meet the requirements of ERISA Section 103(a)(3)(C).

BDO USA, P.C.

September 11, 2023

Financial Statements

**Pacific Institute for Research and Evaluation, Inc.
Profit Sharing Plan and Trust**

Statements of Net Assets Available for Benefits

| <i>December 31,</i> | 2022 | 2021 |
|---|----------------------|----------------------|
| Assets | | |
| Investments, at fair value | | |
| Shares of registered investments: | | |
| College Retirement Equities Fund (CREF) | \$ 18,525,470 | \$ 23,733,714 |
| TIAA Access Funds | 2,965,741 | 3,717,500 |
| Other Registered Investment Companies | 5,882,117 | 6,490,644 |
| Non-fully benefit-responsive investment contracts: | | |
| TIAA Traditional Annuity Contracts | 9,729,690 | 9,771,046 |
| Pooled separate account: | | |
| TIAA Real Estate Account | 1,791,127 | 1,821,612 |
| Contracts with insurance companies: | | |
| SYMETRA Life Insurance Company Annuity Contracts | 379,457 | 454,595 |
| Nationwide Life Insurance Company Annuity Contracts | 45,038 | 138,626 |
| Total investments, at fair value | 39,318,640 | 46,127,737 |
| Fully benefit-responsive investment contracts at contract value: | | |
| TIAA Traditional Annuity Contracts | 3,275,814 | 2,881,096 |
| Total investments | 42,594,454 | 49,008,833 |
| Receivables | | |
| Employer's contribution | 44,266 | 111,188 |
| Notes receivable from participants | 121,056 | 104,922 |
| Total receivables | 165,322 | 216,110 |
| Net assets available for benefits | \$ 42,759,776 | \$ 49,224,943 |

See accompanying notes to financial statements.

**Pacific Institute for Research and Evaluation, Inc.
Profit Sharing Plan and Trust**

Statements of Changes in Net Assets Available for Benefits

| <i>Years ended December 31,</i> | 2022 | 2021 |
|---|----------------------|----------------------|
| Additions: | | |
| Investment (loss) income: | | |
| Interest and dividends | \$ 416,622 | \$ 379,525 |
| Net appreciation (depreciation) in fair value of: | | |
| Pooled separate account | 151,245 | 292,927 |
| Non-fully benefit-responsive investment contracts | 292,382 | 285,112 |
| Contracts with insurance companies | (80,569) | 71,501 |
| Registered investments | (6,506,336) | 4,830,610 |
| Total investment (loss) income | (5,726,656) | 5,859,675 |
| Other income: | | |
| Interest income on notes receivable from participants | 6,302 | 7,694 |
| Other income | 56,727 | 43,661 |
| Total other income | 63,029 | 51,355 |
| Contributions: | | |
| Employer | 972,375 | 950,029 |
| Total contributions | 972,375 | 950,029 |
| Total Additions, Net of Investment Loss | (4,691,252) | 6,861,059 |
| Deductions: | | |
| Benefits paid to participants and beneficiaries | 1,715,958 | 3,871,146 |
| Administrative expenses | 57,957 | 51,734 |
| Total deductions | 1,773,915 | 3,922,880 |
| Net (decrease) increase | (6,465,167) | 2,938,179 |
| Net assets available for benefits, beginning of year | 49,224,943 | 46,286,764 |
| Net assets available for benefits, end of year | \$ 42,759,776 | \$ 49,224,943 |

See accompanying notes to financial statements.

Pacific Institute for Research and Evaluation, Inc. Profit Sharing Plan and Trust

Notes to Financial Statements

1. Plan Description

The following description of the Pacific Institute for Research and Evaluation, Inc. Profit Sharing Plan and Trust (the Plan) provides only general information. Participants should refer to the Plan agreement and any amendments thereto, for a more comprehensive description of the Plan's provisions.

Eligibility

The Plan is a defined contribution retirement plan as established by Pacific Institute for Research and Evaluation, Inc. (PIRE). Eligible employees become participants of the Plan on their respective date of hire. All PIRE employees who are classified as "benefit-eligible" are eligible to participate in the Plan. "Benefit-eligible" employees include (i) employees who are regularly scheduled to perform a level of service for PIRE which is equivalent to at least 60% or more of the normal full time work schedule and (ii) all other employees who complete at least 1,000 hours of service during a Plan year.

Contributions

The Plan allows for employer contributions under section 401(a) of the Internal Revenue Code. Employer contributions were 10% and 10.18% for 2022 and 2021, respectively, and were based upon each Plan participant's gross wages, as defined in the Plan document. Any additional contributions over the base 10% will be allocated on a salary ratio basis. If an employee is already a Plan participant or is in an eligible category to become a Plan participant, the Plan allows for rollover of funds from another qualified retirement plan.

Participant Accounts

All employer contributions are participant directed. Each participant's account is credited with the participant's share of the employer's contribution and allocations of Plan earnings. Allocations are based upon participants' account balances as defined.

Vesting

Vesting of benefits attributable to employer contributions, made on behalf of participants, is in accordance with the following schedule:

| <u>Years of Service</u> | <u>Percent Vested</u> |
|-------------------------|-----------------------|
| End of one year | 0.0% |
| End of two years | 0.0% |
| End of three years | 100.0% |

Upon termination of employment, participants are entitled to a distribution of their vested balance.

Forfeitures

There were no forfeited non-vested accounts as of December 31, 2022 and 2021. Balances in forfeited non-vested accounts are used to offset future contributions. Employer contributions were reduced by \$32,747 and \$146,631 from such forfeited non-vested accounts in 2022 and 2021, respectively.

Pacific Institute for Research and Evaluation, Inc. Profit Sharing Plan and Trust

Notes to Financial Statements

Investment Options

Employer contributions are made to TIAA and CREF. Participants may direct contributions to be invested in several investment fund options offered by TIAA and CREF including registered investment funds, TIAA Traditional Annuity Contracts and a Pooled Separate Account. Participants are able to change their investment options directly with TIAA and CREF.

Assets held in SYMETRA Life Insurance Company (SYMETRA) and Nationwide Life Insurance Company (Nationwide) were transferred from the Pacific Institute for Research and Evaluation, Inc. Money Purchase Pension Plan and Trust during 2002, and are closed to new investments or contributions. These assets are considered participant directed, as Plan participants may withdraw amounts from these funds to invest in other funds.

TIAA Loans to Participants

Participants may borrow directly from TIAA a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance in TIAA and CREF. The loans are secured by the balance in the participant's account in the TIAA Traditional Annuity Contracts.

These loans are not shown on the accompanying statements of net assets available for benefits as the loans are not made from Plan assets and are therefore not considered Plan assets.

Principal and interest is paid ratably by the participant directly to TIAA and CREF, and not through payroll deductions.

Plan Loans to Participants/Notes Receivable from Participants

Participants may borrow from the Plan a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance in TIAA and CREF. The notes receivable from participants maintained at TIAA and CREF totaled \$121,056 and \$104,922 at December 31, 2022 and 2021, respectively. The interest rates on all outstanding notes range from 4.25% to 6.5% for both the years ended December 31, 2022 and 2021. Principal and interest are paid ratably by the participant directly to TIAA and CREF, and not through payroll deductions.

Payment of Benefits

The Plan provides for benefit payments under the following circumstances:

- (a) Normal retirement at age 59 1/2.
- (b) Disability retirement.
- (c) Death benefit.
- (d) Other termination of employment.

Benefits are provided through the accumulation of each participant's share of employer contributions and allocation of Plan income or losses. Upon termination of service due to death, disability, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

Pacific Institute for Research and Evaluation, Inc. Profit Sharing Plan and Trust

Notes to Financial Statements

Administrative Expenses

Various administrative, accounting, and legal costs of the Plan are paid by PIRE and are not allocated to the Plan except for certain general administrative and maintenance fees.

2. Summary of Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the Plan's management to make certain estimates and assumptions that affect reported amounts of assets, liabilities, and changes therein, and disclosures of contingent assets and liabilities. Actual results may differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are reported at fair value except for the Plan's direct investment in the fully-benefit-responsive contracts which are reported at contract value. Fair value is 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 (the exit price). See Note 5 for discussion of fair value measurements.

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. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold, as well as, held during the year.

Payment of Benefits

Benefits are recorded when paid.

3. Investment Information Certified by the Plan's Custodians

The Plan Administrator has elected the method of annual reporting compliance permitted by ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, TIAA and CREF, SYMETRA, and Nationwide, have certified that the following information included in the financial statements and ERISA-required supplemental schedule is complete and accurate:

- Investments and notes receivable from participants as shown in the statements of net assets available for benefits as of December 31, 2022 and 2021.
- Investment income (loss), net and interest income on notes receivable from participants as shown in the statements of changes in net assets available for benefits for the years ended December 31, 2022 and 2021.

Pacific Institute for Research and Evaluation, Inc.

Profit Sharing Plan and Trust

Notes to Financial Statements

- Investment information included in the schedule of assets (held at end of year) as of December 31, 2022, as shown on the ERISA-required supplemental schedule.

As per request of the Plan Administrator, the Plan's independent auditors did not perform auditing procedures with respect to this certified investment information, except for comparing such certified investment information to the related investment information included in the financial statements and ERISA-required supplemental schedule.

4. Fair Value Measurements

The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Registered Investments

These investment accounts invest primarily in equity securities, fixed-income instruments and short-term investments in accordance with each portfolio's investment objectives. Account investments and fund holdings are primarily valued using market quotations or prices obtained from independent pricing sources that may employ various pricing methods to value the investments including matrix pricing. Money market account holdings are generally valued at amortized cost. On a daily basis, units in these

Pacific Institute for Research and Evaluation, Inc. Profit Sharing Plan and Trust

Notes to Financial Statements

investments are revalued to reflect performance of the underlying investments minus any fees and charges.

Beginning July 16, 2009 and March 7, 2017, part of all of the distribution and/or administrative expenses for the CREF Money Market Fund have been waived by TIAA. Without this waiver, total returns for the CREF Money Market Fund would have been lower. For a period of three years after the date an amount was waived, it was eligible for recoupment by TIAA, under certain conditions. All eligible expenses for this waiver were recouped by September 2018.

Between May 1, 2020 and December 31, 2021, TIAA agreed to a new waiver of a portion of the distribution and/or administrative expenses for the CREF Money Market Fund when the class's yield was less than zero. This waiver of expenses expired as of December 31, 2021. Without this waiver, total returns for the CREF Money Market Fund would have been lower. For a period of three years after the date an amount was waived, it is eligible for recoupment by TIAA, under certain conditions.

TIAA Access Funds is a variable annuity product that is funded through TIAA Separate Account VA-3 (VA-3), a separate investment account of TIAA registered under the Investment Company Act of 1940. VA-3 invests in proprietary and non-proprietary mutual funds through various sub-accounts. Sub-account unit values are calculated daily. The underlying investments are generally valued using market quotations obtained from independent pricing services.

Non-fully benefit-responsive investment contracts

The non-fully benefit-responsive investment contracts, composed entirely of TIAA Traditional Annuity Contracts, are guaranteed fixed annuity contracts available as an investment option to Plan participants. Each contract is fully and unconditionally guaranteed by TIAA and CREF. The Traditional Annuity is offered through a variety of contract types, including Retirement Annuities (RA), Group Retirement Annuities (GRA), and Retirement Choice (RC) contracts which are non-fully benefit-responsive, as well as fully benefit-responsive Supplemental Retirement Annuities (SRA), Group Supplemental Retirement Annuities (GSRA), and Retirement Choice Plus (RCP) contracts. The type of contract through which a participant invests in the TIAA Traditional Annuity determines the applicability of certain account features, such as guaranteed minimum interest rate, additional amount paid, the degree of liquidity of the participant's account, and the options for receiving income upon retirement.

Participants who have elected the traditional annuity contract have entered into non-fully benefit-responsive contracts with TIAA. TIAA maintains contributions in general accounts and accounts are credited with earnings on the underlying investments and charged with participant withdrawals and administrative expenses. TIAA is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

The non-fully benefit-responsive contracts are reported at fair value. The contracts guarantee a 3 percent crediting interest rate. The average crediting rates were 4.98% and 3.40% for 2022 and 2021, respectively. These contracts are subject to various restrictions, including surrender charges, timing restrictions, and withdrawals being required to be made in annual installments.

Pacific Institute for Research and Evaluation, Inc.

Profit Sharing Plan and Trust

Notes to Financial Statements

Pooled Separate Account

Investment in the pooled separate account is stated at fair value as determined in accordance with the policies and procedures reviewed by the Investment Committee of TIAA. The value of the units held in the pooled separate account is based on the market value of the underlying real estate holdings which are valued principally utilizing external appraisals and involve significant judgment.

Appraisals can be subjective in certain respects and rely on a variety of assumptions and conditions at the respective property or in the market in which the property is located, which may change materially after the appraisal is conducted.

The pooled separate account provides participants with a liquidity guarantee enabling the account to have funds available to meet participant redemption, transfers, or cash withdrawals. TIAA guarantees that participants can redeem their accumulation unit value determined after their transfer or cash withdrawal request is received in good order.

Contracts with Insurance Companies

The Plan holds group annuity contracts issued by SYMETRA and Nationwide. The contracts allow the Plan to invest in pooled separate accounts, each containing several sub-accounts. The sub-accounts consist primarily of a money market portfolio, bond portfolio, balanced portfolio, international portfolio, equity portfolio or growth portfolio.

The net asset value (NAV) of the sub-accounts is determined in accordance with procedures approved by the Board of Directors and Retirement Committee, less daily mortality and expense risk and administration charges, as applicable. Under the terms of the contract with SYMETRA, the mortality and expense risk charge is equal on an annual basis to 1.25% of the daily net asset value of the sub-account. The net asset value (NAV) of the sub-accounts is determined by SYMETRA and Nationwide and is not publicly quoted.

Sub-accounts are charged with direct charges arising from the purchase, maintenance or sale of investments held by the sub-account, any taxes which may be payable by SYMETRA and Nationwide which are attributable to the assets in the sub-account and with any expenses which are reasonably necessary or required to preserve or enhance the value of assets of the sub-account.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Pacific Institute for Research and Evaluation, Inc.
Profit Sharing Plan and Trust**

Notes to Financial Statements

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value and net asset value (NAV), as of December 31, 2022 and 2021:

| <i>December 31, 2022</i> | Level 1 | Level 2 | Level 3* | Total |
|--|---------------------|----------------------|----------------------|----------------------|
| Registered Investments: | | | | |
| Mutual Funds | \$ 5,882,117 | \$ 19,739,462 | \$ - | \$ 25,621,579 |
| Money Market Fund | - | 1,751,749 | - | 1,751,749 |
| Non-Fully Benefit-Responsive Investment Contracts: | | | | |
| TIAA Traditional Annuity Contracts | - | - | 9,729,690 | 9,729,690 |
| Pooled Separate Account: | | | | |
| TIAA Real Estate Account | - | - | 1,791,127 | 1,791,127 |
| Total investments at fair value level | \$ 5,882,117 | \$ 21,491,211 | \$ 11,520,817 | \$ 38,894,145 |
| Investments measured at net asset value (NAV) **: Contracts with Insurance Companies: | | | | |
| SYMETRA Annuity Contracts | | | | 379,457 |
| Nationwide Annuity Contracts | | | | 45,038 |
| Total investments, at fair value | | | | \$ 39,318,640 |
| <hr/> | | | | |
| <i>December 31, 2021</i> | Level 1 | Level 2 | Level 3* | Total |
| Registered Investments: | | | | |
| Mutual Funds | \$ 6,490,644 | \$ 25,785,888 | \$ - | \$ 32,276,532 |
| Money Market Fund | - | 1,665,326 | - | 1,665,326 |
| Non-Fully Benefit-Responsive Investment Contracts: | | | | |
| TIAA Traditional Annuity Contracts | - | - | 9,771,046 | 9,771,046 |
| Pooled Separate Account: | | | | |
| TIAA Real Estate Account | - | - | 1,821,612 | 1,821,612 |
| Total investments at fair value level | \$ 6,490,644 | \$ 27,451,214 | \$ 11,592,658 | 45,534,516 |
| Investments measured at net asset value (NAV) **: Contracts with Insurance Companies: | | | | |
| SYMETRA Annuity Contracts | | | | 454,595 |
| Nationwide Annuity Contracts | | | | 138,626 |
| Total investments, at fair value | | | | \$ 46,127,737 |

* Level 3 investments were 29% and 25% of total investments at fair value at December 31, 2022 and 2021, respectively.

** Certain investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

**Pacific Institute for Research and Evaluation, Inc.
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Notes to Financial Statements

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient as of December 31, 2022 and 2021. There are no participant redemption restrictions for this investment; the redemption notice period is applicable only to the Plan:

| <i>Description</i> | 2022 Fair Value | 2021 Fair Value | Unfunded Commitments | Redemption Frequency | Redemption Notice Period |
|--|--------------------|--------------------|-------------------------|-------------------------|--------------------------------|
| Contracts with Insurance Companies: | | | | | |
| SYMETRA Annuity Contracts (a) | \$ 379,457 | \$ 454,595 | \$ - | Daily | None |
| Nationwide Annuity Contracts (a) | 45,038 | 138,626 | - | Daily | None |
| | \$ 424,495 | \$ 593,221 | \$ - | | |

(a) These are group annuity contracts that allow participants to invest in several sub-accounts consisting primarily of a money market portfolio, bond portfolio, balanced portfolio, international portfolio, equity portfolio or growth portfolio.

The following table presents the Plan's activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as defined in ASC 820 for the years ended December 31, 2022 and 2021:

| <i>December 31, 2022</i> | Non-Fully Benefit- Responsive Investment Contracts | Pooled Separate Account |
|---|--|-------------------------------|
| Interest income | \$ 111,594 | \$ - |
| Interest income on notes receivable from participants | - | 23 |
| Realized gains | 132,698 | 86,010 |
| Unrealized gains | 159,684 | 65,235 |
| Purchases | 11,606 | 12,957 |
| Sales | (443,047) | (156,643) |
| Issuances and settlements | (46,497) | (1,093) |
| Net transfers into Level 3 | 32,606 | (36,974) |

**Pacific Institute for Research and Evaluation, Inc.
Profit Sharing Plan and Trust**

Notes to Financial Statements

| <i>December 31, 2021</i> | Non-Fully Benefit- Responsive Investment Contracts | Pooled Separate Account |
|---|--|-------------------------------|
| Interest income | \$ 45,471 | \$ 2 |
| Interest income on notes receivable from participants | 63 | 10 |
| Realized gains | 29,541 | 83,164 |
| Unrealized gains | 255,571 | 209,763 |
| Purchases | 3,424 | 7,566 |
| Sales | (85,500) | (160,433) |
| Issuances and settlements | (23,910) | (135) |
| Net transfers into Level 3 | 36,472 | (74,867) |

Net transfers into/(out) of Level 3 reflect fund-to-fund transfers between investments by participants and are included in benefits paid to participants and beneficiaries in the accompanying statements of changes in net assets available for benefits for the years ended December 31, 2022 and 2021.

Quantitative information as of December 31, 2022 and 2021, with respect to assets measured and carried at fair value on a recurring basis with the use of significant unobservable inputs (Level 3) follows:

| Instrument | December 31, 2022 Fair Value | Principal Valuation Techniques | Unobservable Inputs | Weighted Average |
|--|------------------------------------|--------------------------------------|--|---------------------|
| Non-fully benefit-responsive investment contracts (TIAA Traditional Annuity Contracts) | \$ 9,729,690 | Discounted Cash Flow | Guaranteed Rate | N/A |
| Pooled Separate Account (TIAA Real Estate Account) | \$ 1,791,127 | Market Approach | Discount Rate Terminal Capitalization Rate Overall Capitalization Rate Real Estate Appraisals | N/A |

**Pacific Institute for Research and Evaluation, Inc.
Profit Sharing Plan and Trust**

Notes to Financial Statements

| Instrument | December 31, 2021 Fair Value | Principal Valuation Techniques | Unobservable Inputs | Weighted Average |
|--|------------------------------------|--------------------------------------|--|---------------------|
| Non-fully benefit-responsive investment contracts (TIAA Traditional Annuity Contracts) | \$ 9,771,046 | Discounted Cash Flow | Guaranteed Rate | N/A |
| Pooled Separate Account (TIAA Real Estate Account) | \$ 1,821,612 | Market Approach | Discount Rate Terminal Capitalization Rate Overall Capitalization Rate Real Estate Appraisals | N/A |

Level 3 Uncertainty of Fair Value Measurements and Changes in Significant Unobservable Inputs

The significant unobservable inputs used in the fair value measurement of the Plan's Level 3 investments are subject to market risks resulting from changes in the market value of its investments.

5. Fully Benefit-Responsive Contracts

For traditional annuity contracts that are fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Participants may ordinarily direct the withdrawal or transfer all or a portion of their investment at contract value without restriction.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer. Such interest rates are reviewed on an annual basis for resetting. Additional amounts may be declared on a year-by-year basis by the TIAA Board of Trustees.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (1) amendments to the Plan documents (including complete or partial plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the Plan to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan Administrator does not believe that any events which would limit the Plan's ability to transact at contract value with participants are probable of occurring. The contracts do not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

Pacific Institute for Research and Evaluation, Inc. Profit Sharing Plan and Trust

Notes to Financial Statements

6. Related Party and Party-in-Interest Transactions

PIRE is the administrator of the Plan, and as such, executes the normal duties associated therewith. Costs incurred for audit, legal, and other administrative functions are paid by PIRE on behalf of the Plan.

Certain Plan investments are shares of registered investments and a pooled separate account managed by TIAA and CREF. Investments also include annuity contracts with TIAA and CREF, SYMETRA Life Insurance Company, and Nationwide Life Insurance Company. TIAA and CREF, SYMETRA, and Nationwide are the custodians as defined by the Plan and therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for management services amounted to \$57,957 and \$51,734 for the years ended December 31, 2022 and 2021, respectively. Notes receivable from participants also qualify as exempt party-in-interest transactions.

7. Plan Termination

Although it has not expressed any intent to do so, PIRE has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their accounts.

8. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate risks, market risks, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the accompanying statements of net assets available for benefits.

9. Tax Status

The Plan has received a determination letter dated August 13, 2003, from the Internal Revenue Service stating that the Plan has been designed in accordance with the applicable sections of the Internal Revenue Code (IRC). The Plan has since been amended; however, the Plan Administrator and the Plan's tax counsel believe that the Plan is designed and currently being operated in compliance with the applicable requirements of the IRC.

U.S. GAAP requires that plan management evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2022 and 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**Pacific Institute for Research and Evaluation, Inc.
Profit Sharing Plan and Trust**

Notes to Financial Statements

10. Subsequent Events

The Plan Administrator has evaluated subsequent events through September 11, 2023, the date the financial statements were available to be issued. There were no subsequent events noted that required adjustment to or disclosure in these financial statements.

ERISA - Required Supplemental Schedule

**Pacific Institute for Research and Evaluation, Inc.
Profit Sharing Plan and Trust**

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

| EIN: 94-2243283 | | | | |
|----------------------------------|---|---|------|------------------|
| Form: 5500 | | | | |
| Plan: 004 | | | | |
| December 31, 2022 | | | | |
| (a) | (b) | (c) | (d) | (e) |
| | Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | Cost | Current Value |
| * <i>Registered Investments:</i> | | | | |
| | CREF | Stock Fund | ** | \$ 5,765,728 |
| | | Global Equities Fund | ** | 2,945,548 |
| | | Social Choice Fund | ** | 2,717,517 |
| | | Growth Fund | ** | 2,379,159 |
| | | Money Market Fund | ** | 1,751,749 |
| | | Equity Index Fund | ** | 1,428,707 |
| | | Bond Market Fund | ** | 1,060,979 |
| | | Inflation-Linked Bond Fund | ** | 476,083 |
| * <i>TIAA Access Funds</i> | | | | |
| | | International Equity T4 | ** | 506,554 |
| | | Large Cap Value T4 | ** | 398,838 |
| | | Lifecycle 2030 T4 | ** | 324,932 |
| | | Small-Cap Blackrock Index T4 | ** | 322,648 |
| | | Real Estate Securities T4 | ** | 291,900 |
| | | Mid Cap Value T4 | ** | 277,733 |
| | | Quant Small-Cap Equity T4 | ** | 158,533 |
| | | Lifecycle 2050 T4 | ** | 122,551 |
| | | Lifecycle 2040 T4 | ** | 93,481 |
| | | Lifecycle 2035 T4 | ** | 87,527 |
| | | Lifecycle 2045 T4 | ** | 72,777 |
| | | Mid Cap Growth T4 | ** | 60,200 |
| | | Lifecycle 2025 T4 | ** | 45,486 |
| | | Bond Plus T4 | ** | 35,066 |
| | | Lifecycle 2020 T4 | ** | 34,074 |
| | | Social Choice Equity T4 | ** | 33,816 |
| | | Lifecycle 2055 T4 | ** | 32,311 |
| | | Equity Index T4 | ** | 20,578 |
| | | Large Cap Growth T4 | ** | 19,718 |
| | | Growth & Income T4 | ** | 14,936 |
| | | Lifecycle 2010 T4 | ** | 6,972 |
| | | Lifecycle 2060 T4 | ** | 3,246 |
| | | Lifecycle Retirement Income T4 | ** | 1,864 |
| | <i>State Street</i> | State Street Equity 500 Index K | ** | 2,522,979 |
| | | State Street Cap Equity ExUS Index K | ** | 1,806,549 |
| | | State Street Small Mid Cap Equity Index K | ** | 411,823 |
| | | State Street Aggregate Bond Index K | ** | 334,467 |

**Pacific Institute for Research and Evaluation, Inc.
Profit Sharing Plan and Trust**

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

| EIN: 94-2243283 | | | | |
|---|---|---|------|----------------------|
| Form: 5500 | | | | |
| Plan: 004 | | | | |
| December 31, 2022 | | | | |
| (a) | (b) | (c) | (d) | (e) |
| | Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | Cost | Current Value |
| | <i>T. Rowe Price</i> | Blue Chip Growth Fund I Class | ** | 271,962 |
| | <i>Schwab</i> | Treasury Inflation Protected Securities Index | ** | 270,876 |
| | <i>iShares</i> | Developd Real Estate Index K | ** | 70,360 |
| | <i>JP Morgan</i> | Equity Income Fund Class R6 | ** | 58,356 |
| | <i>American Century</i> | Small Cap Value R6 | ** | 56,392 |
| | <i>AllianceBernstein</i> | Small Cap Growth Z | ** | 28,972 |
| | <i>Lord Abbett</i> | Total Return Fund Class R6 | ** | 28,862 |
| | <i>American Funds</i> | EuroPacific Growth Fund Class R-6 | ** | 20,519 |
| * | <i>Non-fully benefit-responsive investment contracts - TIAA</i> | Traditional Annuity Contracts | ** | 9,729,690 |
| * | <i>Real Estate Account - TIAA</i> | Pooled Separate Account 4,301 Units | ** | 1,791,127 |
| * | <i>Fully benefit-responsive investment contracts - TIAA</i> | Traditional Annuity Contracts | ** | 3,275,814 |
| | <i>Contracts with Insurance Companies:</i> | | | |
| * | <i>SYMETRA Life Insurance Company</i> | Annuity Contracts | ** | 379,457 |
| * | <i>Nationwide Life Insurance Company</i> | Annuity Contracts | ** | 45,038 |
| Total investments per financial statements | | | | \$ 42,594,454 |
| * | Participant loans | Interest rates ranging from 4.25% to 6.50% | - | \$ 121,056 |
| Total investments per the Form 5500 | | | | \$ 42,715,510 |

* Represents a party-in-interest as defined by ERISA.

** The cost of participant-directed investments is not required to be disclosed.