

The David Rockefeller Fund, Inc.

Financial Statements

December 31, 2021

Independent Auditors' Report

The Board of Directors
The David Rockefeller Fund, Inc.

Opinion

We have audited the accompanying financial statements of The David Rockefeller Fund, Inc. (the "Fund"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of December 31, 2021, and the changes in its net assets and its cash flows for the year 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. 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 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 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 within one year after the date that the financial statements are available to be issued.

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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 generally accepted auditing standards, 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.

Report on Summarized Comparative Information

We have previously audited the Fund's December 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 13, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

October 4, 2022

The David Rockefeller Fund, Inc.

Statement of Financial Position
December 31, 2021
(with comparative amounts at December 31, 2020)

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 1,061,497	\$ 856,358
Accounts receivable and other assets	83,982	106,722
Contributions receivable, net	9,167,076	8,300
Investments	<u>66,635,715</u>	<u>65,073,263</u>
	<u>\$ 76,948,270</u>	<u>\$ 66,044,643</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 282,033	\$ 113,524
Grants payable	1,653,500	475,000
Taxes payable	<u>246,158</u>	<u>179,660</u>
Total Liabilities	<u>2,181,691</u>	<u>768,184</u>
Net Assets		
Without donor restrictions	62,179,354	61,134,181
With donor restrictions	<u>12,587,225</u>	<u>4,142,278</u>
	<u>74,766,579</u>	<u>65,276,459</u>
Total Net Assets	<u>\$ 76,948,270</u>	<u>\$ 66,044,643</u>

See notes to financial statements

The David Rockefeller Fund, Inc.

Statement of Activities
Year Ended December 31, 2021
(with comparative amounts for the year ended December 31, 2020)

	2021	2020
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and Revenue		
Contributions	\$ 50,000	\$ 660
Investment Return		
Net realized and unrealized gain on investments	5,792,529	7,295,345
Investment income	1,369,598	1,268,289
Less: Investment expenses	(452,786)	(426,916)
Investment Return	6,709,341	8,136,718
Net assets released from restrictions	1,208,300	1,927,500
Total Support and Revenue	7,967,641	10,064,878
Expenses		
Direct charitable activities	58,083	109,586
Program and grant management	6,132,480	10,603,708
General management and taxes	731,905	642,006
Total Expenses	6,922,468	11,355,300
Change in Net Assets Without Donor Restrictions	1,045,173	(1,290,422)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Support and Revenue		
Contributions, net	9,217,076	378,300
Net realized and unrealized gain on investments	419,280	753,551
Investment income	16,891	54,546
Net assets released from restrictions	(1,208,300)	(1,927,500)
Change in Net Assets With Donor Restrictions	8,444,947	(741,103)
Change in Net Assets	9,490,120	(2,031,525)
NET ASSETS		
Beginning of year	65,276,459	67,307,984
End of year	\$ 74,766,579	\$ 65,276,459

See notes to financial statements

The David Rockefeller Fund, Inc.

Statement of Functional Expenses
For the Year Ended December 31, 2021

(with summarized totals for the year ended December 31, 2020)

	<u>Program Services</u>		<u>Supporting Services</u>		<u>2021 Total</u>	<u>2020 Total</u>
	<u>Direct Charitable Activities</u>	<u>Program and Grant Management</u>	<u>General Management and Taxes</u>			
Salaries and Employee Benefits:						
Salaries	\$ 40,577	\$ 149,761	\$ 283,140		\$ 473,478	\$ 456,533
Employee benefits and events	<u>13,571</u>	<u>50,092</u>	<u>94,702</u>		<u>158,365</u>	<u>158,389</u>
	54,148	199,853	377,842		631,843	614,922
Other Expenses:						
Grants awarded	-	5,771,000	-		5,771,000	10,236,780
Federal excise and other taxes	-	-	104,510		104,510	90,687
Consultants fees	-	64,275	96,381		160,656	179,323
Legal, audit and professional fees	-	-	56,250		56,250	41,080
Travel	-	26,151	8		26,159	17,503
Rent and electricity	1,514	10,655	19,761		31,930	32,230
Telephone, facsimile and internet	156	1,109	2,058		3,323	3,092
Insurance	596	4,195	7,780		12,571	14,217
General office expenses	1,669	55,242	66,184		123,095	125,066
Communications	-	-	1,131		1,131	400
	<u>\$ 58,083</u>	<u>\$ 6,132,480</u>	<u>\$ 731,905</u>		<u>\$ 6,922,468</u>	<u>\$ 11,355,300</u>

See notes to financial statements

The David Rockefeller Fund, Inc.

Statement of Cash Flows
Year Ended December 31, 2021
(with comparative amounts for the year ended December 31, 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 9,490,120	\$ (2,031,525)
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized and unrealized gain on investments	(6,211,809)	(8,048,896)
Discount on contributions receivable	832,924	-
Changes in operating assets and liabilities:		
Accounts receivable and other assets	22,740	(8,436)
Contributions receivable	(9,991,700)	(7,300)
Accounts payable and accrued expenses	168,509	(27,937)
Grants payable	1,178,500	(515,000)
Taxes payable	66,498	68,687
Net Cash from Operating Activities	(4,444,218)	(10,570,407)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	19,415,432	27,601,702
Purchases of investments	(14,766,075)	(18,161,149)
Net Cash from Investing Activities	4,649,357	9,440,553
Net Change in Cash and Cash Equivalents	205,139	(1,129,854)
 CASH AND CASH EQUIVALENTS		
Beginning of year	856,358	1,986,212
End of year	\$ 1,061,497	\$ 856,358
 SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for other taxes	\$ 41,100	\$ 22,000

See notes to financial statements

The David Rockefeller Fund, Inc.

Notes to Financial Statements
December 31, 2021

1. Organization and Purpose

The David Rockefeller Fund, Inc. (the Fund) is a not for profit, charitable corporation existing under the New York not for profit corporation law and is classified as a private foundation as defined in the Internal Revenue Code (the Code). The Fund was established in 1989 and provides support to charitable and public organizations in the areas of Arts, Justice, and Climate. During 2018, the Richard Rockefeller Climate Change Initiatives was approved by the Board of Directors and made possible by the estate of David Rockefeller at the behest of two grandchildren and in honor of Richard Rockefeller. The main purpose of these initiatives is to support bold, urgent action to reduce and prevent greenhouse gas emissions as quickly as practitioners, and policymakers can achieve such gains at scale. The Fund also underwrites a number of programs designed to encourage trustees' charitable giving.

The Fund is exempt from federal income tax under Section 501(c)(3) of the Code and has been classified as a "private foundation." Provision has been made for the current and deferred federal excise taxes on realized net investment income and unrealized appreciation.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates made by management in the preparation of the financial statements include the fair value of alternative investments. Management believes that the estimates utilized in preparing these financial statements are reasonable and appropriate.

Net Asset Presentation

Resources for various purposes are classified for accounting and reporting purposes into net asset categories established according to nature and purpose as follows:

Without donor restrictions – consist of resources available for the general support of the Fund's operations. Net assets without donor restrictions may be used at the discretion of the Fund's management and if necessary, upon approval of the board of directors.

The David Rockefeller Fund, Inc.

Notes to Financial Statements
December 31, 2021

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

Net Asset Presentation (continued)

With donor restrictions – represent amounts restricted by donors to be used for specific activities or at some future date, or which require the Fund to maintain in perpetuity, the income of which can be used for specific or general purposes. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Income and gains earned on endowment fund investments are available to be used in the “with donor restrictions” or “without donor restrictions” net asset classes based upon stipulations by the donors.

Cash and Cash Equivalents

The Fund considers all highly liquid debt instruments purchased with maturities of three months or less to be cash equivalents, except for those managed by the investment managers as part of its long-term investment strategy.

Fair Value Measurements

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. U.S. GAAP has established a fair value hierarchy, which uses the following three levels of inputs to measure fair value:

Level 1: Quoted prices or published net asset value for those alternative investments with characteristics similar to a mutual fund in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices for similar assets or liabilities; prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities.

The David Rockefeller Fund, Inc.

Notes to Financial Statements
December 31, 2021

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

Fair Value Measurements (continued)

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows, and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial asset. In addition, the disclosed fair values do not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular financial asset. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in the amounts disclosed.

Pursuant to U.S. GAAP, alternative investments where fair value is measure using the Net Asset Value (NAV) per share as a practical expedient are not characterized within the fair value hierarchy.

Investments

Investments in marketable securities are carried at quoted market prices and alternative investments with characteristics similar to a mutual fund are carried at published net asset value. Unrealized gains or losses are determined using quoted market prices at the respective statement of financial position dates. Security costs are determined on a first-in, first-out basis. Investment purchases and sales are recorded on a trade-date basis.

The Fund follows the provisions of Accounting Standards Codification (ASC) 820-10-35-59, *Measuring the Fair Value of Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (ASC 820-10-35-59), to estimate fair value of certain investments in funds that do not have readily determinable fair values, including private investments, hedge funds, real estate, and other funds. ASC 820-10-35-59 allows for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value using net asset value per share or its equivalent, as a practical expedient, as provided by the investment managers.

Investments in alternative investments that are not readily marketable are reported in the financial statements based upon the underlying net asset value (or partner's capital) of each investment, which is estimated at fair value by the fund managers or general partners. The Fund reviews and evaluates the values provided by the fund managers and general partners, and agrees with the valuation methods and assumptions used in determining the fair value of the underlying net assets (or partner's capital).

Investment Income Recognition

Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized gains and losses on the sale of investments are computed on the specific identification basis. Realized and unrealized gains and losses are included in the determination of the change in net assets.

The David Rockefeller Fund, Inc.

Notes to Financial Statements
December 31, 2021

2. Summary of Significant Accounting Policies (continued)

Investment Expenses

Direct investment expense on the statement of activities consists of fees paid directly to the Fund's investment managers and custodian.

Grants Payable

Grants are recognized in the year that they are authorized by the board of directors and the recipient is notified (Note 8).

Recognition of Contributions and Promises to Give

Contributions, including unconditional promises to give, are recognized in the period received and are considered to be available for general use unless specifically restricted by the donor. Contributions to be received after one year are discounted to present value of future cash flows at a risk-adjusted rate. The Fund evaluates collectability of promises to give in determining the necessary provision for doubtful collection. No such provision has been made as of December 31, 2021 and 2020.

Accounting for Uncertainty in Income Taxes

The Fund follows the provisions of Accounting Standards Codification (ASC) Subtopic 740-10, *Accounting for Income Taxes*, which addresses the accounting for uncertainties in income taxes recognized in an organization's financial statements and prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. ASC Subtopic 740-10 also provides related guidance on measurement, classification, interest and penalties, and disclosures. The Fund has concluded that there were no uncertainties to disclose. The Fund is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to December 31, 2018.

Functional Expenses

The Fund reports expenses on a functional basis, with all expenses charged either to a particular program or supporting service. Direct charitable activities and program and grant management comprise the Fund's program-related expenses and general management comprises the supporting activity expenses. Within general management are expenses related to investment administration. Direct charitable activities include technical assistance provided to other charitable organizations, service of Fund staff on boards and committees of such organizations, and the costs of certain program-related projects undertaken directly by the Fund rather than through grants. Overhead expenses are allocated to functional areas based upon actual usage, if specifically identifiable. The allocation of expenses is made by management based on the estimated time spent by staff in the various program service functions.

The David Rockefeller Fund, Inc.

Notes to Financial Statements
December 31, 2021

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

Concentration of Credit Risk

Financial instruments that potentially subject the Fund to significant concentrations of credit risk consist principally of cash and cash equivalents, investments and receivables. The Fund's cash is maintained in bank accounts which, at times, may exceed federally insured limits. The Fund has not experienced any losses on its cash deposits. Investments are managed by a professional investment management firm that has been engaged to serve as the Fund's Outsourced Chief Investment Officer (OCIO) and are monitored by the Fund's Investment Committee. The Fund believes no significant concentration of credit risk exist with respect to its receivables due to historical collections and experience.

Prior Year Summarized Comparative Information

The amounts shown for the year ended December 31, 2020 in the accompanying statement of functional expenses are included to provide a basis for comparison with 2021 only. Accordingly, the 2020 totals are not intended to present all information necessary for a complete presentation in accordance with U.S. GAAP and should be read in conjunction with the Fund's 2020 financial statements.

Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 4, 2022.

3. Contributions Receivable

The following table presents the Fund's contributions receivable as of December 31:

	2021	2020
Due within one year	\$ -	\$ 8,300
Due in excess of one year	10,000,000	-
	10,000,000	8,300
Present value discount	(832,924)	-
	<u>\$ 9,167,076</u>	<u>\$ 8,300</u>

Approximately 99% and 100% of total contribution revenue and contributions receivable, respectively, were generated from one donor in 2021. Approximately 40% of contributions were received from one donor in 2020.

The David Rockefeller Fund, Inc.

Notes to Financial Statements December 31, 2021

4. Investments

The following table presents the Fund's fair value hierarchy for those investments measured at fair value as of December 31:

	2021		
	Level 1	Investments Valued Using NAV (*)	Total
Equities	\$ 21,062,111	\$ -	\$ 21,062,111
REITs	309,688	-	309,688
Mutual funds	20,225,192	-	20,225,192
Fixed income securities	8,943,336	-	8,943,336
Socially responsive global equities	-	15,133,296	15,133,296
Hedge funds	-	9,597	9,597
Venture capital	-	283,070	283,070
Private equity	-	616,339	616,339
Total Investments at Fair Value	\$ 50,540,327	\$ 16,042,302	66,582,629
Cash and equivalents, at cost			53,086
Total Investments			\$ 66,635,715
	2020		
	Level 1	Investments Valued Using NAV (*)	Total
Equities	\$ 20,019,851	\$ -	\$ 20,019,851
REITs	318,439	-	318,439
Mutual funds	18,865,478	-	18,865,478
Fixed income securities	9,752,742	-	9,752,742
Socially responsive global equities	-	15,547,120	15,547,120
Hedge funds	-	8,709	8,709
Venture capital	-	243,457	243,457
Private equity	-	264,456	264,456
Total Investments at Fair Value	\$ 48,956,510	\$ 16,063,742	65,020,252
Cash and equivalents, at cost			53,011
Total Investments			\$ 65,073,263

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

The David Rockefeller Fund, Inc.

Notes to Financial Statements December 31, 2021

4. Investments *(continued)*

Included in the Fund's investment portfolio at December are alternative investments with the following terms and conditions:

December 31, 2021				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Socially responsive global equities (see "a" below)	\$ 15,133,296	\$ -	Monthly	5 days
Hedge funds (see "b" below)	9,597	-	None	N/A
Venture capital (see "c" below)	283,070	162,000	None	N/A
Private equity (see "d" below)	616,339	820,355	None	N/A
	\$ 16,042,302	\$ 982,355		
December 31, 2020				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Socially responsive global equities (see "a" below)	\$ 15,547,120	\$ -	Monthly	5 days
Hedge funds (see "b" below)	8,709	-	None	N/A
Venture capital (see "c" below)	243,457	162,000	None	N/A
Private equity (see "d" below)	264,456	1,253,208	None	N/A
	\$ 16,063,742	\$ 1,415,208		

- (a) This category includes a fund that invests in a diversified portfolio of U.S. and non-U.S. companies with a market capitalization greater than \$1 billion. The manager attempts to employ a socially responsive strategy that uses a thoughtful and disciplined approach to proxy voting and shareholder activism that is based on research and designed to encourage company management to improve certain business practices for the betterment of all stakeholders. The objective is to identify those socially responsive companies with the greatest potential return in an attempt to outperform the MSCI World index over a "full market cycle" (rolling 3-to-5-year periods).
- (b) This category includes a fund of hedge funds, which is in liquidation, and all redemptions have been suspended. Redemptions from this fund cannot currently be exercised.
- (c) This category includes a fund of private equity and venture capital funds that invests in private equity, primarily through investments in venture capital funds and growth equity funds investment in established private companies and specialized buyout and recapitalization funds. The investment fund contained in this category is a commitment fund with limited exit rights. Redemptions from this fund cannot currently be exercised.
- (d) This category includes a private equity fund that engages in investing in a diversified portfolio of clean energy assets and related infrastructure investments. At December 31, 2021, there was an unfunded commitment of approximately \$820,000 in relation to this fund. Redemptions from this fund cannot be exercised.

The Fund had no investments categorized as Level 2 or 3 in 2021 or 2020. The Fund had no significant transfers between Level 1, Level 2, and Level 3 for the years ended December 31, 2021 and 2020.

The David Rockefeller Fund, Inc.

Notes to Financial Statements
December 31, 2021

5. Liquidity and Availability

The following reflects the Fund's financial assets as of December 31, 2021 and 2020, reduced by amounts not available for general use within one year, due to contractual or donor-imposed restrictions, plus expenditures appropriated from the endowment in accordance with the annual budget approval. The amounts classified as board designated could be made available if necessary.

	<u>2021</u>	<u>2020</u>
Financial Assets		
Cash and cash equivalents	\$ 1,061,497	\$ 856,358
Accounts receivable	57,233	67,159
Contributions receivable	-	8,300
Investments	<u>66,635,715</u>	<u>65,073,263</u>
Total Financial Assets	<u>67,754,445</u>	<u>66,005,080</u>
Less:		
Donor restricted endowment funds	(3,420,149)	(4,142,278)
Board designated endowment funds	(63,955,389)	(61,667,696)
Endowment fund appropriations for following year	<u>5,270,995</u>	<u>3,222,068</u>
	<u>(62,104,543)</u>	<u>(62,587,906)</u>
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	<u>\$ 5,649,902</u>	<u>\$ 3,417,174</u>

As part of the Fund's liquidity management strategy, the Fund has designated its outsourced investment advisor, with oversight by the Fund's Investment Committee and management, to structure its financial assets to be available as its grant payments and other general liabilities come due. Under the mandate of the Fund's Investment Policy Statement, approximately 10% to 45% of the Fund's investment portfolio net assets will be held in vehicles utilizing lockups of 12 months or less. Within the Fund's managed investment portfolio, a separate cash account is maintained at the Fund's custodian bank, and used to facilitate capital calls on investments, investment income and capital distributions, investment management fees, and other withdrawals necessary to meet the Fund's cash requirements for grants and operating expenses. Recurring cash withdrawals from the managed investment portfolio are coordinated on a quarterly basis, based on the Fund's annual cash flow projections for grants and administrative expenses as driven by the Fund's annual board approved budget. Cash requirements for other withdrawals associated with the Fund's investments are managed by the Fund's outsourced investment advisor, as part of their investment management agreement with the Fund.

The Fund's endowment funds consist of funds designated by the board as endowment and donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of amounts available for general expenditure.

The David Rockefeller Fund, Inc.

Notes to Financial Statements
December 31, 2021

5. Liquidity and Availability (*continued*)

The Fund's board designated endowment of \$63,955,389 at December 31, 2021 is subject to an annual spending policy as described in Note 6. Although the Fund does not intend to spend from the board-designated endowment, other than amounts appropriated for general expenditure as part of the annual budget approval and appropriation, these amounts could be made available if necessary.

6. Endowment Funds

The Fund has a board-designated endowment and donor restricted endowment funds.

The Fund received a major bequest from the estate of David Rockefeller over the course of 2017 and 2018, constituting the Fund's board-designated endowment. Included in this endowment as of December 31, 2021 and 2020, are net assets without donor restrictions including net assets of the Clay Rockefeller donor-advised fund, which was established in 2018 through a pledge in the amount of approximately \$2.8 million. The Fund's net assets with donor restrictions reflect the Richard Rockefeller Climate Change Initiatives program, a program established by the Board's approval in 2018 and a pledge made in 2021 by a board member of approximately \$10 million. These net assets, in addition to the income and appreciation earned on a contribution to the endowment designated for the GFF-DRF Climate Initiative, constitute the Fund's endowment with donor restrictions, which amounted \$3,420,149 and \$4,142,278 at December 31, 2021 and 2020.

The Fund sets its annual spending policy by considering the Fund's long-term financial objectives, determining a minimum rate of annual spending (typically 5%) that would align with those long-term objectives, and considering programmatic needs that may impact current thinking on spending. Based on this analysis, the Fund develops a proposal for a financially responsible budget amount that will meet both the Fund's minimum payout requirement and programmatic priorities. Spending for 2022 to 2024 will continue to consider the pledge received in 2021 as well as long-term financial objectives. Each year, the Board of Directors establishes an annual budget and the Fund monitors the impact of actual market trends during the year to make adjustments to spending in future years.

The Board of Directors of the Fund has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA) as allowing the Fund to appropriate for expenditure or accumulate so much of an endowment fund as the Fund determines is prudent for the uses, benefits, purposes, and duration under which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board of Directors. The Fund has classified contributions to the donor restricted endowment fund as *With Donor Restrictions* – Time Restricted or Purpose Restricted until those amounts are appropriated for expenditure by the Fund in a manner consistent with the donor's restrictions and the standard of prudence prescribed by NYPMIFA.

The David Rockefeller Fund, Inc.

Notes to Financial Statements
December 31, 2021

6. Endowment Funds (continued)

The Fund had the following endowment-related activities for the years ended December 31:

	Board-Designated Endowment Funds	With Donor Restrictions	Total
Endowment net assets at December 31, 2019	\$ 63,567,777	\$ 4,883,381	\$ 68,451,158
Investment return	8,136,718	808,097	8,944,815
Contributions to endowment	660	378,300	378,960
Amounts appropriated for expenditure	<u>(10,037,459)</u>	<u>(1,927,500)</u>	<u>(11,964,959)</u>
Endowment net assets at December 31, 2020	61,667,696	4,142,278	65,809,974
Investment return	6,709,341	436,171	7,145,512
Contributions to endowment	50,000	50,000	100,000
Transfers/releases from restriction	-	(8,300)	(8,300)
Amounts appropriated for expenditure	<u>(4,471,648)</u>	<u>(1,200,000)</u>	<u>(5,671,648)</u>
Endowment net assets at December 31, 2021	<u>\$ 63,955,389</u>	<u>\$ 3,420,149</u>	<u>\$ 67,375,538</u>

7. Employee Incentive Savings and Investment Plan

The Fund sponsors a qualified defined contribution plan that covers eligible full-time employees of the Fund who have completed six consecutive months of service as indicated in the plan document. Plan contributions for the years ended December 31, 2021 and 2020 totaled approximately \$55,400 and \$55,600.

The David Rockefeller Fund, Inc.

Notes to Financial Statements
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8. Reconciliation of Grants Awarded

The following table reconciles grants awarded and grants paid during 2021 and 2020:

Grants payable, December 31, 2019	\$ 990,000
Grants awarded	10,236,780
Grants paid	<u>(10,751,780)</u>
Grants Payable December 31, 2020	475,000
Grants awarded	5,771,000
Grants paid	<u>(4,592,500)</u>
Grants Payable December 31, 2021	<u>\$ 1,653,500</u>

The Fund estimates that the grants payable balance will be paid as follows:

2022	\$ 1,493,500
2023	110,000
2024	<u>50,000</u>
	<u>\$ 1,653,500</u>

9. Related-Party Transactions

In 2021 and 2020, the Fund reimbursed the Rockefeller Brothers Fund, Inc. (RBF) for accounting, human resource and operations staff services. The Fund also reimbursed RBF for certain other costs including employee benefits; consultant and legal fees related to employee benefits; information technology services; occupancy; and other miscellaneous overhead expenses. The Fund's total reimbursement to RBF was \$249,092 and \$221,841 and in 2021 and 2020.

Investment management fees of \$394,914 and \$370,832 were charged by Rockefeller & Company in 2021 and 2020.

In 2021 and 2020, the Fund made grants in the amount of \$60,000 and \$80,000, to Rockefeller Philanthropy Advisors (RPA) for the two donor-advised funds managed in its name. The purpose of the donor-advised funds is to support the Discretionary Grants/Director Grants Program of the Fund. The Fund approved a multi-year grant to RPA of \$75,000 for its Upstart Co-Lab project. In both 2021 and 2020 the fund made payments of \$25,000 to RPA towards this grant.

In both 2021 and 2020, the Fund made grants in the amount of \$250,000 and \$473,500, to Rockefeller Family Fund to support efforts to support environmental justice efforts in Texas, and to support the David W. Kaiser Fund for Climate Progress and Equation Campaign projects.

The David Rockefeller Fund, Inc.

Notes to Financial Statements
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9. Related-Party Transactions *(continued)*

During 2021, the Fund made a grant in the amount of \$10,000 to the Synergos Institute, Inc. for the David Rockefeller Bridging Leadership award project.

During 2021 and 2020, the Fund received pledges of \$10,100,000 and \$378,000 designated to the Fund by directors of the Fund.

10. Federal Taxes

As a private foundation, the Fund is assessed an excise tax under the Code. The provision for federal excise tax consists of a current provision on realized net investment income and a deferred provision on unrealized appreciation of investments.

As a result of legislation passed at the end of 2019, effective January 1, 2020, the Fund's excise tax rate is calculated using a flat rate of 1.39%. Pursuant to U.S. GAAP, deferred federal excise taxes are provided based on the enacted rate that is expected to be in place when the deferred taxes are realized.

The Fund provided for current excise taxes at the rate of 1.39% in 2021 and 2020. The following table reconciles the Fund's current and deferred tax provisions for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Current Tax		
Beginning of year liability	\$ 1,583	\$ 4,000
Excise tax expense	33,000	35,000
Additional overpayment credits	(3,171)	(15,417)
Payments	<u>(34,500)</u>	<u>(22,000)</u>
Current Tax (Receivable)/Liability	<u>\$ (3,088)</u>	<u>\$ 1,583</u>
Deferred Tax		
Beginning of year liability	\$ 178,077	\$ 106,973
Deferred tax expense	68,081	71,104
Deferred Tax Liability	<u>\$ 246,158</u>	<u>\$ 178,077</u>

11. COVID-19

The COVID-19 pandemic has resulted in substantial volatility in the global financial markets. The value of the Fund's individual investments has and will fluctuate in response to changing market conditions. The effect, if any, that may be recognized in subsequent periods, cannot be reasonably estimated.

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