

**The David Rockefeller Fund, Inc.**

Financial Statements

December 31, 2023



## 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, 2023, 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, 2023, 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, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 24, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*PKF O'Connor Davies, LLP*

July 31, 2024

**The David Rockefeller Fund, Inc.**

Statement of Financial Position  
December 31, 2023  
(with comparative amounts at December 31, 2022)

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,672,020	\$ 1,833,377
Accounts receivable and other assets	90,918	100,943
Contributions receivable, net	9,436,709	9,300,916
Investments	<u>52,050,635</u>	<u>48,716,103</u>
	<u>\$ 63,250,282</u>	<u>\$ 59,951,339</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 151,996	\$ 161,077
Grants payable	1,080,000	810,000
Taxes payable	164,467	90,557
Total Liabilities	<u>1,396,463</u>	<u>1,061,634</u>
Net Assets		
Without donor restrictions	51,501,211	48,094,077
With donor restrictions	<u>10,352,608</u>	<u>10,795,628</u>
	<u>61,853,819</u>	<u>58,889,705</u>
	<u>\$ 63,250,282</u>	<u>\$ 59,951,339</u>

See notes to financial statements

**The David Rockefeller Fund, Inc.**

Statement of Activities  
Year Ended December 31, 2023  
(with comparative amounts for the year ended December 31, 2022)

	2023	2022
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Support and Revenue		
Contributions	\$ 10,000	\$ 60,000
Investment Return		
Net realized and unrealized (loss) gain on investments	7,280,143	(11,200,754)
Investment income	1,123,323	965,040
Less: Investment expenses	<u>(372,717)</u>	<u>(391,561)</u>
Investment Return	<u>8,030,749</u>	<u>(10,627,275)</u>
Net assets released from restrictions	<u>1,200,000</u>	<u>1,150,000</u>
Total Support and Revenue	<u>9,240,749</u>	<u>(9,417,275)</u>
Expenses		
Direct charitable activities	52,666	9,801
Program and grant management	4,980,149	4,264,741
General management and taxes	<u>800,800</u>	<u>393,460</u>
Total Expenses	<u>5,833,615</u>	<u>4,668,002</u>
Change in Net Assets Without Donor Restrictions	<u>3,407,134</u>	<u>(14,085,277)</u>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Support and Revenue		
Contributions, net	185,793	133,840
Net realized and unrealized (loss) gain on investments	545,796	(789,136)
Investment income	25,456	13,699
Less: Investment expenses	(65)	-
Net assets released from restrictions	<u>(1,200,000)</u>	<u>(1,150,000)</u>
Change in Net Assets With Donor Restrictions	<u>(443,020)</u>	<u>(1,791,597)</u>
Change in Net Assets	2,964,114	(15,876,874)
<b>NET ASSETS</b>		
Beginning of year	<u>58,889,705</u>	<u>74,766,579</u>
End of year	<u>\$ 61,853,819</u>	<u>\$ 58,889,705</u>

See notes to financial statements

**The David Rockefeller Fund, Inc.**

Statement of Functional Expenses  
For the Year Ended December 31, 2023

(with summarized totals for the year ended December 31, 2022)

	<u>Program Services</u>		<u>Supporting Services</u>		<u>2023 Total</u>	<u>2022 Total</u>
	<u>Direct Charitable Activities</u>	<u>Program and Grant Management</u>	<u>General Management and Taxes</u>			
Salaries and Employee Benefits:						
Salaries	\$ 35,477	\$ 225,181	\$ 309,710		\$ 570,368	\$ 404,270
Employee benefits	<u>12,969</u>	<u>82,320</u>	<u>113,219</u>		<u>208,508</u>	<u>138,249</u>
	48,446	307,501	422,929		778,876	542,519
Other Expenses:						
Grants awarded	-	4,533,875	-		4,533,875	3,883,566
Federal excise and other taxes (benefit)	-	-	115,298		115,298	(145,513)
Consultants fees	-	69,700	36,020		105,720	162,670
Legal, audit and professional fees	-	-	64,339		64,339	52,157
Travel	100	32,622	9,577		42,299	18,056
Rent and electricity	1,234	10,246	15,412		26,893	33,258
Telephone, facsimile and internet	52	428	645		1,124	1,664
Temporary staffing and related expenses	-	-	44,298		44,298	12,660
Insurance	843	7,001	10,529		18,373	20,743
General office expenses	1,991	18,776	81,008		101,775	85,795
Communications	-	-	745		745	427
	<u>\$ 52,666</u>	<u>\$ 4,980,149</u>	<u>\$ 800,800</u>		<u>\$ 5,833,615</u>	<u>\$ 4,668,002</u>

See notes to financial statements

**The David Rockefeller Fund, Inc.**

Statement of Cash Flows  
Year Ended December 31, 2023  
(with comparative amounts for the year ended December 31, 2022)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 2,964,114	\$(15,876,874)
Adjustments to reconcile change in net assets to net cash from operating activities		
Taxes payable	73,910	(155,601)
Net realized and unrealized (gain) loss on investments	(7,825,939)	11,989,890
Discount on contributions receivable	(135,793)	(133,840)
Changes in operating assets and liabilities:		
Accounts receivable and other assets	10,025	(16,961)
Accounts payable and accrued expenses	(9,081)	(120,956)
Grants payable	270,000	(843,500)
Net Cash from Operating Activities	(4,652,764)	(5,157,842)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	29,341,492	19,049,447
Purchases of investments	(24,850,085)	(13,119,725)
Net Cash from Investing Activities	4,491,407	5,929,722
Net Change in Cash and Cash Equivalents	(161,357)	771,880
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	1,833,377	1,061,497
End of year	\$ 1,672,020	\$ 1,833,377
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for other taxes	\$ 25,300	\$ 31,250

See notes to financial statements

# The David Rockefeller Fund, Inc.

Notes to Financial Statements  
December 31, 2023

## 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.

*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.



## The David Rockefeller Fund, Inc.

Notes to Financial Statements  
December 31, 2023

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

#### ***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 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.

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 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. Investment purchases and sales are recorded on a trade-date basis.

## **The David Rockefeller Fund, Inc.**

Notes to Financial Statements  
December 31, 2023

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

#### ***Investments (continued)***

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.

#### ***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, 2023 and 2022.

## **The David Rockefeller Fund, Inc.**

Notes to Financial Statements  
December 31, 2023

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

#### ***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, 2020.

#### ***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 salary and related expenses is made by management based on the estimated time spent by staff in the various program service functions.

#### ***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, 2022 in the accompanying statement of functional expenses are included to provide a basis for comparison with 2023 only. Accordingly, the 2022 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 2022 financial statements.

## The David Rockefeller Fund, Inc.

Notes to Financial Statements  
December 31, 2023

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

#### ***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 July 31, 2024.

### 3. Contributions Receivable

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

	2023	2022
Due within one year	\$ -	\$ -
Due in excess of one year	10,000,000	10,000,000
	10,000,000	10,000,000
Present value discount	(563,291)	(699,084)
	\$ 9,436,709	\$ 9,300,916

The amount receivable is due from one donor, who has long been associated with the Fund. There was no concentration of contributions revenue in 2023 and 2022.

### 4. Investments

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

	2023		
	Level 1	Investments Valued Using NAV (*)	Total
Equities	\$ 17,752,762	\$ -	\$ 17,752,762
Exchange traded products	1,698,236	-	1,698,236
Mutual funds	11,971,500	-	11,971,500
Fixed income securities	4,039,686	-	4,039,686
Socially responsive global equities	-	14,107,313	14,107,313
Hedge funds	-	10,604	10,604
Venture capital	-	135,993	135,993
Private equity	-	2,278,323	2,278,323
Total Investments at Fair Value	\$ 35,462,184	\$ 16,532,233	51,994,417
Cash and equivalents, at cost			56,218
Total Investments			\$ 52,050,635

## The David Rockefeller Fund, Inc.

### Notes to Financial Statements December 31, 2023

#### 4. Investments (continued)

	2022		
	Level 1	Investments Valued Using NAV (*)	Total
Equities	\$ 16,812,708	\$ -	\$ 16,812,708
REITs	157,842	-	157,842
Mutual funds	12,732,834	-	12,732,834
Fixed income securities	5,838,884	-	5,838,884
Socially responsive global equities	-	11,765,804	11,765,804
Hedge funds	-	9,725	9,725
Venture capital	-	180,018	180,018
Private equity	-	1,164,798	1,164,798
Total Investments at Fair Value	\$ 35,542,268	\$ 13,120,345	48,662,613
Cash and equivalents, at cost			53,490
Total Investments			\$ 48,716,103

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

As of December 31, 2023 and 2022, two investments represented approximately 40% and 36% of total investments.

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

December 31, 2023				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Socially responsive global equities (see "a" below)	\$ 14,107,313	\$ -	Monthly	5 days
Hedge funds (see "b" below)	10,604	-	None	N/A
Venture capital (see "c" below)	135,993	162,000	None	N/A
Private equity (see "d" below)	2,278,323	588,875	None	N/A
	\$ 16,532,233	\$ 750,875		
December 31, 2022				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Socially responsive global equities (see "a" below)	\$ 11,765,804	\$ -	Monthly	5 days
Hedge funds (see "b" below)	9,725	-	None	N/A
Venture capital (see "c" below)	180,018	162,000	None	N/A
Private equity (see "d" below)	1,164,798	374,328	None	N/A
	\$ 13,120,345	\$ 536,328		

## The David Rockefeller Fund, Inc.

Notes to Financial Statements  
December 31, 2023

### 4. Investments *(continued)*

- (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 two private equity funds that engages in investing in a diversified portfolio of clean energy assets and related infrastructure investments. At December 31, 2023, there were unfunded commitments of approximately \$589,000 in relation to this fund. Redemptions from this fund cannot be exercised.

The Fund had no investments categorized as Level 2 or 3 in 2023 or 2022. The Fund had no significant transfers between Level 1, Level 2, and Level 3 for the years ended December 31, 2023 and 2022.

### 5. Liquidity and Availability

The following reflects the Fund’s financial assets as of December 31, 2023 and 2022, 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.

	2023	2022
Financial Assets		
Cash and cash equivalents	\$ 1,672,020	\$ 1,833,377
Accounts receivable	54,850	45,636
Investments	52,050,635	48,716,103
Total Financial Assets	53,777,505	50,595,116
Less:		
Donor restricted endowment funds	(915,900)	(1,494,712)
Board designated endowment funds	(53,021,657)	(49,266,593)
Endowment fund appropriations for following year	4,312,587	4,600,883
	(49,624,970)	(46,160,422)
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	\$ 4,152,535	\$ 4,434,694

## The David Rockefeller Fund, Inc.

Notes to Financial Statements  
December 31, 2023

### 5. Liquidity and Availability (*continued*)

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. 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 Fund's board designated endowment of \$53,021,657 at December 31, 2023 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, 2023 and 2022, 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 \$915,900 and \$1,494,712 at December 31, 2023 and 2022.

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.

## The David Rockefeller Fund, Inc.

Notes to Financial Statements  
December 31, 2023

### 6. Endowment Funds *(continued)*

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 2023 to 2025 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 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, 2021	\$ 63,955,389	\$ 3,420,149	\$ 67,375,538
Investment return	(10,235,714)	(775,437)	(11,011,151)
Contributions to endowment	60,000	-	60,000
Amounts appropriated for expenditure	(4,513,082)	(1,150,000)	(5,663,082)
Endowment net assets at December 31, 2022	49,266,593	1,494,712	50,761,305
Investment return	8,030,748	571,188	8,601,936
Contributions to endowment	10,000	50,000	60,000
Amounts appropriated for expenditure	(4,285,684)	(1,200,000)	(5,485,684)
Endowment net assets at December 31, 2023	\$ 53,021,657	\$ 915,900	\$ 53,937,557



## The David Rockefeller Fund, Inc.

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### 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, 2023 and 2022 totaled approximately \$57,000 and \$37,000.

### 8. Reconciliation of Grants Awarded

The following table reconciles grants awarded and grants paid during 2023 and 2022:

Grants payable, December 31, 2021	\$ 1,653,500
Grants awarded	3,883,566
Grants paid	<u>(4,727,066)</u>
Grants Payable December 31, 2022	810,000
Grants awarded	4,533,875
Grants paid	<u>(4,263,875)</u>
Grants Payable December 31, 2023	<u>\$ 1,080,000</u>

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

<u>Year(s) Ending December 31</u>	
2024	\$ 705,000
2025	<u>375,000</u>
	<u>\$ 1,080,000</u>

### 9. Related-Party Transactions

In 2023 and 2022, 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 \$289,803 and \$257,323 in 2023 and 2022.

Investment management fees of \$328,233 and \$345,797 were charged by Rockefeller & Company in 2023 and 2022.

In 2022, the Fund made a grant in the amount of \$105,000, 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. In 2023 and 2022, the Fund approved grants to RPA in the amounts of \$100,000 and \$50,000, for its Equation Campaign project.

## The David Rockefeller Fund, Inc.

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### 9. Related-Party Transactions *(continued)*

In 2022, 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 2023 and 2022, the Fund received a pledges of \$60,000 and \$10,000 from 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 2023 and 2022. The following table reconciles the Fund's current and deferred tax provisions for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Current Tax		
Beginning of year (receivable) liability	\$ (24,250)	\$ (3,088)
Excise tax expense	42,700	10,000
Additional overpayment credits	(1,312)	(5,062)
Payments	<u>(25,300)</u>	<u>(26,100)</u>
Current Tax Receivable	<u>\$ (8,162)</u>	<u>\$ (24,250)</u>
Deferred Tax		
Beginning of year liability	\$ 90,557	\$ 246,158
Deferred tax expense (benefit)	<u>73,910</u>	<u>(155,601)</u>
Deferred Tax Liability	<u>\$ 164,467</u>	<u>\$ 90,557</u>

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