

Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

The Rockefeller Foundation

December 31, 2023 and 2022

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
The Rockefeller Foundation

Report on the financial statements**Opinion**

We have audited the consolidated financial statements of The Rockefeller Foundation and Subsidiaries (collectively, the "Foundation"), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

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

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

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information as of December 31, 2023, is presented for purposes of additional analysis and is not a required part of the 2023 consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2023 consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2023 consolidated financial statements or to the 2023 consolidated financial statements themselves, and other additional procedures in accordance with US GAAS.

In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the 2023 consolidated financial statements as a whole.

Grant Thornton LLP

New York, New York
June 28, 2024

The Rockefeller Foundation

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,
(Amounts in thousands)

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 245,010	\$ 419,525
Redemptions, dividends, interest and other receivables	47,870	6,184
Prepaid federal excise and unrelated business income taxes	-	535
Investments	5,972,513	5,656,621
Program-related investments	56,198	39,867
Property, furniture, fixtures, and equipment, net	84,745	75,508
Operating lease right-of-use assets	41,066	40,491
Prepaid pension cost	43,808	39,487
Prepaid expenses and other assets	3,480	1,167
	<u>6,494,690</u>	<u>6,279,385</u>
Total assets	<u>\$ 6,494,690</u>	<u>\$ 6,279,385</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 22,354	\$ 17,940
Grants payable, net	124,724	134,008
Bonds payable, net of unamortized discount and deferred financing costs of \$4,416 in 2023 and \$4,580 in 2022	695,584	695,420
Deferred federal excise taxes	27,514	20,873
Postretirement benefit obligation	17,849	16,327
Operating lease liabilities	42,024	42,021
	<u>930,049</u>	<u>926,589</u>
Total liabilities	<u>930,049</u>	<u>926,589</u>
Net assets		
Without donor restrictions	5,428,614	5,275,441
With donor restrictions	136,027	77,355
	<u>5,564,641</u>	<u>5,352,796</u>
Total net assets	<u>5,564,641</u>	<u>5,352,796</u>
Total liabilities and net assets	<u>\$ 6,494,690</u>	<u>\$ 6,279,385</u>

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

The Rockefeller Foundation

CONSOLIDATED STATEMENTS OF ACTIVITIES

For the years ended December 31,
(Amounts in thousands)

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support						
Net realized gain on investments	\$ 195,080	\$ (67)	\$ 195,013	\$ 293,353	\$ 381	\$ 293,734
Unrealized gain (loss) on investments	336,501	-	336,501	(1,366,021)	-	(1,366,021)
Dividends and interest	47,119	-	47,119	42,759	-	42,759
Other investment gains	532	-	532	196	-	196
	579,232	(67)	579,165	(1,029,713)	381	(1,029,332)
Less: direct investment expenses	(14,181)	-	(14,181)	(14,074)	-	(14,074)
Net investment return (loss)	565,051	(67)	564,984	(1,043,787)	381	(1,043,406)
Contributions	6,071	145,956	152,027	-	52,369	52,369
Government grants	9,028	-	9,028	24,740	-	24,740
Net assets released from donor restrictions	87,217	(87,217)	-	79,919	(79,919)	-
Total revenues and support	667,367	58,672	726,039	(939,128)	(27,169)	(966,297)
Expenses						
Grants and direct charitable activities	281,145	-	281,145	361,964	-	361,964
Program costs	152,158	-	152,158	126,429	-	126,429
Operations and governance	73,916	-	73,916	69,660	-	69,660
Federal excise and other taxes (benefit)	8,892	-	8,892	(17,279)	-	(17,279)
Total expenses	516,111	-	516,111	540,774	-	540,774
Change in net assets, before pension and postretirement benefit liability adjustments	151,256	58,672	209,928	(1,479,902)	(27,169)	(1,507,071)
Pension and postretirement benefit liability adjustments	1,917	-	1,917	2,198	-	2,198
CHANGES IN NET ASSETS	153,173	58,672	211,845	(1,477,704)	(27,169)	(1,504,873)
Net assets						
Beginning of year	5,275,441	77,355	5,352,796	6,753,145	104,524	6,857,669
End of year	\$ 5,428,614	\$ 136,027	\$ 5,564,641	\$ 5,275,441	\$ 77,355	\$ 5,352,796

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

The Rockefeller Foundation

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2023

(Amounts in thousands)

	Program Services			Supporting Services			Total
	Grants and Direct Charitable Activities	Program Costs	Subtotal	Operations and Governance	Taxes	Subtotal	
Grants	\$ 281,145	\$ -	\$ 281,145	\$ -	\$ -	\$ -	\$ 281,145
Salaries and benefits	-	61,191	61,191	20,759	-	20,759	81,950
Legal fees	-	6,478	6,478	2,228	-	2,228	8,706
Accounting fees	-	954	954	243	-	243	1,197
Other professional fees	-	67,975	67,975	18,665	-	18,665	86,640
Interest	-	-	-	17,585	-	17,585	17,585
Depreciation and amortization	-	997	997	4,860	-	4,860	5,857
Occupancy	-	2,625	2,625	4,909	-	4,909	7,534
Travel, conferences, and meetings	-	11,879	11,879	4,667	-	4,667	16,546
Printing and publications	-	59	59	-	-	-	59
Federal excise and other taxes	-	-	-	-	4,211	4,211	4,211
Federal deferred excise tax	-	-	-	-	4,681	4,681	4,681
	<u>\$ 281,145</u>	<u>\$ 152,158</u>	<u>\$ 433,303</u>	<u>\$ 73,916</u>	<u>\$ 8,892</u>	<u>\$ 82,808</u>	<u>\$ 516,111</u>

The accompanying notes are an integral part of this consolidated financial statement.

The Rockefeller Foundation

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2022

(Amounts in thousands)

	Program Services			Supporting Services			Total
	Grants and Direct Charitable Activities	Program Costs	Subtotal	Operations and Governance	Taxes	Subtotal	
Grants	\$ 361,964	\$ -	\$ 361,964	\$ -	\$ -	\$ -	\$ 361,964
Salaries and benefits	-	47,474	47,474	16,945	-	16,945	64,419
Legal fees	-	626	626	3,517	-	3,517	4,143
Accounting fees	-	73	73	188	-	188	261
Other professional fees	-	66,257	66,257	20,354	-	20,354	86,611
Interest	-	-	-	17,585	-	17,585	17,585
Depreciation and amortization	-	803	803	1,338	-	1,338	2,141
Occupancy	-	1,357	1,357	6,722	-	6,722	8,079
Travel, conferences, and meetings	-	9,711	9,711	3,011	-	3,011	12,722
Printing and publications	-	128	128	-	-	-	128
Federal excise and other taxes	-	-	-	-	1,704	1,704	1,704
Federal deferred excise tax (benefit)	-	-	-	-	(18,983)	(18,983)	(18,983)
	<u>\$ 361,964</u>	<u>\$ 126,429</u>	<u>\$ 488,393</u>	<u>\$ 69,660</u>	<u>\$ (17,279)</u>	<u>\$ 52,381</u>	<u>\$ 540,774</u>

The accompanying notes are an integral part of this consolidated financial statement.

The Rockefeller Foundation

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31,
(Amounts in thousands)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Changes in net assets	\$ 211,845	\$ (1,504,873)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation and amortization	6,086	2,385
Deferred federal excise taxes	6,641	(18,983)
Amortization of deferred bond issuance costs	23	23
Amortization of deferred bond premium	141	141
Net unrealized (appreciation) depreciation on investments	(336,501)	1,366,021
Net realized gain on investments	(195,013)	(293,734)
Changes in operating assets and liabilities:		
Redemptions, dividends, interest and other receivables	(41,686)	(2,855)
Operating lease right-of-use assets	(575)	(40,491)
Prepaid federal excise and unrelated business income taxes	535	(225)
Prepaid pension cost	(4,321)	2,493
Prepaid expenses and other assets	(2,313)	(1,167)
Postretirement benefit obligation	1,522	(5,720)
Accounts payable and accrued expenses	4,414	208
Grants approved, net	386,853	359,332
Grants paid	(396,137)	(301,789)
Lease liabilities	3	42,021
	<u>(358,483)</u>	<u>(397,213)</u>
Net cash used in operating activities		
Cash flows from investing activities		
Proceeds from sale of investments	5,382,682	6,332,482
Proceeds from sale of program related investments	381	3,394
Purchase of investments	(5,164,181)	(6,038,263)
Purchase of program related investments	(19,591)	(4,758)
Purchase of furniture, fixtures and equipment	(15,323)	(66,164)
	<u>183,968</u>	<u>226,691</u>
Net cash provided by investing activities		
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(174,515)</u>	<u>(170,522)</u>
Cash and cash equivalents		
Beginning of year	<u>419,525</u>	<u>590,047</u>
End of year	<u>\$ 245,010</u>	<u>\$ 419,525</u>
Supplemental cash flow information		
Cash paid for bond interest	<u>\$ 17,444</u>	<u>\$ 16,766</u>
Operating cash flows used for operating leases	<u>\$ 4,983</u>	<u>\$ 5,099</u>
Operating lease right-of-use assets obtained in exchange for lease liabilities	<u>\$ 4,016</u>	<u>\$ 46,294</u>
Federal excise and federal unrelated business income taxes paid	<u>\$ 1,130</u>	<u>\$ 4,975</u>

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

The Rockefeller Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023 and 2022
(Amounts in thousands)

NOTE 1 - THE FOUNDATION

The Rockefeller Foundation was established in 1913 by John D. Rockefeller, Sr., to “promote the well-being” of humanity by addressing the root causes of serious problems. The Rockefeller Foundation works around the world to expand opportunities for poor or vulnerable people and to help ensure that globalization’s benefits are more widely shared. With assets of more than \$6.4 billion, it is one of the few institutions to conduct such work both within the United States and internationally.

The Rockefeller Foundation is working to solve global challenges with lasting impact by improving lives and the planet, and unleashing human potential, through innovation. The Rockefeller Foundation is dedicated to the principle that all men and women - dignified and resilient as they are - have the right to health, food, power and economic mobility. The Rockefeller Foundation’s programmatic work has set out to Advance Good Food for All, Achieve Health for All, End Energy Poverty, Expand Equity and Economic Opportunity and Seize Upon Emerging Frontiers. The Rockefeller Foundation seeks to advance those goals with a better use of science and data and through collaboration with partners and grantees. By identifying and accelerating breakthrough solutions, ideas and conversations, The Rockefeller Foundation works to improve the well-being of people everywhere.

The accompanying consolidated financial statements include the accounts of RF Catalytic Capital, Inc. (“RFCC”), a public charity, incorporated under the laws of the state of Delaware, Global Energy Alliance for People and Planet, LLC (“GEAPP”), Rockefeller Foundation Impact Investment Management, LLC, Rockefeller Foundation Zero Gap Investment Fund Co-Invest, LLC, Rockefeller Foundation Zero Gap Investment Fund, LP and Smart Power for Rural Development India Foundation (collectively, the “Foundation”), organized and operated exclusively for charitable, educational, religious, scientific, or literary purposes, exempt under Section 501(c)(3) of the Internal Code (the “Code”).

The Foundation is exempt from federal income taxation under §501(c)(3) of the Code and is a private foundation as described in §509(a); although, the Foundation is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code.

The Foundation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the accompanying consolidated financial statements.

The Foundation follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is “more-likely-than-not” to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements include the financial statements of the Foundation, including its subsidiaries, as described in Note 1. All significant intercompany transactions and balances have been eliminated in preparing the accompanying consolidated financial statements.

The Rockefeller Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022
(Amounts in thousands)

Basis of Presentation and Use of Estimates

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") which 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 consolidated 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 consolidated financial statements include the fair value of non-exchange traded alternative investments, realizability of program-related investments, pension and other post-retirement benefit obligations and depreciation and amortization amongst others. Management believes that the estimates utilized in preparing these consolidated financial statements are reasonable and appropriate.

Net Asset Classifications

The Foundation reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Without Donor Restrictions

Resources that are fully available at the discretion of management and the Board of Trustees (the "Board"), for use in activities within the Foundation's charter and mission.

With Donor Restrictions

Represent amounts restricted by donors to be used for specific activities or at some future date, or which require the Foundation to maintain in perpetuity.

The Foundation does not currently maintain any donor-restricted assets in perpetuity.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid debt instruments with maturities of 90 days or less at the time of purchase. Cash and cash equivalents held by the Foundation's investment managers, awaiting investment in various investment classes, are included within investments.

Investments

In managing its endowment, financial objectives are achieved through a diversified investment portfolio and disciplined spending policies. The Foundation's investments consist of marketable securities; non-exchange traded alternative investments and similar interests; and cash held for reinvestment. Alternative investments and similar interests include hedge funds, real asset and private equity fund investments. Alternative investments and similar interests are reported at the net asset value provided by the management of the respective fund as of December 31, and are reviewed by the Foundation's management for reasonableness. Management utilizes audited financial statements when available for alternative investments as part of its on-going due diligence and annual financial statement valuation process. All other investments are stated at fair value as of December 31, based upon active markets.

Interest income and related expenses are accounted for on the accrual basis. Dividend income and related expenses are recognized on the ex-dividend date, net of withholding taxes, where applicable. Realized gains and losses on investments in securities are calculated based on the specific identification method, based on the trade date.

The Rockefeller Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022
(Amounts in thousands)

Transactions in other currencies are translated into U.S. dollars at the exchange rates in effect at the date of the transactions. Monetary assets and liabilities denominated in non-U.S. currencies are reported at the exchange rates in effect at the end of the year. Any gain or loss arising from a change in exchange rates as of the date of the transaction is included in the change in realized gain on investments in the consolidated statement of activities. For the years ended December 31, 2023 and 2022, the realized and unrealized (gain) loss, resulting from foreign exchange translations totaled approximately \$(6.2) million and \$6.0 million, respectively.

Derivatives

The Foundation records derivatives at fair value. The fair value of futures contracts is reflected in investments in the consolidated statement of financial position. Derivatives contain varying degrees of risk whereby changes in fair value of the securities underlying the financial instruments or the cost of satisfying the Foundation's obligations may exceed the amount recognized in the consolidated statement of financial position. Changes in the fair value of derivatives, are included in the consolidated statement of activities as part of the unrealized appreciation (depreciation) on investments. (See also Note 5)

Fair Value Measurements

The Foundation follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets and liabilities as of the measurement date. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets and liabilities with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist. U.S. GAAP guidance excludes alternative investments from the fair value hierarchy when fair value is measured using the net asset value ("NAV") per share as a practical expedient for reporting fair value.

Investments Valuation

Investments are carried at fair value. 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 and does 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 amounts disclosed.

Investment Expenses

Direct investment expenses on the consolidated statement of activities consist of fees paid directly to the Foundation's investment managers as well as direct internal costs that the Foundation incurs in the generation of investment return. These costs include salaries, benefits, travel and other costs associated with the officers and staff responsible for the development and execution of the Foundation's investment strategy.

The Rockefeller Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022
(Amounts in thousands)

Program-Related Investments

Program-Related Investments (“PRI”) are philanthropically driven, nonmarketable investments and loans to businesses that further the Foundation’s mission. The Foundation’s PRI portfolio is monitored periodically to determine the appropriateness of the net realizable value, which is reflected on the consolidated statement of financial position. PRI’s are stated at estimated fair value.

Contributions

The Foundation has adopted Financial Accounting Standards Board, Accounting Standard Update (“ASU”) No. 2018-08, *Not for Profit Entities: Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The implementation of the provisions of this ASU for contributions received and made did not have a significant impact on the Foundation’s consolidated financial statements.

ASU No. 2018-08 assists an entity evaluate whether it should account for a grant (or similar transaction) as a contribution or as an exchange transaction. The ASU also clarifies and expands the criteria for determining whether a contribution is conditional, which may delay recognition of contribution revenue (recipient) or expense (resource provider).

The Foundation has adopted the resource provider provisions of ASU 2018-08, which requires the Foundation to determine whether a transfer of assets is conditional based on whether an agreement includes a barrier(s) that must be overcome and either a right of return of assets transferred or a right of release of a promisor’s obligation to transfer assets.

Government Grants

Support funded by government grants is recognized as the Foundation meets the conditions prescribed by the grant agreement, including performing the contracted services or incurring outlays eligible for reimbursement. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required. However, in the opinion of the Foundation, disallowances, if any, would not be material to the accompanying consolidated financial statements.

Property, Furniture, Fixtures, and Equipment, Net

Property, furniture, fixtures, and equipment are stated at cost at the date of acquisition. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives by asset class range from three to 30 years.

Federal Excise and Unrelated Business Income Taxes

The Foundation is subject to a Federal excise tax of 1.39% on its net investment income. Accordingly, the Foundation provides for deferred Federal excise tax at 1.39% on the net unrealized appreciation in the fair value of investments as of the date of the consolidated statement of financial position.

Additionally, the Foundation’s investment in certain alternative investments give rise to unrelated business income tax (“UBIT”) liabilities taxed at general corporate rates of 21%.

The Foundation is required to calculate a deferred tax provision based on the fair value of its investments. To the extent that the Foundation has generated a cumulative unrealized gain on its investments, those gains represent a deferred tax item.

The Rockefeller Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022
(Amounts in thousands)

Excise and income taxes consist of the following activity:

	2023	2022
Current excise taxes	\$ 3,090	\$ 728
Deferred excise tax/(benefit)	4,681	(18,983)
Federal/state & other taxes	1,121	976
	<u>\$ 8,892</u>	<u>\$ (17,279)</u>

The Foundation recorded a deferred tax liability of \$27,514 and \$20,873, respectively, as of December 31, 2023 and 2022. This deferred tax liability is the result of the unrealized appreciation on the Foundation's investments.

The change in the value of the deferred tax liability represents a deferred excise tax in the amount of \$6,641.

Grants

Committed grant expenditures are considered incurred at the time of approval by the Foundation provided the grant has no specified conditions (barriers) to be met in a future period. For conditional grants, the grant expenditure and liability are recognized and recorded in the accounting period when the Foundation determines that the specified conditions (barriers) have been met by the grantee. Such grant commitments are often made to a recipient over multiple fiscal years and, therefore, are recognized and measured at the present value of the expected amounts to be paid. The present value discount is determined when the grant is initially recognized using an appropriate discount rate which is not subsequently revised. The Foundation amortizes grant discounts, which are recorded as additional grant expense, over the payment period of the respective grant using the straight-line method. Rescinded and refunded grants are recorded as a reduction to grant expense and totaled \$180,741 in 2023.

Functional Expenses

The Foundation allocates expenses on a functional basis among its various program and supporting services. Expenditures that are attributed to a specific program or supporting service are reported accordingly.

Program services consist of the Foundation's work in supporting programs in Power, Health, Food, Finance Systems, Connected Leaders, Innovation, and Communications, Policy and Advocacy. This includes grants, direct charitable activities and program costs. Supporting services consist of the President's Office, Operations and Legal divisions, in addition to federal excise taxes.

Reclassifications

Certain reclassifications have been made to the prior year consolidated financial statements to conform to the current year presentation. Such reclassifications did not change total assets, liabilities, revenues, expenses or changes in net assets as reflected in the 2022 consolidated financial statements.

Subsequent Events

In connection with the preparation of the accompanying consolidated financial statements, the Foundation evaluated subsequent events from December 31, 2023 through June 28, 2024, which was the date the consolidated financial statements were issued. No additional events have occurred that would require recognition or disclosure in the accompanying consolidated financial statements.

The Rockefeller Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022
(Amounts in thousands)

NOTE 3 - INVESTMENTS

The Foundation's investment portfolio at December 31, at fair value, consists of the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 476,214	\$ 459,163
Equity long/short hedge funds		
Domestic equities	43,055	30,667
International equities	519,016	525,628
Event driven/multi-strategy hedge funds		
Domestic equities	96,914	97,357
International equities	141,843	124,689
Passive fixed income		
Cash and cash equivalents	77	2
Domestic fixed income	185,450	98,186
Marketable other hedge funds		
International equities	69,964	65,628
Non-marketable other hedge funds		
Domestic equities	32,428	26,245
International equities	35,624	29,796
Developed equity		
Cash and cash equivalents	9,905	11,906
Domestic equities	614,405	519,775
International equities	503,883	395,600
FX	146	-
Emerging markets		
Domestic equities	106,448	82,729
International equities	176,090	202,022
Marketable distressed hedge funds		
Domestic equities	-	156
Non-marketable distressed hedge funds		
Domestic equities	50,907	48,836
International equities	4,447	5,253
Portable alpha funds		
Cash and cash equivalents	10,082	8,113
International equities	101,836	95,691
Private equity funds		
Domestic equities	754,407	764,213
International equities	1,721,118	1,714,959
Real estate funds		
Cash and cash equivalents	-	764
Domestic equities	50,628	53,673
International equities	59,971	62,386
Resources funds		
Cash and cash equivalents	-	359
Domestic equities	111,249	106,456
International equities	10,874	15,703
Relative value hedge funds		
International equities	76,074	103,181
Pending securities transactions - net	9,458	7,485
	<u>\$ 5,972,513</u>	<u>\$ 5,656,621</u>
Total		

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

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The following tables summarize the fair value of investments valued at fair value on a recurring basis at December 31, grouped within the fair value hierarchy. Those assets reported at fair value based on NAV have been separately presented.

	2023		
	Level 1	Other Investments Measured at NAV(*)	Total
Cash and cash equivalents	\$ 476,214	\$ -	\$ 476,214
Equity long/short hedge funds	-	562,071	562,071
Event driven/multi-strategy hedge funds	-	238,757	238,757
Passive fixed income	102,391	83,136	185,527
Marketable other hedge funds	-	69,964	69,964
Non-marketable other hedge funds	-	68,052	68,052
Developed equity	258,522	869,817	1,128,339
Emerging markets	78,182	204,354	282,536
Non-marketable distressed hedge funds	-	55,354	55,354
Portable alpha funds	10,082	101,837	111,919
Private equity funds	23,280	2,452,246	2,475,526
Real estate funds	-	110,599	110,599
Resources funds	-	122,123	122,123
Relative value hedge funds	-	76,074	76,074
Pending securities transactions - net	9,458	-	9,458
Total	\$ 958,129	\$ 5,014,384	\$ 5,972,513

	2022		
	Level 1	Other Investments Measured at NAV(*)	Total
Cash and cash equivalents	\$ 459,163	\$ -	\$ 459,163
Equity long/short hedge funds	-	556,295	556,295
Event driven/multi-strategy hedge funds	-	222,046	222,046
Passive fixed income	98,188	-	98,188
Marketable other hedge funds	-	65,628	65,628
Non-marketable other hedge funds	-	56,042	56,042
Developed equity	227,680	699,601	927,281
Emerging markets	53,871	230,879	284,750
Marketable distressed hedge funds	-	156	156
Non-marketable distressed hedge funds	-	54,089	54,089
Portable alpha funds	8,113	95,691	103,804
Private equity funds	5,569	2,473,603	2,479,172
Real estate funds	764	116,059	116,823
Resources funds	359	122,159	122,518
Relative value hedge funds	-	103,181	103,181
Pending securities transactions - net	7,485	-	7,485
Total	\$ 861,192	\$ 4,795,429	\$ 5,656,621

(*) The Foundation uses NAV, or its equivalent, to determine the fair value of all the underlying investments which: (a) do not have a readily determinable fair value; and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

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Information in the following table summarizes the various redemption, lock-up provisions, and unfunded commitments for alternative investments measured at NAV using the practical expedient at December 31, 2023:

Investment Category	2023 Fair Value	2022 Fair Value	Redemption Frequency	Redemption Notice Period	Unfunded Commitments as of December 31, 2023 (in millions)
Equity long/short hedge funds					
			1% monthly, 34% quarterly, 12% semi-annually, 18% annually, and 35% greater - lockups expire in Jun 24, Feb 25		
Long/short hedge funds ^(a1)	\$ 558,807	\$ 550,451		10-90 days	\$ 30.0
Private equity structure type investment	2,187	1,317	N/A	N/A	
Residual interest ^(a2)	1,077	4,527	N/A	N/A	
Event driven/multi-strategy hedge funds					
			21% semi-annually, 23% annually, and 56% greater		
Event driven/multi-strategy hedge funds ^(b1)	191,588	176,993		60-90 days	
Private equity structure type investment	5,968	6,988	N/A	N/A	7.2
Restricted portion of fund investments ^(b1)	39,562	36,124	N/A	N/A	
Residual interests ^(b2)	1,639	1,941	N/A	N/A	
Marketable other hedge funds [€]	69,964	65,628	Annually	90 days	
Non-marketable hedge funds - credit ^(d)	68,052	56,042	Private equity structure	N/A	33.7
			23% daily, 19% monthly, 46% quarterly, 1% semi-annually, 1% annually, 10% greater - lockups expire Mar 24		
Developed equity ^(e)	869,817	699,601		1-120 days	25.0
			46% daily, 54% monthly, semi-annually, and greater		
Emerging markets ^(f)	204,354	230,879		1-90 days	
Distressed funds ^(g)					
Marketable distressed hedge funds	-	156	Private equity structure	N/A	
Non-marketable distressed hedge funds	55,354	54,089	Private equity structure	N/A	11.3
Passive fixed income ^(g2)	83,136	-	Daily	1 day	
Portable alpha funds ^(h)	101,837	95,691	Quarterly	65 days	
Private equity funds ⁽ⁱ⁾	2,452,246	2,473,603	Private equity structure	N/A	476.3
Real estate funds ^(j)	110,599	116,059	Private equity structure	N/A	30.3
Resource funds ^(k)	122,123	122,159	Private equity structure	N/A	33.2
			54% quarterly, 23% annually, 23% greater		
Relative value hedge funds ^(l)	76,074	103,181		45 - 60 days	
Total	<u>\$ 5,014,384</u>	<u>\$ 4,795,429</u>			<u>\$ 647</u>

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Based on the underlying terms of the funds, the majority of the unfunded commitments are expected to be called within the next 10 years.

- (a¹) *Long/short hedge funds* - This category includes investments in funds that employ deep fundamental, company-specific research to identify businesses with favorable fundamental and technical factors to invest long and unfavorable fundamental and technical factors to invest short. These managers may also vary exposures based on the prevailing market environment.
- (a²) *Residual interests* - This category includes a residual interests in three funds that were previously redeemed.
- (b¹) *Event driven/multi-strategy hedge funds* - This category includes investments in funds that seek to invest opportunistically across the following strategies: credit long/short, distressed, risk arbitrage, convertibles, equity and private investments/special situations. The allocation to sub-strategies varies based on the managers' assessment of risk/reward for each sub-strategy and attractiveness of each individual opportunity. Typically, all investments are supported by deep fundamental research on the industry and also at the company level.
- (b²) *Residual interests* - This category includes residual interests in four funds that were previously redeemed.
- (c) *Marketable other hedge funds* - This category is comprised of one fund, which employs quantitative, market neutral based strategies across differing time horizons.
- (d) *Nonmarketable hedge funds - credit* - This category is comprised of private funds that, because of the types of securities in which they invest (e.g., credit), don't qualify for inclusion in the Foundation's private equity portfolio. This category currently consists of four managers that pursue direct lending, senior debt, litigation finance and structured finance strategies.
- (e) *Developed equity* - This category generally includes investments in funds that invest in common stocks across developed markets.
- (f) *Emerging markets* - This category generally includes investments in funds that invest in common stocks across emerging and frontier markets.
- (g) *Distressed funds* - This category includes funds that invest in the debt or post-reorganization equity of distressed companies. The portfolios are typically invested long and have low turnover, as distressed investments take months to years to work out. As such, these funds require longer lockups or private equity capital call/distribution structures.
- (g²) *Passive fixed income* - This category includes one fund that invests in short term U.S. Treasuries.
- (h) *Portable alpha funds* - This category includes an account that combines U.S. Intermediate Treasury beta and alpha generating components.
- (i) *Private equity funds* - This category includes buyout, growth equity and venture capital funds. The Foundation invests in these funds via a partnership structure, and the funds then invest equity capital into a portfolio of private companies. Whereas buyout funds are typically characterized by control (50% ownership), growth equity funds usually make minority investments. Venture capital funds focus on early-stage, startup opportunities with potentially greater reward but also higher risk. These funds may invest in an array of companies, geographies and sectors. Distributions are received as the underlying fund investments are liquidated; final liquidations are estimated to occur within 10 to 15 years of a fund's inception.

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- (i) *Real estate funds* - This category includes real estate funds that invest in commercial real estate globally. Distributions are received as the underlying fund investments are liquidated; final liquidations are estimated to occur within 10 to 15 years of a fund's inception.
- (k) *Resource funds* - This category includes private equity funds that invest primarily in the energy sector. Distributions are received as the underlying fund investments are liquidated; final liquidations are estimated to occur within 10 to 15 years of a fund's inception.
- (l) *Relative value hedge funds* - Relative value funds are actively managed investment funds that seek to capitalize on market inefficiencies and exploit temporary differences in the prices of related securities across asset classes including structured credit, corporate credit, equities, interest rates and currencies.

NOTE 4 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Foundation's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the consolidated statements of financial position are as follows at December 31:

	2023	2022
Financial assets		
Cash and cash equivalents	\$ 245,010	\$ 419,525
Redemptions, dividends, interest and other receivables	47,870	6,184
Investments	5,972,513	5,656,621
Total financial assets	6,265,393	6,082,330
Less:		
Illiquid investments	(3,253,151)	(3,365,320)
Donor restrictions related to time or purpose	(136,027)	(77,355)
Financial assets available to meet cash needs for general expenditure within one year	\$ 2,876,215	\$ 2,639,655

As part of the Foundation's liquidity management strategy, the Foundation structures its financial assets to be available as its grant payments and other general liabilities come due. The Foundation also maintains three lines of credit totaling \$300 million with a financial institution that can be drawn upon as needed during the year.

NOTE 5 - DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments "Derivatives" used by the Foundation are contracts that derive their value from changes in values of underlying securities, typically, stocks, bonds or other assets. The Foundation directly invests in futures on U.S. Treasury bonds. The U.S. Treasury futures are purchased or sold at minimum transaction cost to adjust desired asset mix.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

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The Foundation's assets include the initial margin and unrealized gains and losses of the derivative contracts purchased and sold by the Foundation. Fair values of the Foundation's derivative financial instruments generally are determined by quoted market prices as of the reporting date. Also, within the Foundation's alternative investments, managers may create additional exposure for the Foundation through short sales of securities, and trading in futures and forward contracts, options, swaps and other derivative products. However, the Foundation's exposure to derivatives held by its limited partnership investments is restricted to its contributed and committed capital to those limited partnerships.

The full market risk and credit risk of derivative financial instruments are associated with their underlying contract amounts or "notional values" in addition to their fair values. Market risk represents potential loss from the decrease in the value of these financial instruments. Credit risk represents potential loss from possible nonperformance by the counterparties to these contracts.

Upon entering into a derivative contract, the Foundation deposits and maintains as collateral such initial margin as required by the exchange on which the transaction is traded. Pursuant to the contract, the Foundation is to receive from, or pay to, the broker an amount of cash equal to the daily fluctuation in the value of the contract, also known as the variation margin. The Foundation records daily fluctuations in the variation margin account as realized gains and losses. At December 31, 2023 and 2022, \$(2,100) and \$1,215, respectively, was on deposit with the brokers as collateral for margin requirements on futures, which is included in investments as U.S. and other government obligations.

The following table identifies the fair value amounts of derivative instruments included in the consolidated statements of financial position, categorized by primary underlying risk, at December 31. The following table also identifies the net gain and loss amounts included in net realized gain and unrealized appreciation on investments in the consolidated statements of activities, categorized by primary underlying risk for the years ended December 31:

	2023				2022			
	Notional Derivative Amount	Number of Contracts (Actual)	Amount of Unrealized Loss	Amount of Realized (Loss) Gain	Notional Derivative Amount	Number of Contracts (Actual)	Amount of Unrealized Loss	Amount of Realized (Loss) Gain
U.S. Treasury Bond futures	\$ 113,435	767	\$ 2,229	\$ (3,402)	\$ 103,786	711	\$ (91)	\$ (9,498)
FX rate Forward contracts	(6,327)	4	147	(608)	-	-	-	(224)
Overlay hedge	-	-	-	-	-	-	-	41,005
Totals	\$ 107,108	771	\$ 2,376	\$ (4,010)	\$ 103,786	711	\$ (91)	\$ 31,283

NOTE 6 - PROGRAM-RELATED INVESTMENTS (PRI)

As of December 31, 2023, the Foundation had a total of 29 PRI's outstanding with maturity dates between December 2025 and April 2041. Interest rates assigned to PRI's vary based on risk ratings and other factors determined to be appropriate by the Foundation.

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The following table includes a roll-forward of the Foundation's PRI's for the years ended December 31:

	Fair Value	
	2023	2022
Balance, January 1	\$ 39,867	\$ 44,852
New investments	19,591	4,758
Repayments	(381)	(3,393)
Depreciation of investments	(2,879)	(6,350)
Balance, December 31	\$ 56,198	\$ 39,867

The Foundation has unfunded PRI commitments totaling \$48.7 million and \$7.9 million at December 31, 2023 and 2022, respectively, which are expected to be funded by December 31, 2031. Such amounts have not been recorded in the accompanying consolidated financial statements.

NOTE 7 - PROPERTY, FURNITURE, FIXTURES, AND EQUIPMENT, NET

At December 31, property, furniture, fixtures, and equipment, net, consists of the following:

	2023	2022
Condominium improvements	\$ 105	\$ 302
Leasehold improvements	78,420	3,812
Construction in process	392	68,833
Furniture, fixtures, and equipment	35,245	25,939
	114,162	98,886
Less: accumulated depreciation and amortization	(29,417)	(23,378)
	\$ 84,745	\$ 75,508

During 2023 and 2022, \$229 and \$246, respectively, of depreciation was allocated to investment expenses. Construction in process is attributed to the capital expenditures related to the renovation of the Foundation's Washington DC headquarters and GEAPP customer relationship management software implementation. Such projects are anticipated to be completed during calendar 2024.

NOTE 8 - PENSIONS AND OTHER POST-RETIREMENT BENEFITS

The Foundation maintains a defined benefit pension plan (the "Plan") for regular salaried employees who were at least 21 years old and have completed one year of service or had attained the age of 40 prior to July 1, 2000. As of July 1, 2000, the Plan was closed to new employees and to employees hired prior to July 1, 2000, who did not meet the eligibility requirements.

Effective December 31, 2012, the Plan was amended such that plan benefits were frozen and further accruals of benefits have ceased as of that date. Participants affected by the freeze (18) were eligible to receive a basic contribution under The Retirement Savings Plan for the Employees of The Rockefeller Foundation (the "Retirement Savings Plan") effective January 1, 2013.

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The Plan provides retirement benefits based on years of service and final average compensation, with benefits after retirement subject to increase under a cost-of-living augmentation formula. The Foundation makes annual contributions to the Plan, as needed, based on actuarial calculations, in amounts sufficient to meet the minimum funding requirements pursuant to the Employee Retirement Income Security Act of 1974. Plan assets are invested in a diversified portfolio of equity and fixed income index funds.

In 2000, the Foundation enhanced its 401(k) plan to create the Retirement Savings Plan. Foundation contributions are now made to equal 13% of compensation plus a dollar-for-dollar match of up to an additional 2% of base compensation contributed on a pretax basis by employees up to the compensation cap.

In 2000, then current members of the Plan had the option of remaining in the combined retirement plan consisting of the defined benefit pension plan and the former 401(k) Trustee Savings Plan or moving to the new Retirement Savings Plan. Employees can make additional unmatched pretax contributions which, when combined with employee contributions that are matched, cannot exceed the maximum pretax contribution limit of \$20, or for employees who have attained age 50, \$26. All contributions are credited to the participants' accounts. The Foundation's contributions to the Retirement Savings Plan totaled \$6.1 million in 2023 and \$5.5 million in 2022.

Locally hired staff in the Foundation's foreign offices participate in retirement plans and/or provident funds or other plans that conform to local customs, conditions or laws.

The Foundation provides certain health care and life insurance benefits ("Other Post-Retirement Benefits") for retired employees. Employees are eligible for these benefits when they meet the criteria for retirement under the Foundation's pension plan. This plan has a cost sharing feature, which totaled \$156 and \$156 for 2023 and 2022, respectively. The Foundation accrues the expected cost of providing postretirement benefits over the years that employees render service and pays this portion of the cost of retiree health care benefits.

Information as of and for the years ended December 31, regarding the Foundation's defined benefit plans is as follows:

	Pension Benefits		Other Post-Retirement Benefits	
	2023	2022	2023	2022
Projected benefit obligation	\$ 53,915	\$ 53,130	\$ 17,849	\$ 16,327
Fair value of plan assets	97,723	92,617	-	-
Funded (unfunded) status	\$ 43,808	\$ 39,487	\$ (17,849)	\$ (16,327)
Service cost	\$ -	\$ -	\$ 1,085	\$ 1,613
Interest cost	2,913	2,009	855	647
Expected return on assets	(5,144)	(4,800)	-	-
Amortization of prior credit	-	-	(454)	(623)
Amortization of actuarial losses	1,303	943	(647)	-
Net periodic (credit) cost	\$ (928)	\$ (1,848)	\$ 839	\$ 1,637

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December 31, 2023 and 2022
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	Pension Benefits		Other Post-Retirement Benefits	
	2023	2022	2023	2022
Components of other changes in net assets				
Actuarial losses (gains) arising in period	\$ (2,090)	\$ 5,283	\$ 375	\$ (7,160)
Amortization of prior service credit	-	-	454	623
Amortization of actuarial losses	(1,303)	(943)	-	-
Other change in net assets	\$ (3,393)	\$ 4,340	\$ 829	\$ (6,537)
Accumulated benefit obligation	\$ 53,915	\$ 53,130	\$ 17,849	\$ 16,327
Amount recognized in the consolidated statements of financial position - prepaid benefit cost (obligation)	\$ 43,808	\$ 39,487	\$ (17,849)	\$ (16,327)
Benefits paid	\$ 4,750	\$ 4,595	\$ -	\$ -

The table below reflects the amounts recognized within net assets arising from the Plan and Other Post-Retirement Benefits at December 31, 2023 and 2022 that have not yet been recognized in net periodic benefit cost and the portion of such amounts that are expected to be recognized into net periodic benefit cost during the year ended December 31, 2024.

	Pension Benefits			Other Post-Retirement Benefits		
	2024	2023	2022	2024	2023	2022
Actuarial losses	\$ 1,035	\$ 1,218	\$ 951	\$ (482)	\$ (504)	\$ -
Prior service credit	-	-	-	-	(454)	(623)
	\$ 1,035	\$ 1,218	\$ 951	\$ (482)	\$ (958)	\$ (623)

Weighted-average assumptions used to determine benefit obligations at December 31, are as follows:

	Pension Benefits		Other Post-Retirement Benefits	
	2023	2022	2023	2022
Discount rate	5.37%	5.64%	5.24%	5.50%
Rate of compensation increase	N/A	N/A	4.00%	4.00%

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Weighted-average assumptions used to determine net periodic benefit cost for the years ended December 31, are as follows:

	Pension Benefits		Other Post-Retirement Benefits	
	2023	2022	2023	2022
Discount rate	5.64%	2.97%	5.50%	2.97%
Expected long-term return on plan assets	5.70%	4.42%	N/A	N/A
Rate of compensation increase	N/A	N/A	4.00%	4.00%

The overall expected long-term rate of return on assets assumption was determined based on historical returns (without adjustment) for each asset class.

Assumed health care cost trend rates at December 31, are as follows:

	2023	2022
Health care cost trend rate assumed for next year	6.50%	6.50%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2029	2029

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	% Point Increase	% Point Decrease
Effect on total of service and interest costs	\$ 426	\$ (328)
Effect on postretirement benefit obligation	2,985	(2,381)

The investment policy of the Plan is generally to invest the Plan's assets in the ratio of 30% in equities and 70% in fixed income and cash to minimize the risk that the Plan becomes underfunded. Some of the Plan's investment managers have been selected from among the endowment's managers to achieve savings on asset-based management fees and to garner the benefits of consolidated risk management and oversight.

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The following are the major categories of retirement plan assets reported at fair value as of December 31, 2023 and 2022 grouped within the fair value hierarchy. Those assets reported at fair value based on NAV have been separately presented.

	2023		
	Level 1	Other Investments Measured at NAV(*)	Total
Cash equivalents	\$ 7,565	\$ -	\$ 7,565
Equity funds			
Domestic equity funds	-	21,179	21,179
International equity funds	3,384	10,304	13,688
Fixed income index funds			
Domestic fixed income funds	-	55,291	55,291
Total	<u>\$ 10,949</u>	<u>\$ 86,774</u>	<u>\$ 97,723</u>
	2022		
	Level 1	Other Investments Measured at NAV(*)	Total
Cash equivalents	\$ 3,352	\$ -	\$ 3,352
Equity funds			
Domestic equity funds	-	20,927	20,927
International equity funds	3,071	8,896	11,967
Fixed income index funds			
Domestic fixed income funds	-	56,371	56,371
Total	<u>\$ 6,423</u>	<u>\$ 86,194</u>	<u>\$ 92,617</u>

(*) The Foundation uses net asset value ("NAV"), or its equivalent, to determine the fair value of all the underlying investments which: (a) do not have a readily determinable fair value; and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

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A portion of the pension assets measured at NAV contain various redemption restrictions with required written notice. The following tables summarize the composition of such investments by the various redemption and lock-up provisions as of December 31:

2023				
Investment Category	Fair Value	Redemption Frequency	Redemption Notice Period	Unfunded Commitments
Developed and emerging markets equity funds ^(a)	\$ 31,483	Daily, monthly, and quarterly	1-60 days	\$ -
Fixed income index funds ^(b)	55,291	Daily	2 days	-
Total	\$ 86,774			\$ -
2022				
Investment Category	Fair Value	Redemption Frequency	Redemption Notice Period	Unfunded Commitments
Developed and emerging markets equity funds ^(a)	\$ 29,823	Daily, monthly, and quarterly	1-60 days	\$ -
Fixed income index funds ^(b)	56,371	Daily	2 days	-
Total	\$ 86,194			\$ -

^(a) This category includes investments in funds that invest in common stocks broadly across developed and emerging markets or in specific regions.

^(b) This category includes investments in passively managed trust funds that own U.S. Treasury bonds and TIPS.

Cash Flows

Contributions - The Foundation does not anticipate making any contributions to its pension plan in 2024.

Estimated Future Benefit Payments - the following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

Year Ending December 31:	Pension Benefits	Other Post-retirement Benefits
2024	\$ 4,890	\$ 678
2025	4,846	754
2026	4,782	813
2027	4,699	884
2028	4,602	949
2029-2033	21,272	5,769

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(Amounts in thousands)

NOTE 9 - GRANTS PAYABLE, NET

The Foundation has entered into grant commitments with certain organizations. The following summarizes the changes in grants payable for the years ended December 31:

	2023	2022
Balance, January 1	\$ 134,008	\$ 76,465
Grants approved	490,441	422,604
Grant payments	(396,137)	(301,789)
Grants lapsed	(105,104)	(61,598)
Change in present value	1,516	(1,674)
Balance, December 31	\$ 124,724	\$ 134,008

At December 31, 2023 and 2022, the Foundation has approximately \$371 million and \$547.6 million, respectively, of grants awarded that have been classified as conditional grants. Certain milestones and other performance obligations (barriers) stated in these awards have not yet been satisfied by the respective grantees. Accordingly, these amounts are not recognized as grants payable in the consolidated statements of financial position.

The Foundation's grants payable, net, balance of \$124,724 unconditional grants authorized but unpaid as of December 31, 2023 are expected to be paid as follows:

Year Ending December 31,	Total
2024	\$ 115,439
2025	6,943
2026	2,500
Total	124,882
Less: present value discount (at rates ranging from 4.01% to 4.23%)	(158)
	\$ 124,724

NOTE 10 - BONDS PAYABLE

On October 15, 2020, the Foundation issued its Series 2020 bonds pursuant to a bond indenture with The Bank of New York Mellon. The Foundation intends to use the proceeds of the bonds for any lawful corporate purposes, primarily to support its charitable activities and operations. The bonds, which amounted to \$700 million are an unsecured obligation and bear an interest rate of 2.492% per annum with a maturity date of October 1, 2050, with interest only payable semi-annually, starting April 1, 2021.

In connection with the issuance of the bond indenture, the Foundation incurred costs of \$690 thousand which are being amortized using the straight-line method over the life of the remaining debt. Amortization expense was \$23 thousand for each of the year's ended December 31, 2023 and 2022.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022
(Amounts in thousands)

Future minimum payments are due as follows:

2024	\$ 17,444
2025	17,444
2026	17,444
2027	17,444
2028	17,444
2029 and thereafter	<u>1,083,768</u>
	1,170,988
Less: amounts representing interest	<u>(474,789)</u>
	696,199
Less: unamortized debt financing costs	<u>(615)</u>
	<u>\$ 695,584</u>

NOTE 11 - LINES OF CREDIT

The Foundation has three unsecured lines of credit with a financial institution. Two lines are for \$100 million each and both expire on September 28, 2024 (364-day facilities). The third line is also for \$100 million and expires on September 28, 2025 (two-year facility). There were no amounts outstanding as of December 31, 2023 and 2022. The agreements provide for a fee of 0.20% on the 364-day facilities and 0.25% on the two-year facility on any unused portion of the lines. Interest is charged on borrowed funds as follows:

<u>Loan in a Principal Amount of</u>	<u>Interest on the 364-day Facilities</u>	<u>Interest on the Two-year Facility</u>
Less than \$500,000	Higher of the prime rate or 2.5%	Higher of the prime rate or 2.5%
	Either the bank's offered money market rate, the SOFR plus 0.50%, or the higher of the	Either the bank's offered money market rate, the SOFR plus 0.65%, or the higher of the
Equal to or exceeding \$500,000	prime rate or 2.5%	prime rate or 2.5%

In addition, the Foundation must maintain a ratio of unrestricted liquidity to total indebtedness of no less than 1.00, tested annually.

NOTE 12 - INVESTMENT RISKS AND UNCERTAINTIES

Alternative investments consist of non-traditional, non-readily marketable investments, some of which may be structured as offshore limited partnerships, hedge funds, real asset and private equity funds and common trust funds. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and may be subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees' financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

The Rockefeller Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022
(Amounts in thousands)

Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

NOTE 13 - LEASES

The Rockefeller Foundation determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The Foundation determines these assets are leased because the Foundation has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically from the exercise of its right to substitute the asset are not considered to be or contain a lease because the Foundation determines it does not have the right to control and direct the use of the identified asset. The Foundation's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Leases result in the recognition of ROU assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Foundation determines lease classification as operating or finance at the lease commencement date. ROU assets and lease liabilities for operating leases are included in the statement of financial position and presented separately based on the classification of the underlying lease arrangement. ROU assets and lease liabilities for financing leases are included within the caption's property, plant and equipment, and accounts payable and accrued liabilities, respectively, in the statement of financial position.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid, or deferred rent, and lease incentives. For the initial and subsequent measurement of all lease liabilities, the discount rate was provided by appraisal from a widely recognized bank. Operating lease expense is generally recognized on a straight-line basis over the lease term.

The Foundation has entered the following lease arrangements:

Operating Leases

The Foundation has several non-cancellable operating leases for space in New York, Washington DC, Thailand, United Kingdom, India and Kenya that expire in various years through 2050. Some of these leases require payment of real estate taxes and escalations. Total rent expense for the years ending December 31, 2023 and 2022 were \$3,134 and \$6,545, respectively.

The Rockefeller Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022
(Amounts in thousands)

Future minimum payments required under operating leases, and other commitments are as follows:

<u>Year Ended December 31:</u>	<u>Amount</u>
2024	\$ 3,453
2025	3,421
2026	3,470
2027	3,471
2028	3,291
2029 and thereafter	<u>36,043</u>
Total minimum lease payments	53,149
Less: amounts representing interest	<u>(11,125)</u>
Total present value of lease liability	<u>\$ 42,024</u>

Supplemental balance sheet information related to financial leases at December 31, 2023 and 2022 follows:

	<u>2023</u>	<u>2022</u>
ROU assets	\$ 50,396	\$ 46,378
Less: accumulated amortization	<u>(9,330)</u>	<u>(5,887)</u>
	<u>\$ 41,066</u>	<u>\$ 40,491</u>
Weighted-average remaining lease term:	21.88 years	22.90 years
Weighted-average discount rate:	2.64%	2.07%

The components of lease costs for the years ended December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Operating lease cost	\$ 4,333	\$ 6,629
Amortization of ROU asset	3,443	5,887
Interest on lease liabilities	970	742

Supplemental cash flow information related to leases for the years ended December 31, 2023 and 2022 follows:

	<u>2023</u>	<u>2022</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 4,983	\$ 5,099

The Rockefeller Foundation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022
(Amounts in thousands)

NOTE 14 - NET ASSETS WITH DONOR RESTRICTIONS

The Foundation's net assets with donor restrictions are available for the following purposes and programs as of December 31, 2023 and 2022:

	2023	2022
Invest in Our Future	\$ 115,674	\$ -
Global Energy Alliance for People and Planet, Inc.	20,345	75,324
Health Initiative	7	0.4
Food Initiative	1	2,031
	\$ 136,027	\$ 77,355

For the year ended December 31, 2023, the Foundation's net assets were released from donor restrictions due to the performance of activities satisfying the restricted purposes specified by donors as follows:

	2023
Global Energy Alliance for People and Planet, Inc.	\$ 54,913
Invest in Our Future	30,281
Food Initiative	2,030
Health Initiative	(7)
	\$ 87,217

NOTE 15 - CONTINGENCIES

In the normal course of business, the Foundation is subject to various claims and lawsuits. Certain lawsuits may be covered, in full or in part, by external insurance coverage. In the opinion of management, there are no matters outstanding that would have a material adverse effect on the accompanying consolidated financial statements.

SUPPLEMENTAL INFORMATION

The Rockefeller Foundation

Schedule 1

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

December 31,
(Amounts in thousands)

	RF (Standalone)	RFIM and Affiliates	RFCC (Standalone)	GEAPP	Consolidating Entries	2023
ASSETS						
Cash and cash equivalents	\$ 131,046	\$ 274	\$ 85,334	\$ 28,356	\$ -	\$ 245,010
Redemptions, dividends, interest, and other receivables	3,100	-	59,550	-	(14,780)	47,870
Investments	5,889,376	-	-	83,137	-	5,972,513
Program-related investments	32,677	8,036	-	15,485	-	56,198
Receivable from affiliate	-	-	5	-	(5)	-
Property, furniture, fixtures and equipment, net	81,929	-	-	2,816	-	84,745
Operating lease right-of-use assets	34,053	-	3,608	3,405	-	41,066
Prepaid pension cost	43,808	-	-	-	-	43,808
Prepaid expenses and other assets	758	123	-	2,599	-	3,480
Total assets	\$ 6,216,747	\$ 8,433	\$ 148,497	\$ 135,798	\$ (14,785)	\$ 6,494,690
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable and accrued expenses	\$ 12,105	\$ 342	\$ 325	\$ 9,582	\$ -	\$ 22,354
Grants payable, net	51,363	-	1,250	87,111	(15,000)	124,724
Bonds payable, net of unamortized discount and deferred financing	695,584	-	-	-	-	695,584
Deferred federal excise taxes	27,514	-	-	-	-	27,514
Due to affiliates	-	-	24	5	(29)	-
Postretirement benefit obligation	17,849	-	-	-	-	17,849
Operating lease liabilities	34,619	-	3,749	3,656	-	42,024
Total liabilities	839,034	342	5,348	100,354	(15,029)	930,049
Net assets						
Without donor restrictions	5,362,577	8,091	8,885	15,099	33,962	5,428,614
With donor restrictions	15,136	-	134,264	20,345	(33,718)	136,027
Total net assets	5,377,713	8,091	143,149	35,444	244	5,564,641
Total liabilities and net assets	\$ 6,216,747	\$ 8,433	\$ 148,497	\$ 135,798	\$ (14,785)	\$ 6,494,690

The accompanying Consolidating Schedule of Financial Position should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

The Rockefeller Foundation

NOTES TO THE CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

For the year ended December 31, 2023

Overview

The accompanying consolidating schedule of financial position - The Rockefeller Foundation ("Schedule 1") presents the activities of the Foundation, including its subsidiaries, as described in Note 1 of the consolidated financial statements. All significant intercompany transactions and balances have been eliminated in preparing the accompanying schedule.

Basis of Presentation

The accompanying Schedule 1 has been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). For purposes of preparing the accompanying schedule, the column captioned RFIIM and Affiliates includes the following entities: Rockefeller Foundation Impact Investment Management, LLC ("RFIIM"), Rockefeller Foundation Zero Gap Investment Fund Co-Invest, LLC and Rockefeller Foundation Zero Gap Investment Fund, LP.