

Financial Statements and Report of  
Independent Certified Public  
Accountants

**Co-Impact Philanthropic Funds, Inc.**

For the period from April 13, 2022  
(commencement of operations) to  
December 31, 2022

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**GRANT THORNTON LLP**

757 Third Ave., 9th Floor  
New York, NY 10017-2013

**D** +1 212 599 0100  
**F** +1 212 370 4520

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

To the Board of Directors of  
Co-Impact Philanthropic Funds, Inc.

**Report on the financial statements****Opinion**

We have audited the financial statements of Co-Impact Philanthropic Funds, Inc. ("Co-Impact"), which comprise the statement of financial position as of December 31, 2022, and the related statement of activities and cash flows for the period from April 13, 2022 (commencement of operations) through December 31, 2022, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Co-Impact as of December 31, 2022, and the changes in its net assets and its cash flows for the period from April 13, 2022 (commencement of operations) through December 31, 2022 in accordance with accounting principles generally accepted in the United States of America.

**Basis for opinion**

We conducted our audit of the 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 Co-Impact 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 Co-Impact's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

**Auditor's 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 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 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 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 Co-Impact'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 Co-Impact'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.

*Grant Thornton LLP*

New York, New York  
August 16, 2023

**Co-Impact Philanthropic Funds, Inc.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2022**

**ASSETS**

Cash	\$ 19,753,468
Prepaid expenses and other assets	47,037
Pledges receivable	<u>12,000,000</u>
Total assets	<u><u>\$ 31,800,505</u></u>

**LIABILITIES AND NET ASSETS**

**Liabilities**

Accounts payable and accrued expenses	\$ 1,297,210
Grants payable	<u>1,460,944</u>
Total liabilities	<u>2,758,154</u>

**Net assets**

Without donor restrictions	-
With donor restrictions:	
Foundational fund	5,613,535
Gender fund	<u>23,428,816</u>
Total net assets with donor restrictions	<u>29,042,351</u>
Total net assets	<u>29,042,351</u>
Total liabilities and net assets	<u><u>\$ 31,800,505</u></u>

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

**Co-Impact Philanthropic Funds, Inc.**

**STATEMENT OF ACTIVITIES**

**For the period from April 13, 2022 (commencement of operations) to December 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and other support</b>			
Contributions	\$ -	\$ 75,000,000	\$ 75,000,000
Contributions of nonfinancial assets	4,684,454	-	4,684,454
Net assets released from restrictions	45,957,649	(45,957,649)	-
Total revenues	50,642,103	29,042,351	79,684,454
<b>Expenses</b>			
Program services			
Grant expense	45,738,435	-	45,738,435
Other program expenses	2,906,031	-	2,906,031
Total program services	48,644,466	-	48,644,466
Supporting services:			
Management and general	1,997,637	-	1,997,637
Total expenses	50,642,103	-	50,642,103
<b>CHANGE IN NET ASSETS</b>	-	29,042,351	29,042,351
Net assets, beginning of period	-	-	-
Net assets, end of period	\$ -	\$ 29,042,351	\$ 29,042,351

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

Co-Impact Philanthropic Funds, Inc.

STATEMENT OF CASH FLOWS

For the period from April 13, 2022 (commencement of operations) to December 31, 2022

<b>Cash flows from operating activities:</b>	
Changes in net assets	\$ 29,042,351
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Changes in assets and liabilities:	
Prepaid expenses and other assets	(47,037)
Pledges receivable	(12,000,000)
Grants payable	1,460,944
Accounts payable	<u>1,297,210</u>
Net cash provided by operating activities	<u>19,753,468</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	19,753,468
<b>Cash and cash equivalents, beginning of period</b>	<u>-</u>
<b>Cash and cash equivalents, end of period</b>	<u><u>\$ 19,753,468</u></u>

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

**Co-Impact Philanthropic Funds, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2022**

**NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES**

Co-Impact Philanthropic Funds, Inc. (“Co-Impact”) is a global organization focused on building just and equitable systems. Co-Impact is a public charity established April 2022 incorporated under the laws of the State of Delaware, as a not-for-profit, non-stock corporation.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The net assets of Co-Impact are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Co-Impact and changes therein are classified and reported as follows:

*Without Donor Restrictions* - includes net assets that are not subject to donor-imposed stipulations. Co-Impact has no net assets without donor restrictions as of December 31, 2022.

*With Donor Restrictions* - includes net assets resulting from contributions and other inflows of assets whose use by Co-Impact is limited by donor-imposed stipulations that, in some instances, either expire by passage of time or can be fulfilled and removed by actions of Co-Impact, pursuant to those stipulations. When such stipulations end or are fulfilled, such net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions. Restricted contributions, the donor stipulations of which are met in the year of donation, are reported as part of support without donor restrictions. The entirety of Co-Impact’s assets as of December 31, 2022 are with donor restrictions.

Contributions with donor stipulations that limit the use of the donated assets are reported as net assets with donor restrictions. Unconditional promises to give, with payments due in future year, are reported as net assets with donor restrictions. Expenses are reported as decreases in net assets without donor restrictions.

***Cash and Cash Equivalents***

Co-Impact considers cash and cash equivalents to include all cash and highly liquid investments with original maturities of three months or less from the date of purchase.

***Contributions***

Revenue from contributions is recognized in accordance with Accounting Standards Update (“ASU”) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (“ASU 2018-08”). Accordingly, Co-Impact evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be a contribution, Co-Impact evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before Co-Impact is entitled to the assets transferred and promised and (2) a right of return of assets or a right of release of a promisor’s obligation to transfer assets. Contributions which are deemed to be unconditional are considered to be available for general purposes (without donor restrictions) unless specifically restricted by the donor.



**Co-Impact Philanthropic Funds, Inc.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2022**

Contributions, including unconditional promises to give, are reported as revenues in the period received or pledged. Contributions to be received after one year are discounted using an appropriate credit adjusted interest rate, which articulates with the collection period of the respective pledge. Discount factors assigned to individual pledges are not subsequently revised. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any.

Contributions of assets other than cash, including goods and services, are recorded at their estimated fair value at the date of contribution.

***Contributions of Nonfinancial Assets***

Contributions of nonfinancial assets consisting of professional services are recorded as both revenue and expense. Donated services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Co-Impact records contributions of nonfinancial assets based on the actual cost of such services paid by the donor on the behalf of Co-Impact. As contributions of nonfinancial assets solely relate to donated salaries and benefits, such contributions cannot be monetized by Co-Impact.

***Grants Payable***

Co-Impact follows the principles of ASU 2018-08 as a grantor as well. As such, grant awards by Co-Impact to recipients are recorded as an expense and a liability at the present value of expected future cash flows when unconditionally approved by the Board of Directors, the respective grantee has been selected and notified, and any stipulated barriers in the grant agreement are overcome.

Rescinded grants are recorded as a reduction to grant expense. There were no grants rescinded or cancelled for the period ended of April 13, 2022 through December 31, 2022.

***Expenses***

Expenses are recognized by Co-Impact as incurred. The costs of grant making and management and general activities have been summarized on a functional basis on the statement of activities. Expenses directly attributable to a specific functional area are reported within that functional area. Indirect expenses that benefit multiple functional areas have been allocated based upon either time spent on each function or full-time equivalent units within each department.

***Income Taxes***

Co-Impact 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.

Co-Impact is exempt from federal income tax under the Code Section 501(c)(3) and is classified as a public charity under §509(a), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. Co-Impact has processes presently in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated business 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. Co-Impact has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. In addition, Co-Impact has not

Co-Impact Philanthropic Funds, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022

recorded a provision for income taxes as it has no material tax liability from unrelated business income activities.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Concentrations of Risk**

Financial instruments which potentially subject Co-Impact to concentrations of credit risk consist of cash and cash equivalents. Co-Impact maintains its cash and cash equivalents in a bank deposit account at a high credit quality financial institution that, at times, may exceed federally insured limits. Co-Impact has not experienced, nor does it anticipate, any losses with respect to such account.

**Subsequent Events**

Co-Impact evaluated its December 31, 2022 financial statements for subsequent events through, August 16, 2023, the date the financial statements were available to be issued. Excepts as disclosed in Note 3, Co-Impact is not aware of any material subsequent events that would require recognition or disclosure in the accompanying financial statements.

**NOTE 3 - CONTRIBUTIONS AND RELATED RECEIVABLES**

For the period of April 13, 2022 through December 31, 2022, Co-Impact received contributions from two donors totaling \$75,000,000. One of the donors represented 80% of the 2022 contributions recognized by Co-Impact. Subsequent to December 31, 2022, Co-Impact received an amended grant agreement with one of its significant donors increasing the total grant by approximately \$27.2 million, which is expected to be paid in calendar year 2023.

In addition to financial contributions, one donor provided contributions of nonfinancial assets which totaled \$4,684,454 for the period from April 13, 2022 through December 31, 2022 and related solely to donated salaries and benefits. Such services did not have donor-imposed restrictions. Co-Impact has recorded such contributions on nonfinancial assets as both revenue and expense.

Pledges receivable at December 31, 2022 are as follows:

Amounts expected to be collected in:

One year or less	\$ 3,000,000
Two to five years	9,000,000
	<hr/>
Pledges receivable	\$ 12,000,000

**NOTE 4 - GRANTS PAYABLE**

For the period from April 13, 2022 through December 31, 2022, grant expense amounted to \$45,738,435. Co-Impact had unpaid grants at December 31, 2022, which totaled \$1,460,944 and are expected to be payable in 2023. As of December 31, 2022, Co-Impact had conditional grants totaling \$96,133,558. Such

**Co-Impact Philanthropic Funds, Inc.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2022**

conditional grants have not been recognized in the accompanying financial statements as of December 31, 2022 and for the period from April 13, 2022 through December 31, 2022.

**NOTE 5 - NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes and/or by occurrence of other events specified by the donors for the period from April 13, 2022 through December 31, 2022:

Foundational fund	\$ 22,731,136
Gender fund	<u>23,226,513</u>
 Total net assets released from restrictions	 <u>\$ 45,957,649</u>

**NOTE 6 - FUNCTIONAL EXPENSES**

Co-Impact's expenses are summarized below by natural and functional categories for the period from April 13, 2022 through December 31, 2022. Certain expenses have been allocated amongst the functional expense categories benefitted.

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
Grants and related expenses	\$ 45,738,435	\$ -	\$ 45,738,435
Contributed salaries and benefits	2,790,672	1,893,782	4,684,454
Professional fees	-	44,667	44,667
Consultants	115,359	6,667	122,026
Insurance	-	40,221	40,221
Information technology	-	12,300	12,300
 Total	 <u>\$ 48,644,466</u>	 <u>\$ 1,997,637</u>	 <u>\$ 50,642,103</u>

**NOTE 7 - AVAILABILITY OF FINANCIAL ASSETS**

Co-Impact regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. At December 31, 2022, Co-Impact's sources of liquidity include cash and cash equivalents, which total \$19,753,468, as well as the portion of pledges receivable expected to be paid in 2023, which total \$3,000,000.