THE SYNERGOS INSTITUTE, INC. AND CONSOLIDATED ENTITIES

Consolidated Financial Statements
For the Year Ended December 31, 2023
(With Summarized Comparative Financial Information for the
Year Ended December 31, 2022)
With Independent Auditor's Report

MITCHELL TITUS
ACHIEVING EXCELLENCE TOGETHER

THE SYNERGOS INSTITUTE, INC. AND CONSOLIDATED ENTITIES
Consolidated Financial Statements
Year Ended December 31, 2023
(With Summarized Comparative Financial Information for the
Year Ended December 31, 2022)

TABLE OF CONTENTS

MITCHELL TITUS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Synergos Institute, Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of The Synergos Institute, Inc. and Consolidated Entities (collectively, the Organization), which comprise the consolidated statement of financial position as of December 31, 2023, the related consolidated statements of activities, functional expenses, and cash flows for the year 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 Organization 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 these consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

80 Pine Street
New York, NY 10005
T +1 212 709 4500
F +1 212 709 4680

mitchelltitus.com

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether these 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.

Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the 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 consolidated 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 Organization'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 Organization'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, amount 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.

MITCHELL TITUS

Report on 2022 Summarized Comparative Information

We have previously audited the 2022 consolidated financial statements of The Synergos Institute, Inc. and Consolidated Entities, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 15, 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 consolidated financial statements from which it has been derived.

Mitchell & Titus, LLP

November 14, 2024

THE SYNERGOS INSTITUTE, INC. AND CONSOLIDATED ENTITIES
Consolidated Statements of Financial Position
As of December 31, 2023
(With Summarized Comparative Financial Information
as of December 31, 2022)

	2023	2022
ASSETS		
Cash	$ 1,080,241	$ 890,593
Short-term investments	3,615,668	3,118,676
Pledges and other receivables, net	796,671	4,002,563
Investments	17,133,386	14,883,289
Prepaid expenses and other assets	30,968	122,356
Operating right-of-use asset, net	384,763	-
Property and equipment, net	4,782	-
Total assets	$ 23,046,479	$ 23,017,477
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 492,064	$ 243,634
Operating lease liability	386,890	-
Total liabilities	878,954	243,634
Net assets		
Without donor restrictions		
Invested in property and equipment	646,254	646,254
Designated for long-term investment	18,930,024	17,094,789
Undesignated	(1,525,811)	(1,137,334)
Total net assets without donor restrictions	18,050,467	16,603,709
With donor restrictions	4,117,058	6,170,134
Total net assets	22,167,525	22,773,843
Total liabilities and net assets	$ 23,046,479	$ 23,017,477

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

THE SYNERGOS INSTITUTE, INC. AND CONSOLIDATED ENTITIES
Consolidated Statement of Activities
For the Year Ended December 31, 2023
(With Summarized Comparative Financial Information
For the Year Ended December 31, 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT, REVENUE AND RECLASSIFICATIONS				
Contributions				
Foundations	$ 90,466	$ 645,395	$ 735,861	$ 1,775,598
Individuals	929,128	-	929,128	1,038,777
Corporations	-	-	-	90
GPC membership dues	1,668,314	-	1,668,314	1,746,507
Consulting services	241,572	-	241,572	410,864
Special event, net of direct benefit to donor cost of $154,963 in 2023 and $161,294 in 2022	246,304	-	246,304	761,282
Other income	294,516	-	294,516	665,209
Net assets released from restrictions - Satisfaction of program and time restrictions	2,698,472	(2,698,472)	-	-
Total support, revenue and reclassifications	6,168,772	(2,053,077)	4,115,695	6,398,327
EXPENSES				
Program services				
Networks	2,495,004	-	2,495,004	2,233,423
Partnerships	742,827	-	742,827	1,025,447
Namibia	8,041	-	8,041	53,251
Ethiopia	1,534,933	-	1,534,933	2,077,414
Nigeria	113,522	-	113,522	179,696
South Africa	106,179	-	106,179	100,927
Communications and outreach	341,850	-	341,850	348,255
Total program services	5,342,356	-	5,342,356	6,018,413
SUPPORTING SERVICES				
Management and general	1,031,882	-	1,031,882	1,738,220
Fundraising	911,925	-	911,925	1,045,729
Total supporting services	1,943,807	-	1,943,807	2,783,949
Total expenses	7,286,163	-	7,286,163	8,802,362
Change In net assets before other changes	(1,117,391)	(2,053,077)	(3,170,468)	(2,404,035)
Other changes				
Return on investment of Board-restricted fund for long-term investments, net of fees	2,573,470	-	2,573,470	(3,497,290)
Foreign currency translation loss	(9,320)	-	(9,320)	94
Change in net assets	1,446,759	(2,053,077)	(606,318)	(5,901,231)
Net assets				
Beginning	16,603,709	6,170,134	22,773,843	28,675,074
Ending	$ 18,050,468	$ 4,117,057	$ 22,167,525	$ 22,773,843

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

THE SYNERGOS INSTITUTE, INC. AND CONSOLIDATED ENTITIES
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2023
(With Summarized Comparative Financial Information
For the Year Ended December 31, 2022)

	Networks	Partnerships	Nambia	Ethiopia	Nigeria	South Africa	and Outreach	Program Services	and General	Fund Raising	Supporting Services	Total 2023	Total 2022
Salaries, payroll taxes, and employee benefits	$ 926,407	$ 141,186	$ 3,644	$ 631,432	$ 75,083	$ 72,792	$ 260,422	$ 2,110,966	$ 441,398	$ 473,405	$ 914,804	$ 3,025,770	$ 3,490,857
Consultant and other professional fees	951,495	314,639	140	342,128	22,785	13,142	60,928	1,705,257	327,883	286,440	614,323	2,319,580	2,206,620
Grants and socially responsible investments	-	154,292	-	270,377	-	1,023	-	425,693	-	-	-	425,693	1,135,480
Travel and entertainment	163,333	17,480	23	114,924	4,321	8,613	1,999	310,692	11,208	29,611	40,820	351,512	392,826
Conferences and meetings	342,016	82,865	-	109,892	3,662	5,770	20	544,227	253	531	784	545,011	488,697
Insurance	15,654	6,678	-	1,620	-	361	2,140	26,452	23,088	22,409	45,497	71,949	109,196
External communications	27,097	5,209	-	1,104	62	13	9,584	43,069	3,525	3,331	6,856	49,925	50,779
Occupancy expenses	15,817	3,948	3,635	17,732	4,528	1,065	1,382	48,107	37,607	16,163	53,770	101,877	529,058
Recruitment, training, and general office expenses	50,936	16,423	597	45,500	3,065	3,385	5,325	125,230	116,191	79,261	195,452	320,682	196,455
Bank charges and fees	1,926	11	-	23	2	2	5	1,968	70,013	78	70,091	238	91,037
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses before depreciation and amortization	2,494,681	742,731	8,040	1,534,731	113,507	106,165	341,805	5,341,661	1,031,166	911,231	1,942,397	7,284,058	8,691,005
Depreciation and amortization	323	96	1	201	15	14	44	694	715	694	1,410	2,104	111,357
Total expenses before cost of direct benefits to donors	2,495,004	742,827	8,041	1,534,933	113,522	106,179	341,850	5,342,356	1,031,882	911,925	1,943,807	7,286,163	8,802,362
Cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses - 2023	$ 2,495,004	$ 742,827	$ 8,041	$ 1,534,933	$ 113,522	$ 106,179	$ 341,850	$ 5,342,356	$ 1,031,882	$ 911,925	$ 1,943,807	$ 7,286,163	$ 8,802,362

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

THE SYNERGOS INSTITUTE, INC. AND CONSOLIDATED ENTITIES
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2023
(With Summarized Comparative Financial Information
For the Year Ended December 31, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (606,318)	$ (5,901,231)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	2,104	111,357
Operating lease asset and liability noncash expense	2,126	-
Non-cash income	-	-
Net realized and unrealized gains on investments	(2,508,698)	3,758,127
Amortization of deferred lease obligations	-	(96,744)
Changes in operating assets and liabilities		
Decrease in pledges and other receivables	3,205,892	137,063
Decrease in prepaid expenses and other assets	91,388	60,218
(Decrease) increase in accounts payable and accrued expenses	248,430	(302,319)
Net cash provided by (used in) operating activities	434,924	(2,233,529)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,584,722	3,380,627
Purchase of investments	(1,823,111)	(1,817,759)
Purchase of fixed assets	(6,887)	-
Net cash (used in) provided by investing activities	(245,276)	1,562,868
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on capital lease obligation	-	6,945
Net cash provided by financing activities	-	6,945
Net increase (decrease) in cash	189,648	(663,716)
Cash		
Beginning	890,593	1,554,309
Ending	$ 1,080,241	$ 890,593
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$ -	$ -

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

NOTE 1 DESCRIPTION OF ORGANIZATION

The Synergos Institute, Inc. and Consolidated Entities (collectively, the Organization or Synergos) work through the Bridging Leadership approach with voluntary organizations and other groups and stakeholders in supporting local communities to develop effective, sustainable solutions to poverty problems. The Synergos Institute, Inc. is the founding member and controls the operations and activities of the following consolidated entities: The Synergos Institute (South Africa), an association incorporated in January 2007 under Section 21 of the South African Companies Act 1973, and The Synergos Namibia Trust, which was established on December 1, 2008, in the Republic of Namibia.

The Organization brings people together to solve complex problems of poverty and inequality. Together with partners in more than 30 countries, the Organization creates, promotes, and sustains collaborations among business, government civil society and marginalized communities. It does this by building trust, designing and implementing change processes, and enhancing the effectiveness of bridging leaders and institutions, as exemplified by the following programs:

Strengthening Leaders

Synergos manages the global and regional networks of leaders in philanthropy and civil society, including the Global Philanthropists Circle (GPC), the Pioneers network of social entrepreneurs in the Arab World, and the global Synergos Senior Fellows. Synergos generates thought leadership, training, and events that help changemakers increase their impact by connecting to purpose, building trust, and learning bridging leadership skills. Network members learn from each other's work, make new connections, develop their skills, and take their work to new levels. The GPC works with private philanthropic families to leverage their resources and increase the impact of their philanthropy. The Arab World program works with leaders in Egypt, Jordan, Lebanon, Morocco, Tunisia, and Palestine who have created social enterprises that are improving the lives of people in their communities. Synergos' Senior Fellows is an international network of distinguished civil society leaders committed to addressing poverty and inequality. The network aims to enhance their skills, knowledge and experience through peer-to-peer learning, regional gatherings, learning journeys, and workshops.

Forming Partnerships

Synergos builds and supports coalitions all over the world that enhance the capacity for stakeholders with diverse viewpoints and interests to come together to generate, test, and implement ideas that create a lasting social impact on pressing, complex challenges. These include programs in Nigeria, Ethiopia, Bangladesh, South Africa, Namibia, Mexico, and Brazil.

NOTE 1 DESCRIPTION OF ORGANIZATION *(continued)*

Forming Partnerships *(continued)*

In Nigeria, Synergos seeks to increase income and improve livelihoods in the agricultural sector through collaborations between key actors across value chains, including in the states of Kaduna and Niger, as reflected in state agricultural policies.

In Ethiopia, Synergos is building the capacity of leaders in the Ministry of Agriculture and Natural Resources in pursing agricultural growth that improves the lives of smallholder farmers. Synergos has expanded work in Ethiopia through an initiative to increase the productivity and household income of smallholder farmers in three districts through the creation of centers of excellence in horticulture production. In South Africa, Synergos is partnering on efforts to strengthen municipal leadership and its collaboration with non-state actors for improved service delivery and local economic development. In Bangladesh, Synergos leads a coalition of public health and early childhood development leaders to scale integrated childcare centers as a proven solution to child drowning, the leading cause of death of children under five years old. In Mexico, Synergos builds support for leaders in the country to engage in multi-sectoral partnerships that address socio-economic challenges in their communities. In Brazil, Synergos operates programs that strengthen institutional capacity and collaboration among a regional network of human rights organizations, and it convenes a multistakeholder group developing policy recommendations for healthcare professionals.

Advising Organizations

Synergos guides clients and partners to be more effective agents of social change through applying the Bridging Leadership approach to their own projects, delivering actionable strategies that create a deeper and longer lasting impact.

Communications and Outreach

This program disseminates knowledge and information to its constituencies and provides various publications and materials to enhance the work done with partners.

The Synergos Institute, Inc. was organized under the laws of the State of New York on September 26, 1986, as a not-for-profit corporation under subparagraph (a)(5) of Section 102 of the Not-for-Profit Corporation Law.

The Internal Revenue Service (IRS) has determined that The Synergos Institute, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). The Synergos Institute, Inc. is also exempt from New York State and New York City income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Consolidated Financial Statement Presentation

The Organization's consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to not-for-profit organizations. All significant inter-organization accounts and transactions have been eliminated in consolidation.

In accordance with U.S. GAAP, the Organization reports information regarding its consolidated financial position and activities according to two net asset classes: without donor restrictions and with donor restrictions.

Without Donor Restrictions: Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by actions on behalf of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Undesignated net assets can be utilized to carry out any purpose of the Organization.

With Donor Restrictions: Net assets used by the Organization and subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire with the passage of time.

Pledges, Other Receivables, and Doubtful Accounts

Pledges and other receivables are reported at the net present value of outstanding principal balances, reduced by an allowance for doubtful accounts. Long-term pledges receivable is recorded at fair value, using a present value technique that is calculated based on a discount rate that is commensurate with the risks involved. Valuations are reviewed annually by management by updating the discount rate and net realizable value.

The discount rates used for the years ended December 31, 2023 and 2022, were 4.33% and 3.83%, respectively, based on the market yield on U.S. Treasury securities at two-year constant maturity, quoted on an investment basis.

The Organization estimates doubtful accounts based on historical bad debts, factors related to specific donors' and GPC members' ability to pay and current economic trends. The Organization writes off receivables against the allowance when a balance is determined to be uncollectible. In 2023, the Organization recorded an allowance for doubtful accounts of $0; an allowance of $0 recorded in 2022.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Short-Term Investments

Short-term investments are cash held in savings or money market accounts for the purpose of generating interest income. For purposes of the consolidated statements of cash flows, the Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be investments.

Investments and Income Recognition

Investments are reported at fair value in the consolidated statements of financial position. The consolidated statement of activities includes return on investments consisting of interest and dividend income and realized and unrealized gains and losses. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis.

Realized and unrealized gains and losses are included in the consolidated statement of activities as increases or decreases in net assets without donor restrictions unless donor or relevant laws place restrictions on these gains and losses. For the purpose of determining the gain or loss on a sale, the cost of securities sold is based on the average cost of each security held at the date of sale.

Investment management fees of $69,932 and $73,461 have been incurred for the years ended December 31, 2023 and 2022, respectively, and are netted against investment income as reflected in the accompanying consolidated statements of activities.

Fair Value Measurements

Assets and liabilities recorded at fair value are categorized upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

Level 1: Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.

Level 2: Observable inputs other than Level 1, including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data. Level 2 also includes derivative contracts whose value is determined using a pricing model with observable market inputs or can be derived principally from or corroborated by observable market data.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fair Value Measurements *(continued)*

Level 3: Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation; also includes observable inputs for nonbinding single dealer quotes not corroborated by observable market data.

Property and Equipment

Property and equipment with an estimated useful life of more than one year are capitalized and recorded at cost at the date of acquisition or fair value at the date of donation.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized over the remaining term of the lease or the life of the assets, whichever is less.

Fixed assets acquired or held under capital leases are recorded in property and equipment. The amount capitalized is the lower of the present value of the minimum lease payments or the fair value of the leased asset. Amortization of assets under capital leases is recorded on a straight-line basis over the estimated useful life of the asset or the term of the lease, depending on the criteria used to capitalize the lease.

Contributions and Promises to Give

Contributions, including promises to give, are recorded at fair value and recognized as revenue when received or pledged unconditionally. Contributions and unconditional promises to give are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as contributions with donor restrictions.

When the donor-specified purpose or time restrictions are met, the net asset is released from net assets with donor restrictions and transferred to net assets without donor restrictions. The Organization reports donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted support. There are no conditional promises to give for the year ended December 31, 2023.

Contributions of assets other than cash are recorded at their estimated fair value upon receipt. Contributed services are recorded as revenue and expenses at fair value when they create or enhance nonfinancial assets, or they require specialized skills and are provided by individuals possessing those skills.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributions and Promises to Give *(continued)*

No amounts have been reflected in the accompanying consolidated financial statements for donated services provided by members of the Board of Directors as these did not meet the criteria for recognition in accordance with U.S. GAAP.

GPC Membership Dues

GPC membership dues are recognized as revenue in the period in which the dues relate, which may not be when billed.

Government Grants

Funds obligated under government grant and sub-grant agreements are recorded by the Organization when eligible expenditures are incurred and billable to the government or sub-grantor.

Program Fees

Program fees are related to special trips or projects that GPC members can attend. Program fees are recognized as revenue when trips or projects take place.

Special Event Revenue

Special event revenue is recognized when the event occurs. This revenue is shown net of the direct benefit to donor costs, as disclosed in Note 12.

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842),* which sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract *(i.e.*, lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Leases *(continued)*

The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases, and operating leases. The standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.

In April 2020, the FASB extended the effective date to annual reporting periods beginning after December 15, 2022, and to interim periods within fiscal years beginning after December 15, 2023. For public not-for-profit entities that have not yet issued financial statements, the amended effective date will be for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years with early adoption permitted. The adoption of this new accounting standard did not have a material impact on the Organization’s consolidated financial statements.

The Organization recognizes rent expense on a straight-line basis over the term of the lease. The cumulative excess of rent expense recognized over the amounts due pursuant to the terms of the lease agreement is reported as deferred lease obligations in the accompanying consolidated statements of financial position.

Prior-Year Summarized Information

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset or by functional expense classifications. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, all 2022 information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2022, from which this summarized information was derived.

Use of Estimates

The preparation of consolidated 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 disclosures 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. Actual results could differ from those estimates.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Credit Risk

The Organization maintains cash and short-term investments in bank deposit accounts that, at times, may exceed federally insured limits. At December 31, 2023 and 2022, approximately 90% and 90% of the Organization's cash is maintained with one financial institution, respectively. The Organization has not experienced any losses on these accounts and believes it is not exposed to any significant credit risk on cash and short-term investments.

The Organization invests in a professionally managed portfolio that contains common shares of publicly traded companies, mutual funds, money market funds, and other investment funds. Such investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with such investments and the uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near-term would materially affect investment balances and the amounts reported in the consolidated financial statements.

Income Taxes

Management has evaluated the Organization's income tax positions for the year ended December 31, 2023, and concluded that The Synergos Institute, Inc., The Synergos Institute (South Africa), and The Synergos Namibia Trust had taken no uncertain income tax positions that require adjustments or disclosures to the accompanying consolidated financial statements. The Synergos Institute (South Africa) continued to undertake public benefit activities in compliance with the requirements of public benefit organizations under the laws of South Africa. The activities of the Synergos Namibia Trust are in compliance with the requirements of a public trust under the laws of Namibia.

U.S. GAAP requires management to evaluate uncertain tax positions taken by the Organization. The financial statement effects of a tax position are recognized when the position is more-likely-than-not, based on the technical merits, to be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2023, there are no uncertain tax positions taken or expected to be taken. The Organization has recognized no interest or penalties related to uncertain tax positions. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2020.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Functional Allocation of Expenses

The cost of programs and supporting services has been summarized on a functional basis in the consolidated statement of functional expenses. The functional classification of expenses presents the natural classification detail of expenses by function. Expenses directly attributable to a specific functional area of the Organization are reported as expenses to those functional areas, while indirect costs that benefit multiple functional areas have been listed under management and general.

Recent Accounting Pronouncement

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Statement*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables, and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of activities as the amounts expected to be collected change. This guidance is effective for annual reporting periods beginning after December 15, 2022. During 2023, the Organization adopted ASU 2016-13. Based on its evaluation, the guidance did not materially impact the Organization's results of operations.

NOTE 3 PLEDGES AND OTHER RECEIVABLES, NET

Pledges and other receivables, net, are as follows at December 31, 2023 and 2022:

	2023	2022
Amounts due in		
Less than one year	$ 796,671	$ 3,513,171
One to five years	-	505,900
	796,671	4,019,071
Less		
Allowance for uncollectible accounts	-	(16,508)
Fair value adjustment	-	-
	$ 796,671	$ 4,002,563

NOTE 3 PLEDGES AND OTHER RECEIVABLES, NET *(continued)*

Amounts receivable in less than one year include receivables for annual membership dues in the GPC program. Pledges and unconditional promises to give that are due in more than one year have been discounted to present value, using credit-adjusted interest rates ranging from 4.33% to 5.33%. Management believes that all pledges and other receivables will be collected when due.

NOTE 4 CONCENTRATIONS

The pledged amounts due from one donor represented approximately 72% and 31% of the gross pledges and other receivables at December 31, 2023 and 2022, respectively. The contributions received from this donor accounted for approximately 9% and 17% of total contributions revenue recognized during 2023 and 2022, respectively.

NOTE 5 INVESTMENTS AND FAIR VALUE MEASUREMENTS

The composition of investments at December 31, 2023 and 2022, was as follows:

	2023	2022
Operations	$ 1,819,030	$ 1,310,411
Board-restricted fund	18,930,024	16,691,554
Total investments	$ 20,749,054	$ 18,001,965

	2023	2022
Short-term investments	$ 3,615,668	$ 3,118,676
Investments	17,133,386	14,883,289
Total investments	$ 20,749,054	$ 18,001,965

NOTE 5 INVESTMENTS AND FAIR VALUE MEASUREMENTS *(continued)*

The following table presents the Organization's investments measured at fair value on a recurring basis as of December 31, 2023 and 2022:

	2023 Total	2023 Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	2022 Total	2022 Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)
Short-term investments				
Interest-bearing cash and money market funds	$ 3,615,668	$ 3,615,668	$ 3,118,676	$ 3,118,676
Investments				
Interest-bearing cash and money market funds	1,390,562	1,390,562	991,163	991,163
Equities - large-cap	6,110,352	6,110,352	5,003,685	5,003,685
Fixed Income	1,499,106	1,499,106	1,597,161	1,597,161
Mutual funds				
Large-cap	1,679,220	1,679,220	626,830	626,830
Mid-cap/small-cap	730,422	730,422	815,617	815,617
International equities	-	-	1,437,043	1,437,043
Bond funds	1,175,814	1,175,814	1,160,590	1,160,590
Real estate fund	199,638	199,638	-	-
Exchange-traded funds - Gold shares	444,903	444,903	434,884	434,884
	13,230,017	13,230,017	12,066,973	12,066,973
Total investments in fair value hierarchy	16,845,685	16,845,685	15,185,649	15,185,649
Hedge funds measured at NAV, as a practical expedient (1)	3,903,369	3,903,369	2,816,316	2,816,316
	$ 20,749,054	$ 20,749,053	$ 18,001,965	$ 18,001,965

(1) In accordance with the guidance provided by FASB ASU 2015-07, Subtopic 820-10, ***Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent),*** investments that are measured at fair value using the net asset value (NAV) (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The Organization's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. Below are the valuation techniques used by the Organization to measure different financial instruments at fair value and the level within the fair value hierarchy in which the financial instrument is categorized.

NOTE 5 INVESTMENTS AND FAIR VALUE MEASUREMENTS *(continued)*

Short-term investments include cash held in interest-bearing savings and money market accounts that are valued at cost, which approximate fair value.

Equities traded on a national securities exchange or reported on the NASDAQ global market are stated at the last reported sales price on the day of valuation and are categorized as Level 1 in the fair value hierarchy.

Mutual funds and exchange-traded funds are stated at fair value based on the last quoted evaluation price. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 in the fair value hierarchy.

Hedge funds at December 31, 2023 and 2022, totaled $3,903,368.63 and $2,816,316, respectively, of investments in multi-strategy hedge funds and individual hedge funds. The fair value of these investments is determined using NAV (or equivalent) as of the reporting date. The Organization has the ability to liquidate these investments on a quarterly basis and the Organization has no future funding commitments for these investments.

The components of return (loss) on investments reported in the accompanying consolidated financial statements are as follows:

	2023	2022
Investment returns reported as		
Interest on short-term investments included as other income	$ 49,237	$ 46,125
Return on investments of Board-restricted fund		
Interest and dividend income and capital gain distributions	241,829	214,713
Net realized and unrealized gains	2,282,404	(3,758,127)
Investment expenses included in investment fees, interest, and bank charges	(69,932)	(73,461)
Total investment income (loss)	$ 2,503,538	$ (3,570,751)

NOTE 6 PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consist of the following as of December 31, 2023 and 2022:

	2023	2022	Estimated Useful Life
Leasehold improvements	$ 46,745	$ 46,745	Term of lease
Office equipment and furniture	94,613	135,744	5 to 7 years
Computer hardware and software	246,081	259,372	3 to 5 years
Vehicle and other	141,948	141,948	3 to 5 years
	529,388	583,809	
Less: Accumulated depreciation and amortization	(524,605)	(583,809)	
Property and equipment, net	$ 4,782	$ -	

Depreciation and amortization expense amounted to $2,104 and $111,357 for the years ended December 31, 2023 and 2022, respectively.

NOTE 7 LINE OF CREDIT

The Organization has a $1,000,000 line of credit facility (LOC) with a certain financial institution. There are no outstanding balances on the LOC as of December 31, 2023 and 2022. The LOC is terminable by either party at any time, subject to the terms of the LOC agreement. The LOC is considered a variable loan; interest on any outstanding loan balance accrues at a floating rate and a base rate of variable secured overnight financing rate. Interest is payable monthly.

NOTE 8 403(b) RETIREMENT PLAN

The Organization maintains a defined contribution plan under Section 403(b) of the IRC covering substantially all employees. The Organization contributes an amount equivalent to 5% of an employee's eligible compensation. Contributions to the plan were included in salaries, payroll taxes, and employee benefits in the consolidated statement of functional expenses and amounted to approximately $54,710 and $65,839 during the years ended December 31, 2023 and 2022, respectively. Additionally, participants may make voluntary contributions, subject to plan limitations.

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2023 and 2022, are as follows:

	2023	2022
Various projects (networks, partnerships, Namibia, South Africa, and communications and outreach) and time restrictions	$ 1,251,253	$ 1,954,048
Gates Foundation - Ethiopia	550,485	1,257,669
Helmsley Foundation - Ethiopia	2,315,320	2,958,418
	$ 4,117,058	$ 6,170,135

Net assets with donor restrictions are restricted for the following purposes or periods:

	2023	2022
Subject to expenditure for specified purpose by program services		
Partnerships	$ 995,116	$ 1,355,777
Namibia	-	-
Ethiopia	2,865,805	4,216,087
Nigeria	-	-
Southern Africa	35,879	35,879
Communications and outreach	170,257	537,391
	4,067,058	6,145,134
Subject to the passage of time by program services		
Partnerships	-	-
Communications and outreach	50,000	25,000
	50,000	25,000
Total net assets with donor restrictions	$ 4,117,058	$ 6,170,134

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS *(continued)*

During the year ended December 31, 2023, net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes or by occurrence of other events specified by donors:

	2023
Various projects (networks, partnerships, Nigeria, Namibia, South Africa, and communications and outreach) and time restrictions	$ 1,348,190
Ethiopia	1,350,282
	$ 2,698,472

NOTE 10 LIQUIDITY AND AVAILABLE RESOURCES

The Organization receives contributions with donor restrictions to be used in accordance with the associated purpose or time restriction. The Organization considers it appropriate that earnings from contributions with and without donor restrictions are for use in current programs that are ongoing, major, and central to its annual operations and are also available to meet cash needs for general expenditures. General expenditures include administrative support services expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Organization's fiscal year.

The Organization manages its cash available to meet general expenditures with the following guiding principles:

- Operating within a prudent range of financial soundness and stability
- Maintaining adequate liquid assets

NOTE 10 LIQUIDITY AND AVAILABLE RESOURCES *(continued)*

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, are comprised of the following:

	2023	2022
Cash	$ 1,080,241	$ 890,585
Short-term investments	3,615,668	3,118,676
Pledges and other receivables, net	796,671	4,002,563
Total financial assets available within one year	5,492,580	8,011,824
Less:		
Amounts unavailable for general expenditures within one year, due to		
Restriction by donor with purpose and/or time restrictions	(4,117,058)	(6,170,135)
Total financial assets available to management for general expenditures within one year	$ 1,375,523	$ 1,841,689

NOTE 11 BOARD-RESTRICTED FUND

The Organization's Board of Directors originally designated $10,500,000 of the unrestricted net assets for long-term investments. In 2017, the Organization received a contribution of $9,000,000 from its Board Chair to be added to the Board-restricted Fund (BRF). Annually, the Board may approve additional funds to be appropriated to meet certain operational goals. A total of $1,779,000 was appropriated for operations in 2022 and 2023. These funds were withdrawn during 2022 and 2023 from the Organization's BRF.

The BRF as of December 31, 2023 and 2022, consisted of the following net asset balances:

	2023	2022
Without donor restrictions		
BRF for long-term investments	$ 18,930,024	$ 16,691,554
Total BRF	$ 18,930,024	$ 16,691,554

NOTE 11 BOARD-RESTRICTED FUND *(continued)*

The following table summarizes the changes in the BRF:

	2023	2022
Balance, beginning of year	$ 16,691,554	$ 21,632,844
Return on investment		
Investment income (net)	291,065	260,837
Net realized and unrealized gains	2,282,404	(3,758,127)
Total investment return	2,573,469	(3,497,290)
Amount appropriated and withdrawn for operations	(335,000)	(1,444,000)
Change in BRF	2,238,469	(4,941,290)
Balance. end of year	$ 18,930,023	$ 16,691,554

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for assets that attempt to provide a predictable stream of funding to programs while seeking to maintain the purchasing power of these assets. Under this policy, as approved by the Board, the BRF assets are invested in a manner intended to maintain the level of programs and services currently provided while assuming a moderate level of investment risk. The Organization expects its BRF, over time, to provide a rate of return of 4.0% after current inflation and investment management expenses. Actual returns in any given year may vary from this percentage.

Strategies Employed for Achieving Objectives

To satisfy the long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The BRF is considered a permanent fund; therefore, the investment objectives require disciplined and consistent management philosophies to accommodate all relevant, reasonable, and probable events. Thus, total rate-of return and spending rate objectives are reviewed periodically, consistent with the Organization’s objective to maintain the purchasing power of the current assets and all future contributions. Annually, 4% is the spending rate established by the Organization.

NOTE 11 BOARD-RESTRICTED FUND *(continued)*

Net-Zero Objective

Synergos' Board of Directors approved and adopted a new investment policy on May 31, 2022, which included a particular focus on aligning the investment portfolio with science-based targets for climate change mitigation. The objective is to take meaningful steps to move the investment portfolio toward net zero to maximize its contribution to the decarbonization of the real economy. In 2020, Synergos joined the UN-convened Net-Zero Owners Alliance (AOA), committing to achieving net-zero by 2050 and subsequent climate-related investment target to be achieved by 2025. Synergos' key commitments focus on carbon emissions reduction, engagement, and financing the transition.

NOTE 12 SPECIAL EVENT, NET

Income from the Organization's annual David Rockefeller Bridging Leadership Award event, net of direct costs, is as follows during the years ended December 31:

	2023	2022
Gross receipts	$ 401,267	$ 922,576
Less: Cost of direct benefits to donors, including meals and entertainment	(154,963)	(161,294)
	$ 246,304	$ 761,282

NOTE 13 COMMITMENTS AND CONTINGENCIES

Leases

The Organization entered into an operating lease agreement on May 9, 2022, for its new offices located at One East 53rd Street in New York, New York. The Organization took occupancy at its new offices in July 2023. The lease commenced on November 1, 2022, and expires on March 31, 2032. Fixed rent expense will be approximately $54,000 each year. Additionally, the Organization shall pay additional rent of its proportionate share (defined as 5.58%, which was computed by dividing the 1,125 rentable square feet of the offices by the 20,159 square feet of the building), of the amount by which the operating expenses (as defined within the agreement) of the building (i) for the 2023 calendar year exceed $969,787, or (ii) for any subsequent calendar year shall exceed its adjusted base operating expense amount. The base operating expense amount shall be or be deemed adjusted effective as of January 1, 2024, and each January 1 thereafter in each calendar year during the term of the lease to an amount that shall equal the operating expenses for the immediately preceding calendar year. The building and the land on which it is situated are presently exempt from New York City real estate taxes. Under the lease agreement, the landlord will provide electricity (up to 4 watts per square foot of the offices) at no additional cost to the Organization.

Contingency

Certain grants may be subject to audit by the funding sources. Such audit might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying consolidated financial statements. Accordingly, no amounts have been provided in the accompanying consolidated financial statements for such potential claims.

NOTE 14 SUBSEQUENT EVENTS

The Organization has evaluated events occurring after the date of the consolidated financial statements to consider whether or not the impact of such events needed to be reflected and/or disclosed in the consolidated financial statements. Such evaluation was performed through November 14, 2024, the date the consolidated financial statements were approved and available for issuance.