

Moore Impact, Inc.
Audited Financial Statements
December 31, 2024

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Independent Auditor's Report

To the Board of Directors of
Moore Impact, Inc.

Opinion

We have audited the accompanying financial statements of Moore Impact, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, 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 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 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 financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 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 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 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 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, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's financial statements for the year ended December 31, 2023, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 28, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sax LLP

New York, NY
October 16, 2025

Moore Impact, Inc.

Statement of Financial Position

At December 31, 2024

(With comparative totals at December 31, 2023)

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 8,039,852	\$ 8,432,420
Contributions receivable	473,942	997,761
TOTAL ASSETS	<u>\$ 8,513,794</u>	<u>\$ 9,430,181</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 28,879	\$ 42,848
Grants payable	250,000	205,000
Total liabilities	<u>278,879</u>	<u>247,848</u>
NET ASSETS		
Without donor restrictions	1,608,241	2,588,451
With donor restrictions	<u>6,626,674</u>	<u>6,593,882</u>
Total net assets	<u>8,234,915</u>	<u>9,182,333</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,513,794</u>	<u>\$ 9,430,181</u>

The attached auditor's report and notes are an integral part of these financial statements.

Moore Impact, Inc.

Statement of Activities

For the Year Ended December 31, 2024
(With comparative totals for the year ended December 31, 2023)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 12/31/24</u>	<u>Total 12/31/23</u>
PUBLIC SUPPORT AND REVENUE				
Contributions	\$ 172,240	\$16,268,651	\$16,440,891	\$11,474,848
Fee for service	54,482	-	54,482	101,236
Interest income	10,571	-	10,571	9,764
Net assets released from restrictions	16,235,859	(16,235,859)	-	-
Total public support and revenue	<u>16,473,152</u>	<u>32,792</u>	<u>16,505,944</u>	<u>11,585,848</u>
EXPENSES				
Program services	14,896,987	-	14,896,987	10,327,411
Management and general	2,149,209	-	2,149,209	1,917,188
Fundraising	407,166	-	407,166	333,704
Total expenses	<u>17,453,362</u>	<u>-</u>	<u>17,453,362</u>	<u>12,578,303</u>
Change in net assets	(980,210)	32,792	(947,418)	(992,455)
NET ASSETS, <i>beginning of year</i>	<u>2,588,451</u>	<u>6,593,882</u>	<u>9,182,333</u>	<u>10,174,788</u>
NET ASSETS, <i>end of year</i>	<u>\$ 1,608,241</u>	<u>\$ 6,626,674</u>	<u>\$ 8,234,915</u>	<u>\$ 9,182,333</u>

The attached auditor's report and notes are an integral part of these financial statements.

Moore Impact, Inc.

Statement of Functional Expenses

For the Year Ended December 31, 2024
(With comparative totals for the year ended December 31, 2023)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses 12/31/24</u>	<u>Total Expenses 12/31/23*</u>
Salaries	\$ 724,740	\$ 662,196	\$ 212,321	\$ 1,599,257	\$ 1,422,229
Payroll taxes and employee benefit	149,000	139,067	43,045	331,112	272,128
Grants awarded	12,671,766	-	-	12,671,766	8,218,285
Professional fees	1,222,101	497,106	122,655	1,841,862	1,612,714
Office expenses and supplies	19,954	18,624	5,765	44,343	25,410
Occupancy	6,714	6,266	1,939	14,919	9,899
Postage, printing and publications	335	313	97	745	9,859
Insurance	21,228	19,814	6,133	47,175	48,588
Travel and meetings	45,634	40,563	15,211	101,408	129,161
Events	-	-	-	-	141,577
Dues and subscriptions	35,515	-	-	35,515	23,244
Professional development	-	795	-	795	9,222
Bad debt expense	-	750,000	-	750,000	650,000
Other expenses	-	14,465	-	14,465	5,987
Total expenses	<u>\$14,896,987</u>	<u>\$ 2,149,209</u>	<u>\$ 407,166</u>	<u>\$17,453,362</u>	<u>\$12,578,303</u>

*Reclassified for comparative purposes

Moore Impact, Inc.

Statement of Cash Flows

For the Year Ended December 31, 2024
(With comparative totals for the year ended December 31, 2023)

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (947,418)	\$ (992,455)
Adjustments to reconcile change in net assets to cash used for operating activities:		
Bad debt expense	750,000	650,000
Changes in assets and liabilities:		
Contributions receivable, net	(226,181)	696,397
Accounts payable and accrued expenses	(13,969)	(53,207)
Grants payable	45,000	(480,000)
Total adjustments	<u>554,850</u>	<u>813,190</u>
Net cash used for operating activities/ Net decrease in cash and cash equivalents	(392,568)	(179,265)
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	<u>8,432,420</u>	<u>8,611,685</u>
CASH AND CASH EQUIVALENTS, <i>end of year</i>	<u>\$ 8,039,852</u>	<u>\$ 8,432,420</u>
SUPPLEMENTAL INFORMATION		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for taxes	<u>\$ -</u>	<u>\$ -</u>

The attached auditor's report and notes are an integral part of these financial statements.

Moore Impact, Inc.

Notes to Financial Statements

December 31, 2024

Note 1 - Organization

Moore Impact, Inc. (the "Organization"), established in 2020, is a Black-founded and women-led institution. The Organization provides fiscal sponsorship to community leaders and donors, helping them bring to life their vision for a more just world. The Organization also serves as a sponsoring organization for Donor Advised Funds ("DAFs"), which allows individuals, families, and institutions to create a structured and flexible giving fund from which they can manage all of their grantmaking, both in the U.S. and abroad. The Organization's primary source of revenue is contributions.

The Organization is a not-for-profit organization and has been notified by the Internal Revenue Service that it is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code and has not been determined to be a private foundation as defined in Section 509(a).

Moore Philanthropy, an independent S-Corporation, shares a board member with the Organization. In carrying out its mission, the Organization collaborates with Moore Philanthropy on philanthropic initiatives. The parties share various costs, described further in Note 5. Moore Philanthropy does not meet the requirements for consolidation because the Organization does not have control over Moore Philanthropy.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting and Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

The financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958 - *Presentation of Financial Statements of Not-For-Profit Entities*. FASB ASC 958 requires the Organization to report information regarding its financial position and activities according to the following two specific classes of net assets:

- *Net Assets without Donor Restrictions* - represents those resources for which there are no restrictions by donors as to their use.
- *Net Assets with Donor Restrictions* - represents those resources, the uses of which have been restricted by donors for a specific purpose or the passage of time. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

b. Revenue Recognition

The Organization follows the requirements of the FASB ASC 958-605 for recording contributions, which are recorded at the time they become unconditional in nature. Contributions are recorded in one of the classes of net assets described above, depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they are received, they are classified as without donor restrictions.

Moore Impact, Inc.

Notes to Financial Statements

December 31, 2024

Note 2 - Summary of Significant Accounting Policies - Continued

b. Revenue Recognition - Continued

Contributions may be subject to conditions, which are defined as both a barrier to entitlement and a right of return of payments, or release from obligations, and are recognized as income once the conditions have been substantially met. Conditional contributions that have not been recognized amount to \$100,000 and \$1,350,000 for the years ended December 31, 2024 and 2023, respectively. These contributions are conditioned upon meeting milestones and providing deliverables and will be recognized as contribution revenue when the conditions are met.

The Organization follows the requirements of FASB ASC 606 for recognizing revenue generated from fees for service. The Organization receives fees for services provided based on contracts. Revenue is recognized at the point in time that the services are provided and the performance obligation is met. Fees for service that have been earned but not paid at year end are recognized as income and a related receivable. Cash received in advance of recognizing the income is recognized as deferred income.

Pledges that are expected to be received in less than one year are recorded at net realizable value. Those that are due in greater than one year are recorded at fair value, which is calculated using risk-adjusted present value techniques if deemed material. Long-term pledges are considered time-restricted until the period they are due, at which time they will be released from restriction and counted towards operations. As of December 31, 2024 and 2023, all pledges are expected to be received in one year.

Management assesses the collectability of all outstanding contributions receivable based upon historical trends and experience with donors. Based on that review, management has concluded that all receivables are collectible. As such, no allowance for uncollectible accounts was deemed necessary for the years ended December 31, 2024 and 2023.

Receivables from earned revenue sources are stated at the amount the Organization expects to collect from outstanding balances. Expected credit losses on earned income receivables are estimated based on historical credit loss experience, aging analysis and management's assessment of current conditions and reasonable execution of future conditions. Based on that evaluation, management has determined that no allowance for credit losses is warranted as there were no earned revenue receivables as of December 31, 2024 and 2023.

c. Cash and Cash Equivalents

The Organization considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

d. Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to a concentration of credit risk, consist of cash that has been placed with financial institutions that management deems to be creditworthy. At times and at year end, balances may exceed federally insured limits; however, management feels they have little risk and has not experienced any losses due to the failure of any financial institution.

Moore Impact, Inc.

Notes to Financial Statements

December 31, 2024

Note 2 - Summary of Significant Accounting Policies - Continued

e. In-Kind Contributions

Donated services are recognized in circumstances where those services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind.

Board members and other individuals volunteer their time and perform a variety of services that assist the Organization. These services do not meet the criteria outlined above and have not been recorded in the financial statements.

f. Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

g. Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use ("ROU") assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The Organization did not have any leases with a term longer than 12 months during the years ended December 31, 2024 or 2023.

h. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Salaries and professional fees are allocated based on time and effort. The following costs are allocated based on salary allocations:

- Payroll taxes and employee benefits
- Office expenses and supplies
- Occupancy
- Postage, printing and publications
- Insurance
- Travel and meetings

All other expenses have been charged directly to the applicable program or supporting services.

Moore Impact, Inc.

Notes to Financial Statements

December 31, 2024

Note 2 - Summary of Significant Accounting Policies - Continued

i. Advertising

The cost of advertising is expensed as incurred.

j. Prior Year Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

k. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending December 31, 2021 and later are subject to examination by applicable taxing authorities.

Note 3 - Grants Payable and Commitments

Grant expenses are incurred in the year they are approved. During the years ended December 31, 2024 and 2023, unconditional grants that were approved but not paid amounted to \$250,000 and \$205,000, respectively.

At December 31, 2024 and 2023, the Organization had a total of \$5,062,700 and \$4,315,400, respectively, in conditional grant commitments that have not been recorded. Subsequent to year end, these conditional grant commitments were transferred to another non-profit organization as part of the Organization's termination of programming related to the Warner Music Group/Blavatnik Family Foundation Social Justice Fund. As part of the termination agreement, the Organization agreed to transfer all assets and liabilities related to the program to other nonprofit organizations to continue the philanthropic programming. This transfer will be effective January 1, 2025, and will include a cash grant of \$280,326, and the transfer of conditional grant commitments noted above. This grant will be expensed in 2025, when the transfer is effective.

Moore Impact, Inc.

Notes to Financial Statements

December 31, 2024

Note 4 - Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions:

	December 31, 2024			
	Balance 1/1/24	Contributions	Released from Restrictions	Balance 12/31/24
Warner Music Group/ Blavatnik Family Foundation Social Justice Fund	\$ 170,188	\$13,202,418	\$(13,092,280)	\$ 280,326
We Tell Ourselves	815,888	-	(509,491)	306,397
Gates Post Secondary	803,843	-	(781,181)	22,662
Gates Infrastructure	3,150,000	1,350,000	(430,540)	4,069,460
Racial Justice Grantmaking	-	1,000,000	-	1,000,000
Camino Center for Community Innovation	1,273,157	-	(989,463)	283,694
Latinas Represent	248,281	285,888	(254,998)	279,171
Mental Health Storytelling	-	225,000	-	225,000
Make Justice Normal	22,860	45,870	(60,787)	7,943
Racial Equity Index	41,430	50,000	(35,775)	55,655
Other projects	68,235	109,475	(81,344)	96,366
Total	<u>\$ 6,593,882</u>	<u>\$16,268,651</u>	<u>\$(16,235,859)</u>	<u>\$ 6,626,674</u>
	December 31, 2023			
	Balance 1/1/23	Contributions	Released from Restrictions	Balance 12/31/23
Warner Music Group/ Blavatnik Family Foundation Social Justice Fund	\$ 78,168	\$ 5,469,743	\$(5,377,723)	\$ 170,188
Building Power Champions in support of BIPOC Communitie	1,945,986	-	(1,945,986)	-
We Tell Ourselves	1,591,989	182,325	(958,426)	815,888
Gates Post Secondary	750,000	999,529	(945,686)	803,843
Gates Infrastructure	-	3,150,000	-	3,150,000
Racial Justice Grantmaking	900,000	1,100,000	(2,000,000)	-
Camino Center for Community Innovation	1,418,272	10,000	(155,115)	1,273,157
Latinas Represent	241,717	251,605	(245,041)	248,281
Make Justice Normal	106,200	50,161	(133,501)	22,860
Racial Equity Index	31,861	50,400	(40,831)	41,430
Other projects	113,480	100,365	(145,610)	68,235
Total	<u>\$ 7,177,673</u>	<u>\$11,364,128</u>	<u>\$(11,947,919)</u>	<u>\$ 6,593,882</u>

Moore Impact, Inc.

Notes to Financial Statements

December 31, 2024

Note 5 - Related Party Transactions

Effective January 1, 2022, the Organization and Moore Philanthropy entered into an agreement that provides for shared resources such as employees, office space, furniture, equipment, facilities, services, and other resources to be accounted for separately and invoiced between the parties at fair value. At its sole discretion, Moore Philanthropy may cover the Organization's portion of the costs associated with software and systems.

During the years ended December 31, 2024 and December 31, 2023, Moore Philanthropy reimbursed the Organization for shared resources in the amount of \$15,000 and \$101,118, respectively.

Note 6 - Bad Debt Expense

During the year ended December 31, 2022, the Organization recognized two separate unconditional, multi-year grants. Due to unforeseen circumstances that prevented the Organization from carrying out the purposes of these grants, one grant was terminated during the year ended December 31, 2023, and the other terminated during the year ended December 31, 2024. As a result of these early terminations, the Organization wrote off the receivable balance and recognized bad debt expense of \$650,000 and \$750,000 for the years ended December 31, 2023 and 2024, respectively.

Note 7 - Retirement Plan

Effective January 1, 2022, the Organization set up a retirement plan in accordance with the Internal Revenue Service Code Section 403(b). All employees are eligible to participate. The plan allows employees to voluntarily contribute a portion of their salary (limited by statutory rates) to the plan to be used for retirement. The Organization provides an annual match on employee contributions up to 3%. The Organization contributed \$40,655 and \$34,095 during the year ended December 31, 2024 and 2023, respectively.

Note 8 - Availability and Liquidity

The Organization maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. As part of its liquidity management, the Organization operates its programs within a board approved budget and relies on contributions and earned income to fund its operations and program activities.

The following reflects the Organization's financial assets at December 31, 2024 that are available to meet cash needs for general expenditures within one year:

Financial assets at year-end:		
Cash and cash equivalents	\$ 8,039,852	
Contributions receivable	<u>473,942</u>	
Total financial assets		\$ 8,513,794
Less amounts not available for general expenditures:		
Donor contributions restricted to specific purposes		<u>(6,626,674)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$ 1,887,120</u>

Moore Impact, Inc.

Notes to Financial Statements

December 31, 2024

Note 9 - Subsequent Events

Subsequent events have been evaluated through October 16, 2025, the date the financial statements were available to be issued. Adjustments and disclosures have been made for all subsequent events that have occurred.