

Prime Coalition, Inc. and Affiliates

Consolidated Financial Report
December 31, 2023

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Independent Auditor's Report

Board of Directors
Prime Coalition, Inc. and Affiliates

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Prime Coalition, Inc. and Affiliates (the Organization), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, 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, 2023 and 2022, and their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, activities and cash flows of the individual entities and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Boston, Massachusetts
September 9, 2024

Prime Coalition, Inc. and Affiliates

Consolidated Statements of Financial Position December 31, 2023 and 2022

	2023	2022
Assets		
Operating assets:		
Cash and cash equivalents	\$ 6,707,710	\$ 3,804,036
Grants and contributions receivable, net	771,856	1,628,576
Other restricted cash	-	20,000
Other current assets	33,659	16,848
Cash restricted for long-term investment	27,550,398	27,370,833
Total operating assets	35,063,623	32,840,293
Portfolio assets—Prime Coalition, Inc.:		
Program-related equity investments	4,247,768	2,371,712
Total portfolio assets—Prime Coalition, Inc.	4,247,768	2,371,712
Portfolio assets—Prime Impact Loan Fund I, LLC:		
Cash and cash equivalents	219	79
Total portfolio assets—Prime Impact Loan Fund I, LLC	219	79
Portfolio assets—Prime Impact Equity Fund I, LLC:		
Cash and cash equivalents	10,379,724	13,503,577
Interest receivable	177,025	384,150
Investments in portfolio companies, at fair value	75,284,289	86,595,365
Total portfolio assets—Prime Impact Equity Fund I, LLC	85,841,038	100,483,092
Total assets	\$ 125,152,648	\$ 135,695,176
Liabilities and Net Assets/Members' Capital		
Operating liabilities:		
Accounts payable and accrued expenses	\$ 134,767	\$ 523,019
Program related investment loan interest payable	1,475,531	601,823
Program related investment loan payable	8,841,667	6,976,333
Total non-portfolio liabilities	10,451,965	8,101,175
Portfolio liabilities—Prime Impact Loan Fund I, LLC:		
Interest payable	10,116,113	6,921,857
Master funding agreement loans and recoverable grants, at fair value (proceeds: \$29,645,001 and \$28,995,001, respectively)	15,750,001	15,200,001
Total portfolio liabilities—Prime Impact Loan Fund I, LLC	25,866,114	22,121,858
Total liabilities	36,318,079	30,223,033
Commitments and contingencies (Note 6)		
Net assets/members' capital:		
Without donor restrictions/members' capital:		
Without donor restrictions/members' capital—Prime Coalition, Inc. and Affiliates	33,327,063	54,424,954
Noncontrolling interest in Prime Impact Equity Fund I, LLC	30,211,371	27,533,347
Total without donor restrictions/members' capital	63,538,434	81,958,301
With donor restrictions		
Total net assets/members' capital	25,296,135	23,513,842
Total net assets/members' capital	88,834,569	105,472,143
Total liabilities and net assets/members' capital	\$ 125,152,648	\$ 135,695,176

See notes to consolidated financial statements.

Prime Coalition, Inc. and Affiliates

**Consolidated Statements of Activities
Years Ended December 31, 2023 and 2022**

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues:						
Grants and contributions	\$ 3,458,467	\$ 349,263	\$ 3,807,730	\$ 1,743,064	\$ 8,435,148	\$ 10,178,212
Inherent contribution from acquisition of Actuate Innovation, Inc.	-	4,367,675	4,367,675	-	-	-
Donated services	208,160	-	208,160	192,036	-	192,036
Program services	250,000	-	250,000	250,000	-	250,000
Interest income	583,594	-	583,594	24	-	24
Net assets released from restrictions	2,934,645	(2,934,645)	-	1,232,748	(1,232,748)	-
Total support and revenues	7,434,866	1,782,293	9,217,159	3,417,872	7,202,400	10,620,272
Expenses:						
Program services	5,312,020	-	5,312,020	2,175,627	-	2,175,627
General and administrative	1,011,349	-	1,011,349	931,499	-	931,499
Fundraising	279,131	-	279,131	64,084	-	64,084
Total expenses	6,602,500	-	6,602,500	3,171,210	-	3,171,210
Change in net assets/members' capital before net portfolio activities and contributions by members	832,366	1,782,293	2,614,659	246,662	7,202,400	7,449,062
Net portfolio activities:						
Management fees	(953,234)	-	(953,234)	(1,056,415)	-	(1,056,415)
Interest income	276,982	-	276,982	461,759	-	461,759
Interest expense	(3,194,255)	-	(3,194,255)	(2,627,141)	-	(2,627,141)
Investment (loss) return, net	(15,381,726)	-	(15,381,726)	26,906,774	-	26,906,774
Changes in net assets/members' capital before contributions by members	(18,419,867)	1,782,293	(16,637,574)	23,931,639	7,202,400	31,134,039
Contributions by members:						
Contributions by members—noncontrolling interest	-	-	-	733,337	-	733,337
Total contributions by members	-	-	-	733,337	-	733,337
Changes in net assets/members' capital	(18,419,867)	1,782,293	(16,637,574)	24,664,976	7,202,400	31,867,376
Net assets/members' capital at beginning of year	81,958,301	23,513,842	105,472,143	57,293,325	16,311,442	73,604,767
Net assets/members' capital at end of year	\$ 63,538,434	\$ 25,296,135	\$ 88,834,569	\$ 81,958,301	\$ 23,513,842	\$ 105,472,143

See notes to consolidated financial statements.

Prime Coalition, Inc. and Affiliates

**Consolidated Statements of Functional Expenses for Prime Coalition, Inc.
Years Ended December 31, 2023 and 2022**

	2023				2022			
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
Salaries and benefits	\$ 1,743,756	\$ 417,924	\$ 139,122	\$ 2,300,802	\$ 769,518	\$ 463,239	\$ 49,978	\$ 1,282,735
Subcontractors	1,637,925	236,596	112,708	1,987,229	379,621	192,873	4,031	576,525
Payroll services	15,872	3,463	1,032	20,367	250	5,007	27	5,284
Payroll taxes	127,329	27,629	9,099	164,057	51,321	29,199	3,155	83,675
Professional services	214,764	159,316	798	374,878	252,206	72,330	1,669	326,205
Conferences and meetings	3,921	-	574	4,495	3,618	-	25	3,643
Dues and subscriptions	12,010	5,701	-	17,711	-	13,022	1,499	14,521
Facility	74,365	17,848	6,941	99,154	51,895	31,130	3,360	86,385
Programmatic grants	250,000	-	-	250,000	-	-	-	-
Insurance	7,381	1,806	597	9,784	2,596	1,562	168	4,326
Interest expense	880,806	-	-	880,806	609,273	-	-	609,273
Marketing	34,456	-	-	34,456	1,296	71	-	1,367
Office supplies	64,627	30,540	4,853	100,020	1,745	40,770	23	42,538
Bank charges	56,826	461	146	57,433	-	842	88	930
Travel	187,982	110,065	3,261	301,308	52,288	81,454	61	133,803
Total expenses	\$ 5,312,020	\$ 1,011,349	\$ 279,131	\$ 6,602,500	\$ 2,175,627	\$ 931,499	\$ 64,084	\$ 3,171,210

See notes to consolidated financial statements.

Prime Coalition, Inc. and Affiliates

Consolidated Statements of Cash Flows Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Changes in net assets/members' capital	\$ (16,637,574)	\$ 31,867,376
Adjustments to reconcile changes in net assets/members' capital to net cash provided by (used in) operating activities:		
Contributions from members—noncontrolling interest	-	(733,337)
Net change in unrealized depreciation (appreciation) on investments	14,645,871	(27,691,014)
Unrealized loss on program related equity investments	735,853	784,240
Contributions restricted for long-term investment	(179,565)	(10,111,333)
Inherent contribution from acquisition of Actuate Innovation, Inc.	(4,367,675)	-
Interest converted to equity	(167,288)	-
Changes in assets and liabilities:		
Grants and contributions receivable, net	5,224,395	703,559
Due from related parties	-	11,420
Interest receivable	207,125	(222,627)
Other current assets	(16,811)	(7,068)
Accounts payable and accrued expenses	(388,252)	409,657
Other payables	-	(500)
Interest payable	3,194,256	2,627,143
Program related investment loan interest payable	873,708	557,172
Net cash provided by (used in) operating activities	3,124,043	(1,805,312)
Cash flows from investing activities:		
Purchase of investments in portfolio companies	(3,167,507)	(3,335,453)
Purchase of investments in program related equity	(2,611,909)	(1,591,500)
Net cash used in investing activities	(5,779,416)	(4,926,953)
Cash flows from financing activities:		
Proceeds from master funding agreement loans	550,000	1,676,668
Proceeds from program related investment loan agreements	1,865,334	2,992,333
Contributions from members—noncontrolling interest	-	733,337
Contributions restricted for long term investment	179,565	10,111,333
Net cash provided by financing activities	2,594,899	15,513,671
Net change in cash and cash equivalents, other restricted cash and cash restricted for long-term investment	(60,474)	8,781,406
Cash and cash equivalents, other restricted cash and cash restricted for long-term investment, beginning of year	44,698,525	35,917,119
Cash and cash equivalents, other restricted cash and cash restricted for long-term investment, end of year	\$ 44,638,051	\$ 44,698,525
Cash and cash equivalents, non-portfolio	\$ 6,707,710	\$ 3,804,036
Other restricted cash, non-portfolio	-	20,000
Cash restricted for long-term investment, non-portfolio	27,550,398	27,370,833
Cash and cash equivalents, portfolio	10,379,943	13,503,656
	\$ 44,638,051	\$ 44,698,525
Supplemental disclosure of noncash operating activities:		
Contributions receivable acquired from Actutate Innovation, Inc.	\$ 4,367,675	\$ -

See notes to consolidated financial statements.

Prime Coalition, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Prime Coalition, Inc. (Prime) was organized on January 21, 2014, as a Delaware nonprofit, nonstock corporation. Prime is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code (IRC) and a public charity within the meaning of Sections 509(a)(1) and 170(b)(1)(A)(vi) of the IRC. Prime's tax-exempt mission is to unlock catalytic capital and change the future of climate finance. Prime centers on collective, long-term thinking in this global movement by supporting people, programs, and innovations that can help spark, deepen or accelerate emerging climate solutions that have strong potential to transform our world in the decades ahead. In the spirit of additionality, Prime seeks to fill gaps or enable outcomes that are unlikely without catalytic support.

Prime Management Company I, LLC (PMC I) was organized on October 9, 2018, under the laws of the state of Delaware and is a single-member limited liability company, the sole member of which is Prime. PMC I was formed to carry out Primes' charitable purposes in the context of its charitable investment activities and it is authorized to engage in any lawful business, purpose or activity for which limited liability companies may be organized. PMC I shall be dissolved in accordance with the provisions of the limited liability agreement. PMC I manages Prime Impact Loan Fund I, LLC (the Loan Fund) and Prime Impact Equity Fund I, LLC (the Equity Fund).

The Loan Fund was organized on October 12, 2018, under the laws of the state of Delaware and is a single member limited liability company, the sole member of which is Prime. The Loan Fund was formed to carry out charitable activities of Prime by aggregating capital from mission-oriented investors for investment in companies that address the impacts of climate change and which would otherwise have difficulty accessing financial support from traditional commercial sources. The Loan Fund invests its capital in the Equity Fund, the charitable investment purposes of which are consistent with Prime's charitable mission. The Loan Fund shall dissolve, and be wound up, upon the sooner of the expiration of the Equity Fund or the entry of a decree of judicial dissolution pursuant to Section 18-802 of the Delaware Act.

The Equity Fund is a limited liability corporation organized under the laws of the state of Delaware pursuant to a restated company agreement dated October 12, 2018. The Equity Fund is a private investment vehicle established to further Prime's tax-exempt mission by aggregating capital from mission-oriented investors along with the charitable capital of the Loan Fund for investment in companies that address the impacts of climate change and which would otherwise have difficulty accessing financial support from traditional commercial sources. The Loan Fund has a controlling interest in the Equity Fund. The Equity Fund shall continue without dissolution until October 12, 2033. The term may be extended for up to two additional 2-year periods at the discretion of PMC I by written notice to the members prior to the end of the immediately preceding term.

The Loan Fund and Equity Fund were managed by PMC I until October 28, 2021. On October 29, 2021, PMC I entered into a subadvisory agreement with the Azolla Management Company, LP to manage the Loan Fund and the Equity Fund and have a Fund Advisory Committee (the Committee) as mandated by the Master Funding Agreement. The Committee is appointed by Prime's Board of Directors (the Board) and shall oversee PMC I, approve actions in accordance with the Limited Liability Company Agreement of the Equity Fund, and provide other advisory matters.

Prime Management Company II, LLC (PMC II) was organized on October 25, 2023, under the laws of the state of Delaware and is a single member limited liability company, the sole member of which is Prime. PMC II was formed to carry out Prime's charitable purposes in the context of its charitable investment activities and it is authorized to engage in any lawful business, purpose or activity for which limited liability companies may be organized. PMC II is expected to manage the Trellis Climate Fund I, LLC (Trellis Climate Fund I).

Prime Coalition, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

ECI Pool I, LLC, which was later renamed to Trellis Climate Fund I, LLC was organized on October 25, 2023 under the laws of the state of Delaware and is a single member limited liability company, the sole member of which is Prime. Trellis Climate Fund I is an investment vehicle established to further Prime's tax-exempt mission by aggregating catalytic capital for investment in and support of companies that address the impacts of climate change and which would otherwise have difficulty accessing financial support from traditional commercial sources.

PMC II and Trellis Climate Fund I had no balances or activities as of and for the year ended December 31, 2023.

A summary of the Organization's significant accounting policies follows:

Basis of consolidation: The consolidated financial statements include the accounts of Prime, the Loan Fund, the Equity Fund, PMC I, PMC II and Trellis Climate Fund I (collectively referred to as the Organization). All intercompany balances and transactions eliminate in the accompanying consolidated financial statements.

Basis of presentation: The 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). Prime's financial statement presentation follows the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Financial Statements of Not-for Profit Organizations. Under this standard, Prime is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of the two net asset classes follows:

Without donor restrictions: Net assets of Prime include expendable funds available to support operations that are not subject to donor-imposed stipulations or time restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the Board or may otherwise be limited by contractual agreements with outside parties.

With donor restrictions: Net assets of Prime represent contributions and other inflows of assets whose use by Prime is limited by donor-imposed stipulations that may or will be met by actions of Prime or the passage of time.

The Loan Fund, Equity Fund, and Trellis Climate Fund I are portfolio companies under U.S. GAAP and follow the accounting and reporting guidance in ASC 946, Financial Services—Investment Companies. PMC I and PMC II follow U.S. GAAP.

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 contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents: Cash includes highly liquid instruments with original maturities of three months or less at the date of acquisition.

Prime Coalition, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Concentrations of credit risk: The Organization maintains deposits with high-quality financial institutions in amounts that are in excess of federally insured limits; however, the Organization does not believe it is exposed to any significant credit risk and has not experienced any losses in such accounts. The Organization monitors the creditworthiness of the financial institutions with which it conducts business.

Other restricted cash: PMC I has deposited a balance as required by their financial institution in relation to a credit card held by PMC I's employees for company expenses. As of December 31, 2023 and 2022, the restricted cash balance amounted to \$0 and \$20,000, respectively.

Liquidity: In order to provide information about liquidity, assets are sequenced accordingly to their nearness of conversion to cash and liabilities according to the nearness of their estimated maturity.

Allowance for doubtful accounts: Grants and contribution receivables are reported on the consolidated statements of financial position as the outstanding balance less an allowance for doubtful accounts. An allowance for doubtful accounts is provided for those receivables considered to be uncollectible based upon historical experience and management's evaluation of outstanding receivables at the end of the year. No allowance for doubtful accounts was considered necessary at December 31, 2023 and 2022.

Program-related equity investments: Equity investments do not have a readily determinable fair value and, as such, are recorded using various methods depending on the nature of ownership and various other factors. The various methods are as follows:

Equity method of accounting: The equity method of accounting applies when Prime can exercise significant influence, which is generally indicated when its equity position in the affiliate equals or exceeds 20% but does not exceed 50%. Prime records its proportional share in the equity of the underlying investment at each measurement date, with the net income in the investment at each measurement date reported in the consolidated statements of activities within net portfolio activity.

Fair value using net asset value (NAV): Investments managed by external managers in fund structures that are not readily marketable are reported at fair value utilizing the most current information provided by the external manager, subject to assessments that the information is representative of fair value and in consideration of any factors deemed pertinent to the fair value measurement. As a practical expedient, Prime is permitted under U.S. GAAP to estimate the fair value of its investments with external managers using the external managers' reported NAV without further adjustment, unless Prime expects to sell the investment at a value other than NAV or the NAV is not calculated in accordance with U.S. GAAP.

Income taxes: Prime is exempt from federal income taxes as an organization formed for charitable purposes as described in Section 501(c)(3) of the IRC. Prime is also exempt from state income taxes. Donors may deduct contributions made to Prime pursuant to IRC regulations.

PMC I, PMC II, the Loan Fund, and Trellis Climate Fund I (collectively, Prime's Disregarded Entities; each, a Disregarded Entity) are limited liability companies and as such, are not taxpaying entities for federal or state tax purposes. All income or loss is reflected in Prime's tax return. Prime shall retain its status as (a) an organization described in Section 501(c)(3) of the IRC and a public charity under Sections 509(a)(1) and 170(b)(1)(A)(vi) of the IRC and (b) as a nonprofit organization under the laws of the state of Delaware, and shall conduct its operations in a manner consistent with such status. Neither Prime nor any of Prime's Disregarded Entities shall perform any act, enter into any agreement, or fail to act in any way that would adversely affect the charitable tax exempt status of Prime.

Prime Coalition, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Neither Prime nor any of Prime's Disregarded Entities shall file a Form 8832 election to treat a Disregarded Entity as a corporation for U.S. federal income tax purposes.

The Equity Fund's income or loss is reflected in each Member's individual or corporate income tax return in accordance with the member's ownership percentage. Tax filings are open to examination by the Internal Revenue Service (IRS) up to three years from the filing date of the return.

The Organization follows accounting standards relating to accounting for uncertainty in income taxes. Management assessed whether there were any uncertain tax positions which may give rise to income tax liabilities and determined that there were no such matters requiring recognition in the accompanying consolidated financial statements. Generally, the Organization is no longer subject to U.S. federal or state income tax examinations by tax authorities for three years from the filing date.

Advertising costs: The Organization expenses advertising costs as they are incurred. There was approximately \$34,500 and \$1,400 of advertising expense for the years ended December 31, 2023 and 2022, respectively.

Functional allocation of expenses: The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting activities of Prime. Expenses directly related to a program or supporting activity are directly distributed to that activity. These expenses are allocated based upon management's estimate of the percentage attributable to each function and include the use of time estimates to reflect each employee's efforts.

Grants and contributions: Grants and contributions received, including unconditional promises to give, are initially recognized at fair value as revenue when donors make unconditional commitments. Unconditional promises to give receivable in future periods are included in the consolidated financial statements as contributions receivable. Unconditional contributions receivable are recognized at the estimated net present value of such promises to give, net of an allowance for uncollectible amounts. Grants and contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk and duration involved. Conditional grants and contributions, that is, those with a measurable performance or other barrier and a right of return, are recognized when the conditions on which they depend have been substantially met. Grants and contributions of assets other than cash are recorded at their estimated fair value.

The Organization reports gifts of cash and other assets as donor-restricted support if they are unconditionally received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statements of activities as net assets released from restrictions. Donor restricted contributions received and satisfied in the same period are included in net assets without donor restrictions. Conditional gifts with donor restrictions where the conditions are met and restrictions are satisfied in the same period are included in net assets without donor restrictions.

As of December 31, 2023 and 2022, the Organization received conditional promises to give from grantors or donors totaling \$1,800,000 and \$0, respectively.

Programmatic grants made are accounted for under ASC 958-720-25, Contributions Made, and are recognized as expense when the grant is communicated to the recipient and deemed unconditional, that is, when any related measurable performance barriers or other barriers have been met. Grants made are considered conditional if both a right to return and barrier exist. As of December 31, 2023 and 2022, there were no conditional grants made and outstanding.

Prime Coalition, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Donated services: Individuals and other organizations contribute services to Prime in support of various aspects of its programs. The fair value of contributed services, which meet the criteria of the provisions of ASC 958-605, Not-for-Profit Entities: Revenue Recognition, are recognized in the consolidated statements of activities and consolidated statements of functional expenses when provided by individuals or organizations whose skills would need to be purchased if not provided by donation.

Prime estimates the fair value of its in donated services in accordance with ASC 820, Fair Value Measurement. Estimated fair value is based on current rates for similar services. While Prime does not typically receive donated goods, if donated goods are received, it is Prime's policy to utilize donated goods for its mission-related activities rather than monetize or sell the goods. All donated services recognized during the years ended December 31, 2023 and 2022, are without donor restrictions.

Prime receives services from volunteers in various aspects of its programs. The value of these services are not reflected in the accompanying consolidated financial statements as the value assigned to these services by volunteers is not ascertainable and does not meet the recognition criteria under U.S. GAAP.

Program service revenues: The Organization enters into contracts that define various consulting services. Services defined in the contracts are generally capable of being distinct and accounted for as separate performance obligations. The Organization recognizes revenue when the benefit of the services performed has been provided per ASC 606, Revenue from Contracts with Customers.

Master funding agreement loans: In order to maximize funds available to support its charitable investment program, the Loan Fund entered into a Master Funding Agreement on October 12, 2018, to raise a blend of various types of capital for the purposes of making contributions to the Equity Fund. All loans are recorded as liabilities on the accompanying consolidated statements of financial position.

Equity Fund capital contributions: As of December 31, 2023 and 2022, external members committed capital to the Equity Fund totaling \$17,827,500. Of the amount committed, \$17,827,500 or 100% has been contributed at both December 31, 2023 and 2022.

Equity Fund capital distributions and allocation of profit and loss: Profit or loss of the Equity Fund shall be allocated among the members as of the end of each calendar year.

All profits and losses for a fiscal year or other period shall be allocated among the members during such fiscal year or other period in a manner that will, as nearly as possible, cause the capital account balance of each member at the end of such fiscal year or other period to equal the Target Capital Account balance as defined in the Limited Liability Company Agreement of the Equity Fund as the hypothetical distribution each member would receive if the Equity Fund were to be liquidated less any unfunded commitments to which the member is obliged.

As of December 31, 2023 and 2022, the Loan Fund had no capital account balance in the Equity Fund.

Equity Fund distributions: The timing and amount of distributions is to be determined at the discretion of PMC I. In accordance with the Limited Liability Company Agreement of the Equity Fund, it is intended that all distributable proceeds will be distributed as soon as reasonably practicable after receipt by the Equity Fund. All distributions shall be apportioned to the members on a cumulative basis in the following amounts and priorities:

1. 100% to the members in proportion to their respective unreturned contribution amounts until each member has received aggregate distributions equal to the member's capital contribution amount as defined in the Limited Liability Company Agreement of the Equity Fund;

Prime Coalition, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

2. 100% to the members in proportion to their respective Unreturned Preference Amounts, as defined in the Limited Liability Company Agreement of the Equity Fund as total distributions which would cause each member to reach their internal rate of return cap less the aggregate distributions previously made to the member, until each member's unreturned preference amount has been reduced to zero; and
3. 100% to Loan Fund, for further distribution by Loan Fund to Prime, the sole owner of Loan Fund, after payment of any then-outstanding expenses to Loan Fund.

In accordance with the Master Funding Agreement, net profits of the Loan Fund are first allocated to lenders and recoverable grantors until they have received a full return on their investment. All remaining net profit is allocated to Prime.

Fair value: The Organization's fair value accounting policies adhere to the provisions of ASC 820. Under ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date.

ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1: Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Organization's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by the Organization in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined by the lowest level input that is significant to the fair value measurement.

Security valuation: The Equity Fund invests primarily in equity securities of privately held, early stage companies that are not traded on a public market. These securities are recorded at estimated fair value as determined by the Members using the framework of ASC 820 and in accordance with their investment valuation policy. Investments are valued based on factors deemed relevant by the members, including, but not limited to the sale price of recent transactions in similar securities; restrictions on transfer; recent trading volume; current financial position of the securities; significant recent events affecting the securities; and any other factors affecting value. The resulting unrealized appreciation and depreciation is reflected in the consolidated statements of activities.

The Organization has adopted written guidelines for determining the fair value of its investments for reporting in the accompanying consolidated financial statements. Under these guidelines, investment valuations are reviewed on a quarterly basis and investments without readily available market values are valued at fair value as determined by the Members. In the absence of readily ascertainable market values, the Organization uses valuation techniques consistent with the market, income and cost approaches, as prescribed by ASC 820, in order to estimate the fair value of investments. In all cases, the Organization evaluates whether the valuation techniques used and the resultant fair value estimate is representative of what the most likely buyers of the investment would also pay upon exit and, therefore, whether the value is deemed to be the price expected in an orderly transaction between market participants at the measurement date. In determining the value of the Organization's holdings, the Organization allocates the value of each of their portfolio companies (determined using one of the aforementioned methodologies) to the outstanding securities of each according to their respective liquidation preferences or entitlement upon conversion, whichever is more appropriate.

The transaction price is typically the Organization's best estimate of fair value at commencement of operations of the investment. When evidence supports a change to the carrying value from the transaction price, adjustments are made to reflect expected exit values. Ongoing reviews by the Organization are based on an assessment of significant assumptions related to each underlying investment including incorporating valuations that consider the evaluation of financing and sale transactions with third parties, the financial condition and operating results of the portfolio, achievement of technical milestones and expected cash flows.

In addition, market-based information, including comparable transaction and performance multiples, may be considered assuming the underlying portfolio has demonstrated positive, sustainable performance results. Generally, these valuations are derived by comparable private transactions or by multiplying a key performance metric of the portfolio (e.g., earnings before interest, taxes, depreciation and amortization [EBITDA] or revenue) by the relevant valuation multiple observed for comparable companies or transactions, adjusted for differences in terms of growth prospects, size and risk attributes. All investments in portfolio companies at December 31, 2023 and 2022, had no readily available market value and are included in Level 3 of the fair value hierarchy.

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Leases: The Organization accounts for leases in accordance with ASC 842, Leases. As such, the Organization determines if an arrangement is or contains a lease at contract inception, which is the date on which the terms of the contract are agreed to, and recognizes a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either operating or finance leases, with classification affecting the pattern of expense recognition in the consolidated statement of activities.

The Organization made an accounting policy election not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For leases with a term greater than 12 months, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date, or the start date of the lease period, of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received. To determine the present value of lease payments, the Organization made an accounting policy election available to nonpublic companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the commencement date of the lease.

Future lease payments may include fixed-rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at commencement date of the lease. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Organization has made an accounting policy election to account for lease and nonlease components in its contracts as a single lease component for its real estate, vehicle and equipment asset classes. The nonlease components typically represent additional services transferred to the Organization, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Recently issued accounting pronouncement: In December 2023, the FASB issued Accounting Standards Update (ASU) 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which provides for improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. This ASU is effective for the Organization beginning on January 1, 2026. The adoption of ASU 2023-09 is not expected to have a significant impact on the Organization's consolidated financial statements.

Recently adopted accounting pronouncement: On January 1, 2023, the Organization adopted ASU 2016-13; *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* which requires entities to recognize impairment of financial assets measured at amortized cost by requiring immediate recognition of estimated credit losses expected to occur over their remaining life, instead of when incurred. The adoption of ASU 2016-13 did not have a material effect on the Organization's consolidated financial statements.

Subsequent events: Management has evaluated events subsequent to the consolidated statements of financial position date for potential recognition and disclosure through September 9, 2024, which is the date these consolidated financial statements were available to be issued. See Note 15 for disclosure of subsequent events.

Prime Coalition, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 2. Acquisitions

On December 21, 2022, Prime entered into a Project Transfer Agreement with Actuate Innovation, Inc. (Actuate), a 501(c)3 organization that runs large-scale experimental programs to accelerate societal-scale climate solutions. The transferred project operated by Actuate directly aligned with Prime's mission and allowed Prime to expand its Early Climate Infrastructure program (subsequently renamed Trellis Climate program) which aims to remove systemic barriers for climate solutions that are ready for initial commercialization activity (i.e., have passed through rigorous proof-of-concept phases) or that are fully commercial but need additional support to move to massive scale. On January 6, 2023, Prime accepted substantial control of the assets previously held by Actuate in connection with the transferred project. The transaction was accounted for pursuant to the guidance included in ASC 958-805, Not-for-Profit Entities—Business Combinations. The acquisition was deemed an inherent contribution, as Actuate voluntarily transferred its assets to Prime. No consideration was transferred by Prime in the acquisition. Management valued the assets based on their net realizable value at the date of acquisition which approximates fair value. The fair value of the assets acquired on January 6, 2023, consisted of unconditional grants and contributions receivable totaling approximately \$4,368,000.

Note 3. Available Resources and Liquidity

The Organization regularly monitors liquidity required to meet its operating, capital commitments, debt, and other needs. For purposes of analyzing resources available to meet general expenditures, such as operating expenses, capital commitments, and scheduled principal payments on debt, over a 12-month period, the Organization considers all expenditures related to its ongoing activities. At December 31, the financial assets and liquid resources available within one year for general expenditure comprise the following:

	2023	2022
Operating assets:		
Cash and cash equivalents	\$ 6,707,710	\$ 3,804,036
Other restricted cash	-	20,000
Cash restricted for long-term investment	27,550,398	27,370,833
Grants and contributions receivable, due in less than one year	510,313	890,725
Portfolio assets:		
Cash and cash equivalents	10,379,943	13,503,656
Interest receivable	177,025	384,150
Total financial assets and liquid resources available within one year	<u>\$ 45,325,389</u>	<u>\$ 45,973,400</u>

The Organization's management monitors bank accounts on a daily basis to ensure sufficient funds are available to cover disbursements. Management reviews cash flow history and projections for the fiscal year on a monthly basis, sharing them with the Board on a quarterly basis.

Prime Coalition, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 4. Grants and Contributions Receivable

Unconditional promises to give to Prime are included in the consolidated financial statements as grants and contributions revenue and receivable. Grants and contributions receivable are as follows as of December 31:

	2023	2022
Due in less than one year	\$ 510,313	\$ 890,725
Due in one to five years	300,000	800,000
Total grants and contributions receivable	<u>810,313</u>	<u>1,690,725</u>
Less discount (rates between 1.48% and 5.48%)	(38,457)	(62,149)
Total grants and contributions receivable, net	<u>\$ 771,856</u>	<u>\$ 1,628,576</u>

As of December 31, 2023, Prime had two donors who account for approximately 64% of total grants and contribution revenue and four donors who account for 99% of the gross grants and contribution receivable balance recorded. As of December 31, 2022, Prime had three donors who account for approximately 53% of total grants and contribution revenue and four donors who account for 80% of the gross grants and contribution receivable balance recorded.

Note 5. Net Assets

Net assets with donor restrictions consist of the following as of December 31:

	2023	2022
Subject to expenditure when a specific event occurs:		
Program activities—non-Azolla Ventures	\$ 4,138,246	\$ 568,491
Program activities—Azolla Ventures	20,959,435	22,304,629
Subject to the passage of time:		
Grants and contributions receivable	198,454	640,722
Total net assets with donor restrictions	<u>\$ 25,296,135</u>	<u>\$ 23,513,842</u>

Net assets were released from donor restrictions as Prime incurred expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors totaling \$2,934,645 and \$1,232,748 for the years ended December 31, 2023 and 2022, respectively.

Note 6. Commitments and Contingencies

Lease commitments: The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. Under ASC 842, a contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

Prime Coalition, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 6. Commitments and Contingencies (Continued)

The Organization has entered into lease arrangements for office space and certain computer equipment. The leases all have initial terms of less than 12 months. As the Organization made an accounting policy election available under ASC 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less, payments made on these leases are recorded in operating expenses when incurred. Lease expense was approximately and \$107,000 and \$88,000 for the years ended December 31, 2023 and 2022, respectively.

In November 2023, the Organization extended the term of its office lease for an additional 12 months. The new lease term commenced on January 1, 2024 and ends on December 31, 2024. Rent for the office rental will be approximately \$8,500 per month.

Program-related equity investment commitments: As of December 31, 2023 and 2022, Prime has committed \$35,155,000 and \$34,650,000, respectively, to purchase limited partnership interests of Azolla Ventures Catalytic Fund I, LP and \$100,000 to purchase limited partnership interests of Azolla Ventures GP, LP. As of December 31, 2023 and 2022, \$6,085,409 and \$3,473,500, respectively, of capital was called and disbursed, resulting in a remaining total commitment of \$29,169,591 and \$31,276,500, respectively.

Other program-related commitments and contingencies:

Recoverable grants:

Impact Fund: Prime has aggregated recoverable grant contributions from external donors in support of Prime's programmatic contribution to the Loan Fund. These agreements stipulate that the contribution will be returned, bearing interest at a rate between 7% and 15% per annum, to the extent that Prime receives repayments or other amounts under the Recoverable Grant Agreement between Prime and the Loan Fund. As of December 31, 2023 and 2022, there were 16 recoverable grant agreements with external donors committing a total of \$2,075,000. As of December 31, 2023 and 2022, all of the commitments have been paid. Accrued interest relating to the agreements was approximately \$1,625,000 and \$1,154,000 as of December 31, 2023 and 2022, respectively. Based on the agreement structure and terms, there may be a possibility of future required payments back to donors. As of December 31, 2023 and 2022, Prime believes the potential loss is not probable, but rather reasonably possible. Therefore, under ASC 450, Contingencies, this liability and associated interest payable has not been included in the consolidated financial statements.

Azolla Ventures: Prime has aggregated recoverable grant contributions from external donors in support of its programmatic equity investment in Azolla Ventures. These agreements stipulate that the contribution will be returned, bearing interest at a rate between 0% and 15% per annum, to the extent that Prime receives returns under its Azolla Ventures Catalytic Fund I, LP Subscription Agreement. As of December 31, 2023 and 2022, there were 21 and 19 agreements, respectively, with external donors committing a total of \$11,025,000 and \$10,725,000, respectively. Of the amounts committed as of December 31, 2023 and 2022, \$10,325,000 and \$9,545,000, respectively, has been received, with \$700,000 and \$1,180,000 included in contributions receivable on the consolidated statements of financial position as of December 31, 2023 and 2022, respectively. Accrued interest relating to the agreements was approximately \$1,742,000 and \$748,000 as of December 31, 2023 and 2022, respectively. Based on the agreement structure and terms, there may be a possibility of future required payments back to donors. As of December 31, 2023 and 2022, Prime believes the potential loss is not probable, but rather reasonably possible. Therefore, under ASC 450, this liability and associated interest payable has not been included in the consolidated financial statements.

Prime Coalition, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 6. Commitments and Contingencies (Continued)

Traditional grants with side letters of intent for recoverability: In addition, Prime provides certain external donors with letters of intent indicating Prime's intention to repay their traditional grant, bearing interest at a rate between 0% and 15% per annum, to the extent Prime receives repayments or other amounts under the Loan Fund Recoverable Grant Agreement and Azolla Ventures Catalytic Fund I, LP Subscription Agreement, as applicable.

As these side agreements are letters of intent and were signed only by Prime, these letters are not reported as liabilities in the consolidated financial statements as they are not legally binding and will be expensed as incurred. It is Prime's intent to repay as possible. These intentions are broken out as follows:

Impact Fund: As of December 31, 2023 and 2022, Prime has notified 18 donors of their intention to repay, totaling \$4,585,000 at both years, with additional accrued interest of approximately \$3,760,000 and \$2,678,000, respectively.

Azolla Ventures: As of December 31, 2023 and 2022, Prime has notified 35 donors of their intention to repay, totaling \$8,080,000 and \$7,830,000, respectively, with additional accrued interest of approximately \$2,341,000 and \$1,096,000, respectively.

Impact Fund: All recoverable grant agreements and side agreements mature on October 12, 2033 (with potential extension up to October 12, 2037), and all payments on these recoverable grant agreements and letters of intent are due upon maturity to the extent returns are received from the Loan Fund.

Azolla Ventures: All recoverable grant agreements and side agreements mature on December 31, 2036 (with potential extension up to December 31, 2040), and all payments on these recoverable grant agreements and letters of intent are due upon maturity to the extent returns are received from the Azolla Ventures Catalytic Fund I, LP.

Note 7. Program-Related Investment Loans

During the years ended December 31, 2023 and 2022, Prime entered into program related investment (PRI) loans with various external organizations in order to support its mission. Each agreement stipulates that the loan will be returned, bearing interest at a rate between 1% and 15% per annum, to the extent that Prime receives returns under its Azolla Ventures Catalytic Fund I, LP Subscription Agreement. Maturity is set to be within 60 days of the liquidation of the Azolla Ventures Catalytic Fund I, LP, which is set for December 31, 2036 (with potential extension up to December 31, 2040). If, at maturity, Prime has not received sufficient returns from the Azolla Ventures Catalytic Fund I, LP to repay each loan along with any accrued but unpaid interest, each loan holder will have the right to be repaid pro rata with other loan holders and recoverable grantors.

As of December 31, 2023, 14 external organizations have committed \$9,175,000. The loans payable for the principal balance (representing funded commitments) is \$8,841,667 and \$6,976,333 as of December 31, 2023 and 2022, respectively. The accrued interest payable is \$1,475,531 and \$601,823 as of December 31, 2023 and 2022, respectively. Both the loan payable and loan interest payable liabilities are recorded within the consolidated statements of financial position.

Prime Coalition, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 8. Program-Related Equity Investments

In 2020, Prime launched an impact-first investing firm collectively known as Azolla Ventures (see Note 13). Program-related equity investments into this entity consist of the following at December 31:

	2023	2022
Azolla Ventures Catalytic Fund I, LP	\$ 4,234,444	\$ 2,364,011
Azolla Ventures GP, LP	13,324	7,701
	<u>\$ 4,247,768</u>	<u>\$ 2,371,712</u>

Prime has a 25% limited partnership interest in the Azolla Ventures GP, LP, which in turn is a general partner of Azolla Ventures Catalytic Fund I, LP. This has been accounted for under the equity method of accounting.

Note 9. Master Funding Agreement Loans and Recoverable Grants

The Loan Fund has aggregated PRI loans and recoverable grant contributions from Prime and external donors in support of its programmatic equity investment in the Equity Fund. In accordance with the Master Funding Agreement between the Loan Fund and its funders, all outstanding loans and recoverable grants bear interest at a rate between 7.5% and 15% per annum through maturity, October 12, 2033 (with potential extension up to October 12, 2037). The outstanding principal balance of each investment along with any accrued but unpaid interest is due and payable on the maturity date.

Through the Master Funding Agreement, 19 external investors committed \$15,750,001 at both December 31, 2023 and 2022. The external investors committed funds as follows:

	2023		2022	
	Committed Capital	Funded Committed Capital	Committed Capital	Funded Committed Capital
Recoverable grants	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000	\$ 4,850,000
Loans	10,650,001	10,650,001	10,650,001	10,350,001
	<u>\$ 15,750,001</u>	<u>\$ 15,750,001</u>	<u>\$ 15,750,001</u>	<u>\$ 15,200,001</u>

Prime Coalition, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 10. Investment in Portfolio Companies, at Fair Value

The Equity Fund's investments are closed-end investment vehicles and are long-term in nature. The Equity Fund's investments consist of the following at December 31:

	Investment Date	2023			2022		
		Shares	Fair Value	Fair Value as a Percent of Net Assets	Fair Value	Fair Value as a Percent of Net Assets	
Avalanche Energy Designs, Inc. (Electricity)							
Series Seed Preferred Stock	6/2/2021	2,010,024	\$ 11,056,139	12%	\$ 11,056,139	10%	
C-Motive Technologies, Inc. (Hardware Product)							
Series Seed Preferred Stock	3/22/2019	821,092	483,810	1%	1,100,000	1%	
Convertible Note (matures 4/30/2023, 8% interest rate)	2/3/2021	N/A	-	0%	1,250,000	1%	
Series Seed-1 Preferred Stock	1/5/2023	1,076,008	634,013	1%	-	0%	
Series Seed-2 Preferred Stock	1/5/2023	231,909	136,647	0%	-	0%	
Series Pre-A Preferred Stock	1/5/2023	1,557,135	917,507	1%	-	0%	
Charm Industrial, Inc. (Carbon Management)							
Series A-1 Preferred Stock	8/10/2020	39,506	1,394,392	2%	349,320	0%	
Clean Crop Technologies, Inc. (Food and Agricultural)							
Series Seed Preferred Stock	5/4/2020	2,930,402	3,130,548	4%	3,130,548	3%	
Series Seed Preferred Stock	6/9/2020	287,712	307,363	0%	307,363	0%	
Series A-1 Preferred Stock	12/15/2021	294,375	314,481	0%	314,481	0%	
Gradient (Treau Inc.) (Hardware Product)							
Series Seed 2 Preferred	12/20/2019	1,963,338	1,587,908	2%	1,587,908	2%	
Series A-2 Preferred Stock	12/16/2022	738,899	597,607	1%	597,607	1%	
Leading Edge Equipment Technologies, Inc. (Hardware Product)							
Series A Preferred Stock	10/14/2020	780,579	1	0%	2,000,000	2%	
Series A Preferred Stock	12/23/2020	97,572	-	0%	249,999	0%	
Convertible Note (matures 2/4/2023 8% interest rate)	8/9/2021	N/A	-	0%	1,100,000	1%	
Common Stock	12/31/2021	500,000	-	0%	310,000	0%	
Lilac Solutions, Inc. (Industrial Process)							
Series A Preferred Stock	2/6/2020	892,757	11,720,114	13%	11,720,114	11%	
MicroByre, Inc. (Biotechnology)							
Series Seed Preferred Stock	4/26/2019	3,779,146	1,834,020	2%	3,668,039	3%	
Series Seed-1 Preferred Stock	8/28/2020	3,434,592	1,666,807	2%	3,333,615	3%	
Noon Energy, Inc. (Hardware Product)							
Series Seed Preferred Stock	12/21/2020	2,805,311	7,423,975	8%	7,423,975	7%	

Prime Coalition, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 10. Investment in Portfolio Companies, at Fair Value (Continued)

	Investment Date	2023			2022	
		Shares	Fair Value	Fair Value as a Percent of Net Assets	Fair Value	Fair Value as a Percent of Net Assets
Ovipost, Inc.						
<i>(Food and Agriculture)</i>						
Convertible Note	10/6/2021	N/A	\$ 1,625,000	2%	\$ 1,625,000	2%
(matures 11/10/2025 6% interest rate)						
Convertible Note	12/19/2023	N/A	750,000	1%	-	0%
(matures 12/19/2026 6% interest rate)						
Project Vesta, PBC						
<i>(Carbon Management)</i>						
Simple Agreement for Future Equity	9/28/2021	N/A	225,000	0%	300,000	0%
Convertible Note	6/17/2022	N/A	900,000	1%	1,200,000	1%
(matures 9/16/2024 6% interest rate)						
Tynt Technologies, Inc.						
<i>(Hardware Product)</i>						
Series Seed-1 Preferred Stock	7/30/2021	2,441,641	2,539,307	3%	2,017,980	2%
Simple Agreement for Future Equity	3/31/2022	N/A	-	0%	525,000	0%
Series Seed-2 Preferred Stock	4/13/2023	1,442,308	1,500,000	2%	-	0%
Series Seed-2A Preferred Stock	4/13/2023	632,530	657,831	1%	-	0%
Sublime Systems, Inc.						
<i>(Industrial Process)</i>						
Series Seed-2 Preferred Stock	4/17/2020	1,240,121	2,618,888	3%	2,618,888	2%
Series Seed-1 Preferred Stock	4/30/2021	1,966,052	4,151,909	5%	4,151,909	4%
Verdox, Inc.						
<i>(Carbon Management)</i>						
Series Seed Preferred Stock	11/27/2019	1,045,001	7,546,459	8%	15,092,916	14%
Via Separations, Inc.						
<i>(Industrial Process)</i>						
Series A Preferred Stock	3/4/2019	442,400	3,162,364	4%	3,162,365	3%
Series B-1 Preferred Stock	1/20/2021	199,150	1,423,564	2%	1,423,564	1%
Zanskar Geothermal and Minerals, Inc.						
<i>(Electricity)</i>						
Series Seed-1 Preferred Stock	4/6/2021	2,969,483	4,978,635	6%	4,978,635	5%
			<u>\$ 75,284,289</u>	<u>87%</u>	<u>\$ 86,595,365</u>	<u>79%</u>

100% of investments are made in the United States of America.

Prime Coalition, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 11. Fair Value Measurements

The following table presents information about the Organization's assets and liabilities measured at fair value on a recurring basis at December 31, 2023:

	Quoted Prices in Active Markets for Identical Assets		Significant Unobservable Inputs		Net Asset Value (a)	Balance at December 31, 2023
	Level 1	Level 2	Level 3			
Assets:						
Investments in portfolio companies:						
Preferred stock	\$ -	\$ -	\$ 71,784,289	\$ -	\$ -	\$ 71,784,289
Convertible note	-	-	3,275,000	-	-	3,275,000
Simple agreement for future equity	-	-	225,000	-	-	225,000
Total investment in portfolio companies	-	-	75,284,289	-	-	75,284,289
Program related equity investments	-	-	-	4,234,444	-	4,234,444
	\$ -	\$ -	\$ 75,284,289	\$ 4,234,444	\$ -	\$ 79,518,733
Liabilities:						
Master funding agreement loans and recoverable grants						
	\$ -	\$ -	\$ -	\$ 15,750,001	\$ -	\$ 15,750,001
Total liabilities	\$ -	\$ -	\$ -	\$ 15,750,001	\$ -	\$ 15,750,001

The following table presents information about the Organization's assets and liabilities measured at fair value on a recurring basis at December 31, 2022:

	Quoted Prices in Active Markets for Identical Assets		Significant Unobservable Inputs		Net Asset Value (a)	Balance at December 31, 2022
	Level 1	Level 2	Level 3			
Assets:						
Investments in portfolio companies:						
Preferred stock	\$ -	\$ -	\$ 80,285,365	\$ -	\$ -	\$ 80,285,365
Convertible note	-	-	5,175,000	-	-	5,175,000
Common Stock	-	-	310,000	-	-	310,000
Simple agreement for future equity	-	-	825,000	-	-	825,000
Total investment in portfolio companies	-	-	86,595,365	-	-	86,595,365
Program related equity investments	-	-	-	2,364,011	-	2,364,011
	\$ -	\$ -	\$ 86,595,365	\$ 2,364,011	\$ -	\$ 88,959,376
Liabilities:						
Master funding agreement loans and recoverable grants						
	\$ -	\$ -	\$ -	\$ 15,200,001	\$ -	\$ 15,200,001
Total liabilities	\$ -	\$ -	\$ -	\$ 15,200,001	\$ -	\$ 15,200,001

- (a) In accordance with ASC 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) (the NAV practical expedient) have not been classified within the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy amounts to amounts presented in the consolidated statements of financial position.

Prime Coalition, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 11. Fair Value Measurements (Continued)

The following tables present quantitative information regarding the significant unobservable inputs the used to determine the fair value of Level 3 investments held as of December 31, 2023 and 2022:

Investment Type	Fair Value at December 31, 2023	Valuation Technique	Unobservable Input	Input
Preferred stock	\$ 71,784,289	Last Financing	N/A	N/A
Convertible note	3,275,000	Last Financing	N/A	N/A
Simple agreement for future equity	225,000	Last Financing	N/A	N/A

Investment Type	Fair Value at December 31, 2022	Valuation Technique	Unobservable Input	Input
Preferred stock	\$ 80,285,365	Last Financing	N/A	N/A
Convertible note	5,175,000	Last Financing	N/A	N/A
Simple agreement for future equity	825,000	Last Financing	N/A	N/A
Common stock	310,000	Last Financing	N/A	N/A

Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets and liabilities. Level 3 assets have been estimated by the manager in the absence of readily ascertainable market values and because of the inherent uncertainty of valuation of investments in privately held companies, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.

Purchases of assets classified in Level 3 of the fair value hierarchy totaled \$3,167,507 and \$3,335,453 for the years ended December 31, 2023 and 2022, respectively. There were no transfers out of Level 3 investments for the years ended December 31, 2023 and 2022, respectively.

All of the Organization's investments were fair valued using recent purchase price as of December 31, 2023 and 2022. As such, the fair value determination did not use unobservable inputs developed by the Organization.

The Committee oversees the development and execution of the valuation policies and procedures used to value the Fund's investments. Such policies and procedures are reviewed frequently by the members to ensure that they are appropriate under current U.S. GAAP and/or regulatory requirements.

The following table lists investments in other investment companies by major category:

	2023 NAV in Funds	2022 NAV in Funds	Liquidity Terms	NAV Outstanding Commitments
Limited partnership	\$ 4,234,444	\$ 2,364,011	Illiquid	\$ 29,083,732

Redemptions for the investments in program-related equity investments are at the option of the general partner at any time. The objective of these program-related equity investments is to make investments in transformative technology companies whose climate potential is endangered by a lack of initial funding, punitive terms requested by third-party investors that may damage the company, or investors who are not able to prioritize gigaton-scale emissions reduction, and to drive these investments toward gigaton-scale emissions reduction to mitigate climate change.

Prime Coalition, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 12. Noncontrolling Interest

The following is a summary of the changes in consolidated net assets without donor restrictions attributable to the noncontrolling interest in the Equity Fund from inception to December 31:

	2023	2022
Noncontrolling interest, beginning balance	\$ 27,533,347	\$ 23,218,130
Contributions by noncontrolling members	-	733,337
Change in net assets	2,678,024	3,581,880
Noncontrolling interest, ending balance	<u>\$ 30,211,371</u>	<u>\$ 27,533,347</u>

Note 13. Related-Party Transactions

Prime Impact Fund: The Equity Fund had investments with a fair value totaling \$75,284,289 and \$86,595,365 as of December 31, 2023 and 2022, respectively. Per the requirements of each investment, the employee(s) of the Equity Fund's management company participate on the Board of Directors of each of the Equity Fund's investments.

Azolla Ventures: In 2020, Prime launched an impact-first investing firm collectively known as the Azolla Ventures. The Azolla Ventures consists of Azolla Management GP, LLC; Azolla Management Company, LP; Azolla Ventures GP, LP; and two investment funds, namely Azolla Ventures Catalytic Fund I, LP and Azolla Ventures Full-Cycle Fund I, LP. Azolla Ventures invests in neglected startup companies that each have the potential for gigaton-scale climate impact while drawing on capital that is matched to the risk/reward profile of the challenge.

Prime is a 25% member of Azolla Management GP, LLC and has limited partnership interests in Azolla Ventures GP, LP; Azolla Ventures Catalytic Fund I, LP; and Azolla Ventures Full-Cycle Fund I, LP. One of the other members of Azolla Management GP, LLC, who also has a 25% interest, was on Prime's Board of Directors until July 2022. As part of Prime's 25% membership in Azolla Management GP, LLC, and per the Azolla Ventures GP, LP LPA, the members pay all expenses related to its operations. During the years ended December 31, 2023 and 2022, Prime paid \$123 and \$0, respectively.

As of November 1, 2021, management responsibilities for the Equity Fund and Loan Fund were transferred from PMC I to the Azolla Management Company, LP per the subadvisory agreement between PMC I and Azolla Management Company, LP dated October 29, 2021. During the years ended December 31, 2023 and 2022, PMC I made payments totaling \$1,048,000 and \$727,264, respectively, to Azolla Management Company, LP under the subadvisory agreement.

See Note 6 for investment commitments and capital calls made to Azolla Ventures. There were no distributions made to Prime during the years ended December 31, 2023 or 2022. Prime's shares of Azolla Ventures' net loss was \$735,853 and \$784,240 during the years ended December 31, 2023 and 2022, respectively, and is included in investment return (loss), net on the accompanying consolidated statements of activities.

As of December 31, 2023 and 2022, Prime's investment in Azolla Ventures GP, LP and Azolla Ventures Catalytic Fund I, LP is \$4,247,768 and \$2,371,712, respectively (see Note 8).

During the years ended December 31, 2023 and 2022, Prime recognized program service revenue from the services agreements with Azolla Ventures of \$250,000, respectively. During the years ended December 31, 2023 and 2022, Prime received \$267,000 and \$0, respectively, of unconditional and unrestricted grants from Azolla Management Company, LP.

Prime Coalition, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 13. Related-Party Transactions (Continued)

Prime Coalition: In November 2022, Prime hired an employee who previously served as a contractor. The services agreement between the contractor and Prime was terminated on the effective date of the employment agreement. From January 1, 2022 to November 5, 2022, Prime made payments to the contractor totaling \$43,208. As of December 31, 2023 and 2022, Prime had payables due for consulting services of \$0 and \$21,229, respectively.

During the years ended December 31, 2023 and 2022, Prime received \$126,000 and \$1,000, respectively, of unconditional and unrestricted grants from current or former board members.

Note 14. Donated Services

Prime recognized donated services and the corresponding expenses in the consolidated statements of activities and functional expenses during the years ended December 31, 2023 and 2022, as follows:

	2023	2022
Legal	\$ 206,432	\$ 190,740
Other	1,728	1,296
	<u>\$ 208,160</u>	<u>\$ 192,036</u>

Note 15. Subsequent Events

Subsequent to year-end and pursuant to capital calls, Prime transferred approximately \$1,928,000 and \$5,000 to Azolla Ventures Catalytic Fund I, LP and Azolla Ventures Catalytic GP, LP, respectively.

In January 2024, Prime entered into a Simple Agreement for Future Equity (SAFE) with Ebb Carbon, Inc. (Ebb) for \$750,000 to further Prime's charitable purpose and specifically to mitigate the adverse effects of climate change through the removal of carbon dioxide in the atmosphere. The agreement terminates at the earlier of the issuance of capital stock to Prime in an amount equivalent to the investment discounted at 85% or the repayment of the investment in full.

In February 2024, Prime awarded a grant to Ample Carbon, PBC (Ample) of \$307,000 for the purpose of funding engineering studies for proof-of-concept of a first-of-a-kind bioenergy and carbon capture and storage (BECCS) plant. In connection with the grant, Ample issued Prime warrants to purchase common stock in the same amount. The warrant may be exercised in whole or part in cash by executing a notice of exercise. The exercise period expires 10 years from the point in which Ample receives a notice to begin performance of work on the project.

Prime Coalition, Inc. and Affiliates

Consolidating Statement of Financial Position December 31, 2023

	Prime Coalition, Inc.	Prime Management Company I, LLC	Prime Impact Loan Fund I, LLC	Prime Impact Equity Fund I, LLC	Consolidated Totals Before Eliminations	Eliminations	Consolidated Totals
Assets							
Operating assets:							
Cash and cash equivalents	\$ 6,331,049	\$ 376,661	\$ -	\$ -	\$ 6,707,710	\$ -	\$ 6,707,710
Grants and contribution receivables, net	771,856	-	-	-	771,856	-	771,856
Due from related parties	90	129	-	-	219	(219)	-
Recoverable grant receivables	13,895,000	-	-	-	13,895,000	(13,895,000)	-
Interest receivable from Prime Impact Loan Fund I, LLC	11,907,257	-	-	-	11,907,257	(11,907,257)	-
Other current assets	33,659	-	-	-	33,659	-	33,659
Cash restricted for long-term investment	27,550,398	-	-	-	27,550,398	-	27,550,398
Total non-portfolio operating assets	60,489,309	376,790	-	-	60,866,099	(25,802,476)	35,063,623
Portfolio assets—Prime Coalition, Inc.:							
Program related equity investments	4,247,768	-	-	-	4,247,768	-	4,247,768
Investment in Prime Management Company I, LLC	376,790	-	-	-	376,790	(376,790)	-
Total portfolio assets—Prime Coalition, Inc.	4,624,558	-	-	-	4,624,558	(376,790)	4,247,768
Portfolio assets—Prime Impact Loan Fund I, LLC:							
Cash and cash equivalents	-	-	219	-	219	-	219
Investment in Prime Impact Equity Fund I, LLC, at fair value	-	-	55,629,667	-	55,629,667	(55,629,667)	-
Total portfolio assets—Prime Impact Loan Fund I, LLC	-	-	55,629,886	-	55,629,886	(55,629,667)	219
Portfolio assets—Prime Impact Equity Fund I, LLC:							
Cash and cash equivalents	-	-	-	10,379,724	10,379,724	-	10,379,724
Interest receivable	-	-	-	177,025	177,025	-	177,025
Investments in portfolio companies, at fair value	-	-	-	75,284,289	75,284,289	-	75,284,289
Total portfolio assets—Prime Impact Equity Fund I, LLC	-	-	-	85,841,038	85,841,038	-	85,841,038
Total assets	\$ 65,113,867	\$ 376,790	\$ 55,629,886	\$ 85,841,038	\$ 206,961,581	\$ (81,808,933)	\$ 125,152,648
Liabilities and Net Assets/Members' Capital							
Operating liabilities:							
Accounts payable and accrued expenses	\$ 134,767	\$ -	\$ -	\$ -	\$ 134,767	\$ -	\$ 134,767
Program related investment loan interest payable	1,475,531	-	-	-	1,475,531	-	1,475,531
Program related investment loan payable	8,841,667	-	-	-	8,841,667	-	8,841,667
Total non-portfolio liabilities	10,451,965	-	-	-	10,451,965	-	10,451,965
Portfolio liabilities—Prime Impact Loan Fund I, LLC:							
Payable to Prime Coalition, Inc.	-	-	219	-	219	(219)	-
Interest payable	-	-	22,023,370	-	22,023,370	(11,907,257)	10,116,113
Master funding agreement loans and recoverable grants, at fair value (proceeds: \$29,645,001)	-	-	29,645,001	-	29,645,001	(13,895,000)	15,750,001
Total portfolio liabilities—Prime Impact Loan Fund I, LLC	-	-	51,668,590	-	51,668,590	(25,802,476)	25,866,114
Total liabilities	10,451,965	-	51,668,590	-	62,120,555	(25,802,476)	36,318,079
Commitments and contingencies (Note 4)							
Net assets/members' capital:							
Without donor restrictions/members' capital:							
Without donor restrictions/members' capital—Prime Coalition, Inc. and Affiliates	29,365,767	376,790	3,961,296	55,629,667	89,333,520	(56,006,457)	33,327,063
Noncontrolling interest in Prime Impact Equity Fund I, LLC	-	-	-	30,211,371	30,211,371	-	30,211,371
Total without donor restrictions/members' capital	29,365,767	376,790	3,961,296	85,841,038	119,544,891	(56,006,457)	63,538,434
With donor restrictions:							
	25,296,135	-	-	-	25,296,135	-	25,296,135
Total net assets/members' capital	54,661,902	376,790	3,961,296	85,841,038	144,841,026	(56,006,457)	88,834,569
Total liabilities and net assets/members' capital	\$ 65,113,867	\$ 376,790	\$ 55,629,886	\$ 85,841,038	\$ 206,961,581	\$ (81,808,933)	\$ 125,152,648

Prime Coalition, Inc. and Affiliates

Consolidating Statement of Financial Position December 31, 2022

	Prime Coalition, Inc.	Prime Management Company I, LLC	Prime Impact Loan Fund I, LLC	Prime Impact Equity Fund I, LLC	Consolidated Totals Before Eliminations	Eliminations	Consolidated Totals
Assets							
Operating assets:							
Cash and cash equivalents	\$ 3,205,874	\$ 598,162	\$ -	\$ -	\$ 3,804,036	\$ -	\$ 3,804,036
Grants and contribution receivables, net	1,628,576	-	-	-	1,628,576	-	1,628,576
Due from related parties	90	-	-	-	90	(90)	-
Recoverable grant receivables	13,795,000	-	-	-	13,795,000	(13,795,000)	-
Other restricted cash	-	20,000	-	-	20,000	-	20,000
Interest receivable from Prime Impact Loan Fund I, LLC	8,545,354	-	-	-	8,545,354	(8,545,354)	-
Other current assets	17,848	-	-	-	17,848	(1,000)	16,848
Cash restricted for long-term investment	27,370,833	-	-	-	27,370,833	-	27,370,833
Total non-portfolio operating assets	54,563,575	618,162	-	-	55,181,737	(22,341,444)	32,840,293
Portfolio assets—Prime Coalition, Inc.:							
Program related equity investments	2,371,712	-	-	-	2,371,712	-	2,371,712
Total portfolio assets—Prime Coalition, Inc.	2,371,712	-	-	-	2,371,712	-	2,371,712
Portfolio assets—Prime Impact Loan Fund I, LLC:							
Cash and cash equivalents	-	-	79	-	79	-	79
Investment in Prime Impact Equity Fund I, LLC, at fair value	-	-	72,949,744	-	72,949,744	(72,949,744)	-
Total portfolio assets—Prime Impact Loan Fund I, LLC	-	-	72,949,823	-	72,949,823	(72,949,744)	79
Portfolio assets—Prime Impact Equity Fund I, LLC:							
Cash and cash equivalents	-	-	-	13,503,577	13,503,577	-	13,503,577
Interest receivable	-	-	-	384,150	384,150	-	384,150
Investments in portfolio companies, at fair value	-	-	-	86,595,365	86,595,365	-	86,595,365
Total portfolio assets—Prime Impact Equity Fund I, LLC	-	-	-	100,483,092	100,483,092	-	100,483,092
Total assets	\$ 56,935,287	\$ 618,162	\$ 72,949,823	\$ 100,483,092	\$ 230,986,364	\$ (95,291,188)	\$ 135,695,176
Liabilities and Net Assets/Members' Capital							
Operating liabilities:							
Accounts payable and accrued expenses	\$ 311,727	\$ 211,292	\$ -	\$ -	\$ 523,019	\$ -	\$ 523,019
Due to related parties	-	10	-	-	10	(10)	-
Program related investment loan interest payable	601,823	-	-	-	601,823	-	601,823
Program related investment loan payable	6,976,333	-	-	-	6,976,333	-	6,976,333
Total non-portfolio liabilities	7,889,883	211,302	-	-	8,101,185	(10)	8,101,175
Portfolio liabilities—Prime Impact Loan Fund I, LLC:							
Payable to Prime Coalition, Inc.	-	-	80	-	80	(80)	-
Interest payable	-	-	15,467,211	-	15,467,211	(8,545,354)	6,921,857
Master funding agreement loans and recoverable grants, at fair value (proceeds: \$28,995,000)	-	-	28,995,001	-	28,995,001	(13,795,000)	15,200,001
Total portfolio liabilities—Prime Impact Loan Fund I, LLC	-	-	44,462,292	-	44,462,292	(22,340,434)	22,121,858
Total liabilities	7,889,883	211,302	44,462,292	-	52,563,477	(22,340,444)	30,223,033
Commitments and contingencies (Note 4)							
Net assets/members' capital:							
Without donor restrictions/members' capital:							
Without donor restrictions/members' capital—Prime Coalition, Inc. and Affiliates	25,531,562	406,860	28,487,531	72,949,745	127,375,698	(72,950,744)	54,424,954
Noncontrolling interest in Prime Impact Equity Fund I, LLC	-	-	-	27,533,347	27,533,347	-	27,533,347
Total without donor restrictions/members' capital	25,531,562	406,860	28,487,531	100,483,092	154,909,045	(72,950,744)	81,958,301
With donor restrictions							
Total net assets/members' capital	23,513,842	-	-	-	23,513,842	-	23,513,842
Total net assets/members' capital	49,045,404	406,860	28,487,531	100,483,092	178,422,887	(72,950,744)	105,472,143
Total liabilities and net assets/members' capital	\$ 56,935,287	\$ 618,162	\$ 72,949,823	\$ 100,483,092	\$ 230,986,364	\$ (95,291,188)	\$ 135,695,176

Prime Coalition, Inc. and Affiliates

Consolidating Statement of Activities Year Ended December 31, 2023

	Prime Coalition, Inc.			Prime Management Company I, LLC	Prime Impact Loan Fund I, LLC	Prime Impact Equity Fund I, LLC	Eliminating Entries	Total			
	Without Donor Restrictions	With Donor Restrictions	Total					Without Donor Restrictions/ Members' Equity	With Donor Restrictions	Total	
Support and revenues:											
Grants and contributions	\$ 3,458,467	349,263	\$ 3,807,730	\$ -	\$ -	\$ -	\$ -	\$ 3,458,467	\$ 349,263	\$ 3,807,730	
Inherent contribution from acquisition of Actuate Innovation, Inc.	-	4,367,675	4,367,675	-	-	-	-	-	4,367,675	4,367,675	
Donated services	208,160	-	208,160	-	-	-	-	208,160	-	208,160	
Program services	250,000	-	250,000	-	-	-	-	250,000	-	250,000	
Interest income	3,945,496	-	3,945,496	-	-	-	(3,361,902)	583,594	-	583,594	
Net assets released from restrictions	2,934,645	(2,934,645)	-	-	-	-	-	2,934,645	(2,934,645)	-	
Total support and revenues	10,796,768	1,782,293	12,579,061	-	-	-	(3,361,902)	7,434,866	1,782,293	9,217,159	
Expenses:											
Program services	5,312,020	-	5,312,020	-	-	-	-	5,312,020	-	5,312,020	
General and administrative	1,011,349	-	1,011,349	-	-	-	-	1,011,349	-	1,011,349	
Fundraising	279,131	-	279,131	-	-	-	-	279,131	-	279,131	
Total expenses	6,602,500	-	6,602,500	-	-	-	-	6,602,500	-	6,602,500	
Change in net assets/members' capital before net portfolio activities, contributions by members, and gain on investments	4,194,268	1,782,293	5,976,561	-	-	-	(3,361,902)	832,366	1,782,293	2,614,659	
Net portfolio activities:											
Management fee income	-	-	-	919,297	-	-	(919,297)	-	-	-	
Management fee expenses	-	-	-	(953,234)	-	(919,297)	919,297	(953,234)	-	(953,234)	
Interest income	-	-	-	3,867	-	273,115	-	276,982	-	276,982	
Interest expense	-	-	-	-	(6,556,157)	-	3,361,902	(3,194,255)	-	(3,194,255)	
Investment return (loss), net	(735,853)	-	(735,853)	-	(17,970,078)	(14,645,872)	17,970,077	(15,381,726)	-	(15,381,726)	
Changes in net assets/members' capital before contributions by members and gain on investments	3,458,415	1,782,293	5,240,708	(30,070)	(24,526,235)	(15,292,054)	17,970,077	(18,419,867)	1,782,293	(16,637,574)	
Contributions by members—Prime Coalition, Inc. and Affiliates	-	-	-	-	-	650,000	(650,000)	-	-	-	
Gain on investment in Prime Management Company I, LLC	375,790	-	375,790	-	-	-	(375,790)	-	-	-	
Total contributions by members and gain on investments	375,790	-	375,790	-	-	650,000	(1,025,790)	-	-	-	
Changes in net assets/members' capital	3,834,205	1,782,293	5,616,498	(30,070)	(24,526,235)	(14,642,054)	16,944,287	(18,419,867)	1,782,293	(16,637,574)	
Net assets/members' capital at beginning of year	25,531,562	23,513,842	49,045,404	406,860	28,487,531	100,483,092	(72,950,744)	81,958,301	23,513,842	105,472,143	
Net assets/members' capital at end of year	\$ 29,365,767	\$ 25,296,135	\$ 54,661,902	\$ 376,790	\$ 3,961,296	\$ 85,841,038	\$ (56,006,457)	\$ 63,538,434	\$ 25,296,135	\$ 88,834,569	

Prime Coalition, Inc. and Affiliates

Consolidating Statement of Activities Year Ended December 31, 2022

	Prime Coalition, Inc.			Prime Management Company I, LLC	Prime Impact Loan Fund I, LLC	Prime Impact Equity Fund I, LLC	Eliminating Entries	Total				
	Without Donor Restrictions	With Donor Restrictions	Total					Without Donor Restrictions/ Members' Equity	With Donor Restrictions	Total		
Support and revenues:												
Grants and contributions	\$ 1,743,064	\$ 8,435,148	\$ 10,178,212	\$ -	\$ -	\$ -	\$ -	\$ 1,743,064	\$ 8,435,148	\$ 10,178,212		
Donated services	192,036	-	192,036	-	-	-	-	192,036	-	192,036		
Program services	250,000	-	250,000	-	-	-	-	250,000	-	250,000		
Interest income	2,910,588	-	2,910,588	-	-	-	(2,910,564)	24	-	24		
Net assets released from restrictions	1,232,748	(1,232,748)	-	-	-	-	-	1,232,748	(1,232,748)	-		
Total support and revenues	6,328,436	7,202,400	13,530,836	-	-	-	(2,910,564)	3,417,872	7,202,400	10,620,272		
Expenses:												
Program services	2,175,627	-	2,175,627	-	-	-	-	2,175,627	-	2,175,627		
General and administrative	931,499	-	931,499	-	-	-	-	931,499	-	931,499		
Fundraising	64,084	-	64,084	-	-	-	-	64,084	-	64,084		
Total expenses	3,171,210	-	3,171,210	-	-	-	-	3,171,210	-	3,171,210		
Change in net assets/members' capital before net portfolio activities and contributions by members	3,157,226	7,202,400	10,359,626	-	-	-	(2,910,564)	246,662	7,202,400	7,449,062		
Net portfolio activities:												
Management fee income	-	-	-	1,053,890	-	-	(1,053,890)	-	-	-		
Management fee expenses	-	-	-	(1,056,415)	-	(1,053,890)	1,053,890	(1,056,415)	-	(1,056,415)		
Interest income	-	-	-	85	-	461,674	-	461,759	-	461,759		
Interest expense	-	-	-	-	(5,537,705)	-	2,910,564	(2,627,141)	-	(2,627,141)		
Investment return (loss), net	(784,240)	-	(784,240)	-	23,516,917	27,691,016	(23,516,919)	26,906,774	-	26,906,774		
Changes in net assets/members' capital before contributions by members	2,372,986	7,202,400	9,575,386	(2,440)	17,979,212	27,098,800	(23,516,919)	23,931,639	7,202,400	31,134,039		
Contributions by members— Prime Coalition, Inc. and Affiliates	-	-	-	-	-	1,776,664	(1,776,664)	-	-	-		
Contributions by members—noncontrolling interest	-	-	-	-	-	733,337	-	733,337	-	733,337		
Total contributions by members	-	-	-	-	-	2,510,001	(1,776,664)	733,337	-	733,337		
Changes in net assets/members' capital	2,372,986	7,202,400	9,575,386	(2,440)	17,979,212	29,608,801	(25,293,583)	24,664,976	7,202,400	31,867,376		
Net assets/members' capital at beginning of year	23,158,576	16,311,442	39,470,018	409,300	10,508,319	70,874,291	(47,657,161)	57,293,325	16,311,442	73,604,767		
Net assets/members' capital at end of year	\$ 25,531,562	\$ 23,513,842	\$ 49,045,404	\$ 406,860	\$ 28,487,531	\$ 100,483,092	\$ (72,950,744)	\$ 81,958,301	\$ 23,513,842	\$ 105,472,143		