



GIVEDIRECTLY, INC.

Financial Statements

For the Years Ended December 31, 2022 and 2021



**and
Report Thereon**



GIVEDIRECTLY, INC.

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For the Years Ended December 31, 2022 and 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
GiveDirectly, Inc.

Opinion

We have audited the financial statements of GiveDirectly, Inc. (GiveDirectly), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years 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 GiveDirectly as of December 31, 2022 and 2021, and the changes in 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GiveDirectly 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 GiveDirectly's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 GiveDirectly'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 GiveDirectly'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.

Marcum LLP

Washington, DC
September 15, 2023

GIVEDIRECTLY, INC.

STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 114,028,597	\$ 171,329,664
Investments	65,385,537	69,804,440
Contributions receivable, net	4,152,014	14,876,313
Accounts and interest receivable	48,493,880	3,643,678
Due from related party	4,486,579	3,640,025
Crypto assets held	347,323	3,493,017
Prepaid expenses and other assets	1,652,441	1,229,739
Inventory	1,249,133	538,167
Property and equipment, net	244,029	187,718
TOTAL ASSETS	\$ 240,039,533	\$ 268,742,761
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 3,323,591	\$ 3,982,236
Deferred revenue	1,071,196	2,875,314
Grants payable, net	121,829,037	59,994,700
TOTAL LIABILITIES	126,223,824	66,852,250
Net Assets		
Without donor restrictions	93,706,161	148,377,979
With donor restrictions	20,109,548	53,512,532
TOTAL NET ASSETS	113,815,709	201,890,511
TOTAL LIABILITIES AND NET ASSETS	\$ 240,039,533	\$ 268,742,761

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

GIVEDIRECTLY, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES						
Foundation contributions	\$ 7,270,109	\$ 2,937,257	\$ 10,207,366	\$ 4,303,788	\$ 9,335,212	\$ 13,639,000
Corporate contributions	12,802,336	18,386,865	31,189,201	4,345,344	1,808,262	6,153,606
Federated campaigns	13,065	-	13,065	10,059	-	10,059
Individual contributions	36,772,467	16,383,221	53,155,688	166,762,582	34,811,815	201,574,397
US Federal grants, foreign government and multilateral	-	72,410,343	72,410,343	14,900,207	6,157,078	21,057,285
Stock donations	1,031,143	-	1,031,143	1,753,036	5,039,621	6,792,657
Contributed goods and services	137,116	-	137,116	204,578	-	204,578
Investment income (loss)	(1,429,819)	-	(1,429,819)	3,622,416	-	3,622,416
Foreign currency transactions	5,775,535	675,750	6,451,285	2,677,311	-	2,677,311
Other income	49,968	-	49,968	17,031	-	17,031
Net assets released from restrictions:						
Satisfaction of purpose/time restrictions	144,196,420	(144,196,420)	-	74,764,466	(74,764,466)	-
TOTAL SUPPORT AND REVENUES	206,618,340	(33,402,984)	173,215,356	273,360,818	(17,612,478)	255,748,340
EXPENSES						
International poverty assistance	166,105,016	-	166,105,016	143,067,134	-	143,067,134
U.S. COVID and poverty assistance	83,566,301	-	83,566,301	43,608,847	-	43,608,847
Total Program Services	249,671,317	-	249,671,317	186,675,981	-	186,675,981
Supporting Services:						
Management and general	6,018,096	-	6,018,096	4,996,951	-	4,996,951
Fundraising	5,600,745	-	5,600,745	5,227,375	-	5,227,375
Total Supporting Services	11,618,841	-	11,618,841	10,224,326	-	10,224,326
TOTAL EXPENSES	261,290,158	-	261,290,158	196,900,307	-	196,900,307
CHANGE IN NET ASSETS	(54,671,818)	(33,402,984)	(88,074,802)	76,460,511	(17,612,478)	58,848,033
NET ASSETS, BEGINNING OF YEAR	148,377,979	53,512,532	201,890,511	71,917,468	71,125,010	143,042,478
NET ASSETS, END OF YEAR	\$ 93,706,161	\$ 20,109,548	\$ 113,815,709	\$ 148,377,979	\$ 53,512,532	\$ 201,890,511

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

GIVEDIRECTLY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022

	Program Services			Supporting Services			Total
	International Poverty Assistance	U.S. COVID and Poverty Assistance	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Direct grants	\$ 135,954,615	\$ 80,854,675	\$ 216,809,290	\$ -	\$ -	\$ -	\$ 216,809,290
Personnel costs	18,818,743	1,100,387	19,919,130	4,083,169	4,282,046	8,365,215	28,284,345
Telecom and software	1,619,167	29,754	1,648,921	430,924	420,933	851,857	2,500,778
Professional and service fees	1,920,664	1,376,176	3,296,840	765,271	246,180	1,011,451	4,308,291
Travel	3,491,921	41,476	3,533,397	252,891	143,633	396,524	3,929,921
Mobile money and banking	1,007,706	2,256	1,009,962	20,542	351,704	372,246	1,382,208
Occupancy	905,055	347	905,402	272,650	-	272,650	1,178,052
Supplies	896,205	5,874	902,079	6,962	9,853	16,815	918,894
Equipment	674,520	4,619	679,139	20,031	3,779	23,810	702,949
Depreciation and amortization	113,979	150,555	264,534	9,524	5,341	14,865	279,399
Subgrant expense	225,180	-	225,180	-	-	-	225,180
Insurance	29,336	-	29,336	143,846	-	143,846	173,182
Donated goods and services	-	-	-	-	137,116	137,116	137,116
Other expenses	447,925	182	448,107	12,286	160	12,446	460,553
TOTAL EXPENSES	\$ 166,105,016	\$ 83,566,301	\$ 249,671,317	\$ 6,018,096	\$ 5,600,745	\$ 11,618,841	\$ 261,290,158

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

GIVEDIRECTLY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

	Program Services			Supporting Services			
	International Poverty Assistance	U.S. COVID and Poverty Assistance	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Direct grants	\$ 125,180,257	\$ 43,071,893	\$ 168,252,150	\$ -	\$ -	\$ -	\$ 168,252,150
Personnel costs	11,776,695	215,961	11,992,656	3,118,994	3,649,405	6,768,399	18,761,055
Telecom and software	1,606,009	42,260	1,648,269	284,516	245,134	529,650	2,177,919
Professional and service fees	911,327	160,452	1,071,779	490,985	470,795	961,780	2,033,559
Travel	1,197,367	444	1,197,811	74,278	48,970	123,248	1,321,059
Mobile money and banking	779,475	117,766	897,241	15,440	547,665	563,105	1,460,346
Occupancy	517,126	-	517,126	305,938	-	305,938	823,064
Supplies	498,687	-	498,687	7,973	16,131	24,104	522,791
Equipment	435,926	71	435,997	23,288	2,506	25,794	461,791
Depreciation and amortization	55,006	-	55,006	7,841	2,482	10,323	65,329
Subgrant expense	99,465	-	99,465	-	-	-	99,465
Insurance	9,794	-	9,794	89,309	-	89,309	99,103
Donated goods and services	-	-	-	-	204,578	204,578	204,578
Crypto assets impairment expense	-	-	-	558,412	-	558,412	558,412
Other expenses	-	-	-	19,977	39,709	59,686	59,686
TOTAL EXPENSES	<u>\$ 143,067,134</u>	<u>\$ 43,608,847</u>	<u>\$ 186,675,981</u>	<u>\$ 4,996,951</u>	<u>\$ 5,227,375</u>	<u>\$ 10,224,326</u>	<u>\$ 196,900,307</u>

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

GIVEDIRECTLY, INC.

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (88,074,802)	\$ 58,848,033
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	285,603	65,329
Realized (gain)/loss on investments	723,771	(107,620)
Unrealized (gain)/loss on investments	2,480,353	(1,614,304)
Change in the present value discount for contributions receivable	(154,277)	726,199
Change in the present value discount for grants payable	(823,732)	335,856
Net gain on foreign currency translation	(1,924,283)	(208,102)
Crypto assets impairment	-	558,412
Crypto assets received as revenue	(3,526,915)	(30,786,419)
Changes in assets and liabilities:		
Contributions receivable	10,878,576	(9,231,721)
Accounts and interest receivable	(44,850,202)	(3,315,820)
Due from related party	(846,554)	(1,238,807)
Prepaid expenses and other assets	(422,702)	(590,669)
Inventory	(710,966)	(182,824)
Accounts payable and accrued expenses	(658,645)	1,891,725
Deferred revenue	(1,804,118)	(1,828,760)
Grants payable	62,658,069	25,199,525
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(66,770,824)	38,520,033
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,163,238)	(10,022,156)
Proceeds from sale of investments	3,101,788	286,591
Proceeds from disposal of crypto assets held	5,948,838	26,734,990
Purchase of property and equipment	(341,914)	(163,987)
NET CASH PROVIDED BY INVESTING ACTIVITIES	7,545,474	16,835,438
Effect of exchange rate changes on cash, net	1,924,283	208,102
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(57,301,067)	55,563,573
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	171,329,664	115,766,091
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 114,028,597	\$ 171,329,664
NONCASH INVESTING ACTIVITIES		
Stock donation contribution received	\$ (1,031,143)	\$ (6,792,657)
Investment	1,031,143	6,792,657
	\$ -	\$ -

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

GIVEDIRECTLY, INC.

NOTES TO FINANCIAL STATEMENTS For the Years Ended December 31, 2022 and 2021

1. Organization and Summary of Significant Accounting Policies

Organization

GiveDirectly, Inc. (GiveDirectly) is a not-for-profit organization incorporated on September 1, 2009, in the State of Massachusetts. GiveDirectly's mission is to reduce poverty by providing financial assistance directly to those in need. GiveDirectly offers a service that enables others to send cash transfers directly to people in need. GiveDirectly operates in the United States of America (U.S.), Kenya, Uganda, Rwanda, Liberia, Malawi, Mozambique, the Democratic Republic of the Congo (DRC), Nigeria, Yemen, Bangladesh, Morocco, and the United Kingdom (UK).

With a focus on efficiency and using the latest available technology, GiveDirectly identifies households and informs them that they are eligible for a transfer, helps them register for a digital payments system, sends funds, and follows up with recipients' post-transfer. Transfer sizes vary by project. GiveDirectly exclusively focuses on unconditional cash transfers; therefore, recipients are free to spend on what they need without restriction. Many of GiveDirectly's transfers are made as part of research projects designed to better understand how to optimize the use of cash transfers and answer questions posed by the policy world. Answering these questions help facilitate greater adoption of cash transfers as a policy tool.

GiveDirectly receives donations from private individuals, foundations and governments. Donations from individuals are distributed to recipient households and include the cost of enrolling and following up with households. Foundation grants may be distributed in a similar manner, or may be designated for a more specific use. Cost of administration are funded through indirect allocations to programs funded by both individual and foundation grants. Fundraising activities are funded by unrestricted donations from individual donors or specifically earmarked donations from foundation grants. GiveDirectly also receives federal grants as part of its work in Rwanda, Uganda, Mozambique, Bangladesh, Liberia, Malawi, the DRC, and Morocco.

Basis of Presentation

GiveDirectly prepares its financial statements on the accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP).

Cash and Cash Equivalents

GiveDirectly considers all highly liquid financial instruments with maturities of three months or less when purchased to be cash equivalents.

Contributions Receivable

GiveDirectly uses the allowance method to record potentially uncollectible receivables. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows if significant. The discounts on those amounts are computed using risk-adjusted interest rates appropriate for the expected term of the promise to give. Amortization of the discount is included in grants and contributions in the accompanying statements of activities.

GIVEDIRECTLY, INC.

NOTES TO FINANCIAL STATEMENTS For the Years Ended December 31, 2022 and 2021

1. Organization and Summary of Significant Accounting Policies (continued)

Property and Equipment and Related Depreciation and Amortization

Acquisitions of furniture and equipment and eligible internal-use software and website development with an estimated useful life greater than a year and a cost greater than \$1,000 are capitalized at cost. Furniture, equipment, internal-use software and website development are being depreciated using the straight-line method over estimated useful lives of three to five years. Costs incurred in the development of internal-use software are expensed during the preliminary and post-implementation operation stages, including data conversion, training and maintenance costs. Costs incurred during the application development stage of software development are capitalized. Upon the retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in revenue or expenses, as appropriate.

Investments

GiveDirectly invests in a professionally managed portfolio. Investments are reported at fair value. Investments in marketable equity securities, fixed income securities and mutual funds are stated at quoted market values. Investments in private equity funds are reported at fair value based on the net asset value (NAV) as determined by the external partnership or fund manager. Fair value is the price that would be received to sell an asset, or paid to transfer a liability through an orderly transaction between market participants at the measurement date. Purchases and sales are reflected on a trade date basis. Interest, dividends and realized gains or losses are recorded when earned. Changes in the fair value of the portfolio are recorded as unrealized gains or losses. Donated investments are recorded as contributions based on their fair value at the date of donation. The investment objective for marketable equity securities, fixed income securities and mutual funds is to preserve capital while generating a modest return to support GiveDirectly's activities.

During 2020, GiveDirectly's investment in Segovia Technology was exchanged for holdings in two newly created companies, Tap-Tap-Send (TTS) and CAB Tech HoldCo Limited (CTHL). The shares of privately held stock are considered to be other investments, as such funds are not traded in an established active market with published values. The shares of privately held stock are equity investments without readily determinable fair value and are not qualified to account for under the equity method. GiveDirectly selects to account for these investments in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 321, *Investments – Equity Securities*, the alternative measurement method, according to which investments are accounted for at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer.

Fair Value Measurement

In accordance with the accounting standards for fair value measurement for those assets and liabilities that are measured at fair value on a recurring basis, GiveDirectly has categorized its applicable financial instruments into a required fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest-level input that is significant to the fair value measurement of the instrument.

GIVEDIRECTLY, INC.

NOTES TO FINANCIAL STATEMENTS For the Years Ended December 31, 2022 and 2021

1. Organization and Summary of Significant Accounting Policies (continued)

Fair Value Measurement (continued)

Applicable financial assets and liabilities are categorized on the basis of inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that GiveDirectly has the ability to access.

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

As of December 31, 2022 and 2021, only GiveDirectly's investments, as described in Note 5 of these financial statements, were measured at fair value on a recurring basis.

Crypto assets held

The crypto assets held by GiveDirectly are accounted for as intangible assets with indefinite useful lives, and are initially measured at the date of donation. Crypto assets accounted for as intangible assets are subject to impairment losses if the fair value of crypto assets decreases below the carrying value at any time during the period. The fair value is measured using the quoted price of the crypto asset at the time its fair value is being measured. Impairment expense is reflected in management and general expenses in the accompanying statement of activities. Impairment losses cannot be recovered for any subsequent increase in fair value until the sale or disposal of the asset.

Classification of Net Assets

The net assets of GiveDirectly are reported as follows:

- Net assets without donor restrictions represent the portion of expendable funds that are available for any purpose in performing the primary objectives of GiveDirectly at the discretion of GiveDirectly's management and the Board of Directors (the Board).
- Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or for specific periods of time. These donor restrictions can be temporary in nature in that they will be met by actions of GiveDirectly or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. As of December 31, 2022 and 2021, GiveDirectly had no net assets with donor restrictions that are required to be maintained in perpetuity.

GIVEDIRECTLY, INC.

NOTES TO FINANCIAL STATEMENTS For the Years Ended December 31, 2022 and 2021

1. Organization and Summary of Significant Accounting Policies (continued)

Revenue Recognition

Federal government grants are conditional upon certain conditions being met and is recognized as these conditions are met. GiveDirectly reports amounts earned and spent within the same year under conditional awards as increases in net assets without donor restrictions.

Unconditional contributions revenue is recognized in the period in which the commitment is made. Contributions revenue is considered to be revenue and support without donor restrictions and available for general operations unless specifically restricted by the donor. GiveDirectly reports contributions revenue as revenue and support with donor restrictions if the contributions received have donor stipulations that limit the use of the donated funds. When a donor 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 and reported in the statements of activities as net assets released from restrictions. Contributions revenue that is restricted by the donor is reported as net assets without donor restrictions if the restrictions expire in the same reporting period in which the contributions are recognized. Unconditional contributions received in the form of stock donations are recorded at fair value at the date of the unconditional contributions and then immediately converted to cash. Net assets for these contributions are based upon the presence or absence of donor imposed restrictions.

Transactions in Foreign Currencies

GiveDirectly conducts many of its programs through offices in foreign countries and, accordingly, transacts in the local currencies of those countries. These foreign currency transactions are translated into U.S. dollars at the appropriate exchange rates when each transaction is executed. The resulting gain or loss is reflected in the accompanying statements of activities as net foreign currency transaction gains or losses. The U.S. dollar is considered the functional and reporting currency of GiveDirectly.

Contributed Services and Goods

GiveDirectly records contributed services at fair value when: (a) the services create or enhance nonfinancial assets, or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. GiveDirectly had service contributions in the United States related primarily to domestic operations (e.g., advertising, website support and development). GiveDirectly reports all contributed goods at fair value as estimated by management based on donor-provided value and comparable fair value.

Functional Allocation of Expenses

Costs associated with providing GiveDirectly's programs and other activities have been summarized on a functional basis in the statements of activities, which includes all expenses incurred during each year. The statements of functional expenses present expenses by function and natural classification. Some categories of expense are attributable to more than one activity and require allocation, applied on a consistent basis. Salaries and benefits are allocated on the basis of employee time records. Other expenses are assigned directly to specific activities as expenditures are made.

GIVEDIRECTLY, INC.

NOTES TO FINANCIAL STATEMENTS For the Years Ended December 31, 2022 and 2021

1. Organization and Summary of Significant Accounting Policies (continued)

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Inventory

GiveDirectly provides cell phones to some recipients to facilitate their enrollment in a payments platform. Phones that have not yet been distributed to recipients are GiveDirectly's only inventory item. Inventory on hand was \$1,249,133 and \$538,167 at December 31, 2022 and 2021, respectively. Inventory is reported at net realizable value on a first-in, first-out basis.

3. Contributions Receivable

GiveDirectly has received promises to give from donors as of December 31, 2022 and 2021, that will be received over the course of the next several years. The table below breaks down the contributions receivable by the timeframe in which they will be received. Contributions to be received in over 12 months have been discounted to reflect net present value. Contributions receivable, net at December 31, 2022 and 2021, are deemed fully collectible and due as follows:

	<u>2022</u>	<u>2021</u>
Due within one year	\$ 3,143,873	\$ 13,256,067
Due in one to five years	<u>1,076,667</u>	<u>1,759,999</u>
Total Grants and Contributions Receivable	4,220,540	15,016,066
Less: Present Value Component (4.0 – 4.5%)	<u>(68,526)</u>	<u>(139,753)</u>
Grants and Contributions Receivable, Net	<u>\$ 4,152,014</u>	<u>\$ 14,876,313</u>

Contributions receivable represent amounts due from government agencies and private foundations and donors. Some of the contributions received are conditional upon certain conditions being met. During the years ended December 31, 2022 and 2021, GiveDirectly recognized approximately \$13,192,000 and \$22,173,500, respectively, under these conditional grants. As of December 31, 2022 and 2021, amounts totaling approximately \$27,499,000 and \$22,630,000, respectively, had not yet been recognized under the agreements as the conditions had not been substantially met.

Of the conditional grants not yet recognized as of the year ended December 31, 2022 and 2021, \$100,000 and \$409,700, respectively, relate to donations made from the IKEA Foundation.

The IKEA "Investment-sized unconditional cash transfers to refugees in Nairobi", G-1710-00950 with a project period of October 2021 through March 2023 was awarded for \$1,097,243 in 2021.

GIVEDIRECTLY, INC.

NOTES TO FINANCIAL STATEMENTS For the Years Ended December 31, 2022 and 2021

3. Contributions Receivable (continued)

During 2022 and 2021, \$159,675 and \$987,518, respectively, was received in cash receipts and recognized as revenue for the project. As of December 31, 2021, the remaining \$109,700 is outstanding as the conditions have not yet been substantially met by GiveDirectly. As of December 31, 2022, there are no outstanding commitments from IKEA on this project.

The IKEA “Cash Transfers for refugee scale up”, G-1710-00950, with a project period of December 2019 through November 2022, was awarded for \$4,650,713. During 2022, there were no cash receipts or revenue recognized. During 2021, \$150,713 was received and recognized as revenue for the project. As of December 31, 2022 and 2021, there are no outstanding commitments from IKEA on this project.

The IKEA “Large Cash Grants for Urban Refugees in Kampala”, G-19080-01390, with project period of December 2019 through November 2023, was awarded for \$800,000 in 2019. During 2022, \$300,000 was received in cash receipts and recognized as revenue for the project. During 2021, there were no cash receipts or revenue recognized. As of December 31, 2022, there are no outstanding commitments from IKEA on this project. As of December 31, 2021, \$300,000 was an outstanding commitment from IKEA as the conditions had not yet been substantially met by GiveDirectly.

Global Innovation Fund awarded GiveDirectly a \$2,100,000 grant in June 2019. In 2019, \$1,200,000 of the grant was received, recognized as revenue, and expended. In 2020, \$800,000 of the grant was received, recognized as revenue, and expended. As of December 31, 2022 and 2021, the remaining \$100,000 is outstanding as the conditions have not yet been substantially met by GiveDirectly.

4. Property and Equipment and Related Depreciation

GiveDirectly held the following property and equipment as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Computer hardware and equipment	\$ 358,450	\$ 186,641
Furniture and fixtures	<u>350,364</u>	<u>196,820</u>
Total Property and Equipment	708,814	383,461
Less: Accumulated Depreciation	<u>(464,785)</u>	<u>(195,743)</u>
Property and Equipment, Net	<u>\$ 244,029</u>	<u>\$ 187,718</u>

Depreciation and amortization expense for the years ended December 31 2022 and 2021, was \$285,603 and \$65,329, respectively.

GIVEDIRECTLY, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

5. Investments and Fair Value Measurement

The following tables summarizes GiveDirectly's investments measured at fair value on a recurring basis as of December 31, 2022 and 2021, aggregated by the fair value hierarchy level with which those measurements were made:

	2022 <u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 1,835,177	\$ 1,835,177	\$ -	\$ -
Mutual funds	2,948,192	2,948,192	-	-
U.S. government and government agencies obligations	45,489,504	-	45,489,504	-
Foreign government and government agencies obligations	<u>7,357,934</u>	<u>-</u>	<u>7,357,934</u>	<u>-</u>
Total Investments Measured at Fair Value	57,630,807	<u>\$ 4,783,369</u>	<u>\$ 52,847,438</u>	<u>\$ -</u>
Private investment fund ^(a)	5,190,750			
Private held stocks ^(b)	<u>2,563,980</u>			
Total	<u>\$ 65,385,537</u>			

	2021 <u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 2,214,276	\$ 2,214,276	\$ -	\$ -
Mutual funds	3,505,812	3,505,812	-	-
U.S. government and government agencies obligations	45,860,955	-	45,860,955	-
Foreign government and government agencies obligations	<u>10,468,667</u>	<u>-</u>	<u>10,468,667</u>	<u>-</u>
Total Investments Measured at Fair Value	62,049,710	<u>\$ 5,720,088</u>	<u>\$ 56,329,622</u>	<u>\$ -</u>

GIVEDIRECTLY, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

5. Investments and Fair Value Measurement (continued)

	<u>2021</u> <u>Fair Value</u>	<u>Quoted Prices</u> <u>in Active</u> <u>Markets for</u> <u>Identical</u> <u>Assets</u> <u>(Level 1)</u>	<u>Significant</u> <u>Other</u> <u>Observable</u> <u>Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>
<i>(continued)</i>				
Private investment fund ^(a)	\$ 5,190,750			
Private held stocks ^(b)	<u>2,563,980</u>			
Total	<u>\$ 69,804,440</u>			

(a) These investments are measured at NAV or its equivalent as a practical expedient and have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

(b) The investment in privately held stocks includes common stocks of private companies and are valued at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. There was no impairment in the current year.

GiveDirectly used the following methods and significant assumptions to estimate fair value for assets recorded at fair value:

Equities and mutual funds – Valued at the closing price reported in the active market in which the individual securities are traded.

U.S. and foreign government and government agencies obligations – Valued based on current yields, the securities' terms and conditions, and market activity. Information used includes market sources, credit information, observed market movement and sector news.

Privately held stocks consist of 921,000 shares of stock in CTHL and TTS, related parties described in greater detail in Note 11.

GiveDirectly has included in the tables below the category, fair value, redemption frequency and redemption notice period for those assets whose fair value is estimated using NAV per share or its equivalent for which fair value is not readily determinable as of December 31, 2022 and 2021. For GiveDirectly, such investments include private equity investment fund.

GIVEDIRECTLY, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

5. Investments and Fair Value Measurement (continued)

The following table sets forth a summary of GiveDirectly's investments with a reported NAV as of December 31, 2022 and 2021:

2022			
Investment Type	Fair Value	Redemption Frequency	Notice Period (Days)
Private equity fund	\$ 5,190,750	N/A	-
2021			
Investment Type	Fair Value	Redemption Frequency	Notice Period (Days)
Private equity fund	\$ 5,190,750	N/A	-

6. Grants Payable

Grants payable represents outstanding commitments to recipients for future cash transfers. The full grant is recognized when the recipient passes through the entire enrollment process. Grants payable are drawn down as the transfers are made to recipients. Grants payable that are expected to be paid in future years are recorded at fair value based on the present value of expected future payments. Most grants payable at December 31, 2022 and 2021, are expected to be paid within 12 months. However, the Basic Income campaign, which is part of the Kenya Campaigns, is structured such that recipients will receive monthly funds over the course of 2-12 years. Grants payable at December 31, 2022 and 2021, were as follows:

	2022	2021
Kenya Campaigns	\$ 18,825,865	\$23,482,963
US Campaigns	59,201,400	-
Rwanda Campaigns	2,696,851	7,688,909
DRC Campaigns	11,856,068	7,592,089
Nigeria Campaigns	811,765	-
Yemen Campaigns	365,834	-
Liberia Campaigns	13,390,274	7,523,802
Uganda Campaigns	3,457,738	6,585,379
Morocco Campaigns	176,194	4,600,336
Malawi Campaigns	10,393,085	4,133,842
Mozambique Campaigns	3,918,518	566,156
Total Grants Payable	125,093,592	62,173,476
Less: Fair Value Adjustment (4.5%)	(3,264,555)	(2,178,776)
Grants Payable, Net	\$121,829,037	\$ 59,994,700

GIVEDIRECTLY, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

7. Net Assets

Net Assets With Donor Restrictions

At December 31, 2022 and 2021, net assets with donor restriction were restricted for the following purposes:

	2022	2021
Liberia campaigns	\$ 9,586,371	\$ 12,834,764
Malawi campaigns	2,986,089	11,030,181
Georgia guaranteed income	-	10,802,078
Refugees assistance	25,779	8,744,505
MobileAid	1,833,332	5,605,421
Kenya campaigns	556,276	1,257,828
International humanitarian response	1,092,910	1,192,501
Basic income	242,331	1,036,170
US poverty assistance	415,903	320,901
Disaster relief	263,618	688,183
Mozambique campaigns	610,607	-
Ethiopia	992,560	-
United States campaigns	230,967	-
DRC campaigns	1,272,805	-
Total Net Assets With Donor Restrictions	\$ 20,109,548	\$ 53,512,532

Net Assets Without Donor Restrictions

Net assets without donor restrictions are comprised of the following two categories:

- Board-designated funds for a specific purpose
- Undesignated funds

The Board explicitly designates unrestricted donations for particular programs and activities. The Board has also set a policy such that funds donated without any specific indication as to use, or funds given through GiveDirectly's website where the only options presented to donors are related to cash transfer programming, are spent on recipient transfers and the associated delivery costs. These funds, referred to as Pending Allocation, are treated as without donor restricted donations until the point at which the Board explicitly designates the funds to a specific program. At December 31, 2022 and 2021, there were:

- Net assets designated for specific campaigns in Kenya, Uganda, Rwanda, Liberia, Malawi, DRC, Morocco, Nigeria, Bangladesh, Mozambique and the U.S.
- Net assets designated for use in fundraising.
- Net assets held in reserve to enable GiveDirectly to fund 18 months' salary for key personnel.

GIVEDIRECTLY, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

7. Net Assets (continued)

Net Assets Without Donor Restrictions (continued)

Undesignated funds are funds received with no donor restriction which the Board has not applied self-imposed restrictions.

	2022	2021
Without donor restrictions:		
Designated by the Board (for purpose)	\$ 42,896,370	\$ 71,607,815
Undesignated	50,809,791	76,770,164
Total Net Assets Without Donor Restrictions	\$ 93,706,161	\$ 148,377,979

GiveDirectly's governing board has designated from net assets without donor restrictions of \$42,896,370 and \$71,607,815, respectively, for the following purposes at December 31, 2022 and 2021:

	2022	2021
Uganda campaigns	\$ 9,942,165	\$ 14,105,406
MobileAid	1,225,000	12,000,000
Malawi campaigns	-	8,690,545
Salary reserves	10,622,000	9,122,000
Fundraising	1,498,186	6,738,090
International Humanitarian Response	3,844,258	5,997,473
Morocco campaigns	3,363,517	4,066,885
Mozambique campaigns	-	2,677,318
Kenya campaigns	1,422,858	2,724,887
Rwanda campaigns	-	2,353,536
Innovation fund	1,391,740	1,491,385
Liberia campaigns	-	1,280,842
DRC campaigns	4,337,496	359,448
Nigeria campaigns	483,494	-
Refugee assistance	2,268,716	-
Bangladesh campaigns	2,496,940	-
Total	\$ 42,896,370	\$ 71,607,815

8. Commitments and Risks

Concentration of Credit Risk

GiveDirectly's cash and cash equivalents are composed of amounts in accounts at various financial institutions. While the amount, at times, exceeds the amount guaranteed by the Federal Deposit Insurance Corporation (FDIC) and, therefore, bears some risk, GiveDirectly has not experienced, nor does it anticipate, any loss of funds. As of December 31, 2022 and 2021,

GIVEDIRECTLY, INC.

NOTES TO FINANCIAL STATEMENTS For the Years Ended December 31, 2022 and 2021

8. Commitments and Risks (continued)

Concentration of Credit Risk

the amount in excess of the FDIC insured limit was approximately \$112,779,000 and \$147,750,000, respectively. As of December 31, 2022 and 2021, GiveDirectly maintained approximately \$21,175,000 and \$22,589,000, in accounts at non-U.S. financial institutions.

Concentration of Risk

For the year ended December 31, 2022, GiveDirectly received contributions of approximately \$73,000,000 from two donors, which represents 42% of the total revenue and support recognized. For the year ended December 31, 2021, GiveDirectly received contributions of approximately \$50,000,000 from one donor, which represents 20% of the total revenue and support recognized.

Foreign Operations

GiveDirectly has operations in Kenya, Uganda, Rwanda, Liberia, Malawi, Mozambique, the DRC, Morocco, and the United Kingdom (UK) for the purpose of providing direct transfers to the extremely poor. The future results of these programs could be adversely affected by a number of potential factors, such as currency devaluations or changes in the political climate.

As of December 31, 2022 and 2021, GiveDirectly had cash, investments and net property and equipment in these countries totaling \$27,914,615 and \$32,021,804, respectively, representing approximately 12% of GiveDirectly's total assets as of December 31, 2022 and 2021.

Compliance Audit

GiveDirectly has received federal and non-federal grants that are subject to review, audit and adjustment by various federal and non-federal agencies for qualified expenses charged to the grants. Such audits could lead to requests for reimbursement to the federal agencies for any expenditures or claims disallowed under the terms of the agreements. The amount of expenditures which may be disallowed by the federal and non-federal agencies cannot be determined at this time, although GiveDirectly expects such amounts, if any, to be insignificant.

Operating Lease Commitments

Prior to July 2019, GiveDirectly had a semi-annual lease with Segovia, which rented office space in a co-working location in New York City, New York, U.S. The Segovia semi-annual lease was terminated June 2019 and GiveDirectly entered into a lease with the co-working location ending June 2021, and was extended through December 31, 2021. GiveDirectly has also leased office space under cancellable leases in most of the countries it operates in, the last of which expires in December 2023. Total rent expense for the years ended December 31, 2022 and 2021, was \$899,219 and \$599,745, respectively.

GIVEDIRECTLY, INC.

NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

9. Availability and Liquidity

GiveDirectly regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. As of December 31, 2022 and 2021, GiveDirectly's financial assets available within one year of the statement of financial position date for general expenditures were as follows:

	2022	2021
Cash and cash equivalents	\$114,028,597	\$170,899,965
Accounts and interest receivable	7,126,560	3,643,678
Due from related party	4,486,579	3,640,025
Contributions receivable, current portion	44,511,193	13,256,067
Investments	65,385,537	62,436,739
Total Financial Assets Available Within One Year	235,538,466	253,876,474
Less:		
Amounts unavailable for general expenditures within one year due to donor restriction with purpose restrictions	(20,109,548)	(53,512,532)
Amounts unavailable for general expenditures within one year due to board designation, excluding salary reserve	(32,274,370)	\$(62,485,815)
Financial Assets Available to Meet General Expenditures Within One Year	\$183,154,548	\$137,878,127

GiveDirectly has various sources of liquidity at its disposal, including cash and cash equivalents and investments, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of GiveDirectly throughout the year. This is accomplished through monitoring and reviewing GiveDirectly's cash flow needs on a regular basis. As a result, management is aware of GiveDirectly's cash flow needs and is, therefore, able to ensure that there is cash available to meet current liquidity needs.

10. Income Taxes

GiveDirectly is exempt from the payment of income taxes under Sections 501(c)(3) of the Internal Revenue Code. As such, GiveDirectly is taxed only on their net unrelated business income. No provision for income taxes is required for the years ended December 31, 2022 and 2021, as GiveDirectly had no net unrelated business income. In addition, some of the foreign operations of GiveDirectly are subject to local income tax in the jurisdictions in which they operate.

GIVEDIRECTLY, INC.

NOTES TO FINANCIAL STATEMENTS For the Years Ended December 31, 2022 and 2021

10. Income Taxes (continued)

GiveDirectly follows the authoritative guidance relating to accounting for uncertainty in income taxes included in Financial Accounting Standards Board Accounting Standards Codification Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. GiveDirectly performed an evaluation of uncertainty in income taxes for the years ended December 31, 2022 and 2021, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. As of December 31, 2022 and 2021, the statute of limitations remained open with the U.S. federal jurisdiction or the various states and local jurisdictions in which GiveDirectly files tax returns. However, no examinations are currently pending or in progress. It is GiveDirectly's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in interest or income tax expense.

11. Related Party Transactions

Segovia Technology Co. (Segovia) was formed by two common Board members and co-founders of GiveDirectly. Segovia builds software to manage the logistics of payments distribution in the developing world, so that governments, non-profits and others can more effectively implement cash transfers and other social protection programs.

Effective March 16, 2015, GiveDirectly purchased 921,500 shares of Segovia common stock at \$0.0001 par value per share, leading to an aggregate purchase price of \$92.15. GiveDirectly acquired the shares for a nominal cash contribution, as is standard practice for the distribution of initial shares of a new company. GiveDirectly transferred voting rights in these shares back to two proxyholders who are founders of Segovia, as part of an arrangement in which those founders donated economic interest in those shares to GiveDirectly but retained voting rights.

On March 26, 2019, Segovia and Crown Agents Bank (CAB) agreed to merge, forming CTHL and spinning out of a part of Segovia as a separate company, TTS. As part of the merger and spin off, GiveDirectly's shares in Segovia were exchanged for 202,681 shares in CTHL and 921,500 shares in TTS. Independent valuations were performed on each of these entities. For each of the years ended December 31, 2022 and 2021, the CTHL/TTS investment was valued at \$2,563,980.

As part of the merger, Segovia became a subsidiary company of CTHL and continues to provide payment gateway and technology platform services to businesses. In 2021, GiveDirectly stopped using the technology platform services provided by Segovia. Segovia charges GiveDirectly a fixed percentage of grant transfers for software services. Segovia also charges GiveDirectly a sending fee for each transfer distributed to each recipient through their payment gateway. For the years ended December 31, 2022 and 2021, Segovia sending fees totaled \$741,096 and \$533,029, respectively and have been reflected in program services on the statement of activities.

GIVEDIRECTLY, INC.

NOTES TO FINANCIAL STATEMENTS For the Years Ended December 31, 2022 and 2021

11. Related Party Transactions (continued)

During 2022 and 2021, Segovia also shared one employee with GiveDirectly, who provided administrative support. For the years ended December 31, 2022 and 2021, a salary allocation for this employee of \$36,750 was billed to Segovia by GiveDirectly, of which \$3,063 was unpaid as of December 31, 2022 and 2021. The unpaid portion is included in the accompanying statements of financial position as due from related party.

In 2017, GiveDirectly began using Segovia's payment gateway for delivery of cash transfers to the recipients in East Africa. For the years ended December 31, 2022 and 2021, the amount of funds that GiveDirectly held with Segovia that had not yet been disbursed by Segovia to the recipients totaled \$4,483,516 and \$3,636,962, respectively. These amounts are included in the accompanying statements of financial position as due from related party.

Effective October 28, 2015, an entity was established in the United Kingdom (GiveDirectly UK) for the purpose of fundraising in the United Kingdom for the prevention or relief of poverty anywhere in the world. GiveDirectly does not control or direct any of the activities of GiveDirectly UK. However, the Chairman for 2020 and the first seven months of 2021 and co-founder of GiveDirectly is one of three members of the Board of Directors of GiveDirectly UK. During 2022 and 2021, GiveDirectly received \$2,900,790 and \$3,711,527, respectively, from GiveDirectly UK.

On December 21, 2016, GiveDirectly was registered under the Companies Act 2006 as having established a UK establishment in the United Kingdom. This is a branch of GiveDirectly and a separate entity from GiveDirectly UK, and consists of five UK employees involved primarily in fundraising and programmatic operational work. The assets, liabilities, revenue, and expenses associated with the UK entity are included in these financial statements.

12. Subsequent Events

In preparing these financial statements, GiveDirectly has evaluated events and transactions, for potential recognition or disclosure, through September 15, 2023, the date the financial statements were available to be issued. There were no subsequent events identified that require recognition or disclosure in the financial statements.