GiveDirectly

2015 Annual Report

Executive summary

Fellow donors,

We live in tremendously exciting times, with the end of extreme poverty within striking distance. The global poverty gap – the total amount by which the extreme poor are below the poverty line - is now estimated at just $65B / year. That's half what is spent on foreign aid every year. (In fact, it's roughly what Americans spend each year ton heir pets.) Ending extreme poverty, in short, is a decision we could make, NOW, if we wanted to.

Given that opportunity, it is critical that we give smarter. We now have a large body of rigorous, experimental evidence showing that giving money to the poor helps them improve their lives (surprise). We are connected to the poor financially like never before, thanks to the spread of innovations in last-mile payments technologies like mobile money. Yet cash transfers remain a negligible part of aid budgets – at most 5% of humanitarian spending, for example. When it comes to charitable giving, of the $18B that Americans give to international development each year, only GiveDirectly commits to deliver that money directly to the poor – and we are 0.3% of the total. If we want this to change, it's on us to mount an effective challenge to orthodoxy.

We made good progress in 2015, but obviously have far to go. Full financials follow this note; to summarize key figures and milestones:

- We grew committed transfers by 34%, from $10.2M to $13.7M, with efficiency on all campaigns for the year 2015, at 91%.
- We grew revenue by 77%, from $28.7M to $50.8M, at a cost per dollar raised of $0.02.
- We retained our place on GiveWell's *very* short list of top charities, and -- perhaps more significantly -- were used by GiveWell as their baseline for evaluating other giving opportunities.

The media continue to cover this story, with widely-shared pieces documenting how we are working to "establish a new standard" (Huffington Post) and are "upending the international aid industry" (Bloomberg BusinessWeek). But 100% favorable reviews won't mean much if we don't grow past 0.3% of giving. Help us get the word out (fun experiment -- ask five friends what they think of giving money to poor people), and as always let us know if you see things we could be doing better.

Sincerely,

Michael Faye and Paul Niehaus
Co-founders

GiveDirectly

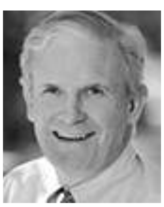
Governance and Financial Statements

Board of Directors, US

Michael Faye, Director and Chairman
Michael completed a Ph.D. in Economics at Harvard University, specializing in Development and Finance. He has worked with one of India's largest banks in designing consumer finance products and has extensive experience conducting field research in India. Prior to returning to school, Michael worked as a Research Analyst for the United Nations Millennium Project (UNMP), a group headed by Jeffrey Sachs, tasked with preparing a plan for low-income countries to meet the Millennium Development Goals (MDGs).

Jacquelline Fuller, Director
Jacquelline Fuller leads Google.org, which provides more than $100 million yearly to support tech innovators making transformational impact in areas such as education, development and renewable energy. She previously served as Deputy Director of Global Health at the Bill & Melinda Gates Foundation, where she was a member of the senior management team for eight years and helped launch a $300 million initiative in India. She received her BA in political science from UCLA and a master's in public policy from the Kennedy School of Government at Harvard. Jacquelline currently serves on the board of the Eastern Congo Initiative.

Aly Jeddy, Director
Aly Sheezar Jeddy is a Director at McKinsey & Company. He has led the Firm's Private Equity & Principal Investing Practice for the Americas as well as the Strategy Practice on the U.S. East Coast. He is a member of the Board of Trustees of The Dalton School, the Board of Overseers of the International Rescue Committee, the board of the Aziz Jehan Begum Trust for the Blind, and the Council on Foreign Relations. Mr. Jeddy's experience includes work at the War Crimes Tribunal for the former Yugoslavia in the Office of the Prosecutor, at the World Bank, and with the leading human rights lawyer in Pakistan, advising the Prime Minister on advancing gender equality.



William Meehan, Director
Mr. Meehan III is the Lafayette Partners Lecturer for 2013–2014 at the Stanford University Graduate School of Business and a Director Emeritus of McKinsey & Company. Mr. Meehan is a regular writer, speaker, and advisor on nonprofit strategy, governance, performance measurement, and philanthropy. At Stanford, he is a founding member of the Advisory Council of the Center for Philanthropy and the Civil Society, a faculty member of the Public Management Program and the Center for Social Innovation, and a member of the Arts Initiative Council. During his 30-plus-year tenure at McKinsey & Company, Mr. Meehan worked with chief executives in technology, private equity, retail, financial services, and media on topics of top management strategy, organization, and leadership.

Paul Niehaus, Director and President
Paul is Assistant Professor of Economics at the University of California, San Diego; a Junior Affiliate at the Bureau for Research and Economic Analysis of Development (BREAD); an Affiliate of the Jameel Poverty Action Lab (J-PAL); and an Affiliate at the Center for Effective Global Action (CEGA). His research examines the design of welfare programs in developing countries, and in particular how to control corruption. He holds a Ph.D. in Economics from Harvard University.

Rohit Wanchoo, Director
Rohit is a Principal at a private equity firm in New York. He previously worked as a Research Analyst for the United Nations Millennium Project (UNMP), a group headed by Professor Jeffrey Sachs, tasked with preparing a plan for low-income countries to meet the Millennium Development Goals (MDGs). Prior to his work at the UN, Rohit worked in finance as an investment banker for Lehman Brothers in New York. Rohit holds an MBA from MIT Sloan and an MPA in International Development from the Harvard Kennedy School.

Board of Directors, Kenya

Raphael Gitau, Director

Raphael is an Agricultural Economist. He holds an M.Sc. in International Development from the National Graduate Institute of Policy Studies Tokyo, Japan and is widely experienced in socio-economic surveys and data analysis. He has over eight years experience working in the East Africa Region in agricultural policy research, analysis, and advocacy.

Joseph Mucheru, Director

Joseph is the Google Sub-Saharan Africa (SSA) ambassador as well as EIA Africa Lead, based in Nairobi. He joined Google in June 2007 where he leads the delivery of strategy, business planning and operations. Prior to joining Google he worked at Wananchi Online, a company he co-founded in 1999. He held various roles at the company including Chief Technology Officer, Strategy & Business Director and most recently Chief Executive Officer. He attended The Stanford Executive Program at Stanford University in 2008 before that he obtained his undergraduate degree (B Sc. (Hons)) in Economics & Computer Science at City University London in 1993. He was awarded the Moran of the order of the burning spear in December 2010 by his Excellency the President of the Republic of Kenya, Hon. Mwai Kibaki for his contribution to ICT in Kenya amongst other things. He is a member of The Africa Leadership Network as well as the East African Business Summit.

Samuel Mwamburi Mwale , Director

Samuel Mwamburi Mwale is Founder & CEO of Farasi Strategy Advisors Ltd, a firm that provides investment and strategy advice to public and private sector clients. He has served in senior positions in the Government of Kenya in the last 9 years, having served for five as Principal Administrative Secretary & Assistant Secretary to the Cabinet, in the Cabinet Office, Office of the President. Previously he served as Economic Secretary to the Presidency at State House and as Economic Advisor to Ministry of Planning & National Development and National Economic & Social Council. Mr. Mwale holds a master's degree in agricultural economics from University of Oxford, a Postgraduate Diploma in Development Economics from University of East Anglia, a Bachelor of Science in Range Management from University of Nairobi, and has attended executive training on policy analysis at Stanford University and leadership at Harvard University.

Leadership

Piali Mukhopadhyay, COO, International

Piali holds a master's degree in public administration from Princeton University's Woodrow Wilson School of Public and International Affairs and a bachelor's degree from MIT. She has extensive field experience working with non-governmental organizations in India, Nepal, Thailand, Zambia, and South Africa. Most recently, she worked for the Jameel Poverty Action Lab (J-PAL) managing a large-scale randomized control trial on anti-corruption measures in the state of Andhra Pradesh, India.

GIVEDIRECTLY, INC.

Financial Statements
For the Year Ended December 31, 2015
With Independent Auditor's Report

MITCHELL TITUS
ACHIEVING EXCELLENCE TOGETHER

GIVEDIRECTLY, INC.
Year Ended December 31, 2015

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MITCHELL TITUS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
GiveDirectly, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of GiveDirectly, Inc. ("GiveDirectly"), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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MITCHELL TITUS

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GiveDirectly, Inc. as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Mitchell & Titus, LLP

August 12, 2016

GIVEDIRECTLY, INC.
Statement of Financial Position
As of December 31, 2015

ASSETS	
Current assets	
Cash and cash equivalents	$ 34,704,165
Investments	27,443,789
Contributions receivable	420,839
Accounts receivable	54,902
Due from related party	14,399
Prepaid expenses and other assets	58,439
Inventory	9,441
Total current assets	62,705,974
Fixed assets, net of accumulated depreciation	15,433
Total assets	**$ 62,721,407**
LIABILITIES AND NET ASSETS	
Current liabilities	
Accrued expenses	$ 179,272
Grants payable	7,480,817
Total current liabilities	7,660,089
Total liabilities	7,660,089
Net assets	
Unrestricted	
Board-designated	17,533,532
Undesignated	29,527,786
Total unrestricted net assets	47,061,318
Temporarily restricted	8,000,000
Total net assets	55,061,318
Total liabilities and net assets	**$ 62,721,407**

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

GIVEDIRECTLY, INC.
Statement of Activities
Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
OPERATING SUPPORT, REVENUES, AND RECLASSIFICATIONS			
Foundation contributions	$ 31,191,562	$ 8,000,000	$ 39,191,562
Corporate contributions	863,742	-	863,742
Federated campaigns	8,143	-	8,143
General contributions	7,162,040	-	7,162,040
	39,225,487	8,000,000	47,225,487
Stock donations	3,236,546	-	3,236,546
Contributed services	320,821	-	320,821
Investment income			
Foreign exchange translation	446,292	-	446,292
Interest income	235,135	-	235,135
Realized gain on investments	24,428	-	24,428
Unrealized loss on investments	(243,577)	-	(243,577)
Total investment income	462,278	-	462,278
Other income	6,662	-	6,662
Net assets released from restrictions	3,124,315	(3,124,315)	-
Total operating support, revenues and reclassifications	46,376,109	4,875,685	51,251,794
EXPENSES			
Program services	15,426,910	-	15,426,910
Management and general	757,481	-	757,481
Fundraising	900,863	-	900,863
Total expenses	17,085,254	-	17,085,254
Changes in net assets	29,290,855	4,875,685	34,166,540
Net assets, beginning of year	17,770,463	3,124,315	20,894,778
Net assets, end of year	$ 47,061,318	$ 8,000,000	$ 55,061,318

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

GIVEDIRECTLY, INC.
Statement of Cash Flows
Year Ended December 31, 2015

CASH FLOW FROM OPERATING ACTIVITIES	
Change in net assets	$ 34,166,540
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	5,180
Stock donations	(3,236,546)
Proceeds from sale of stock donations	3,250,914
Realized gain/loss on investments	(24,428)
Unrealized gain/loss on investments	243,577
Net gains on foreign currencies	(446,292)
Changes in operating assets and liabilities	
Contributions receivable	509,860
Trades pending settlement receivable	1,928
Prepaid expenses and other assets	(45,303)
Inventory	(3,860)
Accrued expenses	99,823
Grants payable	1,780,798
Net cash provided by operating activities	36,302,191
CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of investments	(27,677,306)
Purchase of fixed assets	(8,716)
Net cash used in investing activities	(27,686,022)
Effect of exchange rate changes on cash	446,292
Net increase in cash and cash equivalents	9,062,461
Cash and cash equivalents, beginning of year	25,641,704
Cash and cash equivalents, end of year	$ 34,704,165

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

GIVEDIRECTLY, INC.
Statement of Functional Expenses
Year Ended December 31, 2015

	Program Services	Management and General	Fundraising	Total
EXPENSES				
Direct grants	$ 14,072,384	$ -	$ -	$ 14,072,384
Personnel costs	741,134	297,268	288,088	1,326,490
Professional and service fees	28,752	257,417	52,746	338,915
Donated goods and services	15,117	93,432	212,272	320,821
Telecom and software	44,964	23,253	245,950	314,167
Mobile money and banking fees	176,563	617	76,806	253,986
Transport	201,699	19,634	9,251	230,584
Occupancy	46,336	25,944	6,839	79,119
Air travel	25,753	16,366	5,180	47,299
Equipment	41,384	4,261	972	46,617
Supplies	24,784	3,858	1,122	29,764
Insurance	2,157	9,497	-	11,654
Compliance	266	3,687	1,499	5,452
Depreciation	3,792	1,326	62	5,180
Other expenses	1,825	921	76	2,822
Total expenses	$15,426,910	$ 757,481	$ 900,863	$ 17,085,254

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

NOTE 1 DESCRIPTION OF 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 the extreme poor and allowing them - not the donor - to choose where they invest.

GiveDirectly offers a service that enables others to provide direct cash transfers to the poor. With a focus on efficiency and using the latest available technology, GiveDirectly identifies poor households, 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. Current transfers are approximately $1,000 per household. Recipients are free to spend on their own needs and priorities 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 that are important to answer in order to facilitate greater adoption of cash transfers as a policy tool. GiveDirectly exclusively focuses on unconditional cash transfers. It does not re-grant to any other organization.

GiveDirectly is funded primarily by donations from private individuals and foundation grants. Donations from individuals, who give through the website or checks in the mail, 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. Foundation grants also typically fund GiveDirectly's fundraising activities.

NOTE 2 CHANGE OF YEAR END

In 2014, GiveDirectly's financial year end was changed to December 31 from August 31 so as to better align with the calendar year and the annual fundraising cycle.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>Basis of Presentation</u>

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

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, GiveDirectly's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. GiveDirectly's management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Contributions Receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Because GiveDirectly does not regularly solicit pledges from individual donors, the primary contributions receivable are grants from foundations. In addition, checks that were mailed and dated within the calendar year but were received in the subsequent year are considered contributions receivable. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. At December 31, 2015, all contributions receivables are expected to be collected in less than one year.

The allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectability of individual promises. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed. At December 31, 2015, there was no allowance for uncollectible contributions receivable.

Net Assets

The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Unrestricted Net Assets. Net assets that are not subject to donor-imposed restrictions and that may be expendable for any purpose in completing GiveDirectly's mission, including at the discretion of the Board of Directors.

Temporarily Restricted Net Assets. Net assets that are subject to donor-imposed restrictions that will be met either by actions of GiveDirectly and/or the passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities as net assets released from restrictions.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Net Assets *(continued)*

Permanently Restricted Net Assets. Net assets that are subject to donor-imposed stipulations that neither expire by passage of time, nor can be fulfilled or removed by actions of GiveDirectly. At December 31, 2015, there are no permanently restricted net assets.

Accounting for Contributions

Contributions are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. GiveDirectly reports donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted support. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restriction. There were no such promises in 2015. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met. Realized and unrealized investment gains are reported as increases in unrestricted net assets, as GiveDirectly did not invest any net assets with restrictions in 2015.

Contributed Services

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. In 2015, GiveDirectly had services contributed in the United States related primarily to domestic operations (e.g., website support and development, pro-bono legal counsel). A member of the management team also contributed services.

Expense Recognition and Allocation

In general, expenses are recognized when incurred and are allocated to a functional area (either program expenses, fundraising, or management and general) when recorded. In cases where the function was not immediately recorded, an allocation methodology making use of timesheets and headcount was used to allocate to the functional area that benefitted from the expense. Cash transfer program expenses are recognized when a commitment has been made to recipients after full completion of enrollment processes.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Expense Recognition and Allocation *(continued)*

Management and general expenses are those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of GiveDirectly. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

Fixed Assets

Fixed assets consisting of computer hardware, equipment, furniture and fixtures are stated at cost, less accumulated depreciation. Additions over $1,000 are capitalized. Depreciation is calculated over an estimated useful life of three to seven years using the straight-line method.

Investment Valuation and Income Recognition

Investments in equity securities and mutual funds with readily determinable fair values are reported at fair value based on quoted market prices. GiveDirectly's investment in Segovia Technology, described in greater detail in Note 17, is a private placement security the market value of which was determined by a third-party appraisal of all equity interests in the entity. The investment objective for marketable equity securities and mutual funds is to preserve capital while generating a modest return to support GiveDirectly's activities.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. There was no interest or dividends receivable recorded at December 31, 2015. Net appreciation (depreciation) includes GiveDirectly's gains and losses on investments bought, sold, and held during the year.

Interpretation of Relevant Law

The New York State Nonprofit Revitalization Act (the Act) went into effect July 1, 2014. The Act was the first meaningful revision of the New York State Not-for-Profit Corporation law in over forty years. Many of the changes in the Act reflect policies which have been recognized as best practices in the nonprofit sector. The Act contains updated corporate governance procedures, related party transaction/conflict of interest procedures and fiscal policies. GiveDirectly has evaluated the effect of the Act and affirms that its conflict of interest policy, whistle-blower policy, and the constitution of its board as it relates to audit oversight comply with the requirements of the Act.

NOTE 4 TAX STATUS

GiveDirectly qualifies as a charitable organization as defined by the Internal Revenue Code (the Code) Section 501(c)(3) and, accordingly, is exempt from Federal income taxes under Section 501(a) of the Code. Additionally, since GiveDirectly is publicly supported, contributions qualify for the maximum charitable contribution deduction under the Code. The Organization is also exempt from New York State and New York City income tax.

U.S. GAAP requires management to evaluate uncertain tax positions that GiveDirectly takes. The financial statement effects of a tax position are recognized when the position is more-likely-than-not, based on the technical merits, to be sustained upon examination by the IRS. Management has analyzed the tax positions taken by GiveDirectly, and has concluded that as of December 31, 2015, there are no uncertain tax positions taken or expected to be taken. GiveDirectly has recognized no interest or penalties related to uncertain tax positions. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2012.

NOTE 5 CASH AND CASH EQUIVALENTS

GiveDirectly considers all highly liquid financial instruments with maturities of three months or less when purchased, other than cash included in investments, to be cash equivalents.

NOTE 6 EXCHANGE RATE CHANGES ON BALANCES HELD IN FOREIGN CURRENCY

GiveDirectly holds cash and liability balances in Kenya and Uganda for the purpose of paying future grants to recipients. The value of these balances in U.S. dollars is impacted by foreign exchange rates. The net impact on these balances from foreign exchange rate changes was $446,292 for the year ended December 31, 2015, net of costs charged on foreign exchange transactions. This is a cash gain only for reporting purposes in U.S. dollars, and did not result in extra funds to be used in operations, as the funds will remain in foreign currency until the full liability to recipients is paid. Costs associated with foreign exchange transactions amounted to $35,108 for the year ended December 31, 2015.

NOTE 7 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 $9,441 at December 31, 2015. Inventory is reported at the lower of cost or market on a first-in, first-out basis.

NOTE 8 FIXED ASSETS

GiveDirectly has a capitalization threshold of $1,000 for fixed assets. Fixed assets, net at December 31, 2015, are comprised of the following:

Computer hardware and equipment	$ 17,864
Furniture and fixtures	6,408
	24,272
Less: Accumulated depreciation	8,839
Fixed assets, net	$ 15,433

Depreciation expense for the year ended December 31, 2015 was $5,180.

NOTE 9 ACCRUED EXPENSES

Accrued expenses at December 31, 2015 consisted of the following:

Accrued professional fees	$ 64,763
Accounts payable	63,177
Accrued payroll	39,944
Other accrued expenses	11,388
Total	$ 179,272

Accrued professional fees consisted mainly of accounting and auditing fees.

NOTE 10 GRANTS PAYABLE

Grants payable represents outstanding commitments to recipients for future cash transfers. A recipient's full grant is typically distributed in three or more transfers, spaced two months apart. The full grant is recognized when the recipient passes through the entire enrollment process. Grants payable is 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. All grants payable at December 31, 2015 are expected to be paid within eight months.

NOTE 10 GRANTS PAYABLE *(continued)*

Grants payable at December 31, 2015, which includes any associated transfer fees, were as follows:

Kenya Campaigns	$ 3,853,523
Uganda Campaigns	3,627,294
	$ 7,480,817

NOTE 11 BOARD-DESIGNATED NET ASSETS

The Board of Directors 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 that have been generally designated by the Board for cash transfers are then specifically designated by the Board to specific programs.

At December 31, 2015, there were:

- Net assets designated for cash transfers by the Board as part of the above-mentioned policy, but pending allocation to a specific cash transfer program. The Board voted on the specific campaigns for these funds in February 2016.
- Net assets designated for specific campaigns in Kenya and Uganda
- Net assets designated for use in fundraising
- Net assets held in reserve to enable GiveDirectly to fund 18 months' salary for key personnel

Board-designated net assets at December 31, 2015	
Pending allocation	$ 8,499,282
Kenya campaigns	5,550,460
Uganda campaigns	1,126,066
Fundraising	357,724
Salary reserves	2,000,000
Total	$ 17,533,532

NOTE 12 TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2015, temporarily restricted net assets consisted of the following:

Purpose restricted	
Cash transfer programming	$ 8,000,000
Total	$ 8,000,000

During 2015, net assets were released from restrictions based upon the satisfaction of the following purpose restrictions:

Cash transfer programming	$ 3,124,315
Total	$ 3,124,315

NOTE 13 CONCENTRATIONS OF RISK

GiveDirectly holds cash sufficient to cover approximately one year of budgeted expenses in financial institutions across Kenya, Uganda, and the U.S. Cash is exposed to various risks, such as custodial credit risks, in Kenya, Uganda and the U.S. To mitigate these risks, GiveDirectly works with high credit quality financial institutions in all of its geographies, maintains relationships with several financial institutions, and holds currency in U.S. financial institutions until local currency obligations are created. GiveDirectly does not anticipate any losses with respect to these depository accounts.

Cash in excess of the budgeted expenses may be held in an investment portfolio, as stipulated by GiveDirectly's investment policy statement. The value of that portfolio will vary with changes in the market.

GiveDirectly utilizes electronic payment systems to transfer funds directly to individual recipients. It is dependent on a limited number of providers (currently three across two markets) to execute its transfers in a timely and secure manner.

Currently, all program activity is concentrated within the East Africa geographic region.

During the year ended December 31, 2015, GiveDirectly received approximately 49% and 12% of its total revenue from its first and second largest donors, respectively. Due to the concentration of revenue, there is a risk that GiveDirectly would not be able to continue distributing cash transfers at its current volume if this source of contributions were lost. All current campaigns and recipients are fully funded prior to enrollment, and so there would be no risk to current campaigns.

NOTE 14 CONTINGENCIES

GiveDirectly is contingently liable in connection with claims arising in the normal course of its activities.

NOTE 15 OPERATING LEASE COMMITMENTS

GiveDirectly rents office space month-to-month in a co-working space in New York City. In Kenya, there is a two-year cancelable lease beginning February 2014 on an office in Kisumu. This lease was renewed in February 2016 for two years, and can be terminated with 30 days' notice. In Uganda, there is also a two-year cancelable lease on an office in Kampala beginning October 2015, which can be terminated with two months' notice.

Rent expense for the year ended December 31, 2015 was $68,270.

NOTE 16 FAIR VALUE MEASUREMENTS

GiveDirectly values its investments in accordance with Financial Accounting Standards Board Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 defines fair value, requires expanded disclosures about fair value measurements, and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The inputs are prioritized according to the valuation techniques used to measure fair value. The highest priority is given to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 inputs), and the lowest priority to measurements involving insignificant unobservable inputs (Level 3 inputs).

The three levels of the fair value hierarchy under ASC 820 are as follows:

- *Level 1*: Inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.

- *Level 2*: Inputs to the valuation methodology include: (1) quoted prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in inactive markets, (3) inputs other than quoted prices that are observable for the asset or liability, and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified term, the Level 2 input must be observable for substantially the full term of the asset or liability.

NOTE 16 FAIR VALUE MEASUREMENTS *(continued)*

- *Level 3*: Inputs are unobservable and significant to the fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair value measurements are applied based on the unit of account from the reporting entity's perspective. The unit of account determines what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated) for purposes of applying other accounting pronouncements.

The following table sets forth, by level within the fair value hierarchy, financial instruments at fair value at December 31, 2015. There were no changes in valuation techniques that resulted in a transfer in or out of an investment's assigned level within the hierarchy from the prior period.

	December 31, 2015			
	Level 1	**Level 2**	**Level 3**	**Total**
Equities	$ 5,064,766	$ -	$ 387,030	$ 5,451,796
Mutual funds	21,972,741	-	-	21,972,741
Interest-bearing cash	26,069,834	-	-	26,069,834
Other cash and cash equivalents	19,252	-	-	19,252
	$53,126,593	$ -	$ 387,030	$53,513,623

The Level 3 equity consisted of 921,500 shares of stock in Segovia Technology Co. (Segovia), a related party discussed below. This stock was valued at $0.42 per share on July 31, 2015 in an independent appraisal valuation performed by a third party specialist.

Changes in the fair value of the Level 3 assets for the year ended December 31, 2015 are as follow:

Fair value, at December 31, 2014	$ -
Purchases	92
Unrealized gain	386,938
Fair value, at December 31, 2015	$ 387,030

NOTE 17 RELATED-PARTY TRANSACTIONS

During the year ended December 31, 2015, a member of executive management did not draw a salary or receive fringe benefits from GiveDirectly for a portion of the year. This has been reflected as contributed services in the accompanying statement of activities for the year ended December 31, 2015, with an estimated fair value of $99,673. The related salary and fringe expense has been allocated between fundraising and management and general expenses based on the individual's time tracking and is reflected within donated goods and services expenses in the accompanying statement of functional expenses for the year ended December 31, 2015.

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. As part of the stock purchase, GiveDirectly received from Segovia $2,250, as recommended by a third-party valuation, to compensate for the avoided search costs for an employee that would be shared between the two organizations.

Segovia also donated its software and services to GiveDirectly. The in-kind donation of the software and associated services were valued at $1,829 for the delivery of approximately $73,155 of grant transfers during November and December 2015. This donation has been included in the statement of activities as contributed services.

Segovia also shares an employee with GiveDirectly. For the year ended December 31, 2015, a salary allocation for said employee of $50,019 was billed to Segovia by GiveDirectly, of which $14,399 was unpaid as of December 31, 2015. The unpaid portion is included in the statement of financial position as due from related party.

GiveDirectly entered into an agreement with Segovia on June 30, 2015, whereby GiveDirectly will pay $2,800 per month to Segovia, which represents GiveDirectly's proportionate share of the utilized space. In addition, GiveDirectly paid Segovia $4,200 for its proportionate share of the security deposit related to the shared work space.

NOTE 17 RELATED-PARTY TRANSACTIONS *(continued)*

Effective October 28, 2015, an affiliate related entity was established in the United Kingdom (GiveDIrectly UK) for the purpose of fundraising in the United Kingdom to support the programmatic activities of GiveDirectly direct cash transfers to the extreme poor. The President and co-founder of GiveDirectly is a board member of GiveDirectly UK. There were no transactions involving GiveDirectly UK during 2015. On June 29, 2016, GiveDirectly UK was registered as a charitable organization in the United Kingdom.

NOTE 18 SUBSEQUENT EVENTS

GiveDirectly has evaluated events subsequent to December 31, 2015 through August 12, 2016, the date on which the financial statements were available for issuance.

In January 2016, GiveDirectly received an unrestricted contribution of $9,750,000.

Effective March 2016, GiveDirectly began operating a field office in Rwanda to conduct programmatic activities. GiveDirectly was awarded a milestone-based Federal grant during 2015 for approximately $2 million, which will be operational in 2016 to provide direct household grants to recipients in Rwanda. A U.S. corporate donor has agreed to provide a matching grant on a one-to-one basis and will contribute approximately $2 million toward the program funded by the governmental grant.