



PayPal Charitable Giving Fund and Subsidiaries

Consolidated Financial Statements
Years Ended December 31, 2022 and 2021

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PayPal Charitable Giving Fund and Subsidiaries

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Independent Auditor's Report

Board of Directors
PayPal Charitable Giving Fund and Subsidiaries
Washington, DC

Opinion

We have audited the consolidated financial statements of PayPal Charitable Giving Fund and Subsidiaries ("PPGF" or the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.



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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, 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.

BDO USA, LLP

June 30, 2023

Consolidated Financial Statements

PayPal Charitable Giving Fund and Subsidiaries

Consolidated Statements of Financial Position

<i>December 31,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 77,596,184	\$ 57,818,780
Accounts receivable	423,281	974,986
Prepaid expenses	122,567	45,603
Total assets	\$ 78,142,032	\$ 58,839,369
Liabilities and Net Assets		
Liabilities		
Grants payable, net	\$ 69,608,608	\$ 50,844,712
Accounts payable and accrued expenses	324,153	419,497
Deferred revenues	4,444,350	4,905,161
Other liabilities	290,995	35,803
Total liabilities	74,668,106	56,205,173
Commitments and contingencies		
Net Assets		
Net assets, without donor restrictions	3,473,926	2,634,196
Total liabilities and net assets	\$ 78,142,032	\$ 58,839,369

See accompanying notes to consolidated financial statements.

PayPal Charitable Giving Fund and Subsidiaries

Consolidated Statements of Activities

<i>Years ended December 31,</i>	2022	2021
Revenues and support		
Contributions	\$ 457,462,471	\$ 410,728,918
Program service revenue	3,750,781	3,591,975
Contributed non-financial assets	11,973,073	10,690,101
Miscellaneous income	1,569	1,020
Total operating revenues and support	473,187,894	425,012,014
Expenses		
Program services	470,208,226	422,245,502
General and management	1,178,412	1,791,183
Fundraising	881,216	906,111
Total operating expenses	472,267,854	424,942,796
Change in net assets without donor restrictions from operations	920,040	69,218
Foreign currency translation adjustment	(80,310)	108,906
Change in net assets without donor restrictions	839,730	178,124
Net assets, beginning of year	2,634,196	2,456,072
Net assets, end of year	\$ 3,473,926	\$ 2,634,196

See accompanying notes to consolidated financial statements.

PayPal Charitable Giving Fund and Subsidiaries

Consolidated Statement of Functional Expenses

<i>Year ended December 31, 2022</i>	Program Services	General and Management	Fundraising	Total
Expenses				
Grants	\$ 454,274,041	\$ -	\$ -	\$ 454,274,041
In-kind expenses	11,016,431	502,151	454,491	11,973,073
Salaries, wages and related expenses	1,075,821	416,649	238,603	1,731,073
Professional fees	285,484	256,485	23,599	565,568
Transaction costs and service fees	3,479,411	-	-	3,479,411
Marketing	-	-	164,523	164,523
Miscellaneous	98	738	-	836
Insurance	-	2,389	-	2,389
Bad debt	55,568	-	-	55,568
Staff development	21,372	-	-	21,372
Total expenses	\$ 470,208,226	\$ 1,178,412	\$ 881,216	\$ 472,267,854

See accompanying notes to consolidated financial statements.

PayPal Charitable Giving Fund and Subsidiaries

Consolidated Statement of Functional Expenses

<i>Year ended December 31, 2021</i>	Program Services	General and Management	Fundraising	Total
Expenses				
Grants	\$ 406,490,965	\$ -	\$ -	\$ 406,490,965
In-kind expenses	9,380,822	923,504	385,775	10,690,101
Salaries, wages and related expenses	1,362,696	575,508	283,582	2,221,786
Professional fees	249,530	279,822	24,104	553,456
Transaction costs and service fees	4,546,978	-	-	4,546,978
Marketing	-	-	194,049	194,049
Miscellaneous	357	1,210	-	1,567
Insurance	-	6,141	-	6,141
Bad debt	178,177	-	-	178,177
Staff development	35,977	4,998	18,601	59,576
Total expenses	\$ 422,245,502	\$ 1,791,183	\$ 906,111	\$ 424,942,796

See accompanying notes to consolidated financial statements.

PayPal Charitable Giving Fund and Subsidiaries

Consolidated Statements of Cash Flows

<i>Years ended December 31,</i>	2022	2021
Cash flows from operating activities		
Change in net assets	\$ 839,730	\$ 178,124
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Decrease (increase) in assets:		
Accounts receivable	551,705	294,398
Prepaid expenses	(76,964)	(31,906)
Increase (decrease) in liabilities:		
Grants payable	18,763,896	4,554,264
Accounts payable and accrued expenses	(95,344)	(341,866)
Deferred revenues	(460,811)	449,241
Other liabilities	255,192	(250,361)
Net cash provided by operating activities	19,777,404	4,851,894
Increase in cash and cash equivalents	19,777,404	4,851,894
Cash and cash equivalents, beginning of year	57,818,780	52,966,886
Cash and cash equivalents, end of year	\$ 77,596,184	\$ 57,818,780

See accompanying notes to consolidated financial statements.

PayPal Charitable Giving Fund and Subsidiaries

Notes to Consolidated Financial Statements

1. Organization and Operations

PayPal Charitable Giving Fund (“PPGF”) was organized on January 28, 2011. PPGF is a not-for-profit donor advised fund incorporated under the laws of the State of Delaware. The primary purpose of PPGF is to enable people to give to charity through online platforms, such as PayPal Inc., GoFundMe, Facebook, eBay Inc., and Humble Bundle. The Organization receives funds donated through these platforms and seeks to grant them to charities recommended by donors.

PPGF operates customer charitable donation programs for online platforms in the United States (US) as PayPal Giving Fund (“PPGF US”). PPGF provides similar charity programs in the United Kingdom (UK) through PayPal Giving Fund UK (“PPGF UK”), a registered UK charity, in Canada through PayPal Giving Fund Canada (“PPGF Canada”), a registered Canadian charity, in Australia through PayPal Giving Fund Australia (“PPGF Australia”), a registered Australian charity and in Ireland through PayPal Giving Fund Ireland (“PPGF Ireland”), a registered Irish charity.

PPGF has received a determination letter from the Internal Revenue Service that it is exempt from federal taxation as a public charity under Section 501(c)(3) of the United States Internal Revenue Code.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the financial statements of PPGF US and its controlled subsidiaries, PPGF UK, PPGF Canada, PPGF Australia and PPGF Ireland (collectively referred to as the “Organization”). All significant inter-organizational accounts and transactions have been eliminated in consolidation.

Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting, which recognizes revenue and support when earned and expenses when incurred and, accordingly, reflect all significant receivables, payables and other liabilities. The consolidated financial statements are presented in conformity with accounting principles generally accepted in the United States of America (US GAAP).

Classification of Net Assets

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions are available to support all activities of the Organization without restrictions and include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or board designation.

Net assets with donor restrictions represent contributions restricted by the donor for investment in perpetuity, as well as contributions whose use is limited to donor-imposed stipulations, including those that expire through the passage of time or other restrictions and for which the applicable restriction was not met as of the end of the current fiscal period. The Organization has no net assets with donor restrictions.

PayPal Charitable Giving Fund and Subsidiaries

Notes to Consolidated Financial Statements

Donor Advised Fund

The Organization enables donors to identify causes and grant recipients aligned with their values and charitable interests. Donors make donations to the Organization and provide recommended grant recipients (or in a small number of cases, after) at the time of donation. The Organization conducts due diligence on the charities recommended by donors before approving them to receive a grant. A small portion of recommended charities may not be approved subject to the Organization's nonprofit certification and donation delivery policies, in which case the Organization will reach out to the donor for an alternative recommendation whenever possible. The Organization's policies and disclosures are compatible with the donor advised fund model, and it has elected to be treated as such for tax purposes.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and money market funds. The Organization considers all highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents. The carrying amount in the consolidated statements of financial position approximates fair value.

Accounts Receivable

Accounts receivable primarily consists of taxes recoverable and program service revenue receivable. There was no allowance for doubtful accounts for each of the years ended December 31, 2022 and 2021.

Prepaid Expenses

Prepaid expenses primarily consist of prepaid subscriptions to multiple SAP applications.

Grants and Grants Payable

Grants are made in accordance with the Organization's mission as recommended by donors in conjunction with the donor advised fund. All grants payable at December 31, 2022 and 2021 are expected to be paid in the following year, with the exception of some donations paid by corporate partners into Corporate Advised Funds (CAF). CAF funds are donated to PPGF but a benefitting charity is recommended at a later time. PPGF is assessing over time the actual percentage of funds held in each Corporate Advised Fund that are granted to charity each year. Per PPGF's policy, corporate partners are required to recommend grants of at least 5% of the balance in each Corporate Advised Fund each year. If PPGF receives no recommendations in a 12-month period, PPGF may write to the authorized individual and request that a recommendation is made before the fund is designated as inactive, and PPGF will determine distribution.

The Organization recognizes an allowance for estimated refunds. For each of the years ended December 31, 2022 and 2021, the allowance for estimated refunds was \$185,000. The allowance is based upon prior years' experience and management's analysis of specific accounts.

PayPal Charitable Giving Fund and Subsidiaries

Notes to Consolidated Financial Statements

Revenue Recognition

Contributions

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as net assets with donor restrictions and increase the respective class of net assets. Contributions received with donor restrictions that are met in the same reporting period are reported as an increase in net assets without donor restrictions.

Conditional promises to give, if any, are not included as support until the conditions are substantially met. PPGF did not have any conditional promises to give for the years ended December 31, 2022 and 2021.

Contributions consist of funds contributed to PPGF for donations to various charities through PPGF partner programs with PayPal Inc., GoFundMe, Facebook, Humble Bundle, Twitch, and others. These funds are recognized as unrestricted funds when a contribution is made, as PPGF has variance power over the contributions.

Program Service Revenue

The Organization recognizes revenue when it satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration the Organization expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, the Organization combines it with other performance obligations until a distinct bundle of goods or services exists. The Organization expects that the period between when the Organization transfers goods and services to their customers and when the customers pay for those goods and services will be one year or less. Therefore, the Organization has elected the practical expedient not to adjust the promised amount of consideration for the effects of a significant financing component. Amounts received in advance of services performed, but not yet earned, are held as prepayments and retainers and are recorded as deferred revenue. Economic downturns can affect the level of revenues for all the revenue streams or can have a positive impact on cash flows in good economic times. The Organization has elected the practical expedient to not disclose the transaction price allocated to unsatisfied performance obligations for either (i) contracts with an original expected length of one year or less or (ii) contracts for which the Organization recognizes revenue at the amount to which it has right to invoice for services performed.

The Organization receives program service revenue from contracts with PayPal Inc., eBay Inc., Humble Bundle and Deed Partners for providing services, including processing and distributing contributions and providing customer support for the partner programs. PPGF records program service revenue ratably over the support period covered by the contract using the output method. In the event the support is tied to performance such as processing disaster donations, such support is recognized ratably over the period of performance. If funds are received for future services, the amounts are recognized as deferred revenue and recognized as revenue when services are provided. Deferred revenue results from cash received from eBay Inc. and PayPal Inc. in advance for program service revenue. Payment terms vary and cash received is not refundable.

PayPal Charitable Giving Fund and Subsidiaries

Notes to Consolidated Financial Statements

Donated Materials and Services

Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying consolidated financial statements as contributed non-financial assets are offset by like amounts included in the related functional expense category. See Note 6.

Functional Expense Allocations

The costs of providing the various program and supporting services have been summarized on a functional basis in the consolidated statements of activities. The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Salaries, wages and related expenses of employees have been allocated based on estimates of time and effort. In-kind expenses have been allocated based on estimates of time and effort, space, and other factors.

Use of Estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates under different assumptions or conditions.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to credit risk consist primarily of cash and cash equivalents. The Organization maintains cash and cash equivalents with commercial banks and other major financial institutions in the United States of America, United Kingdom, Canada, Ireland and Australia. Cash equivalents include overnight investments and money market funds. Deposits, at times, might exceed Federal Deposit Insurance Corporation ("FDIC") limits in the United States and Deposit Insurance limits in the United Kingdom, Canada, Ireland and Australia. It is the Organization's opinion that it is not exposed to any significant credit risks.

Concentration of Funding

PPGF maintains service contracts with several merchant partners, which pay PPGF fees for its services. Approximately 80% of PPGF's operational revenue is funded by PayPal Inc. with the remainder from service contracts maintained by PPGF with several merchant partners.

Fair Value of Financial Instruments

Financial instruments included in the consolidated statements of financial position as of December 31, 2022 and 2021 include cash and cash equivalents, accounts receivable, grants payable and accounts payable. For cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable and accrued expenses, grants payable and other liabilities, the carrying amount approximates fair value due to its short maturity.

PayPal Charitable Giving Fund and Subsidiaries

Notes to Consolidated Financial Statements

Foreign Operations and Currency Translation

PPGF US is the sole member of PPGF UK which has operations in the United Kingdom, PPGF Canada which has operations in Canada, PPGF Australia which has operations in Australia and PPGF Ireland which has operations in Ireland. The consolidated financial statements of the Organization have been translated into US dollars. Each entity's financial statements have been translated using the applicable exchange rate at the date of the consolidated statements of financial position. Changes in accumulated translation adjustments are reported in the consolidated statements of activities. The amount of accumulated translation adjustments is a separate line item on the consolidated statements of activities.

The changes in accumulated translation adjustments for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
Balance at beginning of year	\$ (325,283)	\$ (434,189)
Foreign currency translation (loss) income	(80,310)	108,906
Balance at end of year	\$ (405,593)	\$ (325,283)

Income Taxes

PPGF evaluates its uncertain tax positions and will recognize a loss contingency when it is probable that a liability has been incurred as of the date of the consolidated financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position and for all uncertain tax positions in the aggregate could differ from the amount recognized. As of December 31, 2022, management did not identify any uncertain tax positions requiring disclosure in the consolidated financial statements.

The Organization is subject to potential examination by taxing authorities for income tax returns filed in the US federal jurisdiction. The tax years that remain subject to potential examination for the US federal jurisdiction are December 31, 2019 and forward.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. PPGF reclassified certain amounts from accounts payable and accrued expenses to grants payable, net on the consolidated statement of financial position. The reclassifications had no impact on previously reported net assets.

PayPal Charitable Giving Fund and Subsidiaries

Notes to Consolidated Financial Statements

Recent Adopted Authoritative Guidance

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 improves the transparency of contributed nonfinancial assets through enhancements to presentation and disclosures. The ASU requires that a nonprofit present contributed nonfinancial assets as a separate line item in the statement of activities apart from contributions of cash or other financial assets. Information that shows the contributed nonfinancial assets disaggregated by category will be required to be disclosed. The ASU requires that for each type of contributed nonfinancial asset the following will be disclosed: (a) policy (if any) on liquidating rather than using the contributed nonfinancial assets, (b) qualitative considerations on whether the contributed nonfinancial assets were liquidated or used during the reporting period and, if used, a description of how the asset was employed should be included, (c) any donor imposed restrictions related to contributed nonfinancial assets, (d) valuation methods and inputs utilized to determine a fair value measure at initial recognition, and (e) the principal or most advantageous market utilized to calculate fair value if it is a market in which the NFP is restricted by the donor from selling or utilizing the contributed nonfinancial assets. The Organization adopted the new guidance for the year ended December 31, 2022, on a modified retrospective basis. Further disclosure of the impact of adopting ASU 2020-07 is described in Note 6 of the consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted

In June 2016, the FASB issued ASU 2016-13, *Financial instruments - Credit Losses*. ASU 2016-13 was issued to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by an entity. The ASU changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments from an incurred loss model to an expected loss model. Entities will be required to estimate credit losses over the entire contractual term of an instrument. The ASU includes financial assets recorded at amortized cost basis such as loan receivables, trade and certain other receivables as well as certain off-balance sheet credit exposures such as loan commitments and financial guarantees. The ASU does not apply to financial assets measured at fair value, promises to give (pledges receivable) and loans and receivables between entities under common control. The ASU is effective for the Organization's consolidated financial statements for the year ending December 31, 2023. The Organization is evaluating the potential impact of this guidance on the consolidated financial statements.

PayPal Charitable Giving Fund and Subsidiaries

Notes to Consolidated Financial Statements

3. Liquidity and Availability of Resources

All of PPGF's assets are short-term in nature, with the majority of cash and cash equivalents to be spent on grants in the following month. PPGF's financial assets within one year of the consolidated statements of financial position date for general expenditures are as follows:

<i>December 31,</i>	2022	2021
Cash and cash equivalents	\$ 77,596,184	\$ 57,818,780
Accounts receivable	423,281	974,986
Total financial assets available for general expenditures, including grants payable, within one year	\$ 78,019,465	\$ 58,793,766

Operating expenses for the Organization are covered by funding from merchant partners, including PayPal Inc., eBay Inc., Humble Bundle and Deed Partners. PPGF maintains a contract with PayPal Inc. in which PayPal Inc. has agreed to provide funding to support the operating expenses of the Organization for donation processing. PayPal Inc. approved the PPGF 2023 operating plan and budget, and in October 2022, PayPal Inc. provided the funding for the Organization's 2023 operating expenses. The Board expects funding from PayPal Inc. to continue for the foreseeable future. In addition, the Organization maintains net assets without donor restrictions that are available, with PPGF board approval, to cover unforeseen operating expenses.

4. Taxes Recoverable

PPGF UK enables tax effective donations ("Gift Aid") by UK donors to benefit their designated charities. Gift Aid allows donors who are subject to UK income tax to complete a simple, short declaration that they are a UK taxpayer. All donations that the donor makes to the charity after making such a declaration are treated as being made after deduction of income tax at the basic rate (20%), and the charity can reclaim the inferred taxes, 25% on top of the gift, from Her Majesty's Revenue & Customs ("HMRC"). PPGF claims tax relief from HMRC for Gift Aid donations. These funds are accrued as identified. Accrued amounts are reversed when submitted to HMRC for payment. At December 31, 2022 and 2021, approximately \$330,000 and \$680,000, respectively, was accrued and recorded in accounts receivable, all of which is due in less than one year.

5. Employee Transition

On May 1, 2022, all global PPGF employees (US, UK, CA and AU) were transitioned to each country's corporate PayPal Inc. and seconded 100% to each PPGF. As such, PPGF entities no longer have employees. PPGF US will record seconded staff salaries and benefits as in-kind salaries whereas all PPGF entities outside of the US will reimburse PayPal Inc. for staff seconded to respective PPGF entities at fair market value and record such expenses as management fees.

During the year ended December 31, 2022, PPGF US recorded salary expenses of \$255,625 and in-kind seconded salary expenses of \$654,561. PPGF UK recorded salary expenses of \$227,321 and management fees of \$588,049. PPGF CA recorded salary expenses of \$67,809 and management fees of \$204,173. PPGF AU recorded salary expenses of \$70,571 and management fees of \$211,123.

PayPal Charitable Giving Fund and Subsidiaries

Notes to Consolidated Financial Statements

The above salary expenses and management fees during the year ended December 31, 2022 are included under salaries, wages and related expenses account in the consolidated statement of functional expenses, while the in-kind seconded salary expenses are included under in-kind expenses account.

As part of the transition, PPGF's 401(k) plan was also merged to PayPal Inc.'s retirement plan on May 1, 2022.

Prior to the transition, PPGF provided a 401(k) plan (the "Plan") for PPGF US employees. Under the Plan, PPGF matched 50% of employee contributions to the Plan up to 4% of each employee's annual compensation, as defined by the plan agreement. PPGF paid approximately \$10,000 of matching contributions to the Plan from January to April 2022. For the year ended on December 31, 2021, PPGF paid approximately \$28,500 of matching contributions to the retirement plan.

Prior to the transition, PPGF provided a retirement plan for employees of PPGF UK. Under this retirement plan, PPGF contributed 7.5% of each employee's annual compensation, as defined by the retirement plan agreement. PPGF paid approximately \$17,000 of contributions from January to April 2022. For the year ended on December 31, 2021, PPGF paid approximately \$51,000 of contributions to the retirement plan.

Prior to the transition, PPGF provided a retirement plan for employees of PPGF Canada. Under this retirement plan, PPGF contributed 4% of each employee's annual compensation, as defined by the retirement plan agreement. PPGF paid approximately \$7,500 of contributions to the retirement plan from January to April 2022. For the year ended on December 31, 2021, PPGF paid approximately \$11,600 of contributions to the retirement plan.

Prior to the transition, PPGF provided a retirement plan for employees for PPGF Australia. Under this retirement plan, PPGF contributed 9.5% of each employee's annual compensation for period July 1, 2020 to June 30, 2021 and 10% for period July 1, 2021 to April 30, 2022, as defined by the retirement plan agreement. PPGF paid approximately \$7,500 of contributions to the retirement plan from January to April 2022. For the year ended on December 31, 2021, PPGF paid approximately \$21,000 of contributions to the retirement plan.

PPGF does not have employees in Ireland before and after the transition.

PayPal Charitable Giving Fund and Subsidiaries

Notes to Consolidated Financial Statements

6. Contributed Nonfinancial Assets

The Organization received contributed nonfinancial assets in the form of donated professional services, donated software and waived transactions fees. These contributed nonfinancial assets meet the criteria for revenue recognition under FASB Accounting Standards Codification (ASC) 958-605-25, *Contributed Services*, at the fair value of such services and fees. For the years ended December 31, 2022 and 2021, contributed nonfinancial assets recognized within the consolidated statement of activities included:

Type of Donation	Valuation Techniques	Donor Restrictions	2022	2021
Legal services-Internal	Salaries of PayPal Inc. employees allocated based on estimated time spent dedicated to PPGF's responsibilities	None	\$ 222,217	\$ 311,807
Legal services-External	Current rates for similar legal services	None	54,007	116,640
Administrative services (Chief Operating Officer, Account Management and Marketing)	Salaries of PayPal Inc. employees allocated based on estimated time spent dedicated to PPGF's responsibilities	None	258,829	317,465
Seconded employees	Salaries of PayPal Inc. employees who solely work on PPGF	None	654,561	-
Product Engineering for online giving platform	Salaries of PayPal Inc. employees allocated based on estimated time spent dedicated to PPGF's responsibilities	None	728,694	613,051
SAP Accounting Software	Current rates for similar products	None	27,723	76,557
Customer Support	Salaries of PayPal Inc. employees allocated based on estimated time spent dedicated to PPGF's responsibilities	None	363,076	320,400
Rent	Current rates for similar office space	None	126,284	111,615
Waived PayPal Inc. transactions fees	Transaction fees charged by PayPal Inc. to process donations from PayPal Inc. platform	None	9,537,682	8,822,566
Total contributed nonfinancial assets			\$ 11,973,073	\$ 10,690,101

PayPal Charitable Giving Fund and Subsidiaries

Notes to Consolidated Financial Statements

7. Related Party Transactions

PPGF board members include PayPal Inc. employees and independent directors. PPGF has entered into a service and license agreement with PayPal Inc. The contract between the parties is valued at fair market value and such contracts are reviewed and approved by disinterested directors to avoid a real or perceived conflict of interest.

In addition, for the years ended December 31, 2022 and 2021, PPGF received approximately \$11,945,000 and \$10,613,000 in contributed transaction processing, office expenses, facilities, legal services, and IT and administrative services from PayPal Inc. The Organization would have paid for these expenses had they not been contributed.

For the years ended December 31, 2022 and 2021, PPGF recognized approximately \$3,140,000 and \$3,300,000, respectively, of program service revenue from PayPal Inc. PPGF US received \$2,000,000 in 2022 as a prepayment for 2023 program service revenue, and this was recorded as deferred revenue as of December 31, 2022.

For the years ended December 31, 2022 and 2021, PPGF US received approximately \$450,000 and \$692,000, respectively, in donations from PayPal Inc. to be used as incentives during PayPal Inc. campaigns to encourage charitable giving. Some of these funds were disbursed as grants to charities under the terms of various matching campaigns.

8. Subsequent Events

The Organization has evaluated subsequent events through June 30, 2023, the date the consolidated financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recognition or disclosure in the consolidated financial statements.