Rethink Priorities

Consolidated Financial Statements &

Independent Auditor's Report

for the Year Ended

December 31, 2024

COOK & COMPANY

A PROFESSIONAL ACCOUNTANCY CORPORATION

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Independent Auditor's Report

To the Board of Directors
Rethink Priorities
San Francisco, California

Opinion

We have audited the consolidated financial statements of Rethink Priorities ("Rethink Priorities," "RP," or "the Organization"), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Rethink Priorities as of December 31, 2024, the changes in its net assets, its functional expenses, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that were communicated with those charged with governance and, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Recognition and Classification of Revenue and Support in the Consolidated Financial Statements

We consider the recognition and classification of revenue and support in accordance with FASB ASC 606 and ASC 958, respectively, which is discussed in Note 2 of the accompanying consolidated financial statements, to be a key audit matter. This area of accounting involves recording contributions and revenue from contracts with customers during the correct year. It also involves categorizing revenue and support to the appropriate category based on its reciprocal or nonreciprocal nature as well as the absence or existence of donor restrictions and/or conditions. In addition, this area of accounting requires reliably determining when performance obligations to customers are satisfied, when donor conditions are met, and when restricted amounts should be released from net assets with donor restrictions.

This matter is considered a key audit matter because the recognition and classification of support and revenue has a pervasive effect on RP's consolidated financial statements, including the Organization's changes in net assets, total current assets, and composition amongst *net assets without donor restrictions* and *net assets with donor restrictions*. This area of accounting also requires the Organization to exercise significant judgment in its application of accounting standards, which have undergone changes recently.

This matter was addressed in the current audit through the examination of documentary evidence that supports the recognition and classification of contributed support and contracts with customers. These procedures were instrumental in forming our opinion on the consolidated financial statements as a whole.

Allocation of Expenses to Functional Groupings in the Consolidated Financial Statements

We consider the allocation of natural expense categories amongst functional groupings (i.e., *program services, management & general,* and *fundraising*) to be a key audit matter. This area of accounting is discussed in Note 2 of the consolidated financial statements.

This matter is considered a key audit matter because certain charity rating services and some institutional funding sources have been known to evaluate nonprofit organizations according to the overall proportion of expenses allocated to program services. Furthermore, because the expense allocations are based on time and effort estimates rather than factual data, they require the Organization's management to exercise significant judgment.

This matter was addressed during the current audit through analysis of the design and execution of the Organization's cost allocation methodology. We assessed the methodology's consistency with GAAP and reviewed the allocations of the statement of functional expenses for consistency with the methodology as part of forming our opinion on the consolidated financial statements as a whole.

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 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 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, including omissions, 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 generally accepted auditing standards, 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, and have communicated, with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Rethink Priorities' 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 12, 2024. In our opinion, the summarized comparative information presented herein as of and for the period ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Cook & Company

A Professional Accountancy Corporation
San Francisco, California
August 2, 2025

Rethink Priorities

Consolidated Statement of Financial Position
December 31, 2024
with Comparative Totals for December 31, 2023

	12/31/2024	12/31/2023 (Note 2)
ASSETS		
Current Assets		
Cash and cash equivalents	$ 18,438,491	$ 9,175,399
Accounts receivable	287,582	123,170
Contributions receivable	249,470	6,967,840
Prepaid expenses	20,632	-
Total assets	$ 18,996,175	$ 16,266,409
LIABILITIES & NET ASSETS		
Current Liabilities		
Accounts payable	$ 483,458	$ 314,217
Grants payable	3,103,764	-
Deferred revenue	176,196	704,953
Conditional grant advances	164,613	-
Other liabilities	-	400,000
Total liabilities	3,928,031	1,419,170
Net Assets		
Without donor restrictions	4,662,867	978,336
With donor restrictions (Note 3)	10,405,277	13,868,903
Total net assets	15,068,144	14,847,239
Total liabilities and net assets	$ 18,996,175	$ 16,266,409

See accompanying notes to consolidated financial statements and independent auditor's report.

Rethink Priorities

Consolidated Statement of Activities & Changes in Net Assets
for the Year Ended December 31, 2024
with Comparative Totals for the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total (Note 2)
Support and Revenue				
Contributions	$ 1,499,727	$ 16,523,750	$ 18,023,477	$ 18,971,388
Program fees	1,909,530	-	1,909,530	1,693,680
Bank interest	638,944	-	638,944	230,751
Other income	27,890	-	27,890	2,085
Net assets released from restrictions	19,987,376	(19,987,376)	-	-
Total revenue and support	24,063,467	(3,463,626)	20,599,841	20,897,904
Expenses				
Program services	15,910,259	-	15,910,259	10,277,471
Management and general	3,904,282	-	3,904,282	3,590,053
Fundraising	564,395	-	564,395	459,271
Total expenses	20,378,936	-	20,378,936	14,326,795
Change in Net Assets	3,684,531	(3,463,626)	220,905	6,571,109
Net Assets, Beginning of Year	978,336	13,868,903	14,847,239	8,276,130
Net Assets, End of Year	$ 4,662,867	$ 10,405,277	$ 15,068,144	$ 14,847,239

See accompanying notes to consolidated financial statements and independent auditor's report.

Rethink Priorities

Consolidated Statement of Functional Expenses
for the Year Ended December 31, 2024
with Comparative Totals for the Year Ended December 31, 2023

	Program Services	Management and General	Fundraising	2024 Total	2023 Total (Note 2)
Grants made to other nonprofits	$ 3,525,908	$ -	$ -	$ 3,525,908	$ -
Salaries	7,614,074	2,320,490	422,162	10,356,726	8,839,291
Payroll taxes	945,006	293,036	47,754	1,285,796	1,253,030
Employee benefits	704,797	289,567	36,977	1,031,341	553,917
Payroll & benefits administration	-	199,847	-	199,847	347,568
Human resource services	-	150,490	-	150,490	124,891
Accounting	-	26,481	-	26,481	21,735
Legal fees	-	73,427	-	73,427	153,046
Other fees for services	1,332,695	104,200	3,707	1,440,602	1,180,855
Facility rentals	678,147	39,231	5,405	722,783	377,776
Office supplies & expenses	53,524	2,939	1,259	57,722	109,808
Information technology	144,890	101,741	14,262	260,893	191,846
Insurance	-	62,554	1,583	64,137	42,859
Survey expenses	61,013	-	-	61,013	67,847
Compliance services and filing fees	-	67,420	22	67,442	69,300
Travel	771,777	115,359	25,792	912,928	886,660
Other	78,428	57,500	5,472	141,400	106,366
Total Expenses	$ 15,910,259	$ 3,904,282	$ 564,395	$ 20,378,936	$ 14,326,795

See accompanying notes to consolidated financial statements and independent auditor's report.

Rethink Priorities

Consolidated Statement of Cash Flows
for the Year Ended December 31, 2024
with Comparative Totals for the Year Ended December 31, 2023

	2024	2023 (Note 2)
Cash flows from operating activities:		
Cash received from grantors/contributors	$ 24,906,460	$ 12,250,596
Cash received from customers	1,216,361	1,904,425
Interest received	638,944	230,751
Cash received from other sources	27,890	2,085
Cash generated from operating activities	26,789,655	14,387,857
Cash paid to, or for the benefit of, employees	(12,873,710)	(10,993,806)
Cash grants paid to other nonprofits	(422,144)	-
Cash paid to contractors and suppliers	(3,830,709)	(3,107,749)
Cash contributions returned to contributors	(400,000)	(1,700,000)
Cash disbursed for operating activities	(17,526,563)	(15,801,555)
Net cash flows generated from operating activities	9,263,092	(1,413,698)
NET INCREASE IN CASH	9,263,092	(1,413,698)
CASH & CASH EQUIVALENTS, beginning of year	9,175,399	10,589,097
CASH & CASH EQUIVALENTS, end of year	$ 18,438,491	$ 9,175,399

Supplemental information:

Reconciliation of change in net assets to cash flows generated from operating activities:

	2024	2023 (Note 2)
Change in net assets	$ 220,905	$ 6,571,109
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Cash contributions returned	(400,000)	(1,700,000)
Changes in assets and liabilities:		
Accounts receivable	(164,412)	566,980
Contributions receivable	6,718,370	(6,720,792)
Prepaid expenses	(20,632)	-
Accounts payable	169,241	225,240
Grants payable	3,103,764	
Deferred revenue	(528,757)	(356,235)
Conditional grant advances	164,613	-
Net cash flows generated from operating activities	$ 9,263,092	$ (1,413,698)

See accompanying notes to consolidated financial statements and independent auditor's report.

Rethink Priorities

Notes to Consolidated Financial Statements
December 31, 2024

1. The Organization

Nature of Activities
Rethink Priorities ("Rethink Priorities," "RP," or "the Organization") is a California nonprofit corporation, founded in 2018, that works to find tractable and neglected opportunities for impact across different cause areas, including animal welfare, global health and development, global catastrophic risks, and worldview investigations. RP aims to address the world's most pressing issues by researching solutions and strategies, mobilizing resources, and uncovering actionable insights across these cause areas to safeguard a flourishing future.

Nature of Funding
Rethink Priorities receives the majority of its funding in the form of contributions from foundations and individuals.

2. Summary of Significant Accounting Policies

Basis of Accounting
The accompanying consolidated financial statements are prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenue is recognized when it is earned, support is recognized when it is awarded, and expenses are recognized when they are incurred.

Principles of Consolidation
The consolidated financial statements include the accounts of Rethink Priorities (a California nonprofit public benefit corporation) and its wholly owned subsidiary, Rethink Priorities UK (a private limited company in the United Kingdom). The latter was established by the former in 2023 to facilitate the hiring and employment of remote workers who reside in the UK.

All significant intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as Rethink Priorities.

Cash & Cash Equivalents
Cash & cash equivalents include amounts held in bank checking and money market accounts.

Accounts & Contributions Receivable
Accounts receivable from contracts with customers are recorded when performance obligations have been satisfied and payment from the customer is only conditioned upon the passage of time.

Contributions receivable consist of amounts awarded to the Organization prior to year-end and due in the subsequent year.

Because all amounts are deemed fully collectible within one year of the balance sheet date, these consolidated financial statements do not include a bad debt allowance or present value discount.

Fair Value of Current Assets & Liabilities
The carrying amounts of cash and cash equivalents, accounts receivable, contributions receivable, and accounts payable approximate fair value because of the short maturity of these instruments.

Leases
Operating and finance leases with terms exceeding 12 months shall be capitalized as right-of-use assets with corresponding lease liabilities in accordance with FASB ASC 842. However, the Organization is not currently a party to any leases with a term exceeding 12 months. Therefore, there are no lease assets or liabilities reflected in these financial statements.

Facility Rentals
From time to time and depending on the circumstances, the Organization rents hotel and conference center facilities for staff retreats, meetings, and similar gatherings. These facilities are rented on a short-term basis (i.e., typically on a weekly or monthly basis) and not as part of a lease agreement. The cost for renting these facilities is expensed at the time of usage.

Net Assets
Net assets, revenues, expenses, gains, and losses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

> **Net assets without donor restrictions**, which includes resources not subject to, or no longer subject to, donor-imposed stipulations.
>
> **Net assets with donor restrictions**, which includes resources whose use is limited by donor-imposed time and/or purpose restrictions.

Recognition of Contributions
The Organization recognizes contributions when it receives cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest.

Contributions are reported as increases in *net assets without donor restrictions* unless use of the contributed assets is limited by donor-imposed stipulations. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in *net assets without donor restrictions* unless they are encumbered by explicit donor stipulation or by law. Expirations of donor-restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time-period has elapsed) are reported as reclassifications between the applicable classes of net assets. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Revenue Recognized from Contracts with Customers
Revenue recognized from contracts with customers is included under the program fees caption of the statement of activities. Such revenue includes amounts charged to various nonprofit organizations primarily for research services.

The Organization recognizes revenues from contracts with customers in accordance with FASB ASC 606, which provides a comprehensive framework for revenue recognition from reciprocal transactions. Under ASC 606, the Organization allocates each contract's total revenue to its various performance obligations (i.e., deliverables to be provided to the customer). Some contracts may have one overall performance obligation, whiles others may have several performance obligations. Revenue is recognizable at the point in time when the performance obligation is complete. The majority of contracts commence and end within a single year.

Contracts have various payment terms. Accounts receivable are recorded when performance obligations have been satisfied and payment is conditioned only on the passage of time. Deferred revenue is presented in the current liabilities section of the consolidated statement of financial position and reflects cash deposits received from customers for unmet performance obligations. These amounts will be recognized as revenues when the unmet performance obligations have been satisfied. Unmet performance obligations relate primarily to the delivery of reports resulting from research activities. Accounts receivable arising from contracts with customers totaled $287,582 as of December 31, 2024, and $123,170 as of December 31, 2023. Deferred revenue arising from contracts with customers totaled $176,196 as of December 31, 2024, and $704,953 as of December 31, 2023. In addition, approximately $445,000 is scheduled to be recognized as revenue, invoiced and collected during 2025 based on contracts with customers signed as of December 31, 2024.

Functional Expenses

The Organization presents its expenses by function and natural category. *Program services* includes the direct conduct and direct supervision of specific program activities. *Fundraising* includes efforts to solicit monetary and nonmonetary contributions. *Management & general* includes general oversight, the solicitation and administration of contracts with customers, recordkeeping, regulatory compliance, governance, financial management, and all other activities that do not constitute the direct conduct or direct supervision of specific program services or fundraising activities.

Each expense transaction is charged to the appropriate natural categorical line item and functional cost center / class according to the definitions above. Personnel costs for staff who work in multiple functional areas are allocated according to percentage-of-effort estimates developed by management.

Because the Organization's workforce is remote, Rethink Priorities does not have significant shared expenses.

Legal services conducted as part of the Organization's programmatic research (e.g., AI law) are expensed to program services, while general legal services are expensed to management & general.

The preparation of functional expenses in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, it is at least reasonably possible that the actual amounts differ from those reflected in the consolidated financial statements.

Fiscally Sponsored Projects

The Organization acts as fiscal sponsor for various organizations and unincorporated groups whose activities are aligned with the mission of Rethink Priorities. The accounting treatment for each project rests largely on whether RP is granted variance power. Variance power refers to RP having legal ownership of the funds received and the ultimate authority over the use of the funds. When RP is granted variance power, either by those making contributions to a sponsored project or the representatives of the project, the project is considered a program of RP. Accordingly, the project's revenues and expenses are reflected in RP's consolidated financial statements.

Revenues and expenses pertaining to fiscal projects are subject to the accounting policies that govern the Organization's core activities, as outlined above.

Income Taxes

As a public charity organized under Internal Revenue Code Section 501(c)(3), Rethink Priorities is exempt from income taxes except on activities unrelated to its mission. As management believes that all of the Organization's activities are related to its mission, no provision has been made for income tax expense. The Organization's federal *Return of Organization Exempt from Income Tax* (Form 990) filings for the tax years ending in 2021 through 2024 are subject to examination by the Internal Revenue Service, generally for three years after they were filed. The Organization's California *Exempt Organization Annual Information Return* (Form 199) filings for the tax years ending in 2020 through 2024 are subject to examination by the Franchise Tax Board, generally for four years after they were filed.

Use of Estimates

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

Prior Year Comparative Data

The financial statement information for the year ended December 31, 2023, presented for comparative purposes, is not intended to be a complete financial statement presentation. For a complete presentation of 2023, please refer to the financial statements for that year.

3. Net Assets with Donor Restrictions

The balance of *net assets with donor restrictions* at December 31, 2024, consists of funding earmarked by donors for research and related activities in the following areas:

Sponsored Projects	
Apollo Research	$1,938,314
Effective Altruism Consulting Network / Consultants for Impact	1,573,145
Epoch	1,364,883
Vista	769,006
Global Challenges Project	504,081
The Insect Institute	307,424
Quantified Uncertainty Research Institute	51,365
Arthopoda	51,158
Subtotal – sponsored projects	6,559,376
Core Programs	
Animal Welfare	1,576,880
AI Governance & Strategy	1,504,359
Worldview Investigations Team	404,800
Longtermism Research	331,063
Other	28,799
Total	$10,405,277

4. Related Party Transactions

From time to time, Rethink Priorities engages certain members of its Board of Directors, who are not full-time employees, to provide specialized expertise or consulting services in addition to their board responsibilities. During the year ended December 31, 2024, three board members were compensated for such services, receiving a total of approximately $21,143.

An unpaid board member works as a full-time employee for an entity with which RP has various service contracts totaling $357,351 paid to the entity for 2024.

RP's former COO established a consulting business after leaving RP in 2024. RP contracted with this consulting business to provide onboarding support during the 2024 COO transition as well as project management support for RP's Animal Welfare department during a staff member's parental leave. Fees totaling $74,232 were paid for these services.

5. Retirement Plan

Rethink Priorities maintains defined contribution retirement plans for its employees in both the United States and the United Kingdom.

For U.S. employees, the Organization sponsors a plan under Section 401(k) of the Internal Revenue Code. The plan is available to full- and part-time U.S.-based employees after a 90-day waiting period. Under the terms of the plan, the Organization matches employee contributions up to an amount equal to 3% of an employee's salary. For the year ended December 31, 2024, the Organization contributed approximately $90,000 to the retirement accounts of its U.S. employees.

For U.K. employees, the Organization offers a pension plan under a salary sacrifice arrangement. Under this arrangement, an employee agrees to reduce their gross salary by a specified amount, and in exchange, the Organization contributes that same amount directly into the employee's pension fund. For accounting purposes, the reduced salary is recorded as the employee's gross pay, and the contribution is treated as an employer contribution. For the year ended December 31, 2024, the Organization contributed $367,000 to the pension funds of its U.K. employees.

6. Contingencies, Risks and Uncertainties

Compliance with Funding Source Restrictions

The Organization receives contributions that are restricted for a specific program or purpose. If such restrictions are not met in accordance with the funding source agreement, there is the possibility that funds would have to be returned to the donor. It is management's opinion that all donor requirements have been met for contributions that have been recorded directly to *net assets without donor restrictions* or released from *net assets with donor restrictions*.

Cash Deposits in Excess of FDIC Insurance Limits

As of December 31, 2024, the Organization's cash deposits exceeded the $250,000 per depositor per institution limit set by the Federal Deposit Insurance Corporation by approximately $17.7 million.

7. Management's Discussion of Liquidity & Availability

Rethink Priorities currently has four liquid asset accounts (including three checking accounts and one financial services account used to pay invoices). Rethink Priorities currently has no certificate of deposits, stock holdings, or other short- or long-term investments, and at no point in the year prior to the balance sheet date has the organization held liquid assets in other accounts besides the accounts mentioned above.

Rethink Priorities' policy is to maintain at least 6 months of budgeted expenses in the main organizational checking account. These funds are swept into a money market account daily to earn maximum interest. Were Rethink Priorities to hold fewer than 6 months of budgeted expenses in the main checking account, it would move all available cash to the checking account to meet cash requirements for general expenditures.

As of the balance sheet date , and at all times in the prior year, all of Rethink Priorities' financial assets were available to meet cash needs for general expenditures (less those amounts encumbered by donor restrictions).

Financial assets available to meet cash needs for general expenditures within one year are as follows:

Cash & equivalents	$18,438,491
Accounts receivable	287,582
Contributions receivable	249,470
Total financial assets	$18,975,543
Less: financial assets restricted to sponsored projects	(6,559,376)
Total financial assets available to meet cash needs for general expenditures within one year	$12,416,167

The total amount presented as *financial assets available to meet cash needs for general expenditures within one year* is not reduced by *net assets with donor restrictions* for core programs (as listed in Note 3) because such restricted amounts are considered to be available for the Organization's major and ongoing activities.

8. Management's Review of Subsequent Events

In preparing these consolidated financial statements, management has evaluated events for potential recognition or disclosure through August 2, 2025, the date the financial statements were available to be issued.