

THE CLEAR FUND
(aka GIVEWELL)

FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

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C O N T E N T S

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
FIANANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION:	
Statements of financial position	2
Statements of activities	3
Statements of cash flows	4
Notes to financial statements	5 - 9
SUPPLEMENTARY INFORMATION:	
Independent auditors' report on supplementary information	10
Schedule of functional expenses	11

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS
THE CLEAR FUND

We have audited the accompanying statement of financial position of The Clear Fund as of December 31, 2011, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of The Clear Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from The Clear Fund's 2010 financial statements, and in our report dated July 11, 2011, we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Clear Fund as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

THE CLEAR FUND
(aka GIVEWELL)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

	2011	2010
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,423,237	\$ 477,136
Investments	7,491	-
Contributions receivable	-	49,156
Prepaid expenses and other current assets	3,486	1,448
TOTAL CURRENT ASSETS	1,434,214	527,740
TOTAL ASSETS	\$ 1,434,214	\$ 527,740
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 7,699	\$ 2,201
Grants payable	587,633	-
Due to officers	-	3,506
Total Current Liabilities	595,332	5,707
Net Assets:		
Unrestricted	771,687	395,559
Temporarily restricted	67,195	126,474
Total Net Assets	838,882	522,033
TOTAL LIABILITIES AND NET ASSETS	\$ 1,434,214	\$ 527,740

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

THE CLEAR FUND
(aka GIVEWELL)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	2011			2010
	Unrestricted	Temporarily Restricted	Total	
Revenue and other support:				
Contributions	\$ 745,929	\$ 599,909	\$ 1,345,838	\$ 366,093
Donated goods and services	61,506	-	61,506	16,803
Interest income	2,498	-	2,498	2,877
Miscellaneous (Loss)	(301)	-	(301)	(104)
Special events, net of expenses of \$12,094 and \$-0-, respectively	(4,254)	-	(4,254)	-
Net assets released from restrictions	659,188	(659,188)	-	-
Total revenue and other support	1,464,566	(59,279)	1,405,287	385,669
Expenses:				
Program expenditures	999,488	-	999,488	516,698
Fundraising	16,453	-	16,453	8,302
General and administrative	72,497	-	72,497	108,927
Total expenses	1,088,438	-	1,088,438	633,927
Changes in net assets	376,128	(59,279)	316,849	(248,258)
Net assets - beginning of year	395,559	126,474	522,033	770,291
Net assets - end of year	\$ 771,687	\$ 67,195	\$ 838,882	\$ 522,033

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

THE CLEAR FUND
(aka GIVEWELL)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 316,849	\$ (248,258)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Decrease (Increase) in certain assets:		
Contributions receivable	49,156	269,150
Prepaid expenses	(2,038)	54
(Decrease) Increase in certain liabilities:		
Accounts payable and accrued expenses	5,498	(4,899)
Grants payable	587,633	-
	957,098	16,047
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of investments	(7,491)	-
CASH FLOWS FROM FINANCING ACTIVITY		
Due to officers	(3,506)	(4,750)
NET INCREASE IN CASH AND CASH EQUIVALENTS	946,101	11,297
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	477,136	465,839
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,423,237	\$ 477,136

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

THE CLEAR FUND
(aka GIVEWELL)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 1 - NATURE OF ACTIVITIES

The Clear Fund (aka Givewell) is a not-for-profit organization incorporated February 22, 2007, under the laws of the State of New York. The Clear Fund finds outstanding giving opportunities and publishes the full details of its analysis to help donors decide where to give. The Clear Fund sometimes gives grants to outstanding charities, to improve incentives for doing demonstrably effective work and sharing information on that work. More information, including all recommendations, grants and reasoning, is available at www.givewell.org.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statement presentation follows the requirements of the Financial Accounting Standards Board (“FASB”) in its Accounting Standards Codification (“ASC”) No. 958-205 which provides guidance for the classification of net assets. The amounts for each of the three classes of net assets are based on the existence or absence of donor-imposed restrictions described as follows:

Unrestricted

Unrestricted net assets of The Clear Fund are assets whose use has not been restricted by an outside donor or by law. The unrestricted net assets represent the portion of expendable funds that are available for the support of the operations of The Clear Fund.

Temporarily Restricted

Temporarily restricted net assets are used to differentiate resources, the use of which is restricted by donors or grantors to a specific time period or for a specific purpose. Temporarily restricted gifts are recorded as additions to temporarily restricted net assets in the period received. When restricted net assets are expended for their stipulated purpose, temporarily restricted net assets become unrestricted net assets and are reported in the statements of activities as net assets released from restrictions.

Permanently Restricted

Permanently restricted net assets are contributions and other outflows of assets whose use by The Clear Fund is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization. The income derived from these permanently restricted funds is usually classified as unrestricted and can be used for the general purpose of The Clear Fund.

At December 31, 2011 and 2010, The Clear Fund had no permanently restricted net assets.

THE CLEAR FUND
(aka GIVEWELL)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Support

The Clear Fund's primary source of revenue is contributions from individuals and other organizations. Cash contributions and unconditional promises to give from donors are recorded as received. Donated securities are recorded at market value at the time of donation. The Clear Fund reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with The Clear Fund's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and liabilities, if any, at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, The Clear Fund considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments which potentially subject The Clear Fund to concentrations of credit risk are cash and cash equivalents. The Clear Fund places its cash and cash equivalents on deposit in what it believes to be highly credited financial institutions. Cash balances may exceed the FDIC insured levels of \$250,000 per institution at various times during the year. The Clear Fund believes that there is little risk in any losses and has not experienced any losses in such accounts.

THE CLEAR FUND
(aka GIVEWELL)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time analysis. Fundraising and general and administrative expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of The Clear Fund .

Tax-Exempt Status

The Clear Fund is a non-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and a similar provision for state taxing authorities. In addition, The Clear Fund qualifies for the charitable contribution deduction under Section 170(b)(1)(a)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1). The Clear Fund is subject to income taxes only on net unrelated business income. The Clear Fund did not have any unrelated business income for the years ended December 31, 2011 and 2010.

The Clear Fund's accounting policy provides that a tax expense or benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. The Clear Fund has no uncertain tax position resulting in an accrual of tax expense or benefit.

IRS Forms 990 filed by The Clear Fund are subject to examination by the Internal Revenue Service up to three years from the extended due date of each return. Forms filed by The Clear Fund are no longer subject to examination for the fiscal years December 31, 2008, and prior.

Advertising Costs

The Clear Fund uses advertising specifically aimed at encouraging potential donors to use its research, featured at its public website, for their own giving. The Website provides prominent links for donating to recommended charities. Accordingly, a substantial portion of advertising costs have been allocated to program expenditures and costs are expensed as incurred. For the years ended December 31, 2011 and 2010, The Clear Fund incurred \$3,054 and \$7,360 of advertising expenses, respectively.

Trademark and Domain Name

During the year ended December 31, 2010, The Clear Fund purchased the trademark and domain name under Givewell.org in the amount of \$25,000 and the domain name Givewell.com in the amount of \$1,600. The Clear Fund did not capitalize and amortize these costs and determined that the fair value of these costs have been impaired when computed using the present value of the expected future cash flows. Accordingly, The Clear Fund expensed costs associated with the purchase of the trademark and domain name.

THE CLEAR FUND
(aka GIVEWELL)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 3 - CONTRIBUTIONS RECEIVABLE

At December 31, 2011, the balance for contributions receivable was \$-0-. The contributions receivable balance of \$49,156 for the year ending December 31, 2010, was collected on February 3, 2011.

NOTE 4 - FAIR VALUE MEASUREMENTS

FASB ASC 820-10, *Fair Value Measurements*, establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy under FASB ASC 820-10 are described as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
- Level 2 – Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly including inputs in markets that are not considered to be active.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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.

The following tables set forth by level, within the fair value hierarchy, The Clear Funds' investments at December 31,:

	2011			
	Level 1	Level 2	Level 3	Total
Unrestricted:				
Equity securities	\$ 7,491	\$ -	\$ -	\$ 7,491

NOTE 5 - DUE TO OFFICERS

At December 31, 2011, the balance due to officers was \$-0-. At December 31, 2010, one officer of The Clear Fund personally paid for various expenses on behalf of The Clear Fund in the amount of \$3,506. This balance was paid back by The Clear Fund.

THE CLEAR FUND
(aka GIVEWELL)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 6 - GRANTS PAYABLE

The Clear Fund made grants to various causes during the year ended December 31, 2011. Grants payable in the amount of \$578,633, represents the amount that has been committed to three grants, but not yet paid as of December 31, 2011. These grants were paid in March 2012.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets in the amount of \$67,195 and \$126,474, respectively, were available for various causes as of December 31, 2011 and 2010. \$325,798 was released to the Imperial College Foundation, \$227,882 was released to the Against Malaria Foundation, \$69,440 was released to the Small Enterprise Foundation and \$23,058 was released to Village Reach for the year ended December 31, 2011.

NOTE 8 - DONATED GOODS AND SERVICES

Donated services are recognized as contributions in accordance with FASB ASC 605, "Accounts for Contributions Received and Contributions Made," if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization.

Individuals have provided legal services to The Clear Fund at no charge. The value of these services meets the criteria for recognition in the financial statements and is recorded at fair value. For the years ended December 31, 2011 and 2010, the value of such donated services amounted to \$1,125 and \$14,100, respectively. During 2011 and 2010, The Clear Fund also received donated goods valued at \$2,503 and \$2,703, respectively, for an event and \$57,878 for advertising expense from donors for the year ended December 31, 2011.

NOTE 9 - SUBSEQUENT EVENTS

In preparing the financial statements, The Clear Fund has evaluated subsequent events and transactions for potential recognition or disclosure through October 9, 2012, the date which the financial statements were available to be issued.

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INDEPENDENT AUDITORS' REPORT
ON ADDITIONAL INFORMATION

TO THE BOARD OF DIRECTORS
THE CLEAR FUND

We have audited the financial statements of The Clear Fund as of and for the year ended December 31, 2011, and have issued our report thereon dated October 9, 2012 which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
October 9, 2012

THE CLEAR FUND
(aka GIVEWELL)
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

	2011				
	Program	Fundraising	General and Administrative	Total	2010
Salaries	\$ 215,647	\$ 7,876	\$ 27,866	\$ 251,389	\$ 176,050
Payroll taxes and benefits	32,216	1,022	4,515	37,753	24,777
Grants	659,188	-	-	659,188	300,266
Public website	5,438	598	-	6,036	5,399
Advertising	2,708	278	68	3,054	7,360
Professional fees	10,600	255	23,128	33,983	64,068
In-Kind goods and services	55,355	6,151	-	61,506	14,100
Occupancy	-	-	7,875	7,875	1,738
General insurance	-	-	1,894	1,894	1,347
Office expenses	1,066	24	2,621	3,711	1,936
Dues and subscriptions	-	-	1,160	1,160	1,359
Registration fees	-	-	25	25	100
Software	-	-	1,160	1,160	1,001
Travel and conferences	16,748	249	1,982	18,979	7,826
Trademark and domain name	-	-	-	-	26,600
Miscellaneous	522	-	203	725	-
Totals	\$ 999,488	\$ 16,453	\$ 72,497	\$ 1,088,438	\$ 633,927

The notes are an integral part of these financial statements