

THE CLEAR FUND
D.B.A. GIVEWELL

DECEMBER 31, 2017

INDEPENDENT AUDITORS' REPORT,

FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

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Independent Auditors' Report

THE BOARD OF DIRECTORS
THE CLEAR FUND d.b.a. GIVEWELL
San Francisco, California

Report on the Financial Statements

We have audited the accompanying financial statements of **THE CLEAR FUND d.b.a. GIVEWELL (GiveWell)**, which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and changes in net assets and cash flows 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 from material misstatement, whether due to fraud or error.

Auditors' 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GiveWell as of December 31, 2017, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited GiveWell's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 18, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of functional expenses is presented for 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 audits 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.

Hood & Strong LLP

San Francisco, California
August 16, 2018

The Clear Fund d.b.a. GiveWell

Statement of Financial Position

<i>December 31, 2017 (with comparative totals for 2016)</i>	2017	2016
Assets		
Current Assets:		
Cash and cash equivalents	\$ 20,505,195	\$ 13,573,607
Prepaid expenses and other current assets	70,506	22,968
Total current assets	20,575,701	13,596,575
Equipment and Intangible Assets, net	34,035	111,610
Total Assets	\$ 20,609,736	\$ 13,708,185
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 294,622	\$ 151,586
Grants payable	11,882,928	7,809,110
Total current liabilities	12,177,550	7,960,696
Net Assets:		
Unrestricted	7,904,090	4,661,878
Temporarily restricted	528,096	1,085,611
Total net assets	8,432,186	5,747,489
Total Liabilities and Net Assets	\$ 20,609,736	\$ 13,708,185

See accompanying notes to financial statements.

The Clear Fund d.b.a. GiveWell

Statement of Activities and Changes in Net Assets

Year ended December 31, 2017 (with comparative totals for 2016)

	2017			2016
	Unrestricted	Temporarily Restricted	Total	Total
Revenues and Support:				
Contributions	\$ 5,980,624	\$ 20,971,911	\$ 26,952,535	\$ 18,076,651
Donated goods and services	896,023		896,023	1,418,423
Investment income, net	44,790		44,790	5,298
Other revenue	88		88	278,908
Net assets released from restrictions	21,529,426	(21,529,426)	-	-
Total revenue and support	28,450,951	(557,515)	27,893,436	19,779,280
Expenses:				
Program services	26,253,383		26,253,383	18,438,183
Management and general	1,166,398		1,166,398	1,457,438
Fundraising	240,018		240,018	129,892
Total expenses	27,659,799	-	27,659,799	20,025,513
Total Change in Net Assets Before Other Gains	791,152	(557,515)	233,637	(246,233)
Gain on Sale of Open Philanthropy Project (See Note 7)	2,451,060	-	2,451,060	-
Total Change in Net Assets	3,242,212	(557,515)	2,684,697	(246,233)
Net Assets, beginning of year	4,661,878	1,085,611	5,747,489	5,993,722
Net Assets, end of year	\$ 7,904,090	\$ 528,096	\$ 8,432,186	\$ 5,747,489

See accompanying notes to financial statements.

The Clear Fund d.b.a. GiveWell

Statement of Cash Flows

<i>Year ended December 31, 2017 (with comparative totals for 2016)</i>	2017	2016
Operating Activities:		
Change in net assets	\$ 2,684,697	\$ (246,233)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	77,575	76,264
Gain on sale of Open Philanthropy Project	(2,451,060)	-
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(47,538)	(4,858)
Accounts payable and accrued expenses	143,036	80,269
Grants payable	4,073,818	1,424,465
Net cash provided by operating activities	4,480,528	1,329,907
Investing Activities:		
Purchase of equipment	-	(12,874)
Proceeds from sale of Open Philanthropy Project	2,451,060	-
Net cash provided (used) by investing activities	2,451,060	(12,874)
Net Change in Cash and Cash Equivalents	6,931,588	1,317,033
Cash and Cash Equivalents, beginning of year	13,573,607	12,256,574
Cash and Cash Equivalents, end of year	\$ 20,505,195	\$ 13,573,607

Non-Cash Operating Activities:

For the years ended December 31, 2017 and 2016, GiveWell received stock donations valued at \$2,654,639 and \$1,263,220, respectively.

See accompanying notes to financial statements.

The Clear Fund d.b.a. GiveWell

Notes to Financial Statements

Note 1 - Nature of the Organization:

The Clear Fund d.b.a. GiveWell (GiveWell) is a nonprofit organization incorporated February 22, 2007, under the laws of the State of New York. GiveWell aims to find outstanding giving opportunities and publishes the full details of its analysis to help donors decide where to give. GiveWell also gives grants to charities, to improve incentives for doing demonstrably effective work and sharing information on that work. GiveWell's office is located in San Francisco, California.

Note 2 - Summary of Significant Accounting Policies:

a. Basis of Presentation

GiveWell reports information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted Net Assets – Net assets for which there are no donor-imposed restrictions or such donor-imposed restrictions were temporary and expired during the current or previous years.

Temporarily Restricted Net Assets – Net assets whose use by GiveWell is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of GiveWell. 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 combined statement of activities and changes in net assets as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets whose use by GiveWell is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of GiveWell. GiveWell had no permanently restricted net assets as of December 31, 2017.

b. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

The Clear Fund d.b.a. GiveWell

Notes to Financial Statements

c. Revenue and Support

GiveWell's primary source of revenue is contributions from individuals and other organizations. Contributions and unconditional promises to give are recorded at fair value and are recognized as revenue when the donor makes an unconditional promise to give. Donated securities are recorded at fair value at the time of donation. GiveWell 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. GiveWell maintains variance power over contributions, including gifts that are restricted by donors for specific charities.

Donated services are recognized as contributions if the services create or enhance non-financial assets or if the service requires specialized skills and would otherwise be purchased by GiveWell.

d. Cash and Cash Equivalents

GiveWell considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

e. Equipment and Intangible Assets

GiveWell capitalizes equipment and intangible asset acquisitions over \$1,000. Equipment and intangible assets are recorded at cost and consist primarily of office equipment and web development costs. Donated equipment is recorded at its estimated fair value at the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the respective assets ranging from three to five years.

f. Grants

Contributions restricted to recommended charities were granted to specific charities net of fees GiveWell paid to payment processors (primarily credit card processors), before being released from restrictions. Donations restricted by donors to "grants to recommended charities" received during 2017 were allocated 23% to Against Malaria Foundation, 27% to Evidence Action (deworming program) and 50% to Schistosomiasis Control Initiative. The allocation percentage is determined by GiveWell's board of directors.

g. Functional Expenses

The cost of providing the various program and supporting services have been summarized on a functional basis in the statement of activities and changes in net assets. Directly identifiable expenses are charged to the related program or service benefited. Indirect expenses are allocated to programs and services based principally on the percentage of personnel time spent in each area or management's estimate of usage.

The Clear Fund d.b.a. GiveWell

Notes to Financial Statements

h. Use of Estimates

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

i. Tax-Exempt Status

GiveWell 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, GiveWell has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

GiveWell'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. Management has determined that GiveWell has taken no uncertain tax position that would require adjustment to the financial statements.

j. Advertising Costs

GiveWell 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 year ended December 31, 2017 GiveWell incurred \$143,111 of advertising expenses. For the year ended December 31, 2016 GiveWell also received donated advertising expenses in the amount of \$272,348 (see Note 6).

k. Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total, but not in sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with GiveWell's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

l. Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*. The amendments in this ASU set forth the FASB's changes to net asset classification requirements and the information presented about a not-for-profit entity's liquidity, financial performance, and cash flows. The amendments in the ASU are effective for annual financial statements issued for fiscal years beginning after December 15, 2017. Early application of the amendments in the ASU is permitted. GiveWell is currently evaluating the impact of this pronouncement on its financial statements.

The Clear Fund d.b.a. GiveWell

Notes to Financial Statements

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update are designed to assist entities in evaluating whether transactions should be accounted for as contributions, or as exchange transactions, as well as determining whether a contribution is conditional. The amendments in this ASU related to contributions received are effective for annual financial statements issued for fiscal years beginning after December 15, 2018, while the amendments related to contributions made are effective one year later. Early adoption is permitted. Management is currently evaluating the impact the amendments in this ASU will have on the financial statements.

m. Subsequent Events

GiveWell evaluated subsequent events from December 31, 2017 through August 16, 2018, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

Note 3 - Equipment and Intangible Assets:

Equipment and intangible assets, at cost less accumulated depreciation and amortization, consist of the following at December 31, 2017:

Website developments costs	\$ 225,000
Office equipment	12,874
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	237,874
Less: accumulated depreciation and amortization	(203,839)
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	\$ 34,035

Depreciation expense amounted to \$77,575 for the year ending December 31, 2017.

Note 4 - Grants Payable:

Grants payable at December 31, 2017 in the amount of \$11,882,928 represents amounts that have been committed to various grantees, but not yet paid. These grants were fully paid in the subsequent year.

The Clear Fund d.b.a. GiveWell

Notes to Financial Statements

Note 5 - Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following at December 31, 2017:

Incentive grants to potential top charities	\$	500,000
Top charities		28,096
		<hr/>
	\$	528,096

Net assets for the years ended December 31, 2017 were released from donor restrictions by satisfying the purpose specified by the donor as follows:

Schistosomiasis Control Initiative (SCI)	\$	7,394,983
Against Malaria Foundation (AMF)		7,153,712
Evidence Action (deworming program)		2,650,351
GiveDirectly		1,856,016
Iodine Global Network		576,239
Raising for Effective Giving (REG)		455,771
Development Media International		336,275
Malaria Consortium		176,207
Evidence Action (no lean season)		164,194
Helen Keller International (VAS program)		144,650
Global Alliance for Improved Nutrition		132,171
END Fund		129,304
Sightsavers		120,090
Incentive grants to potential top charities		100,000
Food Fortification Initiative		45,282
Project Healthy Children		42,198
Living Goods		28,753
Evidence Action (dispensars for safe water)		23,230
		<hr/>
	\$	21,529,426

The Clear Fund d.b.a. GiveWell

Notes to Financial Statements

Note 6 - Donated Goods and Services:

For the years ended December 31, 2017 the value of various donated goods and services are as follows:

Advertising	\$ 272,348
Use of facilities and office expenses	619,090
Task management software	4,585
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	\$ 896,023

Note 7 - Related Party Transactions:

One board member of GiveWell is also a board member of Good Ventures, a not-for-profit organization. Three board members of GiveWell (one of whom is also a GiveWell officer) are also members of the board of managers of Open Philanthropy Project LLC. The same three board members of GiveWell are also board members of Open Philanthropy Action Fund, a 501(c)(4) organization. GiveWell shares its office space with Good Ventures and Open Philanthropy Project LLC.

Open Philanthropy Project LLC contributed approximately \$619,090 in donated use of facilities for the year ending December 31, 2017, as well as cash contributions of \$730,764.

On May 31, 2017, GiveWell entered into an agreement whereby Open Philanthropy Project LLC purchased certain assets associated with the Open Philanthropy Project, a project operated by GiveWell. The assets purchased included various furniture and equipment items, all of which were fully depreciated for book purposes, as well as certain intellectual property which also did not have a carrying value for book purposes. The purchase price was \$2,775,000, less transaction costs of approximately \$324,000, resulting in a gain on sale of approximately \$2,451,000. At that time, GiveWell and Open Philanthropy Project LLC also entered into various other agreements allowing for the sharing of respective resources in furtherance of their activities.

During the year ended December 31, 2017, GiveWell incurred \$182,159 of expenses in connection with activities for Open Philanthropy Project LLC during 2017, of which \$140,542 was reimbursed during the year ended December 31, 2017 and \$41,617 is included in other current assets. Additionally, Open Philanthropy Project LLC incurred \$83,217 of expenses in connection with activities for GiveWell during 2017, of which \$30,907 was reimbursed during the year ended December 31, 2017 and \$52,310 is included in accounts payable and accrued expenses.

Contributions from individual board members and officers were less than 1% of total contribution revenue for the year ending December 31, 2017.

The Clear Fund d.b.a. GiveWell

Notes to Financial Statements

Note 8 - Concentrations:

Financial instruments which potentially subject GiveWell to concentrations of credit risk consist primarily of cash and cash equivalents. GiveWell maintains its cash and cash equivalents on deposit in what it believes to be highly credited financial institutions. GiveWell's deposits may at times exceed the federally insured limit.

GiveWell had no major donors in 2017. Major donors are defined as donors that contribute revenue greater than 10% of GiveWell's contributions for that year.

The Clear Fund d.b.a. GiveWell
Schedule of Functional Expenses

For the year ended December 31, 2017 (with comparative totals for 2016)

	2017				2016
	Program	Management and General	Fundraising	Total	
Grants	\$ 22,257,981			\$ 22,257,981	\$ 13,567,456
Salaries	1,775,349	\$ 544,092	\$ 112,765	2,432,206	3,234,831
Payroll taxes and benefits	275,782	84,520	17,517	377,819	403,643
Staff recruitment		17,660		17,660	37,670
Advertising	128,800	14,311		143,111	16,516
Professional fees	571,190	204,372	26,955	802,517	697,722
Occupancy	6,288	1,927	399	8,614	11,877
Insurance	15,647	34,126	994	50,767	39,722
Office expenses	112,804	34,571	7,164	154,539	80,189
Repairs and maintenance	487	149	31	667	12,798
Information technology	28,912	8,861	1,836	39,609	72,361
Travel and conferences	140,433	43,040	8,919	192,392	193,415
Bank and payment processing fees	178,953	19,883		198,836	134,593
Miscellaneous		9,519		9,519	28,034
Donated goods and services	697,007	143,078	55,938	896,023	1,418,423
Depreciation and amortization	63,750	6,325	7,500	77,575	76,263
Total expenses	\$ 26,253,383	\$ 1,166,434	\$ 240,018	\$ 27,659,835	\$ 20,025,513