2018 Audit Package

I. Comments from Director of Operations
II. Letter to the Audit Committee from Hood & Strong (auditors)
III. 2018 Audited Financial Statements

I. Comments from the Director of Operations

The audit committee (Tim, Holden, Julia) unanimously approved the finalization of these documents for full board review. The only changes to the final documents per that review are the following aesthetic corrections:

- Correction of a typo Holden noted on page 2 of the letter to the audit committee
- Entering the date of closure into Note 2m of the Financial Statement. This corresponds with the date the document was finalized after committee approval.
- In Note 4 of the Financial Statement, combining the Net Assets with Donor Restriction of a) the Effective Altruism Foundation and b) Raising for Effective Giving (REG) which are actually a single pool of funds but which were captured under different names in Salesforce for a portion of 2018.
- In Note 6 of the Financial Statement, correcting a typo that inaccurately noted a donation as being from Open Phil LLC instead of the Open Phil Fund.

Once the full board has approved, these documents will be prepared for public release on our website.

Additional information for those not on the audit committee:
In line with the results last year, there were no audit findings. In addition, this year there also are no official recommendations, merely updates on the prior years' recommendations.

I have reviewed the letter and financials and agree with the statements.

I will draw your attention to one item that is not explicitly outlined in the management letter or the financial statement - the presentation of our Outreach expenses.

In general, organization expenses have to be allocated to one of three categories - Program, General & Management, or Fundraising (this is most clear if you look at the Statement of Activities (p4) and the Statement of Functional Expenses (p6) in the draft financials). At a standard non-profit, most of its Outreach expenses would be incurred by the Development team (to generate donations for its continued operations & programming) and be considered fundraising. At GiveWell, the vast majority of our outreach and the activities of our nascent Outreach team are more meaningfully considered education (of donors about our research findings) and grant-related outreach (for other charities). As a result, we allocate a majority of the expenses incurred by the Outreach team to the Program category.

In the past, this was really a pretty nominal decision because actual outreach expenses were tiny. Given the significant changes in our outreach plans (hiring folks to an official Outreach team, greatly expanding outreach activities to generate money for Top Charities, etc.) Outreach expenses could increase dramatically in the coming years and this decision takes on more weight. We have discussed this with Hood and Strong and they agree that this is the appropriate conceptual way to present the Outreach expenses. However, we and they are agreed that for future years we will want and need to present a more defined narrative that describes our different programs (ie. Research, Education/Outreach, and Grantmaking) and how expenses are allocated to them. This will have the added advantage of making the audited financials a more useful tool generally.

In parallel, we will be doing the internal work to ensure that we have appropriately defined which costs and activities should appropriately be allocated to Program and which constitute conventional fundraising (for GiveWell operating funds) and shall be allocated to Fundraising.

Recommendation
1. Approve these documents for public release

Comments
I am happy to answer any questions you may have regarding the audit documents or the process.

Please don't hesitate to let me know if you have any other questions/comments.
Thanks,
Whitney

THE CLEAR FUND
D.B.A. GIVEWELL

DECEMBER 31, 2018

REPORT

TO

THE AUDIT COMMITTEE

HOOD & STRONG LLP
CERTIFIED PUBLIC ACCOUNTANTS

A Century Strong

July 5, 2019

TO THE AUDIT COMMITTEE
THE CLEAR FUND d.b.a. GIVEWELL
San Francisco, California

We are pleased to present this report related to our audit of the financial statements of **THE CLEAR FUND d.b.a. GIVEWELL (GiveWell)** for the year ended December 31, 2018. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for GiveWell's financial reporting process.

This report is intended solely for the information and use of the Audit Committee, Board of Directors and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciated the opportunity to be of service to GiveWell.

Hood & Strong LLP

The Clear Fund d.b.a GiveWell

Report to The Audit Committee

The Clear Fund d.b.a GiveWell

Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged with Governance)* require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities with Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated January 31, 2019. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication regarding the planned scope and timing of our audit as an attachment to our arrangement letter.
Accounting Policies and Practices	**Preferability of Accounting Policies and Practices** Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice. **Adoption of, or Change in, Accounting Policies** Management has the ultimate responsibility for the appropriateness of the accounting policies used by GiveWell. GiveWell adopted ASU 2016-14, Presentation of Financial Statements of Not-For-Profit Entities, beginning January 1, 2018. GiveWell did not adopt any other significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period. **Significant or Unusual Transactions** We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

The Clear Fund d.b.a GiveWell

Required Communications

Area	Comments
	Management's Judgments and Accounting Estimates Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses its knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimate reflected in GiveWell's December 31, 2018 financial statements: - Functional allocation of expenses – 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. GiveWell's processes for estimates appear reasonable and are consistent with industry practice and U.S. GAAP.
Audit Adjustments	There were no audit adjustments made to the original trial balance presented to us to begin our audit.
Uncorrected Misstatements	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.
Disagreements with Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations with Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed with Management	No other significant issues arising from the audit were discussed or the subject of correspondence with management.

The Clear Fund d.b.a GiveWell

Required Communications

Area	Comments
Significant Difficulties Encountered in Performing the Audit	We did not encounter any other difficulties in dealing with management during the audit.
Significant Written Communications Between Management and Our Firm	The only written communications between our Firm and management of GiveWell are the representation letter provided to us by management (available upon request) and a letter reporting control deficiencies (attached).

July 5, 2019

TO THE AUDIT COMMITTEE
THE CLEAR FUND d.b.a. GiveWell
San Francisco, California

In planning and performing our audit of the financial statements of **THE CLEAR FUND d.b.a. GIVEWELL (GiveWell)** as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered GiveWell's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GiveWell's internal control. Accordingly, we do not express an opinion on the effectiveness of GiveWell's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Following are descriptions of identified deficiencies in internal control from the prior year that we determined did not constitute a significant deficiency or material weakness:

STATUS OF PRIOR YEAR RECOMMENDATIONS (as previously reported, along with status update)

Financial Statement Disclosure and Presentation Items

Observation

Two key areas of presentation and disclosure in GiveWell's financial statements are its temporarily restricted net assets activity and the transactions with related parties. While items in both of these areas were properly recorded in the general ledger, the supporting schedules initially provided did contain errors. Once these errors were identified, subsequent drafts were corrected by the contracted accounting firm.

Recommendation

We suggest that GiveWell ensure that these important areas are appropriately reviewed including greater level of collaboration between the contracted accounting firm and GiveWell's management team to ensure presentation and disclosure of these items are accurate.

Status

This recommendation has been implemented.

New Not-For-Profit Reporting Requirements

GiveWell will be expected to adopt the new accounting pronouncement, ASU 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities* for its year ending December 31, 2018. The adoption of this new standard will necessitate presentation changes in GiveWell's financial statements and footnotes as follows:

Reporting Requirements	**Recommended Actions for GiveWell**
Net asset terminology	The current terminology of unrestricted, temporarily and permanently restricted net assets will change to "Net assets with donor restrictions" and "Net assets without donor restrictions." There is no action needed. This will be a relatively simple wording change, which we will facilitate as the December 31, 2018 financial statements are drafted.
Functional expenses	Instead of reporting the functional expenses as a supplemental schedule, GiveWell will need to include this as one of the standard statements or as a separate footnote. Additionally, GiveWell will need to disclose in a bit more detail, the methodology employed for its functional expense allocations.
Liquidity disclosures	GiveWell will be required to disclose the "financial assets available for general expenditures in the next 12 months". This will require GiveWell to identify its financial assets available to be used for general expenditure, along with any restrictions or other encumbrances that would prevent the assets from being used for general expenditures. Additionally, GiveWell would also need to disclose its short-term cash management policies. We recommend that GiveWell begin to compile the narrative language for these policies and prepare the worksheets necessary to calculate its financial assets available for general expenditure.

Status

This recommendation has been implemented.

Undeposited Funds Reconciliation

Observation

We noted that GiveWell's utilizes an "undeposited funds" account within its chart of accounts. This account effectively functions as a clearing account for contributions not yet deposited into its bank accounts. We were provided an accounting of all the activity in this account for the year and performed testing that did not yield any errors (i.e. in our sample of contributions tested were verified that the selected items were deposited in GiveWell's accounts) but a detailed reconciliation of this account is not performed. Without a detailed reconciliation verifying that every contribution that flows through the undeposited fund account has been deposited, it's possible that errors could go undetected.

Recommendation

We recommend that GiveWell perform regular reconciliations for undeposited funds at the same frequency and approval process as the cash account reconciliations.

Status

This recommendation has been implemented.

Functional Expense Presentation

Observation

We noted that GiveWell has included a line item on its functional expense called "donated goods and services". The functional expense presentation should only include natural expense classifications such as rent or advertising.

Recommendation

We recommend that GiveWell begin to record its in-kind expenses in a manner that allows for these expenses to easily be presented into their respective natural expense categories.

Status

GiveWell has changed its manner of recording its in-kind expenses that now allows for separate reporting of the different type of in-kind expenses incurred but elected to continue to present its in-kind expenses all combined into one line item on the statement of functional expenses.

This letter is intended solely for the information and use of management and GiveWell's Audit Committee and is not intended to be, and should not be, used by anyone other than these specified parties. We appreciate serving GiveWell and would be happy to assist you in addressing and implementing any of the suggestions in this letter.

Hood & Strong LLP

THE CLEAR FUND
D.B.A. GIVEWELL

DECEMBER 31, 2018

INDEPENDENT AUDITORS' REPORT

AND

FINANCIAL STATEMENTS

The Clear Fund d.b.a. GiveWell

Independent Auditors' Report and
Financial Statements

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, 2018, and the related statements of activities and changes in net assets, functional expenses 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, 2018, 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.

Effect of Adopting New Accounting Standard

As described in Note 2, GiveWell adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. Accordingly, the accounting change has been retrospectively applied to all periods presented with the exception of the omission of certain information as permitted by the ASU. Our opinion is not modified with respect to that matter.

Report on Summarized Comparative Information

We have previously audited GiveWell's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 16, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hood & Strong LLP

San Francisco, California
July 5, 2019

The Clear Fund d.b.a. GiveWell

Statement of Financial Position

December 31,2018 (with comparative totals for 2017)	2018	2017
Assets		
Current Assets:		
Cash and cash equivalents	$ 26,236,791	$ 20,505,195
Prepaid expenses and other current assets	106,204	70,506
Total current assets	26,342,995	20,575,701
Equipment and Intangible Assets, net	6,461	34,035
Total Assets	$ 26,349,456	$ 20,609,736
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	$ 301,022	$ 294,622
Grants payable	13,777,053	11,882,928
Total current liabilities	14,078,075	12,177,550
Net Assets:		
Without donor restrictions	11,884,594	7,904,090
With donor restrictions	386,787	528,096
Total net assets	12,271,381	8,432,186
Total Liabilities and Net Assets	$ 26,349,456	$ 20,609,736

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, 2018 (with comparative totals for 2017)

	2018			2017
	Without donor restrictions	With donor restrictions	Total	Total
Revenues and Support:				
Contributions	$ 7,700,699	$ 28,307,307	$ 36,008,006	$ 26,952,535
Donated goods and services	632,780		632,780	896,023
Investment income, net	17,748		17,748	44,790
Other revenue			-	88
Net assets released from restrictions	28,448,616	(28,448,616)	-	-
Total revenue and support	36,799,843	(141,309)	36,658,534	27,893,436
Expenses:				
Program services	31,318,762		31,318,762	26,253,383
Management and general	1,268,054		1,268,054	1,166,398
Fundraising	232,523		232,523	240,018
Total expenses	32,819,339	-	32,819,339	27,659,799
Total Change in Net Assets Before Other Gains	3,980,504	(141,309)	3,839,195	233,637
Gain on Sale of Open Philanthropy Project			-	2,451,060
Total Change in Net Assets	3,980,504	(141,309)	3,839,195	2,684,697
Net Assets, beginning of year	7,904,090	528,096	8,432,186	5,747,489
Net Assets, end of year	$ 11,884,594	$ 386,787	$ 12,271,381	$ 8,432,186

See accompanying notes to financial statements.

The Clear Fund d.b.a. GiveWell

Statement of Cash Flows

Year ended December 31, 2018 (with comparative totals for 2017)	2018	2017
Operating Activities:		
Change in net assets	$ 3,839,195	$ 2,684,697
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	27,574	77,575
Gain on sale of Open Philanthropy Project		(2,451,060)
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(35,698)	(47,538)
Accounts payable and accrued expenses	6,400	143,036
Grants payable	1,894,125	4,073,818
Net cash provided by operating activities	5,731,596	4,480,528
Investing Activities:		
Proceeds from sale of Open Philanthropy Project		2,451,060
Net cash provided by investing activities	-	2,451,060
Net Change in Cash and Cash Equivalents	5,731,596	6,931,588
Cash and Cash Equivalents, beginning of year	20,505,195	13,573,607
Cash and Cash Equivalents, end of year	$ 26,236,791	$ 20,505,195

Non-Cash Operating Activities:

For the years ended December 31, 2018 and 2017, GiveWell received stock donations valued at $1,419,588 and $2,654,639, respectively.

See accompanying notes to financial statements.

The Clear Fund d.b.a. GiveWell

Statement of Functional Expenses

Year ended December 31, 2018 (with comparative totals for 2017)

	2018				
	Program	Management and General	Fundraising	Total	2017
Grants	$ 28,239,288			$ 28,239,288	$ 22,257,981
Salaries	1,379,645	$ 492,736	$ 88,280	1,960,661	2,432,206
Payroll taxes and benefits	157,711	143,653	10,636	312,000	380,446
Staff recruitment	34,105	1,506	260	35,871	17,660
Advertising	242,015		26,891	268,906	143,111
Outreach	18,871		4,718	23,589	8,855
Professional fees	440,253	330,775	60,868	831,896	802,481
Occupancy	23,177			23,177	8,614
Insurance		42,935		42,935	50,767
Office expenses	1,643	38,849		40,492	154,139
Information technology	1,069	18,243	268	19,580	30,568
Travel and conferences	24,599	35,518	1,010	61,127	192,392
Bank and payment processing fees	273,056	8,921		281,977	198,888
Miscellaneous		17,486		17,486	8,093
Donated goods and services	483,330	109,858	39,592	632,780	896,023
Depreciation and amortization		27,574		27,574	77,575
Total expenses	$ 31,318,762	$ 1,268,054	$ 232,523	$ 32,819,339	$ 27,659,799

See accompanying 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 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).

b. 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.

c. Cash and Cash Equivalents

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

d. 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.

e. Grants

Grants are expensed following approval by the board. Contributions restricted to recommended charities are 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 2018 were allocated 56% to Malaria Consortium, 31% to Against Malaria Foundation and 13% to Schistosomiasis Control Initiative. The allocation percentage is approved by GiveWell's board of directors.

f. Functional Expenses

The cost of providing the various program and supporting services have been summarized on a functional basis in the statements of activities and changes in net assets, and functional expenses.

Grant expense is charged directly to program. Other directly identifiable expenses are charged to the related program or service benefited. These include salaries and related benefits, professional fees, advertising and travel, which are charged to the functional area of the employee who incurred the expense. Employees who performed work in multiple functional areas prorate expenses based on the actual hours worked.

Occupancy related expenses are allocated to program and services based on a headcount by functional category. Other indirect expenses, including those associated with office administration, human resources, finance, general insurance and legal are all allocated to management and general.

g. Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor) imposed restrictions. GiveWell's donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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. The website provides prominent links for donating to recommended charities. Accordingly, advertising costs have been allocated between fundraising and program. Costs are expensed as incurred. For the year ended December 31, 2018 GiveWell incurred $268,906 of advertising expenses. For the year ended December 31, 2018 GiveWell also received donated advertising expenses in the amount of $ 204,300 (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, 2017, from which the summarized information was derived.

l. Recent Accounting Pronouncements

Adopted

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*, which changes presentation and disclosure requirements for nonprofit entities to provide more relevant information about their resources (and the changes in those resources) to donors, granters, creditors, and other users. These include qualitative and quantitative requirements in the following areas: net asset classes, investment return, expenses, and liquidity. Accordingly, the accounting change has been retrospectively applied to all periods presented with the exception of the omission of prior year functional expense and liquidity and availability of resource information as permitted by the ASU.

Adoption Pending

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, 2018 through July 5, 2019, 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 - Grants Payable:

Grants payable at December 31, 2018 in the amount of $ 13,777,053 represents amounts that have been committed to various grantees, but not yet paid. These grants were fully paid in the subsequent year.

Note 4 - Net Assets with Donor Restriction

Net assets with donor restrictions at December 31, 2018 consist of incentive grants to potential top charities in the amount of $386,787.

Net assets with donor restrictions for the year ended December 31, 2018 were released from restrictions by satisfying the purpose specified by the donor as follows:

Malaria Consortium	$ 10,213,713
Against Malaria Foundation (AMF)	7,829,795
Schistosomiasis Control Initiative (SCI)	3,561,126
GiveDirectly	1,806,316
Development Media International	1,693,400
Effective Altruism Foundation	926,922
Evidence Action (Deworm the World Initiative)	829,910
Helen Keller International (VAS program)	419,313
Iodine Global Network	392,014
Sightsavers	181,523
Incentive grants to potential top charities	140,623
END Fund	135,962
Evidence Action (No Lean Season)	93,019
Global Alliance for Improved Nutrition	80,315
Evidence Action (Dispensers for Safe Water)	43,236
Food Fortification Initiative	34,294
Living Goods	31,560
Project Healthy Children	20,628
Zusha! Road Safety Campaign	8,922
GiveDirectly – Basic Income Project	4,025
GiveDirectly – Refugee Support	2,000
	$ 28,448,616

Note 5 - Donated Goods and Services:

For the years ended December 31, 2018 the value of various donated goods and services are as follows:

Advertising	$ 204,300
Use of facilities and office expenses	425,573
Task management software	2,907
	$ 632,780

Note 6 - 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. Two of the same three board members of GiveWell (excluding the one who is also a GiveWell officer) 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.

Good Ventures contributed $ 2,453,548 for the year ending December 31, 2018.

Open Philanthropy Project LLC contributed $ 425,573 in donated use of facilities for the year ending December 31, 2018, and Open Philanthropy Action Fund made cash contributions of $851,179.

During the year ended December 31, 2018, GiveWell incurred $166,484 of expenses in connection with activities for Open Philanthropy Project LLC during 2018, of which $110,424 was reimbursed during the year ended December 31, 2018 and $56,060 is included in other current assets. Additionally, Open Philanthropy Project LLC incurred $25,696 of expenses in connection with activities for GiveWell during 2018, of which $18,880 was reimbursed during the year ended December 31, 2018 and $6,816 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, 2018.

Note 7 - 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 2018. Major donors are defined as donors that contribute revenue greater than 10% of GiveWell’s contributions for that year.

Note 8 - Available Resources and Liquidity:

GiveWell's financial assets at December 31, 2018 that are available to meet general expenditures over the next twelve months are as follows:

Financial assets at year-end:	
Cash and cash equivalents	$ 26,236,791
Accounts receivable included in other current assets	56,060
Total financial assets	26,292,851
Less amounts not available for general expenditures:	
Net assets with donor restrictions	(386,787)
Financial assets available to meet general expenditures over the next twelve months	$ 25,906,064

GiveWell's cash and cash equivalents typically include cash held in deposit accounts, highly liquid investments and investments with an original maturity of three months or less.

GiveWell holds in its financial assets available for general expenditure an amount that is judged by management as sufficient to support GiveWell's operations for 12 months. Financial assets available for general expenditure over and above that amount are considered excess assets. GiveWell's board of directors grant out any excess assets on an annual basis at the annual financial meeting according to an excess asset policy. Financial assets available for general expenditure arising from an extraordinary transaction, such as a sale of assets, may be considered up to one year following the close of such transaction, rather than at the next board meeting at which a budget is approved.