

THE CLEAR FUND  
(aka GIVEWELL)

FINANCIAL STATEMENTS

DECEMBER 31, 2008 AND 2007

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CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS	3
STATEMENTS OF CASH FLOWS	4
NOTES TO FINANCIAL STATEMENTS	5 - 8
INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION	9
SCHEDULES OF FUNCTIONAL EXPENSES	10

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS

The Clear Fund

We have audited the accompanying statements of financial position of The Clear Fund as of December 31, 2008 and 2007, and the related statements of activities and change in net assets, and cash flows for the year ended December 31, 2008 and the period from February 22, 2007 (inception) to December 31, 2007. 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 audits provide 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, 2008 and 2007, and the changes in its net assets and cash flows for the year ended December 31, 2008 and the period from February 22, 2007 (inception) to December 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

The financial statements include certain prior year summarized comparative information in total, but not by 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 period from February 22, 2007 (inception) to December 31, 2007 from which the summarized information was derived.

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

New York, New York  
August 03, 2009

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

	2008	2007
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 725,840	\$ 237,802
Investment in marketable securities	25,000	-
Prepaid expenses	1,036	-
<b>TOTAL ASSETS</b>	<b>\$ 751,876</b>	<b>\$ 237,802</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 11,446	\$ 8,724
Due to officers	4,181	10,290
Grants payable	-	65,000
Total Current Liabilities	15,627	84,014
Net Assets		
Unrestricted	368,239	149,957
Temporarily restricted	368,010	3,831
Total Net Assets	736,249	153,788
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 751,876</b>	<b>\$ 237,802</b>

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

THE CLEAR FUND  
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STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS

	For the year ended December 31, 2008			Period from February 22, 2007 (inception) to December 31, 2007
	Unrestricted	Temporarily Restricted	Total	
Revenue and other support:				
Contributions	\$ 404,338	\$ 364,179	\$ 768,517	\$ 394,928
Donated services	2,375	-	2,375	2,000
Interest income	55	-	55	-
Total revenue and other support	<u>406,768</u>	<u>364,179</u>	<u>770,947</u>	<u>396,928</u>
Expenses:				
Program expenditures	126,225	-	126,225	203,362
Fundraising	8,126	-	8,126	3,200
General and administrative	54,135	-	54,135	36,578
Total expenses	<u>188,486</u>	<u>-</u>	<u>188,486</u>	<u>243,140</u>
Changes in net assets	218,282	364,179	582,461	153,788
Net assets - beginning of period	<u>149,957</u>	<u>3,831</u>	<u>153,788</u>	<u>-</u>
Net assets - end of period	<u>\$ 368,239</u>	<u>\$ 368,010</u>	<u>\$ 736,249</u>	<u>\$ 153,788</u>

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

THE CLEAR FUND  
(aka GIVEWELL)  
STATEMENTS OF CASH FLOWS

	<u>For the year ended December 31, 2008</u>	<u>Period from February 22, 2007 (inception) to December 31, 2007</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 582,461	\$ 153,788
Adjustments to reconcile changes in assets to net cash provided by operating activities:		
(Increase) Decrease in certain assets:		
Prepaid expenses	(1,036)	-
Increase (Decrease) in certain liabilities:		
Accounts payable and accrued expenses	2,722	8,724
Grants payable	(65,000)	65,000
	<u>519,147</u>	<u>227,512</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Acquisition of marketable security	(25,000)	-
	<u>                    </u>	<u>                    </u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Due to officers	(6,109)	10,290
	<u>                    </u>	<u>                    </u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	488,038	237,802
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD</b>	<u>237,802</u>	<u>                    </u>
<b>CASH AND CASH EQUIVALENTS - END OF PERIOD</b>	<u><u>\$ 725,840</u></u>	<u><u>\$ 237,802</u></u>

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

THE CLEAR FUND  
(aka GIVEWELL)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007

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 publishes public research and recommendations on charities, with the aim of helping individuals to accomplish as much good as possible with their donations. The Clear Fund offers and distributes grants. Through its grant application process, The Clear Fund collects thorough information on charities' activities and evidence of effectiveness, which is then evaluated and published on its public website (www.givewell.net).

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statement presentation follows the requirements of Statement of Financial Accounting Standards ("SFAS") No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, information regarding financial position and organization activities is reported according to three classes of assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Accordingly, the net assets consist of the following:

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. Unrestricted – Board Designated are unrestricted net assets that the Board of Directors has set aside to be contributed to various charities.

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.

THE CLEAR FUND  
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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

At December 31, 2008 and 2007, The Clear Fund had no permanently restricted net assets.

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 period from February 22, 2007 (inception) to December 31, 2008 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 placed in credit-worthy financial institutions. The amount on deposit that exceeds the federally insured limit is subject to credit risk. As of December 31, 2008 and 2007, The Clear Fund had balances that exceeded the FDIC limit of \$250,000 and \$100,000, respectively.



THE CLEAR FUND  
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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007

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 under New York State income tax laws. In addition, The Clear Fund qualifies for the charitable contribution deduction under Section 170(b) (1) (a) and has been classified as an organization that is not a private foundation under Section 509(a) (1)

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 year ended December 31, 2008 and for the period from February 22, 2007 (inception) to December 31, 2007, The Clear Fund incurred \$2,000 and \$3,699 of advertising expenses, respectively.

NOTE 3 - DUE TO OFFICERS

In December 31, 2008 and 2007, two officers of The Clear Fund personally paid for various expenses on behalf of The Clear Fund in the amounts of \$4,181 and \$10,290, respectively.

NOTE 5 - GRANTS PAYABLE

The Clear Fund made grants to various causes during the period February 22, 2007 to December 31, 2007. Grants payable, in the amount of \$65,000, represents the amount that has been committed for two grants, but not yet paid as of December 31, 2007. These grants were paid in 2008.

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets in the amount of \$368,010 were available for various causes as of December 31, 2008.

THE CLEAR FUND  
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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007

NOTE 7 - DONATED SERVICES

Donated services are recognized as contributions in accordance with SFAS No. 116, "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 School.

One individual has 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 year ended December 31, 2008, and the period from February 22, 2007 (inception) to December 31, 2007, the value of such donated services amounted to \$2,375 and \$ 2,000, respectively.

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INDEPENDENT AUDITORS' REPORT  
ON ADDITIONAL INFORMATION

TO THE BOARD OF DIRECTORS  
The Clear Fund

Our report on our audits of the basic financial statements of The Clear Fund as of December 31, 2008 and 2007 appears on Page 1. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

New York, New York  
August 03, 2009

THE CLEAR FUND  
(aka GIVEWELL)  
SCHEDULES OF FUNCTIONAL EXPENSES

	For the year ended December 31, 2008				Period from
	Program	Fundraising	General and Administrative	Total	February 22, 2007 (inception) to December 31, 2007
Salaries	\$ 99,423	\$ 5,871	\$ 30,289	\$ 135,583	\$ 64,973
Payroll taxes and benefits	13,533	799	5,193	19,525	9,412
Grants	-	-	-	-	140,000
Research fees	-	-	-	-	2,751
Public website	2,005	84	-	2,089	4,056
Advertising	1,920	80	-	2,000	3,699
Professional fees	6,560	729	11,790	19,079	11,071
In-Kind services	-	-	2,375	2,375	2,000
General insurance	61	6	50	117	632
Office expenses	152	271	3,915	4,338	2,085
Dues and subscriptions	-	-	250	250	-
Registration fees	-	-	75	75	1,265
Software	-	-	198	198	652
Travel and conferences	1,671	186	-	1,857	332
Miscellaneous	900	100	-	1,000	212
Totals	<u>\$ 126,225</u>	<u>\$ 8,126</u>	<u>\$ 54,135</u>	<u>\$ 188,486</u>	<u>\$ 243,140</u>

The notes are an integral part of these financial statements