

THE CLEAR FUND  
D.B.A. GIVEWELL

DECEMBER 31, 2020

---

INDEPENDENT AUDITORS' REPORT

AND

FINANCIAL STATEMENTS

# The Clear Fund d.b.a. GiveWell

## Independent Auditors' Report and Financial Statements

---

<b>Independent Auditors' Report</b>	1 - 2
-------------------------------------	-------

### **Financial Statements**

Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7 - 14



A Century Strong

## **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, 2020, 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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 15, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Hood & Strong LLP*

San Francisco, California  
June 25, 2021

# The Clear Fund d.b.a. GiveWell

## Statement of Financial Position

<i>December 31, 2020 (with comparative totals for 2019)</i>	2020	2019
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 97,669,784	\$ 42,945,030
Prepaid expenses and other current assets	189,501	252,116
Total current assets	97,859,285	43,197,146
<b>Property, Equipment and Intangible Assets, net</b>	578,192	711,239
<b>Total Assets</b>	<b>\$ 98,437,477</b>	<b>\$ 43,908,385</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 763,882	\$ 550,241
Leasehold allowance, current portion	115,673	116,127
Grants payable	35,874,728	20,332,254
Total current liabilities	36,754,283	20,998,622
<b>Long-Term Liabilities:</b>		
Leasehold allowance, net of current portion	337,381	454,832
Total liabilities	37,091,664	21,453,454
<b>Net Assets:</b>		
Without donor restrictions	61,182,160	21,981,022
With donor restrictions	163,653	473,909
Total net assets	61,345,813	22,454,931
<b>Total Liabilities and Net Assets</b>	<b>\$ 98,437,477</b>	<b>\$ 43,908,385</b>

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, 2020 (with comparative totals for 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Revenues and Support:</b>				
Contributions	\$ 51,236,734	\$ 65,714,803	\$ 116,951,537	\$ 51,058,253
Donated goods and services	168,264		168,264	479,543
Investment income and other, net	66,673		66,673	16,620
Net assets released with restrictions	66,025,059	(66,025,059)	-	-
<b>Total revenue and support</b>	<b>117,496,730</b>	<b>(310,256)</b>	<b>117,186,474</b>	<b>51,554,416</b>
<b>Expenses:</b>				
Program services	75,879,694		75,879,694	39,605,019
Management and general	2,129,739		2,129,739	1,570,944
Fundraising	286,159		286,159	194,903
<b>Total expenses</b>	<b>78,295,592</b>	<b>-</b>	<b>78,295,592</b>	<b>41,370,866</b>
<b>Total Change in Net Assets</b>	<b>39,201,138</b>	<b>(310,256)</b>	<b>38,890,882</b>	<b>10,183,550</b>
<b>Net Assets, beginning of year</b>	<b>21,981,022</b>	<b>473,909</b>	<b>22,454,931</b>	<b>12,271,381</b>
<b>Net Assets, end of year</b>	<b>\$ 61,182,160</b>	<b>\$ 163,653</b>	<b>\$ 61,345,813</b>	<b>\$ 22,454,931</b>

See accompanying notes to financial statements.

# The Clear Fund d.b.a. GiveWell

## Statement of Cash Flows

<i>Year ended December 31, 2020 (with comparative totals for 2019)</i>	2020	2019
<b>Operating Activities:</b>		
Change in net assets	\$ 38,890,882	\$ 10,183,550
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	146,544	37,389
Amortization of leasehold allowance	(117,905)	
Loss on disposal of equipment	1,393	4,744
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	62,615	(145,912)
Accounts payable and accrued expenses	213,641	249,219
Grants payable	15,542,474	6,555,201
<b>Net cash provided by operating activities</b>	<b>54,739,644</b>	<b>16,884,191</b>
<b>Investing Activities:</b>		
Purchase of equipment	(15,308)	(175,952)
Proceeds from the sale of equipment	418	
<b>Net cash used in investing activities</b>	<b>(14,890)</b>	<b>(175,952)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>54,724,754</b>	<b>16,708,239</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>42,945,030</b>	<b>26,236,791</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 97,669,784</b>	<b>\$ 42,945,030</b>
<b>Non-Cash Operating Activities:</b>		
Value of stock donations received	\$ 8,098,512	\$ 5,670,413
<b>Non-Cash Investing Activities:</b>		
Acquisition of leasehold improvements to be amortized over the term of the lease.		\$ 622,706

See accompanying notes to financial statements.

# The Clear Fund d.b.a. GiveWell

## Statement of Functional Expenses

Year ended December 31, 2020 (with comparative totals for 2019)

	2020				2019
	Program	Management and General	Fundraising	Total	
Grants	\$ 69,608,827	\$	\$	\$ 69,608,827	\$ 35,341,596
Salaries	3,617,933	938,504	124,671	4,681,108	3,114,128
Payroll taxes and benefits	518,575	277,595	15,637	811,807	548,847
Staff recruitment	261,710	13,779	3,625	279,114	245,423
Advertising	678,808		75,423	754,231	122,072
Outreach	24,088	1,579	5,974	31,641	53,876
Professional fees	261,780	435,316	31,332	728,428	635,730
Occupancy	297,627	73,379	11,811	382,817	119,242
Insurance		49,474		49,474	40,448
Office expenses	4,584	92,718		97,302	123,776
Information technology	13,126	24,334	1,321	38,781	20,512
Travel and conferences	8,007	15,984		23,991	119,147
Bank and payment processing fees	437,345	13,477		450,822	317,466
Miscellaneous		42,441		42,441	51,671
Donated goods and services	147,284	4,615	16,365	168,264	479,543
Depreciation and amortization		146,544		146,544	37,389
<b>Total expenses</b>	<b>\$ 75,879,694</b>	<b>\$ 2,129,739</b>	<b>\$ 286,159</b>	<b>\$ 78,295,592</b>	<b>\$ 41,370,866</b>

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 makes grants to charities to improve incentives for doing demonstrably effective work and sharing information on that work. GiveWell's office is located in Oakland, California.

In 2020 GiveWell registered as a Public Benefit Organization (Algemeen Nut Beogende Instelling, or ANBI) in the Netherlands; as a result, donations to GiveWell in the Netherlands are tax deductible to donors.

### 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 \$2,000. 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.

# The Clear Fund d.b.a. GiveWell

## Notes to Financial Statements

---

e. Grants

Grants are expensed following approval by the board of directors. 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 2020 were allocated 75% to Against Malaria Foundation (AMF) and 25% to Malaria Consortium (SMC program). The allocations are approved by GiveWell’s board of directors during the quarterly granting process.

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 an estimate of the hours worked.

GiveWell’s efforts to educate donors on the benefits of effective charities and to promote GiveWell’s grant making programs to effective charities, are allocated by management, 90% to program and 10% to fundraising based on estimates of personnel time devoted to the respective functions. Management allocates 80% to program and 20% to fundraising for website and technology resources required to process and record donations based on the percentage of donors who donate funds for the purposes of GiveWell’s granting program versus those who give, at least in part, unrestricted donations that may be used for GiveWell operating expenses.

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.

# The Clear Fund d.b.a. GiveWell

## Notes to Financial Statements

---

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. These restrictions are temporary in nature, and 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 nonprofit 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 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 on 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, 2020, GiveWell incurred \$754,231 of advertising expenses. For the year ended December 31, 2020, GiveWell also received donated advertising expenses in the amount of \$163,648 (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 as of and for the year ended December 31, 2019, from which the summarized information was derived.

# The Clear Fund d.b.a. GiveWell

## Notes to Financial Statements

---

### l. Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases (Topic 842)*. Under the new guidance, lessees will be required to recognize, at commencement date, a lease liability representing the lessee's obligation to make payments arising from the lease and a right-of-use asset representing the lessee's right to use, or control the use of, a specified asset for the lease term. This guidance is effective for fiscal years beginning after December 15, 2021. GiveWell is currently evaluating the impact of this pronouncement on its financial statements.

### m. Subsequent Events

GiveWell evaluated subsequent events from December 31, 2020 through June 25, 2021, the date these financial statements were available to be issued. Except as described below, there were no material subsequent events that required recognition or additional disclosure in these financial statements.

GiveWell is in the process of registering as a Charitable Incorporated Organization (CIO) in the U.K. and deems the application likely to be approved during 2021. This will allow donations to GiveWell to be tax deductible in the U.K.

### **Note 3 - Property, Equipment and Intangible Assets, net:**

GiveWell's property, equipment and intangible assets consisted of the following at December 31, 2020:

Intangible – website	\$ 225,000
Equipment and machinery	34,932
Furniture	111,530
Computer	51,555
Leasehold improvements	562,226
	<hr/>
	985,243
Accumulated depreciation and amortization	(407,051)
	<hr/>
	\$ 578,192

Depreciation and amortization expense for the year ended December 31, 2020 was \$146,544.

# The Clear Fund d.b.a. GiveWell

## Notes to Financial Statements

---

### Note 4 - Grants Payable:

Grants payable at December 31, 2020, in the amount of \$35,874,728 represents amounts that have been committed to various grantees, but not yet paid. These grants were fully paid in the subsequent year.

### Note 5 - Net Assets with Donor Restriction:

Net assets with donor restrictions at December 31, 2020, consist of incentive grants to potential top charities in the amount of approximately \$160,000.

Net assets with donor restrictions for the year ended December 31, 2020, were released from restrictions by satisfying the purpose specified by the donor as follows:

Against Malaria Foundation (AMF)	\$ 41,234,268
Malaria Consortium (SMC program)	14,264,871
GiveDirectly	3,428,119
Development Media International	1,090,338
Evidence Action (Deworm the World Initiative)	971,096
New Incentives	912,701
Incentive grants to potential top charities	841,195
Helen Keller International (VAS program)	732,497
SCI Foundation	560,884
Iodine Global Network	466,817
COVID-19	363,445
Sightsavers (Deworming program)	282,880
Tufts Water Study	203,796
END Fund (Deworming program)	167,187
Global Alliance for Improved Nutrition (USI program)	135,650
Precision Agriculture for Development	101,965
Food Fortification Initiative	97,898
Evidence Action (Dispensers for Safe Water)	58,380
Living Goods	45,084
Effective Altruism Foundation	22,905
Project Healthy Children	22,323
Zusha! Road Safety Campaign	20,760

---

\$ 66,025,059

# The Clear Fund d.b.a. GiveWell

## Notes to Financial Statements

---

### Note 6 - Donated Goods and Services:

For the year ended December 31, 2020, the value of various donated goods and services are as follows:

Advertising	\$ 163,648
Task management software	4,616
	<hr/>
	\$ 168,264

### Note 7 - Operating Lease Commitments:

In October 2019, GiveWell began leasing space in Oakland, California. The operating lease expires November 1, 2024 and requires escalating monthly rent payments.

The scheduled minimum lease payments under the lease terms are as follows:

Year ending December 31,

2021	\$ 489,087
2022	503,760
2023	518,873
2024	488,908
	<hr/>
	\$ 2,000,628

Total lease expense for the Oakland lease was \$371,164 for the year ended December 31, 2020.

### Note 8 - 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. GiveWell shared office space with Good Ventures and Open Philanthropy Project LLC until October 2019.

Open Philanthropy Project LLC made cash contributions of \$4,835,323 during the year ending December 31, 2020.

# The Clear Fund d.b.a. GiveWell

## Notes to Financial Statements

---

During the year ended December 31, 2020, GiveWell incurred \$6,341 of expenses in connection with activities for Open Philanthropy Project LLC during 2020, which is included in other current assets.

### Note 9 - 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 at financial institutions insured through the Federal Deposit Insurance Corporation. GiveWell's deposits may at times exceed the federally insured limit.

In 2020, one donor's contribution was approximately 30% of GiveWell's total contributions for the year. GiveWell does not intend to build up excess assets and will evaluate how best to utilize this grant in 2021.

### Note 10 - Available Resources and Liquidity:

GiveWell's financial assets at December 31, 2020, that are available to meet general expenditures over the next twelve months are as follows:

Financial assets at year-end:	
Cash and cash equivalents	\$ 97,669,784
Accounts receivable included in other current assets	6,341
	<hr/>
Total financial assets	97,676,125
Less amounts not available for general expenditures:	
Net assets with donor restrictions	(163,653)
	<hr/>
Financial assets available to meet general expenditures over the next twelve months	\$ 97,512,472

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.

# The Clear Fund d.b.a. GiveWell

## Notes to Financial Statements

---

GiveWell has financial assets available for general expenditure in an amount judged by management as sufficient to support GiveWell's operations for the next 24 months, including the disbursement of its grants payable in the amount of \$35,874,728. Financial assets available for general expenditure over and above that amount are considered excess assets. GiveWell's board of directors grant 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.

### **Note 11 - COVID-19:**

Although there were substantial concerns for GiveWell at the onset of the COVID-19 pandemic, GiveWell's operations and revenues have not been materially affected. All GiveWell employees transitioned to full-time remote working in early March 2020 and there has not been a material impact to GiveWell's ability to continue operating effectively. The majority of GiveWell's employees have continued to work remotely and the office has generally remained closed.