

THE CLEAR FUND
(AKA GIVEWELL)

FINANCIAL STATEMENTS

DECEMBER 31, 2015
(with comparative financial information for December 31, 2014)

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF
THE CLEAR FUND (AKA GIVEWELL)

We have audited the accompanying financial statements of The Clear Fund (aka Givewell) which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, 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 auditors' 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 Clear Fund'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 Clear Fund'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 The Clear Fund as of December 31, 2015, and the changes in its net assets and its 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 The Clear Fund's 2014 financial statements, and our report dated April 10, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 13 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 audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


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

New York, New York
July 11, 2016

THE CLEAR FUND
(AKA GIVEWELL)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015

(with comparative financial information for December 31, 2014)

	2015	2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 12,177,201	\$ 8,179,232
Investments	79,373	50,250
Prepaid expenses and other current assets	18,110	4,014
Total current assets	12,274,684	8,233,496
Website development costs, net of accumulated amortization of \$50,000 and \$-0-, respectively	175,000	-
TOTAL ASSETS	\$ 12,449,684	\$ 8,233,496
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 71,317	\$ 60,847
Grants payable	6,384,645	4,456,016
Total liabilities	6,455,962	4,516,863
Net assets:		
Unrestricted	5,493,722	3,362,367
Temporarily restricted	500,000	354,266
Total net assets	5,993,722	3,716,633
TOTAL LIABILITIES AND NET ASSETS	\$ 12,449,684	\$ 8,233,496

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

THE CLEAR FUND
(AKA GIVEWELL)
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015
(with summarized comparative financial information for the year ended December 31, 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Total	
Revenue and other support:				
Contributions	\$ 4,695,727	\$ 12,937,283	\$ 17,633,010	\$ 11,081,136
Donated goods and services	749,829	-	749,829	404,612
Investment income, net	1,583	-	1,583	3,410
Other income	1,059	-	1,059	3,485
Net assets released from restrictions- satisfaction of purpose restriction	12,791,549	(12,791,549)	-	-
 Total revenue and other support	 <u>18,239,747</u>	 <u>145,734</u>	 <u>18,385,481</u>	 <u>11,492,643</u>
Expenses:				
Program expenditures	14,994,374	-	14,994,374	9,552,026
Fundraising	82,698	-	82,698	55,542
General and administrative	1,031,320	-	1,031,320	361,670
 Total expenses	 <u>16,108,392</u>	 <u>-</u>	 <u>16,108,392</u>	 <u>9,969,238</u>
 Changes in net assets	 2,131,355	 145,734	 2,277,089	 1,523,405
 Net assets - beginning of year	 <u>3,362,367</u>	 <u>354,266</u>	 <u>3,716,633</u>	 <u>2,193,228</u>
 Net assets - end of year	 <u>\$ 5,493,722</u>	 <u>\$ 500,000</u>	 <u>\$ 5,993,722</u>	 <u>\$ 3,716,633</u>

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

THE CLEAR FUND
(AKA GIVEWELL)
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

(with summarized comparative financial information for the year ended December 31, 2014)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 2,277,089	\$ 1,523,405
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Amortization expense	50,000	-
Realized loss on investments	2,482	276
Unrealized loss on investments	266	669
(Increase) Decrease in certain assets:		
Prepaid expenses and other current assets	(14,096)	(706)
Increase (Decrease) in certain liabilities:		
Accounts payable and accrued expenses	10,470	44,628
Grants payable	1,928,629	1,035,647
	<u>4,254,840</u>	<u>2,603,919</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(766,209)	(190,983)
Proceeds from sale of investments	734,338	195,806
Website development costs	(225,000)	-
	<u>(256,871)</u>	<u>4,823</u>
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,997,969	2,608,742
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>8,179,232</u>	<u>5,570,490</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 12,177,201</u>	<u>\$ 8,179,232</u>

NON-CASH INVESTING ACTIVITIES

For the years ended December 31, 2015 and 2014, The Clear Fund received stock donations valued at \$767,084 and \$204,603, respectively.

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

THE CLEAR FUND
(AKA GIVEWELL)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(with comparative financial information for December 31, 2014)

NOTE 1 - NATURE OF ACTIVITIES

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

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Unrestricted

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

Temporarily Restricted

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

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 Clear Fund. The income derived from these permanently restricted funds is usually classified as unrestricted and can be used for the general purpose of The Clear Fund.

At December 31, 2015 and 2014, The Clear Fund had no permanently restricted net assets.

Revenue and Support

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

THE CLEAR FUND
(AKA GIVEWELL)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(with comparative financial information for December 31, 2014)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Support (Continued)

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

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with The Clear Fund's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

Use of Estimates

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

Cash and Cash Equivalents

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

Concentration of Credit Risk

Financial instruments which potentially subject The Clear Fund to concentrations of credit risk are cash and cash equivalents. The Clear Fund places its cash and cash equivalents on deposit in what it believes to be highly credited financial institutions. Cash balances may exceed the FDIC insured levels of \$250,000 per institution at various times during the year. At December 31, 2015 and 2014 account balances exceed insured levels by approximately \$11,646,000 and \$7,874,000, respectively. The Clear Fund believes that there is little risk in any losses and has not experienced any losses in such accounts.

Functional Allocation of Expenses

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.

THE CLEAR FUND
(AKA GIVEWELL)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(with comparative financial information for December 31, 2014)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax-Exempt Status

The Clear Fund is a non-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and a similar provision for state taxing authorities. In addition, The Clear Fund qualifies for the charitable contribution deduction under Section 170(b)(1)(a)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1). The Clear Fund is subject to income taxes only on net unrelated business income. The Clear Fund did not have any unrelated business income for the years ended December 31, 2015 and 2014.

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

IRS Forms 990 filed by The Clear Fund are subject to examination by the Internal Revenue Service up to three years from the extended due date of each return. Forms 990 filed by The Clear Fund are no longer subject to examination for the fiscal years December 31, 2011, and prior.

Advertising Costs

The Clear Fund uses advertising specifically aimed at encouraging potential donors to use its research, featured at its public website, for their own giving. The website provides prominent links for donating to recommended charities. Accordingly, a substantial portion of advertising costs have been allocated to program expenditures and costs are expensed as incurred. For the years ended December 31, 2015 and 2014, The Clear Fund incurred \$347 and \$428 of advertising expenses, respectively. For the years ended December 31, 2015 and 2014, The Clear Fund also received donated advertising expenses in the amount of \$315,337 and \$216,150, respectively (see Note 7).

Reclassifications

Certain 2014 accounts have been reclassified to conform to the 2015 financial statement presentation. The reclassifications have no effect on 2014 total assets, liabilities, net assets and changes in net assets.

THE CLEAR FUND
(AKA GIVEWELL)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(with comparative financial information for December 31, 2014)

NOTE 3 - INVESTMENTS

Investments held by The Clear Fund at December 31, 2015 and 2014 are summarized as follows:

	2015	
	Market	Cost
Mutual funds	\$ 52,706	\$ 52,706
Equity securities	26,667	26,933
	\$ 79,373	\$ 79,639
	2014	
	Market	Cost
Equity securities	\$ 50,250	\$ 50,919

The following schedule summarizes investment return for the years ended December 31,:

	2015	2014
Interest and dividends	\$ 4,331	\$ 4,355
Realized (loss)	(2,482)	(276)
Unrealized (loss)	(266)	(669)
	\$ 1,583	\$ 3,410

NOTE 4 - FAIR VALUE MEASUREMENTS

ASC NO. 820-10, *Fair Value Measurements*, establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy under ASC NO. 820-10 are described as follows:

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

THE CLEAR FUND
(AKA GIVEWELL)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(with comparative financial information for December 31, 2014)

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table set forth by level, within the fair value hierarchy, The Clear Fund's investments at December 31,:

	2015			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 52,706	\$ -	\$ -	\$ 52,706
Equity securities	<u>26,667</u>	<u>-</u>	<u>-</u>	<u>26,667</u>
	<u>\$ 79,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,373</u>
	2014			
	Level 1	Level 2	Level 3	Total
Equity securities	<u>\$ 50,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,250</u>

NOTE 5 - GRANTS PAYABLE

The Clear Fund made grants to various causes during the years ended December 31, 2015 and 2014 in the amount of \$6,384,645 and \$4,456,016, respectively. This represents amounts that have been committed to various grants, but not yet paid at December 31, 2015 and 2014. These grants were fully paid subsequent to year-end.

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

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

	2015	2014
Participation Incentives	\$ 500,000	\$ -
Good Ventures Research Activities	-	333,236
Against Malaria Foundation (AMF)	-	1,500
GiveDirectly	-	1,500
Grants to Recommended Charities	<u>-</u>	<u>18,030</u>
	<u>\$ 500,000</u>	<u>\$ 354,266</u>

THE CLEAR FUND
(AKA GIVEWELL)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(with comparative financial information for December 31, 2014)

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS (Continued)

Net assets for the years ended December 31, 2015 and 2014, were released from donor restrictions by satisfying the purpose specified by donor as follows:

	<u>2015</u>	<u>2014</u>
Against Malaria Foundation (AMF)	\$ 5,514,008	\$ 2,241,007
Evidence Action	532,211	618,305
Good Ventures Research Activities	389,486	321,850
GiveDirectly	3,569,720	2,196,083
Schistosomiasis Control Initiative (SCI)	1,184,128	1,482,015
Raising for Effective Giving	214,456	24,240
Living Goods	66,648	19,600
Development Media International	390,179	394,932
Global Alliance for Improved Nutrition – Universal Salt Iodization Program	74,419	271,276
Iodine Global Network	856,294	267,092
Participation Incentives	<u>-</u>	<u>400,000</u>
	<u>\$ 12,791,549</u>	<u>\$ 8,236,400</u>

Revenue restricted to “Grants to Recommended Charities” were reallocated to specific charities net of fees The Clear Fund paid to payment processors (primarily credit card processors), before being released from restriction.

Donations restricted to “Grants to Recommended Charities” received between January 1, 2015 and May 31, 2015 were allocated 67% to Against Malaria Foundation, 13% to GiveDirectly, 13% to SCI, and 7% to Evidence Action. Donations restricted to “Grants to Recommended Charities” received between June 1, 2015 and December 31, 2015 were allocated 100% to Against Malaria Foundation.

Donations restricted to “Grants to Recommended Charities” received between January 1, 2014 and March 31, 2014 were allocated 55% to GiveDirectly, 40% to Schistosomiasis Control Initiative (SCI), and 5% to Evidence Action, which runs the Deworm the World Initiative. Donations restricted to “Grants to Recommended Charities” received between April 1, 2014 and June 30, 2014 were allocated 60% to GiveDirectly, 20% to SCI, and 20% to Evidence Action. Donations restricted to “Grants to Recommended Charities” received between July 1, 2014 and December 31, 2014 were allocated 67% to Against Malaria Foundation, 13% to GiveDirectly, 13% to SCI, and 7% to Evidence Action.

THE CLEAR FUND
(AKA GIVEWELL)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(with comparative financial information for December 31, 2014)

NOTE 7 - DONATED GOODS AND SERVICES

Donated services are recognized as contributions in accordance with ASC NO. 605, *Accounts for Contributions Received and Contributions Made*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by The Clear Fund. Individuals have provided various services to The Clear Fund at no charge. The value of these services meets the criteria for recognition in the financial statements and are recorded at fair value and (c) are measurable.

For the years ended December 31, 2015 and 2014, the value of various donated goods and services are as follows:

	2015	2014
Advertising	\$ 315,337	\$ 216,150
Use of facilities and office expenses	432,062	187,862
Task management software	2,430	600
	\$ 749,829	\$ 404,612

NOTE 8 - RELATED PARTY TRANSACTIONS

The Clear Fund is affiliated with Good Ventures through a common member of the Board of Directors. Good Ventures is a California not-for-profit organization that contributes to multiple charities in the United States and throughout the world. During the years ended December 31, 2015 and 2014, Good Ventures contributed \$2,243,090 and \$1,490,000, respectively, to support The Clear Fund's mission, research activities, and grants to charities. There were no outstanding receivables from Good Ventures at December 31, 2015 and 2014.

NOTE 9 - SUBSEQUENT EVENTS

In preparing the financial statements, The Clear Fund has evaluated subsequent events and transactions for potential recognition or disclosure through July 11, 2016, the date which the financial statements were available to be issued.

THE CLEAR FUND
(AKA GIVEWELL)
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

(with summarized comparative financial information for the year ended December 31, 2014)

	2015			Total	2014
	Program	Fundraising	General and Administrative		
Salaries	\$ 1,389,972	\$ 34,477	\$ 514,523	\$ 1,938,972	\$ 1,034,737
Payroll taxes and benefits	179,132	4,587	75,779	259,498	144,193
Grants	12,287,897	-	-	12,287,897	7,829,088
Public website	13,020	1,390	360	14,770	24,607
Advertising	149	168	30	347	428
Staff recruitment	-	-	60,020	60,020	11,374
Professional fees	360,225	2,120	64,572	426,917	327,904
Donated goods and services	571,376	39,291	139,162	749,829	404,612
Occupancy	1,535	50	-	1,585	3,525
General insurance	-	-	6,280	6,280	4,164
Office expenses	8,558	143	39,343	48,044	20,331
Dues and subscriptions	-	-	-	-	86
Registration fees	-	-	612	612	838
Information technology	-	-	37,621	37,621	17,328
Travel and conferences	68,344	472	11,068	79,884	45,748
Bank and payment processing fees	114,166	-	13,802	127,968	89,795
Amortization expense	-	-	50,000	50,000	-
Miscellaneous	-	-	18,148	18,148	10,480
Total expenses	\$ 14,994,374	\$ 82,698	\$ 1,031,320	\$ 16,108,392	\$ 9,969,238

See independent auditors' report.