

THE CLEAR FUND D.B.A. GIVEWELL

DECEMBER 31, 2022

INDEPENDENT AUDITORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS

**HOOD &
STRONG** LLP
CERTIFIED PUBLIC ACCOUNTANTS

The Clear Fund d.b.a. GiveWell

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Independent Auditors' Report

THE BOARD OF DIRECTORS
THE CLEAR FUND D.B.A. GIVEWELL
San Francisco, California

Opinion

We have audited the consolidated financial statements of **THE CLEAR FUND D.B.A. GIVEWELL (GiveWell)**, which comprise the consolidated statement of financial position as of December 31, 2022, the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of GiveWell as of December 31, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of GiveWell and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about GiveWell's ability to continue as a going concern for one year from the date of this report.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 GiveWell's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about GiveWell's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited GiveWell's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 31, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hood & Strong LLP

San Francisco, California
June 28, 2023

The Clear Fund d.b.a. GiveWell

Consolidated Statement of Financial Position (in thousands)

<i>December 31, 2022 (with comparative totals for 2021)</i>	2022	2021
Assets		
Current Assets:		
Cash and cash equivalents	\$ 115,974	\$ 164,075
Prepaid expenses and other current assets	348	346
Total current assets	116,322	164,421
Property, Equipment and Intangible Assets, net	402	467
Operating Right-of-Use Lease Asset, net	708	1,076
Total Assets	\$ 117,432	\$ 165,964
 Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 1,137	\$ 841
Operating lease liability, current portion	517	500
Grants payable	37,604	84,424
Total current liabilities	39,258	85,765
Long-Term Liabilities:		
Operating lease liability, net of current portion	488	1,005
Total liabilities	39,746	86,770
Net Assets:		
Without donor restrictions	68,172	79,115
With donor restrictions	9,514	79
Total net assets	77,686	79,194
Total Liabilities and Net Assets	\$ 117,432	\$ 165,964

See accompanying notes to the consolidated financial statements.

The Clear Fund d.b.a. GiveWell

Consolidated Statement of Activities and Changes in Net Assets (in thousands)

Year ended December 31, 2022 (with comparative totals for 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues and Support:				
Contributions	\$ 37,226	\$ 114,869	\$ 152,095	\$ 206,066
Donated goods and services	15		15	112
Investment income and other, net	(345)	(337)	(682)	52
Net assets released from restrictions	105,097	(105,097)	-	-
Total revenue and support	141,993	9,435	151,428	206,230
Expenses:				
Program services	147,940		147,940	185,036
Management and general	4,061		4,061	2,924
Fundraising	541		541	422
Total expenses	152,542	-	152,542	188,382
Total Change in Net Assets	(10,549)	9,435	(1,114)	17,848
Net Assets, beginning of year	79,115	79	79,194	61,346
Cumulative Translation Adjustment	(394)		(394)	-
Net Assets, end of year	\$ 68,172	\$ 9,514	\$ 77,686	\$ 79,194

See accompanying notes to the consolidated financial statements.

The Clear Fund d.b.a. GiveWell

Consolidated Statement of Cash Flows (in thousands)

<i>Year ended December 31, 2021 (with comparative totals for 2020)</i>	2022	2021
Operating Activities:		
Change in net assets	\$ (1,114)	\$ 17,848
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	172	150
Right-of-use lease asset amortization	368	366
Loss on disposal of equipment	17	
Change in operating assets and liabilities		
Prepaid expenses and other current assets	(2)	(157)
Accounts payable and accrued expenses	296	77
Operating right-of-use lease liability	(500)	(389)
Grants payable	(46,820)	48,549
Net cash (used) provided by operating activities	(47,583)	66,444
Investing Activities:		
Purchase of equipment	(124)	(39)
Net cash used in investing activities	(124)	(39)
Effect of Cumulative Translation Adjustment	(394)	-
Net Change in Cash and Cash Equivalents	(48,101)	66,405
Cash and Cash Equivalents, beginning of year	164,075	97,670
Cash and Cash Equivalents, end of year	\$ 115,974	\$ 164,075
Non-Cash Operating Activities		
Value of stock donations received	\$ 6,080	\$ 13,804
Operating right-of-use asset obtained by lease liability	\$ -	\$ 1,505

See accompanying notes to the consolidated financial statements.

The Clear Fund d.b.a. GiveWell

Consolidated Statement of Functional Expenses (in thousands)

Year ended December 31, 2022 (with comparative totals for 2021)

	2022				2021
	Program	Management and General	Fundraising	Total	
Grants	\$ 138,375			\$ 138,375	\$ 177,067
Salaries	5,119	\$ 1,453	\$ 234	6,806	5,310
Payroll taxes and benefits	1,005	334	46	1,385	813
Staff recruitment	434	35	7	476	162
Advertising	1,352		150	1,502	1,918
Outreach	120	36	29	185	64
Professional fees	1,024	388	52	1,464	670
Occupancy	239	170	14	423	385
Insurance		66		66	62
Office expenses	143	122	2	267	120
Information technology	19	79	2	100	52
Travel and conferences	51	217	3	271	36
Bank and payment processing fees	10	933		943	1,434
Miscellaneous	49	41	2	92	28
Donated goods and services		15		15	111
Depreciation and amortization		172		172	150
Total expenses	\$ 147,940	\$ 4,061	\$ 541	\$ 152,542	\$ 188,382

See accompanying notes to the consolidated financial statements.

The Clear Fund d.b.a. GiveWell

Notes to the Consolidated Financial Statements

Note 1 - Nature of the Organization:

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

In 2020, GiveWell registered as a Public Benefit Organization (Algemeen Nut Beogende Instelling, or ANBI) in the Netherlands, as a result, donations to GiveWell from the Netherlands are tax deductible to donors. In 2021 GiveWell registered its wholly-owned subsidiary, "Givewell UK", as a Charitable Incorporated Organization (CIO) in the United Kingdom (U.K.). Givewell UK began accepting donations in 2022, and donations are tax deductible to donors.

Note 2 - Summary of Significant Accounting Policies:

a. Basis of Accounting and Consolidation

The accompanying consolidated 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). They include the accounts of GiveWell and its wholly-owned subsidiary, Givewell UK. All significant intercompany accounts and transactions have been eliminated in consolidation.

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 at the time of purchase to be cash equivalents.

The Clear Fund d.b.a. GiveWell

Notes to the Consolidated Financial Statements

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.

e. Leases

GiveWell determines whether an arrangement is or includes a lease and categorizes leases as either operating or finance leases at their commencement. GiveWell does not have any finance leases.

Operating lease right-of-use (ROU) assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As GiveWell's leases do not provide an implicit rate, GiveWell uses a risk-free discount rate at the commencement date in determining the present value of future payments. The lease ROU asset also includes any lease payments made minus any lease incentives received and initial direct costs incurred. GiveWell accounts for lease and non-lease components, to the extent they are fixed, as a single lease component. Additionally, the lease term may include options to extend or terminate the lease when it is reasonably certain GiveWell will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

f. 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 received during 2022 and restricted by donors to GiveWell's Top Charities Fund were allocated 47% to New Incentives, 40% to Malaria Consortium (SMC Program), 11% to Against Malaria Foundation, and 2% to Helen Keller International (VAS program). Donations received during 2022 and restricted by donors to GiveWell's All Grants Fund were allocated 57% to New Incentives, 35% to Evidence Action (deworming program), and 8% to other recommended charities. The allocations are subject to the Grants Approval process approved by GiveWell's Board of Directors.

g. Functional Expenses

The cost of providing the various program and supporting services have been summarized on a functional basis in Statements of Activities and Changes in Net Assets, and Functional Expenses.

The Clear Fund d.b.a. GiveWell

Notes to the Consolidated Financial Statements

Grants 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 actual 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 75% to program and 25% to fundraising for donor engagement, website and technology resources required to process and record donations. This is 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, donations without donor restrictions that may be used for GiveWell operating expenses.

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

h. 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. 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.

i. Use of Estimates

The preparation of consolidated 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.

The Clear Fund d.b.a. GiveWell

Notes to the Consolidated Financial Statements

j. 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 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 consolidated financial statements.

k. 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 in the Statement of Functional Expenses. Costs are expensed as incurred. For the year ended December 31, 2022 GiveWell incurred \$1.5 million of advertising expenses.

l. Foreign Currency Translation

GiveWell has foreign operations with non-USD functional currencies. The British pound is the functional currency for GiveWell UK. The assets and liabilities of this subsidiary are converted to U.S. dollars at the exchange rate in effect as of the balance sheet date. Net assets are carried at historical exchange rates. Revenue and expenses are translated using a weighted average quarterly exchange rate. Unrealized gains and losses due to foreign currency translation and consolidation are accumulated in Net Assets Without Donor Restrictions. They are recorded in a separate component of Net Assets described as currency translation adjustment in the accompanying Consolidated Statement of Financial Position.

Foreign currency transaction gains and losses are the result of exchange rate changes during the period of time between the consummation and cash settlement of transactions denominated in currencies other than the functional currency. Foreign currency transaction gains and losses are recognized in the period incurred and are included in "Investment loss and other, net" in the GiveWell's Consolidated Statement of Activities and Changes in Net Assets. GiveWell recorded \$0.3 million in related losses in the year ended December 31, 2022.

The Clear Fund d.b.a. GiveWell

Notes to the Consolidated Financial Statements

m. Comparative Financial Information

The consolidated 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, 2021, from which the summarized information was derived.

n. Subsequent Events

GiveWell evaluated subsequent events from December 31, 2022 through June 28, 2023, the date these consolidated financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these consolidated financial statements.

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

GiveWell's property, equipment and intangible assets consisted of the following at December 31, 2022 (in thousands):

Intangible – website	\$	225
Equipment and machinery		35
Furniture		112
Computer		176
Leasehold improvements		561
		1,109
<u>Accumulated depreciation and amortization</u>		<u>(707)</u>
	\$	<u>402</u>

Depreciation and amortization expense for the year ended December 31, 2022 was \$0.2 million.

Note 4 - Grants Payable:

Grants payable at December 31, 2022 in the amount of \$37.6 million represents amounts that have been unconditionally committed to various grantees, but not yet paid. These grants were fully paid in the subsequent year.

The Clear Fund d.b.a. GiveWell

Notes to the Consolidated Financial Statements

Note 5 - Net Assets With Donor Restriction:

Net assets with donor restrictions at December 31, 2022 of \$9.5 million were restricted to various charities and other program purposes and are subject to approval by the Board of Directors and its use of variance power.

Net assets with donor restrictions for the year ended December 31, 2022, were released from restrictions by satisfying the purpose specified by the donor as follows (in thousands):

New Incentives	\$	44,331
Malaria Consortium (SMC Program)		34,512
Against Malaria Foundation		12,948
Helen Keller International (VAS program)		3,982
Evidence Action (deworming program)		3,978
Evidence Action (maternal syphilis program)		1,867
GiveDirectly		1,635
Research Institute for Compassionate Economics (r.i.c.e.)		500
One Acre Fund		451
Unlimit Health		315
Precision Development		287
Sightsavers (deworming program)		140
END Fund (deworming program)		63
Other		88
		<hr/>
	\$	105,097

Note 6 - Donated Goods and Services:

For the year ended December 31, 2022, the value of donated task management software was \$0.02 million and is recorded as an expense in the management and general function. The software is valued using comparable market prices.

Note 7 - Operating Lease Commitments:

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

The Clear Fund d.b.a. GiveWell

Notes to the Consolidated Financial Statements

ROU lease assets and liabilities were recognized beginning January 1, 2021, based on the present value of the remaining minimum lease payments over the lease term, with certain adjustments as described in Note 2. GiveWell's lease does not provide an implicit rate therefore, in accordance with the private company exemptions, GiveWell uses a risk-free interest rate based on the information available at commencement to calculate the present value of lease payments. As of December 31, 2022, the weighted-average remaining lease term and weighted-average discount rate related to GiveWell's operating leases were 1.92 years and 0.28%, respectively.

Future minimum lease payments are as follows and include all base rent and operating expenses (in thousands):

2023	\$	519
2024		489
<hr/>		
Total scheduled payments		1,008
Less imputed interest		(3)
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Total present value of right-of-use lease liabilities	\$	1,005

Lease expense under the above lease was \$0.4 million for the year ended December 31, 2022. Operating cash flows from operating leases was \$0.5 million for the year ended December 31, 2022.

Note 8 - Related Party Transactions:

Three members of GiveWell's Board of Directors, one of whom is also a GiveWell officer, are also members of the Board of Managers of Open Philanthropy Project LLC. Open Philanthropy Project LLC made cash contributions of \$4.3 million to GiveWell during the year ended December 31, 2022.

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.

GiveWell had no major donors in 2022. Major donors are defined as donors that contribute revenue greater than 10% of GiveWell's contributions for that year.

The Clear Fund d.b.a. GiveWell

Notes to the Consolidated Financial Statements

Note 10 - Available Resources and Liquidity:

GiveWell's financial assets at December 31, 2022 available to meet general expenditures over the next twelve months were as follows (in thousands):

Financial assets at year end:	
Cash and cash equivalents	\$ 115,974
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Total financial assets	115,974
Less amounts not available for general expenditures:	
Net assets with donor restrictions	(9,514)
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Financial assets available to meet general expenditures over the next twelve months	\$ 106,460

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.

Management believes GiveWell has financial assets available for general expenditure sufficient to support GiveWell's operations for the next 12 months, including the disbursement of its grants payable in the amount of \$37.6 million. Financial assets available for general expenditure over and above that amount are considered excess assets. GiveWell's Board of Directors grants 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.