

THE CLEAR FUND
D.B.A. GIVEWELL

DECEMBER 31, 2016

INDEPENDENT AUDITORS' REPORT,

FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

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

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, 2016, and the related statements of activities and changes in net assets 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, 2016, 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

The financial statements of GiveWell, as of and for the year ended December 31, 2015, were audited by other auditors whose report dated July 11, 2016 expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of functional expenses is presented for purposes of additional analysis and are 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 audits 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.

Hood & Strong LLP

San Francisco, California
August 18, 2017

The Clear Fund d.b.a. GiveWell

Statement of Financial Position

<i>December 31, 2016 (with comparative totals for 2015)</i>	2016	2015
Assets		
Current Assets:		
Cash and cash equivalents	\$ 13,573,607	\$ 12,256,574
Prepaid expenses and other current assets	22,968	18,110
Total current assets	13,596,575	12,274,684
Equipment and Intangible Assets, net	111,610	175,000
Total Assets	\$ 13,708,185	\$ 12,449,684
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 151,586	\$ 71,317
Grants payable	7,809,110	6,384,645
Total current liabilities	7,960,696	6,455,962
Net Assets:		
Unrestricted	4,661,878	5,493,722
Temporarily restricted	1,085,611	500,000
Total net assets	5,747,489	5,993,722
Total Liabilities and Net Assets	\$ 13,708,185	\$ 12,449,684

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, 2016 (with comparative totals for 2015)

	2016			2015
	Unrestricted	Temporarily Restricted	Total	Total
Revenues and Support:				
Contributions	\$ 3,779,580	\$ 14,297,071	\$ 18,076,651	\$ 17,633,010
Donated goods and services	1,418,423		1,418,423	749,829
Investment income, net	5,298		5,298	1,583
Other revenue	278,908		278,908	1,059
Net assets released from restrictions	13,711,460	(13,711,460)	-	-
Total revenue and support	19,193,669	585,611	19,779,280	18,385,481
Expenses:				
Program services	18,438,183		18,438,183	14,994,374
Management and general	1,457,438		1,457,438	1,031,320
Fundraising	129,892		129,892	82,698
Total expenses	20,025,513	-	20,025,513	16,108,392
Total Change in Net Assets	(831,844)	585,611	(246,233)	2,277,089
Net Assets, beginning of year	5,493,722	500,000	5,993,722	3,716,633
Net Assets, end of year	\$ 4,661,878	\$ 1,085,611	\$ 5,747,489	\$ 5,993,722

See accompanying notes to financial statements.

The Clear Fund d.b.a. GiveWell

Statement of Cash Flows

<i>Year ended December 31, 2016 (with comparative totals for 2015)</i>	2016	2015
Operating Activities:		
Change in net assets	\$ (246,233)	\$ 2,277,089
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	76,264	50,000
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(4,858)	(14,096)
Accounts payable and accrued expenses	80,269	10,470
Grants payable	1,424,465	1,928,629
Net cash provided by operating activities	1,329,907	4,252,092
Investing Activities:		
Website development costs		(225,000)
Purchase of equipment	(12,874)	
Net cash used by investing activities	(12,874)	(225,000)
Net Change in Cash and Cash Equivalents	1,317,033	4,027,092
Cash and Cash Equivalents, beginning of year	12,256,574	8,229,482
Cash and Cash Equivalents, end of year	\$ 13,573,607	\$ 12,256,574

Non-Cash Operating Activities:

For the years ended December 31, 2016 and 2015, GiveWell received stock donations valued at \$1,263,220 and \$767,084, respectively

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

Note 2 - Summary of Significant Accounting Policies:

a. Basis of Presentation

GiveWell reports information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted Net Assets – Net assets for which there are no donor-imposed restrictions or such donor-imposed restrictions were temporary and expired during the current or previous years.

Temporarily Restricted Net Assets – Net assets whose use by GiveWell is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of GiveWell. 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 combined statement of activities and changes in net assets as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets whose use by GiveWell is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of GiveWell. GiveWell had no permanently restricted net assets as of December 31, 2016.

b. 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).

The Clear Fund d.b.a. GiveWell

Notes to Financial Statements

c. 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.

d. Cash and Cash Equivalents

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

e. Equipment and Intangible Assets

GiveWell capitalizes equipment and intangible asset acquisitions over \$1,000. Equipment and intangible assets are recorded at cost and consist primarily of office equipment and web development costs. Donated equipment is recorded at its estimated fair value at the date of donation. Depreciation and amortization are computed using the straight-line method over the estimates useful lives of the respective assets ranging from three to five years.

f. Grants

Contributions restricted to recommended charities were 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 2016 were allocated 87% to Against Malaria Foundation and 13% to Evidence Action. The allocation percentage is determined by GiveWell's board of directors.

g. Functional Expenses

The cost of providing the various program and supporting services have been summarize on a functional basis in the statement of activities and changes in net assets. Directly identifiable expenses are charged to the related program or service benefited. Indirect expenses are allocated to programs and services based principally on the percentage of personnel time spent in each area or management's estimate of usage.

The Clear Fund d.b.a. GiveWell

Notes to Financial Statements

h. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

i. Tax-Exempt Status

GiveWell is a non-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and a similar provision for state taxing authorities. In addition, GiveWell has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

GiveWell's accounting policy provides that a tax expense or benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination. Management has determined that GiveWell has taken no uncertain tax position that would require adjustment to the financial statements.

j. Advertising Costs

GiveWell uses advertising specifically aimed at encouraging potential donors to use its research, featured at its public website, 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, 2016 GiveWell incurred \$16,516 of advertising expenses. For the year ended December 31, 2015 GiveWell also received donated advertising expenses in the amount of \$298,445 (see Note 6).

k. Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total, but not in sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with GiveWell's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

l. Reclassifications

Certain amounts in the summarized comparative totals for 2015 have been reclassified to conform to the 2016 presentation. These reclassifications have no effect on previously reported net assets or change in net assets.

The Clear Fund d.b.a. GiveWell

Notes to Financial Statements

m. Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14 – *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*. The amendments in this ASU set forth the FASB’s changes to net asset classification requirements and the information presented about a not-for-profit entity’s liquidity, financial performance, and cash flows. The amendments in the ASU are effective for annual financial statements issued for fiscal years beginning after December 15, 2017. Early application of the amendments in the ASU is permitted. GiveWell is currently evaluating the impact of this pronouncement on its financial statements.

n. Subsequent Events

GiveWell evaluated subsequent events from December 31, 2016 through August 18, 2017, the date these financial statements were available to be issued. Except as discussed in Note 7, there were no material subsequent events that required recognition or additional disclosure in these financial statements.

Note 3 - Equipment and Intangible Assets:

Equipment and intangible assets, at cost less accumulated depreciation and amortization, consist of the following at December 31, 2016:

Website developments costs	225,000
Office equipment	12,874
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	237,874
Less: accumulated depreciation and amortization	(126,264)
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	\$ 111,610

Depreciation expense amounted to \$76,264 for the year ending December 31, 2016.

Note 4 - Grants Payable:

Grants payable at December 31, 2016 in the amount of \$7,809,110 represents amounts that have been 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 Financial Statements

Note 5 - Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following at December 31, 2016:

Incentive grants to potential top charities	\$	600,000
Top charities		188,669
Charities:		
Against Malaria Foundation (AMF)		160,366
Schistosomiasis Control Initiative (SCI)		53,363
GiveDirectly		25,130
Evidence Action		22,245
Global Alliance for Improved Nutrition		11,840
Iodine Global Network		9,555
Development Media International		8,788
Sightsavers		3,350
Other charities		2,305
		<hr/>
	\$	1,085,611

Net assets for the years ended December 31, 2016 were released from donor restrictions by satisfying the purpose specified by the donor as follows:

Charities:		
Against Malaria Foundation (AMF)	\$	7,614,687
GiveDirectly		1,357,515
Schistosomiasis Control Initiative (SCI)		1,351,934
Evidence Action		1,218,386
Iodine Global Network		588,464
Development Media International		357,793
Food Fortification Initiative		262,370
Effective Altruism Foundation		248,055
Global Alliance for Improved Nutrition		107,157
Living Goods		61,212
END Fund		52,309
Malaria Consortium		38,681
Sightsavers		35,948
Project Healthy Children		16,949
Incentive grants to potential top charities		400,000
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	\$	13,711,460

The Clear Fund d.b.a. GiveWell

Notes to Financial Statements

Note 6 - Donated Goods and Services:

For the years ended December 31, 2016 the value of various donated goods and services are as follows:

Advertising	\$ 298,445
Use of facilities and office expenses	1,113,265
Task management software	6,712
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	\$ 1,418,422

Note 7 - 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. The same three board members of GiveWell are also board members of Open Philanthropy Action Fund, a 501(c)(4) organization. GiveWell shares its office space with Good Ventures and Open Philanthropy Project LLC.

During the year ended December 31, 2016 Good Ventures contributed \$3,244,854, to support GiveWell's mission, research activities, and grants to charities. Additionally, Good Ventures contributed approximately \$422,000 in donated use of facilities from January 1, 2016 through March 31, 2016.

Effective April 1, 2016, the Good Ventures lease was assigned to the Open Philanthropy Project LLC. Open Philanthropy Project LLC contributed approximately \$691,000 in donated use of facilities from April 1, 2016 through December 31, 2016.

On May 31, 2017, GiveWell entered into an agreement whereby Open Philanthropy Project LLC purchased the assets primarily associated with the Open Philanthropy Project, a project operated by GiveWell, for \$2,650,000. In connection with this purchase agreement, GiveWell and Open Philanthropy Project LLC also entered into various other agreements allowing for the sharing of respective resources in furtherance of their activities.

During the year ended December 31, 2016, GiveWell received reimbursement of \$278,839 for expenses incurred in connection with activities for Open Philanthropy Action Fund.

Contributions from individual board members and officers were less than 2% of total contribution revenue for the year ending December 31, 2016

The Clear Fund d.b.a. GiveWell

Notes to Financial Statements

Note 8 - Concentrations:

Financial instruments which potentially subject GiveWell to concentrations of credit risk consist primarily of cash and cash equivalents. GiveWell maintains its cash and cash equivalents on deposit in what it believes to be highly credited financial institutions. GiveWell's deposits may at times exceed the federally insured limit.

GiveWell had one major donor in 2016 representing 20% of total contributions. 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

Schedule of Functional Expenses

For the year ended December 31, 2016 (with comparative totals for 2015)

	2016				2015
	Program	Management and General	Fundraising	Total	
Grants	\$ 13,567,456			\$ 13,567,456	\$ 12,287,897
Salaries	2,416,429	\$ 763,367	\$ 55,033	3,234,829	1,938,972
Payroll taxes and benefits	316,347	99,936	7,205	423,488	259,498
Staff recruitment	28,140	8,889	641	37,670	60,020
Public website	8,400	988	494	9,882	14,770
Advertising	14,864		1,652	16,516	347
Professional fees	505,666	186,551	5,505	697,722	426,917
Occupancy	8,872	2,803	202	11,877	1,585
General insurance		20,193		20,193	6,280
Office expenses	59,902	18,923	1,364	80,189	48,044
Repairs and maintenance	9,560	3,020	218	12,798	
Information technology	46,672	14,744	1,063	62,479	37,621
Travel and conferences	144,481	45,643	3,291	193,415	79,884
Bank and payment processing fees	118,224	13,136		131,360	127,968
Miscellaneous	23,122	7,304	527	30,953	18,760
Donated goods and services	1,105,224	264,315	48,883	1,418,422	749,829
Depreciation and amortization	64,824	7,626	3,814	76,264	50,000
Total expenses	\$ 18,438,183	\$ 1,457,438	\$ 129,892	\$ 20,025,513	\$ 16,108,392