

THE CLEAR FUND
(AKA GIVEWELL)

FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

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DECEMBER 31, 2014 AND 2013

C O N T E N T S

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1 – 2
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION:	
Statements of financial position	3
Statements of activities	4
Statements of cash flows	5
Notes to financial statements	6 – 12
Schedule of functional expenses	13

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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, 2014, and the related statements of activities, 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 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, 2014, 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 2013 financial statements, and our report dated April 10, 2014, 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, 2013, 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
April 10, 2015

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

	2014	2013
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 8,179,232	\$ 5,570,490
Investments	50,250	56,018
Prepaid expenses and other current assets	4,014	3,308
TOTAL ASSETS	\$ 8,233,496	\$ 5,629,816
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 60,847	\$ 16,219
Grants payable	4,456,016	3,420,369
Total Liabilities	4,516,863	3,436,588
Net Assets:		
Unrestricted	3,362,367	1,521,581
Temporarily restricted	354,266	671,647
Total Net Assets	3,716,633	2,193,228
TOTAL LIABILITIES AND NET ASSETS	\$ 8,233,496	\$ 5,629,816

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

THE CLEAR FUND
(AKA GIVEWELL)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	2014			2013
	Unrestricted	Temporarily Restricted	Total	
Revenue and other support:				
Contributions	\$ 3,162,117	\$ 7,919,019	\$ 11,081,136	\$ 6,585,634
Donated goods and services	404,612	-	404,612	480,103
Interest and other income	6,895	-	6,895	2,239
Net assets released from restrictions- satisfaction of purpose restriction	8,236,400	(8,236,400)	-	-
Total revenue and other support	11,810,024	(317,381)	11,492,643	7,067,976
Expenses:				
Program expenditures	9,552,026	-	9,552,026	5,640,815
Fundraising	55,542	-	55,542	57,408
General and administrative	361,670	-	361,670	214,313
Total expenses	9,969,238	-	9,969,238	5,912,536
Changes in net assets	1,840,786	(317,381)	1,523,405	1,155,440
Net assets - beginning of year	1,521,581	671,647	2,193,228	1,037,788
Net assets - end of year	<u>\$ 3,362,367</u>	<u>\$ 354,266</u>	<u>\$ 3,716,633</u>	<u>\$ 2,193,228</u>

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

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

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 1,523,405	\$ 1,155,440
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Unrealized loss (gain) on investments	669	(139)
(Increase) Decrease in certain assets:		
Prepaid expenses and other current assets	(706)	(552)
Increase (Decrease) in certain liabilities:		
Accounts payable and accrued expenses	44,628	9,906
Grants payable	<u>1,035,647</u>	<u>2,092,995</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,603,643</u>	<u>3,257,650</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of of investments	5,099	-
Purchases of investments	<u>-</u>	<u>(25,934)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>5,099</u>	<u>(25,934)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,608,742	3,231,716
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>5,570,490</u>	<u>2,338,774</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 8,179,232</u></u>	<u><u>\$ 5,570,490</u></u>

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

THE CLEAR FUND
(AKA GIVEWELL)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

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, 2014 and 2013, 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, 2014 AND 2013

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, 2013, 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. 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, 2014 AND 2013

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, 2014 and 2013.

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, 2010, 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, 2014 and 2013, The Clear Fund incurred \$428 and \$3,457 of advertising expenses, respectively. For the years ended December 31, 2014 and 2013, The Clear Fund also received donated advertising expenses in the amount of \$216,150 and \$362,399, respectively (see Note 6).

NOTE 3 - INVESTMENTS AND 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.

THE CLEAR FUND
(AKA GIVEWELL)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

- 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 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,:

	2014			
	Level 1	Level 2	Level 3	Total
Equity securities	\$ 50,250	\$ -	\$ -	\$ 50,250
	2013			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 23,267	\$ -	\$ -	\$ 23,267
Equity securities	32,751	-	-	32,751
	\$ 56,018	\$ -	\$ -	\$ 56,018

NOTE 4 - GRANTS PAYABLE

The Clear Fund made grants to various causes during the years ended December 31, 2014 and 2013 in the amount of \$4,456,016 and \$3,420,369, respectively. This represents amounts that have been committed to various grants, but not yet paid at December 31, 2014 and 2013. These grants were fully paid in March 2015 and February 2014, respectively.

THE CLEAR FUND
(AKA GIVEWELL)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2014</u>	<u>2013</u>
Good Ventures Research Activities	\$ 333,236	\$ 655,086
Against Malaria Foundation (AMF)	1,500	-
GiveDirectly	1,500	-
Schistosomiasis Control Initiative (SCI)	-	978
Grants to Recommended Charities	<u>18,030</u>	<u>15,583</u>
	<u>\$ 354,266</u>	<u>\$ 671,647</u>

Net assets for the years ended December 31, 2014 and 2013, were released from donor restrictions by satisfying the purpose specified by donor as follows:

	<u>2014</u>	<u>2013</u>
Against Malaria Foundation (AMF)	\$ 2,241,007	\$ 502,748
Evidence Action	618,305	509,097
Good Ventures Research Activities	321,850	39,914
GiveDirectly	2,196,083	2,251,298
Schistosomiasis Control Initiative (SCI)	1,482,015	1,267,657
Raising for Effective Giving	24,240	-
Living Goods	19,600	-
Development Media International	394,932	-
Global Alliance for Improved Nutrition – Universal Salt Iodization Program	371,276	-
Iodine Global Network	267,092	-
Participation Incentives	300,000	-
Fistula Foundation	-	35,000
Grants to Recommended Charities	-	839
Top Charities Fund: 70% AMF, 20% GiveDirectly, and 10% SCI	-	4,707
Nurse – Family Partnership	-	700
Small Enterprise Foundation	-	33,901
VillageReach	-	2,710
Innovations for Poverty Action	-	1,000
KIPP Houston	-	3,380
Nyaya Health	-	126
Pratham	<u>-</u>	<u>1,031</u>
	<u>\$ 8,236,400</u>	<u>\$ 4,654,108</u>

THE CLEAR FUND
(AKA GIVEWELL)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS (Continued)

Revenue restricted to “Grants to Recommended Charities” and “Top Charities Fund: 70% AMF, 20% GiveDirectly, and 10% SCI” were reallocated to specific charities net of fees The Clear Fund paid to payment processors (primarily credit card processors), before being released from restriction. Therefore, the amounts of these two restrictions in the table above represent fees allocated to these restrictions, not the total reallocated from “Grants to Recommended Charities” and “Top Charities Fund: 70% AMF, 20% GiveDirectly, and 10% SCI.”

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.

Donations restricted to “Grants to Recommended Charities” received between January 1, 2013 and November 30, 2013 were allocated 70% to AMF, 20% to GiveDirectly, and 10% to SCI. Donations restricted to “Grants to Recommended Charities” received between December 1, 2013 and December 31, 2013 were allocated 55% to GiveDirectly, 40% to SCI, and 5% to Evidence Action.

NOTE 6 - 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.

For the years ended December 31, 2014 and 2013, the value of various donated goods and services are as follows:

	<u>2014</u>	<u>2013</u>
Bookkeeping	\$ -	\$ 3,975
Advertising	216,150	362,399
Use of facilities and office expenses	187,862	113,129
Task management software	<u>600</u>	<u>600</u>
	<u>\$ 404,612</u>	<u>\$ 480,103</u>

THE CLEAR FUND
(AKA GIVEWELL)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 7 - SUBSEQUENT EVENTS

In preparing the financial statements, The Clear Fund has evaluated subsequent events and transactions for potential recognition or disclosure through April 10, 2015, the date which the financial statements were available to be issued.

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

2014

	Program	Fundraising	General and Administrative	Total	2013
Salaries	\$ 834,121	\$ 24,575	\$ 176,041	\$ 1,034,737	\$ 577,977
Payroll taxes and benefits	113,625	3,095	27,473	144,193	87,487
Grants	7,829,088	-	-	7,829,088	4,557,179
Public website	22,138	2,449	20	24,607	12,629
Advertising	111	12	305	428	3,457
Professional fees	273,592	-	54,312	327,904	81,051
Donated goods and services	346,515	24,809	33,288	404,612	480,103
Occupancy	787	88	2,650	3,525	2,489
General insurance	-	-	4,164	4,164	3,118
Office expenses	2,017	1	18,313	20,331	15,525
Dues and subscriptions	-	-	86	86	-
Registration fees	-	-	838	838	685
Information technology	930	103	16,295	17,328	7,299
Travel and conferences	42,867	410	2,471	45,748	16,239
Bank and payment processing fees	85,461	-	4,334	89,795	65,619
Miscellaneous	774	-	21,080	21,854	1,679
Total expenses	\$ 9,552,026	\$ 55,542	\$ 361,670	\$ 9,969,238	\$ 5,912,536