

THE CLEAR FUND D.B.A. GIVEWELL

DECEMBER 31, 2021

INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS

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 financial statements of **THE CLEAR FUND D.B.A. GIVEWELL (GiveWell)**, which comprise the statement of financial position as of December 31, 2021 the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of GiveWell as of December 31, 2021, and the results of its operations 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 Financial Statements section of our report. We are required to be independent of the Company 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 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 and for 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.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 25, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hood & Strong LLP

San Francisco, California
May 31, 2022

The Clear Fund d.b.a. GiveWell

Statement of Financial Position (in thousands)

<i>December 31, 2021 (with comparative totals for 2020)</i>	2021	2020
Assets		
Current Assets:		
Cash and cash equivalents	\$ 164,075	\$ 97,670
Prepaid expenses and other current assets	346	189
Total current assets	164,421	97,859
Property, Equipment and Intangible Assets, net	467	578
Operating Right-of-Use Asset, net	1,076	
Total Assets	\$ 165,964	\$ 98,437
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 841	\$ 764
Operating lease liability, current portion	500	
Leasehold allowance, current portion		115
Grants payable	84,424	35,875
Total current liabilities	85,765	36,754
Long-Term Liabilities:		
Operating lease liability, net of current portion	1,005	
Leasehold allowance, net of current portion		337
Total liabilities	86,770	37,091
Net Assets:		
Without donor restrictions	79,115	61,182
With donor restrictions	79	164
Total net assets	79,194	61,346
Total Liabilities and Net Assets	\$ 165,964	\$ 98,437

See accompanying notes to financial statements.

The Clear Fund d.b.a. GiveWell

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

Year ended December 31, 2021 (with comparative totals for 2020)

	2021			2020	
	Without Donor Restrictions	With Donor Restrictions	Total	Total	
Revenues and Support:					
Contributions	\$ 100,762	\$ 105,304	\$ 206,066	\$	116,952
Donated goods and services	112		112		168
Investment income and other, net	52		52		67
Net assets released from restrictions	105,389	(105,389)	-		-
Total revenue and support	206,315	(85)	206,230		117,187
Expenses:					
Program services	185,036		185,036		75,880
Management and general	2,924		2,924		2,130
Fundraising	422		422		286
Total expenses	188,382	-	188,382		78,296
Total Change in Net Assets	17,933	(85)	17,848		38,891
Net Assets, beginning of year	61,182	164	61,346		22,455
Net Assets, end of year	\$ 79,115	\$ 79	\$ 79,194	\$	61,346

See accompanying notes to financial statements.

The Clear Fund d.b.a. GiveWell

Statement of Cash Flows (in thousands)

<i>Year ended December 31, 2021 (with comparative totals for 2020)</i>	2021	2020
Operating Activities:		
Change in net assets	\$ 17,848	\$ 38,891
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	150	147
Right-of-use asset amortization	366	
Amortization of leasehold allowance		(118)
Loss on disposal of equipment		1
Change in operating assets and liabilities		
Prepaid expenses and other current assets	(157)	63
Accounts payable and accrued expenses	77	214
Operating right-of-use asset liability	(389)	
Grants payable	48,549	15,542
Net cash provided by operating activities	66,444	54,740
Investing Activities:		
Purchase of equipment	(39)	(15)
Net cash used in investing activities	(39)	(15)
Net Change in Cash and Cash Equivalents	66,405	54,725
Cash and Cash Equivalents, beginning of year	97,670	42,945
Cash and Cash Equivalents, end of year	\$ 164,075	\$ 97,670
Non-Cash Operating Activities		
Value of stock donations received	\$ 13,804	\$ 8,099

See accompanying notes to financial statements.

The Clear Fund d.b.a. GiveWell

Statement of Functional Expenses (in thousands)

Year ended December 31, 2021 (with comparative totals for 2020)

	2021				2020
	Program	Management and General	Fundraising	Total	
Grants	\$ 177,067			\$ 177,067	\$ 69,609
Salaries	4,133	\$ 1,021	\$ 156	5,310	4,681
Payroll taxes and benefits	659	130	24	813	812
Staff recruitment	127	30	5	162	279
Advertising	1,726		192	1,918	754
Outreach	35	20	9	64	32
Professional fees	201	456	13	670	728
Occupancy	239	137	9	385	383
Insurance		62		62	49
Office expenses	30	89	1	120	97
Information technology	14	36	2	52	39
Travel and conferences	12	23	1	36	24
Bank and payment processing fees	698	736		1,434	451
Miscellaneous	1	27		28	43
Donated goods and services	94	7	10	111	168
Depreciation and amortization		150		150	147
Total expenses	\$ 185,036	\$ 2,924	\$ 422	\$ 188,382	\$ 78,296

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 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 as a Charitable Incorporated Organization (CIO) in the United Kingdom (U.K.). This will enable tax deductible donations in the U.K.

Note 2 - Summary of Significant Accounting Policies:

a. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

b. Revenue and Support

GiveWell's primary source of revenue is contributions from individuals and other organizations. Contributions and unconditional promises to give are recorded at fair value and are recognized as revenue when the donor makes an unconditional promise to give. Donated securities are recorded at fair value at the time of donation. GiveWell reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. GiveWell maintains variance power over contributions, including gifts that are restricted by donors for specific charities.

Donated services are recognized as contributions if the services create or enhance non-financial assets or if the service requires specialized skills and would otherwise be purchased by GiveWell.

c. Cash and Cash Equivalents

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

The Clear Fund d.b.a. GiveWell

Notes to Financial Statements

d. Equipment and Intangible Assets

GiveWell capitalizes equipment and intangible asset acquisitions over two thousand dollars. 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 restricted by donors to GiveWell's Maximum Impact Fund received during 2021 were allocated 29% to Malaria Consortium (SMC program), 22% to New Incentives, 19% to Against Malaria Foundation, 13% to Hellen Keller International (VAS program), and 11% to Sightsavers, and 6% to Evidence Action (deworming program). The allocations are approved by GiveWell's board of directors during the quarterly granting process.

The Clear Fund d.b.a. GiveWell

Notes to Financial Statements

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.

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 80% to program and 20% 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.

The Clear Fund d.b.a. GiveWell

Notes to Financial Statements

i. 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.

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 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. Costs are expensed as incurred. For the year ended December 31, 2021 GiveWell incurred \$1.9 million of advertising expenses. For the year ended December 31, 2021 GiveWell also received donated advertising expenses in the amount of \$0.1 million (see Note 6).

l. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total, but not in sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with GiveWell's financial statements as of and for the year ended December 31, 2020, from which the summarized information was derived.

The Clear Fund d.b.a. GiveWell

Notes to Financial Statements

m. Recent Accounting Pronouncements

Adopted

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. Under the new guidance, lessees are required to recognize, at commencement date, a lease liability representing the lessee's obligation to make payments arising from the lease and a right-of-use asset representing the lessee's right to use, or control the use of, a specified asset for the lease term. This guidance is effective for fiscal years beginning after December 15, 2021 with early adoption permitted. GiveWell elected an early adoption of Topic 842 effective January 1, 2021. The prior year information is presented in accordance with Topic 840, as permitted by the ASU.

n. Subsequent Events

GiveWell evaluated subsequent events from December 31, 2021 through May 31, 2022, the date these financial statements were available to be issued. Except as mentioned in Note 4, there were no material subsequent events that required recognition or additional disclosure in these financial statements.

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

GiveWell's property, equipment and intangible assets consisted of the following at December 31, 2021 (in thousands):

Intangible – website	\$	225
Equipment and machinery		35
Furniture		112
Computer		90
Leasehold improvements		562
		<hr/>
		1,024
Accumulated depreciation and amortization		(557)
		<hr/>
	\$	467

Depreciation and amortization expense for the year ended December 31, 2021 was \$0.2 million.

The Clear Fund d.b.a. GiveWell

Notes to Financial Statements

Note 4 - Grants Payable:

Grants payable at December 31, 2021 in the amount of \$84.4 million represents amounts that have been committed to various grantees, but not yet paid. These grants were fully paid in the subsequent year.

Note 5 - Net Assets With Donor Restriction:

Net assets with donor restrictions at December 31, 2021 of \$0.1 million are restricted to various charities and other program purposes and are subject to approval by the Board of Director and its use of variance power.

Net assets with donor restrictions for the year ended December 31, 2021, were released from restrictions by satisfying the purpose specified by the donor as follows (in thousands):

Malaria Consortium (SMC program)	\$	28,828
New Incentives		21,896
Against Malaria Foundation		19,511
Helen Keller International (VAS program)		12,160
Sightsavers (deworming program)		9,746
Evidence Action (deworming program)		5,558
GiveDirectly		3,445
ALIMA		1,000
Development Media International		833
Evidence Action (maternal syphilis program)		817
SCI Foundation		636
Iodine Global Network		355
Pure Earth		200
END Fund (deworming program)		163
PATH (with Malaria Consortium as a sub- grantee)		120
Other		121
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	\$	105,389

The Clear Fund d.b.a. GiveWell

Notes to Financial Statements

Note 6 - Donated Goods and Services:

For the year ended December 31, 2021, the value of various donated goods and services is as follows (in thousands):

Advertising	\$	105
Task management software		7
	\$	112

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.

Lease ROU 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. As GiveWell's lease does not provide an implicit rate, and in accordance with the private company exemptions, GiveWell uses a risk-free interest rate based on the information available at commencement in determining the present value of lease payments. As of December 31, 2021, the weighted-average remaining lease term and weighted-average discount rate related to GiveWell's operating leases were 2.92 years and 0.28%, respectively.

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

2022	\$	504
2023		519
2024		482
Total scheduled payments	\$	1,505

Lease expense under the above lease was \$371 thousand for the year ended December 31, 2021.

Note 8 - Related Party Transactions:

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. Open Philanthropy Project LLC made cash contributions of \$3.8 million to GiveWell during the year ended December 31, 2021. Other related party contributions totaled \$0.1 million during 2021.

The Clear Fund d.b.a. GiveWell

Notes to Financial Statements

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 two major donors in 2021 whose donations totaled 26% and 12% of GiveWell's total contributions for the year.

Note 10 - Available Resources and Liquidity:

GiveWell's financial assets at December 31, 2021 available to meet general expenditures over the next twelve months were as follows (in thousands):

Financial assets at year end:	
Cash and cash equivalents	\$ 164,075
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Total financial assets	164,075
Less amounts not available for general expenditures:	
Net assets with donor restrictions	(79)
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Financial assets available to meet general expenditures over the next twelve months	\$ 163,996

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 \$84.4 million. Financial assets available for general expenditure over and above that amount are considered excess assets. GiveWell's board of directors grant any excess assets on an annual basis at the annual financial meeting according to an excess asset policy. Financial assets available for general expenditure arising from an extraordinary transaction, such as a sale of assets, may be considered up to one year following the close of such transaction, rather than at the next board meeting at which a budget is approved.