

**CLEAR Global, INC.**

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Consolidated Financial Statements  
for the years ended December 31, 2021 and 2020

## INDEPENDENT AUDITORS' REPORT

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To the Board of Directors of  
CLEAR Global, Inc.:

### **Opinion**

We have audited the accompanying financial statements of CLEAR Global, Inc. ("CLEAR Global") which comprise the statement of financial position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the years then ended and the related notes to the financial statements. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CLEAR Global as of December 31, 2021, and the changes in its net assets and its cash flows in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Responsibility of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 CLEAR Global's ability to continue as a going concern for one year from the date of issuance of the financial statements.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

1. Exercise professional judgement and maintain professional skepticism throughout the audit.
2. 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.
3. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are
4. appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CLEAR Global's internal control. Accordingly, no such opinion is expressed.
5. 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.
6. Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about CLEAR Global'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.

*Actis-Grande, Ronan & Company, LLC*

October 26, 2022

**CLEAR Global, Inc.**  
**Statements of Financial Position**  
**December 31,**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 64,529	\$ 1,076,126
Grants and contributions receivable	1,052,690	1,238,855
Prepaid expenses and other assets	<u>47,725</u>	<u>13,650</u>
 Total assets	 <u><u>\$ 1,164,944</u></u>	 <u><u>\$ 2,328,631</u></u>
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses	\$ 433,793	\$ 499,526
Deferred revenue	<u>324,683</u>	<u>415,347</u>
 Total liabilities	 <u>758,476</u>	 <u>914,873</u>
Net assets:		
Without donor restrictions	406,468	1,035,838
With donor restrictions	<u>-</u>	<u>377,920</u>
 Total net assets	 <u>406,468</u>	 <u>1,413,758</u>
 Total liabilities and net assets	 <u><u>\$ 1,164,944</u></u>	 <u><u>\$ 2,328,631</u></u>

**CLEAR Global, Inc.**  
**Statements of Activities**  
**Years Ended December 31,**

	<u>2021</u>	<u>2020</u>
<b>Change in Net Assets Without Donor Restrictions</b>		
<b>Unrestricted revenue and gains:</b>		
In-kind donations	\$ 7,388,235	\$ 5,312,600
Sponsorships and support	396,304	383,363
Sale of services provided	<u>2,562,365</u>	<u>1,691,223</u>
 Total unrestricted revenue and gains	 10,346,904	 7,387,186
 Net assets released from restrictions	 <u>2,065,778</u>	 <u>2,558,044</u>
 Total unrestricted revenues, gains and other support	 <u>12,412,682</u>	 <u>9,945,230</u>
 <b>Expenses:</b>		
Program services	11,683,257	8,951,320
Supporting services	<u>1,225,402</u>	<u>671,213</u>
 Total expenses	 <u>12,908,659</u>	 <u>9,622,533</u>
 (Decrease) Increase in unrestricted net assets	 (495,977)	 322,697
 <b>Change in Net Assets With Donor Restrictions</b>		
Grants and contributions	1,554,465	2,699,344
Net assets released from restrictions	<u>(2,065,778)</u>	<u>(2,558,044)</u>
 (Decrease) increase in temporarily restricted net assets	 <u>(511,313)</u>	 141,300
 Total (decrease) increase in net assets	 (1,007,290)	 463,997
 Net assets, beginning of year	 <u>1,413,758</u>	 <u>949,761</u>
 Net assets, end of year	 <u>\$ 406,468</u>	 <u>\$ 1,413,758</u>

**CLEAR Global, Inc.**  
**Statements of Cash Flows**  
**Representing Increases (Decreases) in Cash**  
**Years Ended December 31,**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
(Decrease) increase in net assets	\$ (1,007,290)	\$ 463,997
Amortization	3,535	1,419
Changes in operating assets and liabilities:		
Grants and contributions receivable	186,165	(449,615)
Prepaid expenses and other assets	(37,610)	23,423
Accounts payable and accrued expenses	(65,733)	217,821
Deferred revenue	<u>(90,664)</u>	<u>365,124</u>
Net cash (used in) provided by operating activities	<u>(1,011,597)</u>	<u>622,169</u>
Principal repayment of note payable	<u>-</u>	<u>(255,795)</u>
Net (decrease) increase in cash	(1,011,597)	366,374
Cash and cash equivalents, beginning of year	<u>1,076,126</u>	<u>709,752</u>
Cash and cash equivalents, end of year	<u>\$ 64,529</u>	<u>\$ 1,076,126</u>

**CLEAR GLOBAL, INC.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2021 and 2020**

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**1. Summary of Significant Accounting Policies**

*Nature of Activities:*

CLEAR Global a not-for-profit, 501(c)(3) organization, provides innovative global research and programs, language technology, language service platforms, an experienced professional staff, and a community of over 60,000 linguists in 148 countries. Whether it's a COVID-19 chatbot in Nigeria, translator training in Kenya or linguistic research in Rohingya refugee camps, CLEAR Global's work helps organizations communicate more effectively, so they can reach more people, listen harder and accelerate impact.

These financial statements include the activities of Translators Without Borders Ireland ("TWBI"), TWBI is a non-profit organization incorporated in the Republic of Ireland whose not-for-profit international principal activities consist of supporting activities for those who want to provide equal access to information across languages.

*Basis of Accounting*

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). Accordingly, assets are recorded when CLEAR Global obtains the rights of ownership or is entitled to claims for receipt, and liabilities are recorded when the obligations is incurred.

*Estimates:*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Cash and Cash Equivalents:*

Cash and cash equivalents consist of bank accounts and all highly liquid investments purchased with a maturity of three months or less.

*Revenue Recognition, Contributed Services and Grants:*

CLEAR Global's revenue consists of grants, services provided, sponsorship revenue, donations, and in-kind contributions from translators and other service providers. Sponsorship revenue is deferred and recognized ratably over the period of the sponsorship (generally one year), donations are recognized when received. The value of services provided meeting the requirements for recognition in the financial statements are recorded in the period the services are provided. Grant revenues are recognized when the expenditure has been incurred. In addition, many individuals volunteer their time and perform a variety of tasks that assist CLEAR Global, but these services do not meet the criteria for recognition as contributed services.

**CLEAR GLOBAL, INC.**  
**Notes to Consolidated Financial Statements**  
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**1. Summary of Significant Accounting Policies (continued)**

Contributions are recognized when the donor makes an unconditional promise to give. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as Donor Restricted that increases that net asset class. When the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

In the years ended December 31, 2021 and 2020, CLEAR Global volunteers translated 34,842,583 and 25,351,560 words, respectively, for donation equivalents of \$6,968,518 and \$5,070,313, and other donors contributed services and support with an aggregate estimated value of \$419,717 and \$242,287.

*Functional Allocation of Expenses:*

The costs of providing programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Supporting services consist of general and administrative expenses.

*Net Assets*

Net assets and changes in net assets are classified based on the existence or absence of donor or grantor imposed restrictions as follows:

*Net assets without donor restrictions* – net assets without donor restrictions are resources available to support operations. The only limits on use of these assets are the broad limits resulting from the nature of CLEAR Global, the environment in which it operates, the purposes specified in the corporate documents, and any limits resulting from contractual agreements with creditors and others that are entered into through the course of its operations. In addition, the governing board of CLEAR Global may elect to designate such resources for specific purposes. This designation may be removed at the Board's discretion.

*Net assets with donor restrictions* – Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose and/or in a future period. Some donor restrictions may be temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor imposed restrictions may be perpetual in nature in which case CLEAR Global must continue to use the resources in accordance with the donor's instructions.



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**1. Summary of Significant Accounting Policies (continued)**

CLEAR Global's unspent contributions are included in this class if the donor limited their use.

When a donor's restrictions are satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration is reported in the financial statements by reclassifying the net assets from the net assets with donor restrictions to net assets without donor restrictions.

*Classification of Transactions*

All revenues and net gains are reported as increases in net assets without donor restrictions in the Statement of Activities unless the relevant donor specified the use of the related resources for a particular purpose in a future period.

*Measure of Operations*

In its Statement of Activities, CLEAR Global includes in its definition of Operations all revenues and expenses that are an integral part of its programs and activities, as well as net assets released from donor restrictions to support operating expenditures.

*Income Taxes:*

CLEAR Global annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions CLEAR Global takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification.

CLEAR Global's Forms 990, Return of Organization Exempt from Income Tax, for the years ending December 31, 2019 and thereafter are subject to tax examination, generally for three years after they were filed.

*Subsequent Events:*

CLEAR Global evaluated the effect subsequent events would have on the financial statements through October 26 2022, which is the date the financial statements were available to be issued.

**CLEAR GLOBAL, INC.**  
**Notes to Consolidated Financial Statements**  
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**2. Liquidity and Availability**

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses and capital expenditures not financed with debt or restricted funds, were as follows as of December 31:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 51,122	\$1,076,126
Grants, contributions and accounts receivable		1,238,855
	<b>1,052,690</b>	
Donor restricted net assets	<u>(12,440)</u>	<u>(377,920)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><b>\$ 1,091,372</b></u>	<u><b>\$1,937,061</b></u>

**3. Program and Supporting Expenses**

Program and supporting expenses consist of the following for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Consulting and human resources	<b>\$5,061,364</b>	\$3,888,149
Travel	<b>158,114</b>	199,908
Professional fees	<b>28,755</b>	19,010
Other general and administrative	<b>269,400</b>	202,866
	<b>5,517,633</b>	4,309,933
In-kind Expenses:		
Translators	<b>6,968,518</b>	5,070,313
Other supporting services	<b>419,717</b>	242,287
	<u><b>\$12,905,868</b></u>	<u><b>\$9,622,533</b></u>

**4. Note Payable to Director**

At December 31, 2019, notes totaling \$255,795 were payable to two directors. The notes were repaid in early 2020 along with interest at the rate of 3.5%.

**CLEAR GLOBAL, INC.**  
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**5. Corona Virus Aid, Relief, and Economic Security Loan**

On May 19, 2020 CLEAR Global received a \$50,470 loan from the U.S. Small Business Administration in connection with the Paycheck Protection Program of the 2020 Corona Virus Aide, Relief, and Economic Security (“CARES”) Act. Up to 100% of the loan is forgivable to the extent that employers maintain specified employment and wage levels. The loan proceeds must be spent for payroll and other qualifying costs within twenty four weeks of receipt of the loan, provided at least 75% of the forgiven amount was used for payroll costs, and certain other conditions regarding maintenance of headcount are met.

TWB met the criteria for \$45,013 of loan forgiveness within the covered period and this amount of the loan was forgiven in 2020. This amount is included in Sponsorships and Support in the Statements of Activities.