

Financial Statements of

**GIVEWISE FOUNDATION
CANADA**

(FORMERLY AS GIVECLEAR FOUNDATION
CANADA)

And Independent Practitioner's Review Engagement
Report thereon

Year ended December 31, 2022



KPMG LLP
32575 Simon Avenue
Abbotsford BC V2T 4W6
Canada
Tel 604-854-2200
Fax 604-853-2756

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors of GiveWise Foundation Canada

We have reviewed the accompanying financial statements of GiveWise Foundation Canada (Formerly as Giveclear Foundation Canada), which comprise the statement of financial position as at December 31, 2022, the statement of operations and changes in net assets and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.



Page 2

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of GiveWise Foundation Canada (Formerly as Giveclear Foundation Canada) as at December 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Abbotsford, Canada

June 27, 2023

GIVEWISE FOUNDATION CANADA

(FORMERLY AS GIVECLEAR FOUNDATION CANADA)

Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash	\$ 1,743,794	\$ 4,011,395
Accounts receivable (note 2)	85,555	65,301
Short term investments (note 3)	4,090,000	-
	<u>5,919,349</u>	<u>4,076,696</u>
Investments, measured at fair value (note 4)	9,089,366	7,350,524
Capital assets (note 5)	876	1,947
Intangible assets (note 6)	160,773	-
	<u>\$ 15,170,364</u>	<u>\$ 11,429,167</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 42,791	\$ 22,319
Current portion of long-term debt (note 8)	40,000	-
	<u>82,791</u>	<u>22,319</u>
Long-term debt (note 8)	-	40,000
	<u>82,791</u>	<u>62,319</u>
Net assets:		
Unrestricted	15,087,573	11,366,848
	<u>\$ 15,170,364</u>	<u>\$ 11,429,167</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

GIVEWISE FOUNDATION CANADA

(FORMERLY AS GIVECLEAR FOUNDATION CANADA)

Statement of Operations and Changes in Net Assets

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Donations	\$ 15,045,115	\$ 11,510,134
Administrative services and fees (note 7)	54,890	73,074
Investment income (loss)	(297,043)	269,651
	14,802,962	11,852,859
Expenses:		
Grants paid	9,224,959	3,204,263
Contract fees (note 8)	1,541,245	703,622
Salaries and benefits	169,375	157,562
Administrative and operating costs	146,658	52,574
	11,082,237	4,118,021
Excess of revenue over expenses	3,720,725	7,734,838
Net assets, beginning of year	11,366,848	3,632,010
Net assets, end of year	\$ 15,087,573	\$ 11,366,848

See accompanying notes to financial statements.

GIVEWISE FOUNDATION CANADA

(FORMERLY AS GIVECLEAR FOUNDATION CANADA)

Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 3,720,725	\$ 7,734,838
Item not involving cash:		
Amortization	18,935	974
Changes in non-cash operating working capital:		
Increase in accounts receivable	(20,254)	(33,653)
Increase in accounts payable and accrued liabilities	20,472	2,733
	<u>3,739,878</u>	<u>7,704,892</u>
Investing:		
Purchase of intangible assets	(178,637)	-
Purchase of capital assets	-	(2,300)
Net purchase of investments	<u>(5,828,842)</u>	<u>(4,327,732)</u>
	<u>(6,007,479)</u>	<u>(4,330,032)</u>
(Decrease) increase in cash	(2,267,601)	3,374,860
Cash, beginning of year	4,011,395	636,535
Cash, end of year	<u>\$ 1,743,794</u>	<u>\$ 4,011,395</u>

See accompanying notes to financial statements.

GIVEWISE FOUNDATION CANADA

(FORMERLY AS GIVECLEAR FOUNDATION CANADA)

Notes to Financial Statements

Year ended December 31, 2022

Nature of operations:

GiveWise Foundation Canada (Formerly as Giveclear Foundation Canada) (the "Foundation") provides a charitable giving experience which allows donors to contribute funds to a giving fund for the purpose of investing, growing and distributing funds to registered charities and other qualified donees.

The Foundation was incorporated under the Societies Act (British Columbia) on August 1, 2017, and is a registered charity under the Income Tax Act (Canada), and as such is not subject to income taxes.

1. Significant accounting policies:

These financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The Foundation's significant accounting policies are as follows:

(a) Revenue recognition:

The Foundation follows the deferral method of accounting for contributions. This method recognizes unrestricted donations as revenue when received, with donated securities recognized at their estimated fair market value at the time of contribution. Externally restricted donations are recognized as revenue in the year in which the related expenses are incurred.

Investment income is recognized as revenue in the year it is earned.

Donated goods and materials are valued at their estimated fair value at the time the contribution is made when a fair value can be determined and when the Foundation would otherwise have purchased the items.

GIVEWISE FOUNDATION CANADA

(FORMERLY AS GIVECLEAR FOUNDATION CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has not elected to carry any other instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(c) Capital assets:

Purchased tangible capital assets are stated at cost, less accumulated amortization. Amortization is provided over the useful life of the asset at the following annual rate using the described method:

Asset	Rate
Computer equipment	55%

Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. Tangible capital assets are reviewed for impairment whenever events or changes in circumstances indicate that either the full or partial amount of the asset no longer has long term service potential to the Foundation. If such conditions exist, an impairment loss is measured at the amount by which either the full or partial carrying amount of the asset exceeds its fair value or replacement cost.

GIVEWISE FOUNDATION CANADA

(FORMERLY AS GIVECLEAR FOUNDATION CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(d) Intangible assets:

Intangible assets are stated at cost, less accumulated amortization. Amortization is provided for annually over their estimated useful life.

(e) Measurement uncertainty:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Actual results could differ from those estimates.

(f) Foreign currency translation:

Monetary assets and liabilities denominated in a foreign currency are adjusted at the statement of financial position date to reflect the exchange rate in effect at that date. Revenues and expenses are translated at the exchange rates prevailing on the transaction date. Exchange gains and losses are included in the determination of excess of revenue over expenses for the period.

2. Accounts receivable:

	2022	2021
GST rebate receivable	\$ 4,020	\$ 5,329
Other receivables	81,535	59,972
	\$ 85,555	\$ 65,301

3. Short-term investments:

Short-term investments are carried at cost and consist of GICs with maturities less than one year. Interest rates range from 4.5% to 5.15%.

GIVEWISE FOUNDATION CANADA

(FORMERLY AS GIVECLEAR FOUNDATION CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2022

4. Investments, measured at fair value:

	2022	2021
Mutual funds	\$ 6,962,270	\$ 6,172,398
Fixed income	684,554	798,963
Equity	1,442,542	379,163
	\$ 9,089,366	\$ 7,350,524

5. Capital assets:

	2022	2021		
	Cost	Accumulated amortization	Net book value	Net book value
Computer	\$ 4,203	\$ 3,328	\$ 876	\$ 1,947

6. Intangible assets:

	2022	2021		
	Cost	Accumulated amortization	Net book value	Net book value
Software	\$ 178,637	\$ 17,864	\$ 160,773	-

7. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$18,336 (2021 - \$2,984), which includes amounts payable for payroll related taxes.

8. Long-term debt:

As a response to the COVID-19 pandemic, the Foundation applied for and received a \$40,000 (2021 - \$40,000) Canada Emergency Account (CEBA) loan. The loan is non-interest bearing until December 31, 2023, after which the loan bears interest at 5% per annum. If \$30,000 is repaid by December 31, 2023, the remainder of the loan is forgivable.

GIVEWISE FOUNDATION CANADA

(FORMERLY AS GIVECLEAR FOUNDATION CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2022

9. Administrative fees and services:

The Foundation's employees provide services to GiveClear Foundation USA which are recorded as administrative services and fees revenue on the statement of operations.

10. Contract fees:

Contract fees are charged to the Foundation in connection with donations received through a third party. The Foundation allocates these fees to the respective donor advised funds.

11. Remuneration of employees:

For the fiscal year ending December 31, 2022, the Foundation paid total remuneration of \$104,166 (2021 – \$100,000) to one employee (2021 - one employee), who received annual remuneration greater than \$75,000. No amounts were paid to members of the Board of Directors.

12. Financial risks and concentrations of risk:

(a) Price risk:

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to price risk with respect to its investments. The risk associated with investments is managed through the Foundation's established investment policy.

(b) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Foundation is exposed to interest rate risk primarily through GIC's and fixed income investments which bear interest at fixed rates.

(c) Currency risk:

The Foundation is exposed to currency risk as a result of exchange rate fluctuations and the volatility of these rates. The Foundation receives donations in US dollars. The Foundation does not currently enter into forward contracts to mitigate this risk. It is management's opinion that the Foundation is not subject to significant credit risk, liquidity risk, or other risks or concentrations of risk arising from its financial instruments.

There has been no change to the risk exposures outlined above from the prior year.