Financial Statements of

GIVECLEAR
FOUNDATION CANADA

And Independent Auditors' Report thereon

Year ended December 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of GiveClear Foundation Canada

Opinion

We have audited the financial statements of GiveClear Foundation Canada (the Foundation), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of operations and net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our auditors' report.

We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Comparative Information

We draw attention to the notes to the financial statement which describe that the Foundation adopted Canadian accounting standards for not-for-profit organizations, with a transition date of January 1, 2020. These standards were applied retrospectively by management to the comparative information presented in these financial statements.

Our opinion is not modified in respect to this matter.

Other Matter - Comparative Information

We were not engaged to report on the comparative information presented in these financial statements, and as such, it is unaudited.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

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 a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  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.

- 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 the Foundation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding period.

KPMG LLP

Chartered Professional Accountants

Abbotsford, Canada

June 17, 2022

GIVECLEAR FOUNDATION CANADA

Statement Of Financial Position

December 31, 2021, with comparative information for December 31, 2020 and January 1, 2020

	December 31, 2021	December 31, 2020 (Unaudited)	January 1, 2020 (Unaudited)
Assets			
Current assets:			
Cash	$ 4,011,395	$ 636,535	$ 373,379
Accounts receivable (note 2)	65,301	31,648	48,638
	4,076,696	668,183	422,017
Investments, measured at fair value (note 3)	7,350,524	3,022,792	798,140
Capital assets (note 4)	1,947	621	1,380
	$ 11,429,167	$ 3,691,596	$ 1,221,537
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued liabilities (note 5)	$ 22,319	$ 19,586	$ 45,749
Long-term debt (note 6)	40,000	40,000	-
	62,319	59,586	45,749
Net assets:			
Unrestricted	11,366,848	3,632,010	1,175,788
Subsequent event (note 11)			
	$ 11,429,167	$ 3,691,596	$ 1,221,537

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

GIVECLEAR FOUNDATION CANADA

Statement of Operations and Changes in Net Assets

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
		(Unaudited)
Revenue:		
Donations	$ 11,510,134	$ 4,058,975
Administrative services and fees (note 7)	73,074	199,020
Investment income	269,651	60,775
Other income	-	11,599
	11,852,859	4,330,369
Expenses:		
Grants paid	3,204,263	1,248,859
Contract fees (note 8)	703,622	324,801
Salaries and benefits	157,562	215,514
Administrative and operating costs	52,574	84,973
	4,118,021	1,874,147
Excess of revenue over expenses	7,734,838	2,456,222
Net assets, beginning of year	3,632,010	1,175,788
Net assets, end of year	$ 11,366,848	$ 3,632,010

See accompanying notes to financial statements.

GIVECLEAR FOUNDATION CANADA

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

		2021		2020
				(Unaudited)
Cash provided by (used in):				
Operating:				
Excess of revenue over expenses	$	7,734,838	$	2,456,222
Item not involving cash:				
Amortization		974		759
Changes in non-cash operating working capital:				
Accounts receivable		(33,653)		16,990
Accounts payable and accrued liabilities		2,733		(26,163)
		7,704,892		2,447,808
Financing:				
Increase in long-term debt		-		40,000
		-		40,000
Investing:				
Purchase of capital assets		(2,300)		-
Net purchase of investments		(4,327,732)		(2,224,652)
		(4,330,032)		(2,224,652)
Increase in cash		3,374,860		263,156
Cash, beginning of year		636,535		373,379
Cash, end of year	$	4,011,395	$	636,535

See accompanying notes to financial statements.

Nature of operations:

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.

On January 1, 2021, the Foundation adopted Canadian accounting standards for not-for-profit organizations ("ASNPO"). These are the first financial statements prepared in accordance with ASNPO.

In accordance with the transitional provisions in ASNPO, the Foundation has adopted the changes retrospectively, subject to certain exemptions allowed under these standards. The transition date is January 1, 2020 and all comparative information provided has been presented by applying ASNPO.

1. Significant accounting policies:

These financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(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.

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	Method	Rate
Computer equipment	Declining balance	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.

1. Significant accounting policies (continued):

(d) 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.

(e) 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:

	2021	2020 (Unaudited)
GST rebate receivable	$ 5,329	$ 6,501
Other receivables	59,972	25,147
	$ 65,301	$ 31,648

3. Investments, measured at fair value:

	2021	2020 (Unaudited)
Mutual funds	$ 6,172,398	$ -
Fixed income	798,963	2,766,722
Equity	379,163	256,070
	$ 7,350,524	$ 3,022,792

4. Capital assets:

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value (Unaudited)
Computer equipment	$ 4,203	$ 2,256	$ 1,947	$ 621

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $2,984 (2020 - $5,559), which includes amounts payable for payroll related taxes.

6. Long-term debt:

As a response to the COVID-19 pandemic, the Foundation applied for and received a $40,000 (2020 - $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.

7. 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.

8. 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.

9. Remuneration of employees:

For the fiscal year ending December 31, 2021, the Foundation paid total remuneration of $100,000 (2020 – $183,500) to one employee (2020 - two employees), who received annual remuneration greater than $75,000. No amounts were paid to members of the Board of Directors.

10. 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 certain 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.

11. Subsequent event:

Subsequent to year-end, the Foundation changed its name to GiveWise Foundation Canada.