

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
Financial Statements
Year Ended May 31, 2022

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
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Year Ended May 31, 2022

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Chaggares & Bonhomme
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of David McAntony Gibson Foundation operating as GlobalMedic

Opinion

We have audited the financial statements of David McAntony Gibson Foundation, operating as GlobalMedic, (the Foundation), which comprise the statement of financial position as at May 31, 2022, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at May 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with 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.

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 ASNPO, 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.

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Auditor's 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 auditor's 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 these 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 auditor's 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 auditor's 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.

We 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.

Chaggares & Bonhomme

Newmarket, Ontario
September 26, 2022

Chaggares & Bonhomme
Chartered Professional Accountants
Licensed Public Accountants

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
Statement of Financial Position
May 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 8,216,144	\$ 5,895,959
Term deposits (Note 4)	1,501,490	1,468,465
Accounts receivable	88,544	20,297
Government assistance receivable (Note 5)	59,707	69,116
Inventory (Note 6)	988,199	587,139
Prepaid expenses	16,102	14,630
Deposit for goods	-	43,660
	10,870,186	8,099,266
PROPERTY AND EQUIPMENT (Note 7)	2,762,352	178,564
LONG TERM INVESTMENTS (Note 4)	123,507	119,736
	\$ 13,756,045	\$ 8,397,566
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 8)	\$ 332,567	\$ 69,624
Deferred revenue (Note 9)	5,308,773	2,249,608
	5,641,340	2,319,232
DEFERRED CAPITAL GRANTS (Note 10)	1,059	2,118
	5,642,399	2,321,350
NET ASSETS		
General fund	8,113,646	6,076,216
	\$ 13,756,045	\$ 8,397,566

COVID-19 AND ITS IMPACT (Note 16)

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

See notes to financial statements

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
Statement of Revenues and Expenditures
Year Ended May 31, 2022

	2022	2021
REVENUES		
Donations <i>(Note 11)</i>	\$ 11,346,085	\$ 6,882,204
Federal government funding	171,073	21,794
Foreign exchange gain (loss)	85,614	(233,647)
Fundraising	19,648	13,277
Investments & other income	28,462	66,652
	11,650,882	6,750,280
EXPENSES		
Humanitarian programs		
Domestic operations <i>(Note 12)</i>	1,271,892	1,479,692
International operations <i>(Note 13)</i>	8,025,529	3,363,367
Support services		
Administration	144,407	131,500
Amortization	169,056	57,671
Fundraising expenses	2,568	3,505
	9,613,452	5,035,735
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	2,037,430	1,714,545
Loss on disposal of assets	-	(45,084)
EXCESS OF REVENUES OVER EXPENSES	\$ 2,037,430	\$ 1,669,461

See notes to financial statements

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
Statement of Changes in Net Assets
Year Ended May 31, 2022

	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 6,076,216	\$ 4,406,755
EXCESS OF REVENUES OVER EXPENSES	2,037,430	1,669,461
NET ASSETS - END OF YEAR	\$ 8,113,646	\$ 6,076,216

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
Statement of Cash Flows
Year Ended May 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 2,037,430	\$ 1,669,461
Items not affecting cash:		
Amortization of property and equipment	169,056	57,671
Loss on disposal of property and equipment	-	45,084
	2,206,486	1,772,216
Changes in non-cash working capital:		
Accounts receivable	(68,247)	3,499
Government assistance receivable	9,409	(28,876)
Inventory	(401,060)	(14,510)
Accounts payable and accrued liabilities	262,944	(201,181)
Deferred revenue	3,059,165	724,038
Prepaid expenses	(1,472)	(1,952)
Deposit for goods	43,660	(43,660)
	2,904,399	437,358
Cash flow from operating activities	5,110,885	2,209,574
INVESTING ACTIVITIES		
Purchase of property and equipment	(2,753,903)	(142,737)
Redemption (purchase) of investments	(36,797)	2,832,343
Cash flow from (used by) investing activities	(2,790,700)	2,689,606
INCREASE IN CASH FLOW	2,320,185	4,899,180
Cash - beginning of year	5,895,959	996,779
CASH - END OF YEAR	\$ 8,216,144	\$ 5,895,959

See notes to financial statements

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are liquid short term investments.

Contributed services

The operations of the Foundation depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements. No value is assigned to goods received where a tax receipt is not issued. In addition, storage space was donated to the Foundation at no charge, which cannot be reasonably determined and is therefore not reflected in these financial statements.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the exchange rate in effect on the dates they occur.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

Goods and Services Tax

Sales taxes paid on purchase of taxable supplies are recoverable at 69.7% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

Income taxes

The Foundation is registered as a charitable organization and therefore is exempt from income tax according to section 149(1)(l) of the Canadian Income Tax Act.

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DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a weighted average cost basis.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

Buildings	4%	declining balance method
Computer equipment	55%	declining balance method
Equipment	20%	declining balance method
Leasehold improvements	5 years	straight-line method
Motor vehicles	30%	declining balance method

The Foundation regularly reviews its equipment to eliminate obsolete items. Government grants are amortized and expensed over the life of the equipment.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue recognition

David McAntony Gibson Foundation follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government grants are recognized as revenue in the year in which eligible expenses are incurred.

Gifts-in-Kind ("GIK") are valued at 100% of their estimated fair market values. Invoices must be provided by the donor at the time of the donation. If there is no invoice provided the donation will not be accepted. All invoices are assessed for reasonableness. GIK are recorded as revenue when the foundation takes possession of the contribution. GIK are recorded as an expense when the goods are deployed for charitable purposes.

Investment income, which includes interest income and gains (losses) on foreign currency accounts, is recognized as revenue when earned.

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2022

2. PURPOSE OF THE FOUNDATION

David McAntony Gibson Foundation (the "Foundation") was registered as a charitable organization on June 1, 2002 founded by constitution, and incorporated federally on June 23, 2020 under the Canada Not-for-profit Corporations Act. As a registered charity the Foundation is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The David McAntony Gibson Foundation, which operates as GlobalMedic, is dedicated to providing humanitarian aid to people affected by poverty, disaster and/or conflict. GlobalMedic is committed to delivering the right aid to the right people at the right time. Founded by a first responder, staffed by professional humanitarians, and backed by a team of emergency workers and skilled volunteers, GlobalMedic has been able to respond to over 244 disasters in 80 countries including Canada since 2002. The organization has provided humanitarian support such as food, water purification, hygiene supplies, shelter, and medical services to over 4.4 million people in need since inception.

3. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Foundation's risk exposure and concentration as of May 31, 2022.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its receipt of funds from its donors and accounts payable.

(b) Currency risk

Currency risk is the risk to the Foundation's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Foundation is exposed to foreign currency exchange risk on cash held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Foundation is exposed to interest rate risk primarily through its investments.

Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant other price risks arising from these financial instruments.

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2022

4. TERM DEPOSITS

The Foundation holds the following Guaranteed Investment Certificates (GICs):

Non-redeemable GIC which matures on May 20, 2023 and carries an annual interest rate of 2.90%. This GIC has a face value of \$500,000 and accrued interest of \$477.

Cashable GIC which matures on May 11, 2023 and carries an annual interest rate of 1.85%. This GIC has a face value of \$1,000,000 and accrued interest of \$1,014.

Non-redeemable GIC which matures on July 11, 2023 and carries an annual interest rate of 3.15%. This GIC has a face value of \$120,148 and accrued interest of \$3,360.

5. GOVERNMENT ASSISTANCE RECEIVABLE

	2022	2021
GST/HST Public Service Bodies' Rebate	\$ 59,707	\$ 58,273
Canada Emergency Wage Subsidy	-	10,300
Canada Emergency Rent Subsidy	-	543
	\$ 59,707	\$ 69,116

6. INVENTORY

	2022	2021
Opening inventory	\$ 587,139	\$ 572,629
Purchases	4,789,410	3,652,457
Cost of goods donated	(4,388,350)	(3,637,947)
Closing inventory on hand	\$ 988,199	\$ 587,139

7. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land	\$ 509,295	\$ -	\$ 509,295	\$ -
Buildings	2,107,269	84,291	2,022,978	-
Equipment	113,873	45,414	68,459	50,330
Motor vehicles	129,664	64,037	65,627	52,713

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DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2022

7. PROPERTY AND EQUIPMENT (continued)

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	62,375	52,071	10,304	3,938
Leasehold improvements	139,948	54,259	85,689	71,583
	\$ 3,062,424	\$ 300,072	\$ 2,762,352	\$ 178,564

During the year, \$1,059 (2021 - \$1,885) of a deferred capital grant was amortized against the related capital asset's depreciation expense for the year.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The following government remittances were included in accounts payable at year end:

	2022	2021
Payroll liabilities	\$ 12,026	\$ 7,653

DAVID MCANTONY GIBSON FOUNDATION

(Operating as GlobalMedic)

NOTES TO FINANCIAL STATEMENTS

Year Ended May 31, 2022

9. DEFERRED REVENUE

Restricted contributions are recognized as revenue when related expenditures are incurred. Any excess of contributions over related expenditures are deferred until related expenditures are incurred.

	2022	2021
International		
Bahamas	\$ -	\$ 38,355
Bangladesh	22,706	244,001
Ecuador	-	23,872
India	-	156,698
Indonesia	86,551	110,700
Nepal	345,190	382,096
Saint Vincent	527,577	472,216
Sudan	3,142	-
Tonga	496,000	-
Ukraine	2,712,069	-
Canada		
B.C. Flooding	189,820	-
Community Medic	250,000	250,000
COVID-19	42,530	282,341
Grassroots Revolution	537,103	177,624
Hygiene Program	96,085	111,705
	\$ 5,308,773	\$ 2,249,608

10. DEFERRED CAPITAL GRANTS

Grants used to acquire capital assets are deferred as a liability and amortized to income based on the amortization of capital assets acquired with grants. The following capital grants were deferred at year end:

	2022	2021
Unamortized opening balance	\$ 2,118	\$ 4,003
Grant amortization	(1,059)	(1,885)
	\$ 1,059	\$ 2,118

DAVID MCANTONY GIBSON FOUNDATION

(Operating as GlobalMedic)

NOTES TO FINANCIAL STATEMENTS

Year Ended May 31, 2022

11. NON-MONETARY TRANSACTIONS

During the year, the Foundation received donated goods in response to the ongoing COVID-19 pandemic, global disasters and other emergencies. These goods consisted of medical supplies that were sent internationally as well as warehouse equipment used for the new Oakville location. These transactions are accounted for at the fair value of the goods provided. During the year, these transactions totaled \$4,291,243 (2021 - \$746,570) and did not generate any excess of revenues over expenses.

12. DOMESTIC OPERATIONS

During the year, the Foundation ran the following programs in Canada: British Columbia Flood Response, Brampton Flood Response, COVID-19 Response, Iqaluit Water Crisis, Grassroots Revolution Program, Hygiene Program, and RescUAV Team Training. Costs charged to each program include costs of material aid, shipping, flights, staffing and office costs.

13. INTERNATIONAL OPERATIONS

During the year, the Foundation responded to disasters and complex emergencies in the following countries: Bahamas, Bangladesh, Barbados, Cambodia, Cuba, Dominica, Ecuador, Grenada, Guyana, Haiti, India, Indonesia, Jamaica, Lebanon, Malawi, Moldova, Nepal, Pakistan, Philippines, Romania, Saint Lucia, Saint Vincent, Somalia, South Africa, Sri Lanka, Sudan, Syria, Trinidad & Tobago, Ukraine, and Yemen. Costs charged to each response include costs of material aid, shipping, flights, in-country operations, staffing and office costs.

14. GOVERNMENT ASSISTANCE

During the fiscal year, the Foundation applied for and received government assistance pertaining to the Canada Emergency Wage Subsidy (CEWS) for payroll remuneration paid to eligible employees on the basis of being an eligible employer in Canada, and the Canada Emergency Rent Subsidy (CERS) for charities with decreases in eligible revenues who are classified as an eligible entity.

Government assistance in the amount of \$40,219 (2021 - \$131,837) from CEWS and \$15,807 (2021 - \$543) from CERS was received during the year which was applied to reduce the cost of wages and premises lease payments.

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2022

15. RELATED PARTIES

The following is a summary of the Foundation's related party transactions:

	2022	2021
<u>Related party transactions</u>		
Chantel Kehoe <i>(The Foundation's Director of Administration, as well as spouse of the Foundation's Executive Director)</i>		
Gross wages (2021 - contract payments)	\$ 60,000	\$ 62,364
2590274 Ontario Inc. <i>(A corporation jointly owned by the Foundation's Executive Director and Director of Administration)</i>		
Rental payments and TMI	\$ 67,350	\$ 62,364
GlobalFire <i>(A charity which shares board members with DMGF)</i>		
Reimbursement of program expenses received	\$ 2,381	\$ -

The Foundation leases premises from 2590274 Ontario Inc. under a long-term lease that expires on April 30, 2025. Under the lease, the Foundation is required to pay base rent for a 15,700 square foot building in Etobicoke (35 Coronet Road) of \$5,000 per month plus utilities, maintenance, leasehold improvements, and other related costs for the leased premises. There is a renewal option included in the lease on expiry in April 2025.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

16. COVID-19 AND ITS IMPACT

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the Foundation's operations as at the date of these financial statements.