

DAVID MCANTONY GIBSON FOUNDATION

Financial Statements

Year Ended May 31, 2014

(Unaudited)

DAVID MCANTONY GIBSON FOUNDATION
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Year Ended May 31, 2014
(Unaudited)

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Chaggares & Bonhomme
CHARTERED ACCOUNTANTS

REVIEW ENGAGEMENT REPORT

To the Member of David McAntony Gibson Foundation

We have reviewed the statement of financial position of David McAntony Gibson Foundation as at May 31, 2014 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the foundation.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Chaggares & Bonhomme

Newmarket, Ontario
September 8, 2014

Chaggares & Bonhomme
Chartered Accountants
Authorized to practise public accounting by
The Institute of Chartered Accountants of Ontario

DAVID MCANTONY GIBSON FOUNDATION

Statement of Financial Position

May 31, 2014

(Unaudited)

	2014	2013
ASSETS		
CURRENT		
Cash	\$ 1,235,278	\$ 378,159
Term deposits <i>(Note 4)</i>	-	127,368
Marketable securities <i>(Note 5)</i>	124,220	64,881
Inventory	102,631	95,981
	\$ 1,462,129	\$ 666,389
LIABILITIES		
CURRENT		
Accounts payable	\$ 17,384	\$ 6,538
Deferred income <i>(Note 6)</i>	667,241	179,962
	684,625	186,500
NET ASSETS		
General fund	777,504	479,889
	\$ 1,462,129	\$ 666,389

APPROVED BY THE SOLE DIRECTOR

 Director

See notes to financial statements

DAVID MCANTONY GIBSON FOUNDATION
Statement of Revenues and Expenditures
Year Ended May 31, 2014
(Unaudited)

	2014	2013
REVENUE		
Donations	\$ 1,257,493	\$ 932,375
Fundraising	125,195	49,604
Gifts	49,045	25,971
Investment income	8,168	11,037
Other income	2,956	3,048
	1,442,857	1,022,035
EXPENSES		
Capacity building	18,421	5,470
Disaster response	1,069,322	813,990
Foreign exchange (gain) loss	8,360	(479)
Gifts in kind	34,898	28,367
GlobalFire	42,470	5,963
Miscellaneous	16,210	18,639
Rapid response team	21,606	59,233
	1,211,287	931,183
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	231,570	90,852
OTHER INCOME		
Gain on disposal of investments	-	10,530
Unrealized gains/(losses) on marketable securities	66,045	(39,064)
	66,045	(28,534)
EXCESS OF REVENUE OVER EXPENSES	\$ 297,615	\$ 62,318

See notes to financial statements

DAVID MCANTONY GIBSON FOUNDATION
Statement of Changes in Net Assets
Year Ended May 31, 2014
(Unaudited)

	2014	2013
NET ASSETS - BEGINNING OF YEAR	\$ 479,889	\$ 417,571
Excess of revenue over expenses	<u>297,615</u>	<u>62,318</u>
NET ASSETS - END OF YEAR	<u>\$ 777,504</u>	<u>\$ 479,889</u>

See notes to financial statements

DAVID MCANTONY GIBSON FOUNDATION

Statement of Cash Flows

Year Ended May 31, 2014

(Unaudited)

	2014	2013
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 297,615	\$ 62,318
Items not affecting cash:		
Gain on disposal of investments	-	(10,530)
Unrealized (gains)/losses on marketable securities	(66,045)	39,064
Foreign exchange (gain) loss	8,360	(829)
	239,930	90,023
Changes in non-cash working capital:		
Inventory	(6,650)	19,629
Accounts payable	10,856	(2,517)
Deferred income	487,279	80,833
	491,485	97,945
Cash flow from operating activities	731,415	187,968
INVESTING ACTIVITIES		
Purchase of investments	-	(6,502)
Proceeds from investments	125,704	-
Cash flow from (used by) investing activities	125,704	(6,502)
INCREASE IN CASH FLOW	857,119	181,466
Cash - beginning of year	378,159	196,693
CASH - END OF YEAR	\$ 1,235,278	\$ 378,159

DAVID MCANTONY GIBSON FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MAY 31, 2014

(Unaudited)

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 (ASNFPO).

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.

Donated goods

Donated goods are recorded at their fair market value at the time of the donation. During the year \$34,898 in goods were donated (2013 - \$28,367).

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 average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of excess of revenues over expenditures.

Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out 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.

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DAVID MCANTONY GIBSON FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MAY 31, 2014

(Unaudited)

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

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 at such time the foundation takes possession of the contribution. GIKs are recorded as an expense at such time as the goods are deployed for charitable purposes.

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

2. PURPOSE OF THE FOUNDATION

David McAntony Gibson Foundation (the "foundation") was registered as a charitable organization on June 1, 2002 under the Canada Corporations Act. The foundation was created in the Spring of 1998 in honour of David McAntony Gibson, who tragically lost his life on February 7, 1998. In keeping with David's spirit, the foundation is designed to help those in need around the world by providing relief supplies and equipment, and has adopted "Serving the Global Community" as its motto. The foundation leads programs designed to strengthen the delivery of emergency medical services in the the Third World as well as providing emergency relief to those Nations affected by natural disasters and complex emergencies. These objectives are obtained by the procurement of equipment, medicine, supplies and funding the delivery of training packages as well as empowering the emergency response capacity of organizations and communities in developing countries. The foundation strives to be an efficient aid agency that delivers the maximum amount of aid with a minimum operating cost.

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, 2014.

(continues)

DAVID MCANTONY GIBSON FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MAY 31, 2014

(Unaudited)

3. FINANCIAL INSTRUMENTS *(continued)*

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.

Currency risk

Currency risk is the risk to the company'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.

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 floating interest rate bank indebtedness and its investments.

4. TERM DEPOSITS

The foundation held a GIC which matured on October 15, 2013.

5. MARKETABLE SECURITIES

Marketable securities are measured at fair value which is determined on the basis of market value. The foundation holds short-term marketable securities that have a market value of \$124,220 (2013 - \$64,881).

DAVID MCANTONY GIBSON FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MAY 31, 2014

(Unaudited)

6. 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.

	2014	2013
Balkans mission	\$ 1,792	\$ -
Africa mission	53,516	53,516
Haiti mission	59,730	59,730
India mission	-	2,421
Iraq mission	6,290	-
Japan mission	1,748	40,745
Philippines mission	476,971	615
Sierra Leone mission	2,062	2,062
Syria mission	-	7,012
GlobalFire	26,309	12,900
GlobalWater	38,823	961
	\$ 667,241	\$ 179,962

DAVID MCANTONY GIBSON FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MAY 31, 2014
(Unaudited)

7. REVENUES

The foundation allocated the revenues contributed during fiscal 2014 according to the type of donation or grant received and specific mission restrictions.

	2014	2013
Balkans mission	\$ 5,836	\$ -
Africa mission	-	119,806
Haiti mission	-	1,677
India mission	41,111	29,295
Iraq mission	24,711	-
Japan mission	54,482	513,991
Mali mission	-	25,075
Pakistan mission	-	42,156
Philippines mission	1,415,328	28,553
Sierra Leone mission	-	19,578
Syria mission	7,012	69,262
Subtotal	1,548,480	849,393
General donations	278,143	144,709
Goods-in-kind (GIK)	34,898	28,367
GlobalFire	55,879	4,766
GlobalWater	-	961
Other income	2,956	3,048
Investment income	8,168	11,036
Rapid response team (RRT)	14,543	12,224
Manitoba chapter	-	4,613
British Columbia chapter	-	72
Capacity building medical supply shipments	-	7,000
Ontario clean water agency (OCWA)	37,862	36,679
	\$ 1,980,929	\$ 1,102,868

Total revenues collected during the year was \$1,980,929 less the additional deferred revenues for the year of \$538,072 will equal net revenue of \$1,442,857.

8. GOVERNMENT GRANT

The foundation has received grants from the Federal government totaling \$450,000 in support of the Philippines relief mission program. The relief mission began in November 2013 and continuing into fiscal 2015. The amount of grants in excess of expenses are deferred until related expenditures are incurred.

DAVID MCANTONY GIBSON FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MAY 31, 2014

(Unaudited)

9. LEASE COMMITMENTS

As of January 1, 2014, the foundation has outstanding commitments with respect to a one-year property lease agreement. The lease agreement states that the foundation is obliged to pay the property taxes and utility fees of the leased commercial space at 20 Claireport Crescent, Unit 9, Toronto, Ontario. The owner of the building is a director of the foundation.

10. ECONOMIC DEPENDENCE

The foundation generates the majority of its revenues from its ten largest donors. The ten largest donors contributed \$1,425,209 in 2014 (\$821,502 - 2013) which represents 71.95% (74.70% - 2013) of total revenues.