

DAVID MCANTONY GIBSON FOUNDATION

Financial Statements

Year Ended May 31, 2015

(Unaudited)

DAVID MCANTONY GIBSON FOUNDATION
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Year Ended May 31, 2015
(Unaudited)

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Chaggares & Bonhomme
CHARTERED PROFESSIONAL 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, 2015 and the statements of revenues and expenditures, changes in net assets and cash flow 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.

Newmarket, Ontario
August 6, 2015

Chaggares & Bonhomme
Chartered Professional Accountants
Licenced Public Accountants

DAVID MCANTONY GIBSON FOUNDATION

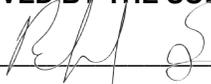
Statement of Financial Position

May 31, 2015

(Unaudited)

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 2,849,987	\$ 1,235,278
Term deposits <i>(Note 4)</i>	100,610	-
Marketable securities <i>(Note 5)</i>	-	124,220
Inventory	99,695	102,631
	3,050,292	1,462,129
EQUIPMENT <i>(Note 6)</i>	17,943	-
	\$ 3,068,235	\$ 1,462,129
LIABILITIES		
CURRENT		
Accounts payable	\$ 92,241	\$ 17,384
Deferred income <i>(Note 7)</i>	2,388,961	667,241
	2,481,202	684,625
NET ASSETS		
General fund	587,033	777,504
	\$ 3,068,235	\$ 1,462,129

APPROVED BY THE SOLE DIRECTOR



Director

See notes to financial statements

DAVID MCANTONY GIBSON FOUNDATION

Statement of Revenues and Expenditures

For the Year Ended May 31, 2015

(Unaudited)

	2015	2014
REVENUE		
Donations	\$ 3,832,390	\$ 1,257,493
Fundraising	58,971	125,195
Gifts	3,439	49,045
Investment income	5,750	8,168
Other income	2,815	2,956
	3,903,365	1,442,857
EXPENSES		
Amortization	2,997	-
Capacity building	-	18,421
Disaster response	3,845,641	1,069,322
Foreign exchange (gain) loss	(25,280)	8,360
Gifts in kind	3,137	34,898
GlobalFire	-	42,470
GlobalWater	259,420	-
Miscellaneous	13,333	16,210
Rapid response team	14,469	21,606
	4,113,717	1,211,287
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	(210,352)	231,570
OTHER INCOME		
Gain on disposal of investments	19,881	-
Unrealized gains on marketable securities	-	66,045
	19,881	66,045
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (190,471)	\$ 297,615

See notes to financial statements

DAVID MCANTONY GIBSON FOUNDATION

Statement of Changes in Net Assets

Year Ended May 31, 2015

(Unaudited)

	2015	2014
NET ASSETS - BEGINNING OF YEAR	\$ 777,504	\$ 479,889
Excess (Deficiency) of revenue over expenses	(190,471)	297,615
NET ASSETS - END OF YEAR	\$ 587,033	\$ 777,504

See notes to financial statements

DAVID MCANTONY GIBSON FOUNDATION
Statement of Cash Flow
Year Ended May 31, 2015
(Unaudited)

	2015	2014
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (190,471)	\$ 297,615
Items not affecting cash:		
Amortization of equipment	2,997	-
Gain on disposal of investments	(19,881)	-
Unrealized gains on marketable securities	-	(66,045)
Foreign exchange (gain) loss	(25,280)	8,360
	(232,635)	239,930
Changes in non-cash working capital:		
Inventory	2,936	(6,650)
Accounts payable	74,856	10,856
Deferred income	1,721,720	487,279
	1,799,512	491,485
Cash flow from operating activities	1,566,877	731,415
INVESTING ACTIVITIES		
Purchase of equipment	(20,941)	-
Proceeds from investments	169,383	125,704
Purchase of investments	(100,610)	-
Cash flow from investing activities	47,832	125,704
INCREASE IN CASH FLOW	1,614,709	857,119
Cash - beginning of year	1,235,278	378,159
CASH - END OF YEAR	\$ 2,849,987	\$ 1,235,278

See notes to financial statements

DAVID MCANTONY GIBSON FOUNDATION
NOTES TO FINANCIAL STATEMENTS

Year Ended May 31, 2015

(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.

Equipment

Equipment is stated at cost or deemed cost less accumulated amortization. Equipment is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Equipment	20%	declining balance method
Computer equipment	55%	declining balance method

The foundation regularly reviews its equipment to eliminate obsolete items. Government grants are treated as a reduction of equipment cost.

Equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Donated goods

Donated goods are recorded at their fair market value at the time of the donation. During the year \$3,137 in goods were donated (2014 - \$34,898).

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.

(continues)

DAVID MCANTONY GIBSON FOUNDATION
NOTES TO FINANCIAL STATEMENTS

Year Ended May 31, 2015

(Unaudited)

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 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.

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 founded by constitution. 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 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.

DAVID MCANTONY GIBSON FOUNDATION
NOTES TO FINANCIAL STATEMENTS

Year Ended May 31, 2015

(Unaudited)

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, 2015.

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 holds a cashable GIC which matures on July 11, 2018 and carries an annual interest rate of 2.75%. This GIC has a face value of \$100,000 and accrued interest of \$610.

5. MARKETABLE SECURITIES

The foundation sold the short-term marketable securities in the current year.

6. EQUIPMENT

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Equipment	\$ 7,850	\$ 2,348	\$ 5,502	\$ -
Computer equipment	13,091	650	12,441	-
	\$ 20,941	\$ 2,998	\$ 17,943	\$ -

DAVID MCANTONY GIBSON FOUNDATION
NOTES TO FINANCIAL STATEMENTS
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7. 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.

	2015	2014
Balkans mission	\$ -	\$ 1,792
Africa mission	-	53,516
Haiti mission	59,730	59,730
Iraq mission	505,030	6,290
Japan mission	-	1,748
Philippines mission	189,710	476,971
Sierra Leone mission	-	2,062
Nepal mission	986,502	-
Ukraine mission	647,989	-
GlobalFire	-	26,309
GlobalWater	-	38,823
	\$ 2,388,961	\$ 667,241

DAVID MCANTONY GIBSON FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2015
(Unaudited)

8. REVENUES

The foundation allocated the revenues contributed during fiscal 2015 according to the type of donation or grant received and specific mission restrictions.

	2015	2014
Balkans mission	\$ 8,484	\$ 5,836
India mission	149,367	41,111
Iraq mission	1,340,786	24,711
Japan mission	315,540	54,482
Philippines mission	1,281,439	1,415,328
Syria mission	-	7,012
Pakistan mission	12,000	-
Nepal mission	1,605,990	-
Sierra Leone mission	184,220	-
Ukraine mission	939,834	-
Vanuatu mission	99,204	-
Subtotal	5,936,864	1,548,480
General donations	197,503	278,143
Goods-in-kind (GIK)	3,137	34,898
GlobalFire	-	55,879
Other income	2,815	2,956
Investment income	5,750	8,168
Rapid response team (RRT)	5,401	14,543
Manitoba chapter	5,982	-
Ontario clean water agency (OCWA)	75,145	37,862
	\$ 6,232,597	\$ 1,980,929

Total revenues collected during the year was \$6,232,597 less the additional deferred revenues for the year of \$2,329,232 equals net revenue of \$3,903,365.

9. GOVERNMENT GRANT

The foundation has received grants from the Federal government totaling \$2,874,229 in support of various relief mission programs. The relief missions are continuing into fiscal 2016. The amount of grants in excess of expenses are deferred until related expenditures are incurred.

10. LEASE COMMITMENTS

As of January 1, 2015, 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.

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11. ECONOMIC DEPENDENCE

The foundation generates the majority of its revenues from its ten largest donors. The ten largest donors contributed \$5,391,765 in 2015 (\$1,425,209 - 2014) which represents 86.21% (71.95% - 2014) of total revenues.