

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
Financial Statements
Year Ended May 31, 2018

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
Index to Financial Statements
Year Ended May 31, 2018

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 13



Chaggares & Bonhomme
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of David McAntony Gibson Foundation (Operating as GlobalMedic)

We have reviewed the accompanying financial statements of David McAntony Gibson Foundation, (Operating as GlobalMedic) which comprise the statement of financial position as at May 31, 2018 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and 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 for the Financial Statements

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.

(continues)

Independent Practitioner's Review Engagement Report to the Members of David McAntony Gibson Foundation (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of David McAntony Gibson Foundation as at May 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chaggares & Bonhomme


Newmarket, Ontario
October 25, 2018

Chaggares & Bonhomme
Chartered Professional Accountants
Licensed Public Accountants

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
Statement of Financial Position
May 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 2,548,656	\$ 2,892,028
Term deposits (Note 4)	1,522,107	205,576
Accounts receivable	2,179	-
Inventory	168,920	205,899
Harmonized sales tax recoverable	5,496	5,267
Prepaid expenses	11,637	1,747
	4,258,995	3,310,517
EQUIPMENT (Note 5)	59,659	16,128
	\$ 4,318,654	\$ 3,326,645
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	\$ 14,274	\$ 34,776
Deferred income (Note 7)	836,697	641,664
	850,971	676,440
DEFERRED CAPITAL GRANTS (Note 8)	18,909	12,381
	869,880	688,821
NET ASSETS		
General fund	3,448,774	2,637,824
	\$ 4,318,654	\$ 3,326,645

APPROVED BY SOLE DIRECTOR


 Director

See notes to financial statements

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
Statement of Revenues and Expenditures
Year Ended May 31, 2018

	2018	2017
REVENUES		
Donations	\$ 1,629,054	\$ 2,148,467
Foreign exchange gain (loss)	(52,829)	49,442
Fundraising	36,505	33,911
Gifts	176,675	258,514
Investment income	37,224	14,670
Other income	1,387	6,009
	1,828,016	2,511,013
EXPENSES		
Amortization	3,954	-
Disaster response	945,944	1,738,353
Gifts in kind	3,918	17,681
GlobalWater	-	57,857
Rapid response team	4,954	9,334
RescUAV	58,296	10,579
	1,017,066	1,833,804
EXCESS OF REVENUES OVER EXPENSES	\$ 810,950	\$ 677,209

See notes to financial statements

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
Statement of Changes in Net Assets
Year Ended May 31, 2018

	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 2,637,824	\$ 1,960,615
EXCESS OF REVENUES OVER EXPENSES	810,950	677,209
NET ASSETS - END OF YEAR	\$ 3,448,774	\$ 2,637,824

See notes to financial statements

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
Statement of Cash Flows
Year Ended May 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 810,950	\$ 677,209
Items not affecting cash:		
Amortization of equipment	3,953	-
Interest income accrual	(21,731)	(2,826)
Unrealized exchange gain	(20,950)	-
Capitalization of deferred grants	19,364	-
	791,586	674,383
Changes in non-cash working capital:		
Accounts receivable	(2,179)	224,736
Inventory	36,979	(23,003)
Accounts payable and accrued liabilities	(20,500)	13,161
Deferred income	195,033	(630,789)
Prepaid expenses	(9,890)	(1,747)
HST recoverable	(229)	(1,551)
	199,214	(419,193)
Cash flow from operating activities	990,800	255,190
INVESTING ACTIVITIES		
Purchase of equipment	(60,322)	(3,977)
Purchase of investments	(1,273,850)	-
Cash flow used by investing activities	(1,334,172)	(3,977)
FINANCING ACTIVITY		
Donations receivable from related party	-	100,255
INCREASE (DECREASE) IN CASH FLOW	(343,372)	351,468
Cash - beginning of year	2,892,028	2,540,560
CASH - END OF YEAR	\$ 2,548,656	\$ 2,892,028
CASH CONSISTS OF:		
Cash	\$ 2,548,656	\$ 2,892,028

See notes to financial statements

DAVID MCANTONY GIBSON FOUNDATION

(Operating as GlobalMedic)

NOTES TO FINANCIAL STATEMENTS

Year Ended May 31, 2018

(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 (ASNFPPO).

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 and is amortized over its estimated useful life at the following rates and methods:

Equipment	20% declining balance method
Computer equipment	55% declining balance method
Leasehold improvements	5 years straight-line method

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

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 \$3,918 in goods were donated (2017 - \$17,681).

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 earnings.

(continues)

DAVID MCANTONY GIBSON FOUNDATION

(Operating as GlobalMedic)

NOTES TO FINANCIAL STATEMENTS

Year Ended May 31, 2018

(Unaudited)

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

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these 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.

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 on bank accounts, long-term investments and losses (gains) 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, 2018

(Unaudited)

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 developing 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, 2018.

(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 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.

(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 floating interest rate bank indebtedness and 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, 2018

(Unaudited)

4. TERM DEPOSITS

The foundation held the following GICs:

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 \$9,141.

Non-cashable GIC which matures on January 21, 2019 and carries an annual interest rate of 1.70%. This GIC has a face value of \$100,000 and accrued interest of \$2,310.

Non-redeemable GIC which matures on July 18, 2018 and carries an annual interest rate of 1.41%. This GIC has a face value of \$1,294,800 and accrued interest of \$15,856.

5. EQUIPMENT

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Equipment	\$ 17,447	\$ 6,770	\$ 10,677	\$ 8,649
Computer equipment	45,195	24,646	20,549	7,479
Leasehold improvements	31,662	3,229	28,433	-
	\$ 94,304	\$ 34,645	\$ 59,659	\$ 16,128

During fiscal 2018, the foundation acquired \$19,365 of capital assets using the Google grant received and \$12,837 of grant amortization was applied to the deferred capital grants.

6. GOVERNMENT REMITTANCES PAYABLE OTHER THAN INCOME TAX

Government remittances (other than income taxes) include, for example, payroll taxes, health taxes, and workers' safety insurance premiums. The following government remittances were payable at year end:

	2018	2017
Payroll liabilities	\$ 4,277	\$ 4,439

DAVID MCANTONY GIBSON FOUNDATION

(Operating as GlobalMedic)

NOTES TO FINANCIAL STATEMENTS

Year Ended May 31, 2018

(Unaudited)

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.

	2018	2017
Africa mission	\$ -	\$ 61,407
Bangladesh mission	102,197	-
Ecuador mission	29,860	29,860
Nepal mission	397,697	397,697
Syria mission	28,501	28,501
Ukraine mission	84,777	84,777
RescUAV	193,665	39,422
	\$ 836,697	\$ 641,664

8. 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:

	2018	2017
Unamortized opening balance	\$ 12,381	\$ 21,818
Capital grants to defer	19,365	-
Grant amortization	(12,837)	(9,437)
	\$ 18,909	\$ 12,381

DAVID MCANTONY GIBSON FOUNDATION*(Operating as GlobalMedic)***NOTES TO FINANCIAL STATEMENTS****Year Ended May 31, 2018***(Unaudited)***9. REVENUES**

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

	2018	2017
Africa mission	\$ 138,633	\$ 77,564
BC Fires mission	1,941	-
Bangladesh mission	29,724	-
Caribbean mission	273,204	-
Ecuador mission	-	67,015
Ft. McMurray mission	-	121,782
Haiti mission	-	470,002
India mission	-	86,651
Iraq mission	-	43,515
Mexico mission	7,095	-
Nepal mission	39,318	-
Philippines mission	-	346,731
Refugee crisis	-	25,790
Sri Lanka mission	-	96,052
Syria mission	840	143,748
Ukraine mission	-	17,999
Subtotal	490,755	1,496,849
Investment income	37,224	14,670
GlobalWater	-	57,857
Other income	1,387	6,009
RescUAV	63,832	10,579
Rapid response team (RRT)	5,381	5,372
General donations	1,282,266	870,235
Foreign exchange gain (loss)	(52,829)	49,442
	\$ 1,828,016	\$ 2,511,013

During the 2018 fiscal year, the foundation received \$3,918 of gifts-in-kind in its general donations.

10. GOOGLE GRANT FROM TIDES FOUNDATION

The foundation received a grant from Google via the Tides Foundation totaling \$250,000 in support of immediate search and rescue mapping data to improve disaster relief worldwide during fiscal 2018. The foundation uses the grant for its RescUAV program which involves using Unmanned Aerial Vehicle technology in disaster zones and has 2 years to spend the funding (until September 2019). The portion of grant used to acquire eligible capital assets has been deferred and will be amortized over a systematic basis based on the grant amortization. The amounts of grant in excess of expenses are deferred until related expenditures are incurred.

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
NOTES TO FINANCIAL STATEMENTS
Year Ended May 31, 2018
(Unaudited)

11. RELATED PARTY TRANSACTIONS

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

	2018	2017
Chantel Kehoe <i>(The foundation's Director of Finance, as well as spouse of the foundation's Chair of Board)</i>		
Contract payments	\$ 15,591	\$ -

Monthly contract fees of \$5,000 plus HST were paid to Chantel Kehoe starting in March 2018.

The foundation leases premises under a long term lease that expires on September 6, 2022. The lessor, 2590274 Ontario Inc., is a corporation jointly owned by Rahul Singh and Chantel Kehoe. Under the lease, the foundation is required to pay base rent of \$1 per year, plus utilities, maintenance, leasehold improvements, and other related costs for the leased premises. There is a renewal option included in the lease.

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.

12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.