

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
Financial Statements
Year Ended May 31, 2021

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
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Year Ended May 31, 2021

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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, 2021, 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, 2021, 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 29, 2021

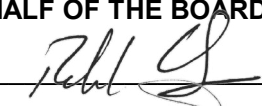

Chaggares & Bonhomme
Chartered Professional Accountants
Licensed Public Accountants

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
Statement of Financial Position
May 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 5,895,959	\$ 996,779
Term deposits (Note 4)	1,468,465	4,307,622
Accounts receivable	20,297	23,796
Government assistance receivable (Note 5)	69,116	40,240
Inventory (Note 6)	587,139	572,629
Prepaid expenses	14,630	12,678
Deposit for goods	43,660	-
	8,099,266	5,953,744
EQUIPMENT (Note 7)	178,564	140,467
LONG TERM INVESTMENTS (Note 4)	119,736	112,922
	\$ 8,397,566	\$ 6,207,133
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 8)	\$ 69,624	\$ 270,805
Deferred revenue (Note 9)	2,249,608	1,525,570
	2,319,232	1,796,375
DEFERRED CAPITAL GRANTS (Note 10)	2,118	4,003
	2,321,350	1,800,378
NET ASSETS		
General fund	6,076,216	4,406,755
	\$ 8,397,566	\$ 6,207,133

SUBSEQUENT EVENTS (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, 2021

	2021	2020
REVENUES		
Donations & fundraising <i>(Note 11)</i>	\$ 6,917,275	\$ 3,605,342
Foreign exchange gain (loss)	(233,647)	18,828
Investments & other income	66,652	78,414
	6,750,280	3,702,584
EXPENSES		
Humanitarian programs		
Domestic operations <i>(Note 12)</i>	1,479,692	691,513
International operations <i>(Note 13)</i>	3,363,367	2,272,424
Support services		
Administration	131,500	85,547
Amortization	57,671	43,777
Fundraising expenses	3,505	4,568
	5,035,735	3,097,829
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	1,714,545	604,755
Gain/(loss) on disposal of assets	(45,084)	793
EXCESS OF REVENUES OVER EXPENSES	\$ 1,669,461	\$ 605,548

See notes to financial statements

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
Statement of Changes in Net Assets
Year Ended May 31, 2021

	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 4,406,755	\$ 3,801,207
EXCESS OF REVENUES OVER EXPENSES	1,669,461	605,548
NET ASSETS - END OF YEAR	\$ 6,076,216	\$ 4,406,755

See notes to financial statements

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
Statement of Cash Flows
Year Ended May 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 1,669,461	\$ 605,548
Items not affecting cash:		
Amortization of equipment	57,671	43,777
Loss on disposal of equipment	45,084	793
	1,772,216	650,118
Changes in non-cash working capital:		
Accounts receivable	3,499	(23,796)
Government assistance receivable	(28,876)	(19,250)
Inventory	(14,510)	(309,810)
Accounts payable and accrued liabilities	(201,181)	143,097
Deferred revenue	724,038	358,632
Prepaid expenses	(1,952)	(354)
Deposit for goods	(43,660)	-
	437,358	148,519
Cash flow from operating activities	2,209,574	798,637
INVESTING ACTIVITIES		
Purchase of equipment	(142,737)	(93,924)
Proceeds on disposal of equipment	-	2,500
Redemption (purchase) of investments	2,832,343	(2,415,189)
Cash flow from (used by) investing activities	2,689,606	(2,506,613)
INCREASE (DECREASE) IN CASH FLOW	4,899,180	(1,707,976)
Cash - beginning of year	996,779	2,704,755
CASH - END OF YEAR	\$ 5,895,959	\$ 996,779

See notes to financial statements

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MAY 31, 2021

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.

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:

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.

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

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.

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DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MAY 31, 2021

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

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.

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.

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, 2021

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 230 disasters in 77 countries including Canada since 2002. The organization has provided humanitarian support such as food, water purification, hygiene supplies, shelter, and medical services to over 3.6 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, 2021.

(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.

(d) Additional risk

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, 2021

4. TERM DEPOSITS

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

Non-redeemable GIC which matures on May 20, 2022 and carries an annual interest rate of 1.075%. This GIC has a face value of \$250,000 and accrued interest of \$88.

Cashable GIC which matures on July 7, 2021 and carries an annual interest rate of 0.15%. This GIC has a face value of \$1,216,831 and accrued interest of \$1,545.

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 \$116,479 and accrued interest of \$3,257.

5. GOVERNMENT ASSISTANCE RECEIVABLE

	2021	2020
GST/HST Public Service Bodies' Rebate	\$ 58,273	\$ 40,240
Canada Emergency Wage Subsidy	10,300	-
Canada Emergency Rent Subsidy	543	-
	\$ 69,116	\$ 40,240

6. INVENTORY

	2021	2020
Opening inventory	\$ 572,629	\$ 262,819
Purchases	3,652,457	1,902,113
Cost of goods donated	(3,637,947)	(1,592,303)
Closing inventory on hand	\$ 587,139	\$ 572,629

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MAY 31, 2021

7. EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Equipment	\$ 78,630	\$ 28,300	\$ 50,330	\$ 37,281
Motor vehicles	88,624	35,911	52,713	28,928
Computer equipment	43,414	39,476	3,938	4,947
Leasehold improvements	97,852	26,269	71,583	69,311
	\$ 308,520	\$ 129,956	\$ 178,564	\$ 140,467

During the year, \$1,885 (2020 - \$4,702) 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:

	2021	2020
Payroll liabilities	\$ 7,653	\$ 1,950

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MAY 31, 2021

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.

	2021	2020
International		
Bahamas	\$ 38,355	\$ 259,764
Bangladesh	244,001	438,137
Ecuador	23,872	26,780
India	156,698	-
Indonesia	110,700	113,893
Nepal	382,096	387,673
Saint Vincent	472,216	-
Canada		
Community Medic	250,000	-
COVID-19	282,341	64,705
Grassroots Revolution	177,624	234,618
Hygiene Kit Program	111,705	-
	\$ 2,249,608	\$ 1,525,570

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:

	2021	2020
Unamortized opening balance	\$ 4,003	\$ 18,909
Grant amortization	(1,885)	(14,906)
	\$ 2,118	\$ 4,003

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 were used in the supply of emergency kits and sent to various locations throughout Canada and internationally. These transactions are accounted for at the fair value of the goods provided. During the year, these transactions totaled \$746,570 (2020 - \$38,215) and did not generate any excess of revenues over expenses.

DAVID MCANTONY GIBSON FOUNDATION

(Operating as GlobalMedic)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MAY 31, 2021

12. DOMESTIC OPERATIONS

During the year, the Foundation ran the following programs in Canada: COVID-19 Response, Grassroots Revolution, Drone Delivery Program, Hygiene Kit 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: Antigua, Armenia, Bahamas, Bangladesh, Chad, Cuba, Dominica, Democratic Republic of Congo, Grenada, Guyana, Haiti, Honduras, India, Iraq, Lebanon, Mozambique, Nicaragua, Paraguay, Philippines, Somalia, St. Kitts, St. Lucia, Saint Vincent & the Grenadines, Sudan, Syria, Trinidad and Tobago, Turkey, Yemen, and Zimbabwe. 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 \$131,837 from CEWS and \$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, 2021

15. RELATED PARTIES

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

	2021	2020
<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>		
Contract payments	\$ 62,364	\$ 62,364
2590274 Ontario Inc. <i>(A corporation jointly owned by the Foundation's Executive Director and Director of Administration)</i>		
Rental payments	\$ 62,364	\$ 5,197
GlobalFire <i>(A charity that shares 4 board members with DMGF)</i>		
Purchases	\$ -	\$ 120,000

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.

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.

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MAY 31, 2021

16. SUBSEQUENT EVENTS

1. The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and impact on the financial results and conditions of the Foundation and its operations in future periods. The Foundation has been deemed an essential workplace and remains open amid the COVID-19 outbreak. To date, the main disruption has been the ability to send volunteers internationally due to: elevated health risk; nature of the occupation of many volunteers and potential impact on their workplaces; and increased expense due to quarantine regulations. Travel is however expected to continue in the next fiscal year as vaccines become more widely available. Other operations, including the delivery and receipt of goods, have not been significantly affected as a result of COVID-19.
2. On August 6, 2021 the Foundation purchased a building from the Oakville Columbus Association located at 1494 Wallace Rd in Oakville, Ontario for a total purchase price of \$2,500,000. The Foundation intends to use the building as part of its charitable programs by mainly storing goods and packing humanitarian aid.

17. COMPARATIVE FIGURES

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