

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
Financial Statements
Year Ended May 31, 2024

DAVID MCANTONY GIBSON FOUNDATION

(Operating as GlobalMedic)

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Year Ended May 31, 2024

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Chaggares & Bonhomme
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of David McAntony Gibson Foundation operating as GlobalMedic

Qualified Opinion

We have audited the financial statements of David McAntony Gibson Foundation, operating as GlobalMedic, (the "organization"), which comprise the statement of financial position as at May 31, 2024, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at May 31, 2024, 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 Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended May 31, 2024, current assets and net assets as at May 31, 2024. Our audit opinion on the financial statements for the year ended May 31, 2023 was modified accordingly because of the possible effects of this limitation of scope.

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 organization 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 qualified audit 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.

(continues)

Independent Auditor's Report to the Members of David McAntony Gibson Foundation operating as GlobalMedic (*continued*)

In preparing the financial statements, management is responsible for assessing the organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

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 organization'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 organization'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 organization 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.

Chagares & Bonhomme

(*continues*)

Independent Auditor's Report to the Members of David McAntony Gibson Foundation operating as
GlobalMedic (*continued*)

Newmarket, Ontario
October 31, 2024

Chaggares & Bonhomme
Chartered Professional Accountants
Licensed Public Accountants

DAVID MCANTONY GIBSON FOUNDATION

(Operating as GlobalMedic)

Statement of Financial Position

May 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 6,341,029	\$ 9,539,425
Term deposits (Note 4)	4,057,003	1,542,937
Accounts receivable	37,847	23,019
Government assistance receivable (Note 5)	455,956	58,808
Inventory (Note 6)	988,010	1,013,037
Prepaid expenses	20,011	17,674
	11,899,856	12,194,900
PROPERTY AND EQUIPMENT (Note 7)	7,105,955	2,711,821
LONG TERM INVESTMENTS (Note 4)	134,290	129,708
	\$ 19,140,101	\$ 15,036,429
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 8)	\$ 423,230	\$ 831,820
Deferred revenue (Note 9)	5,422,918	4,809,348
	5,846,148	5,641,168
DEFERRED CAPITAL GRANTS (Note 10)	618,714	-
	6,464,862	5,641,168
NET ASSETS		
General fund	12,675,239	9,395,261
	\$ 19,140,101	\$ 15,036,429

LEASE COMMITMENTS (Note 15)

ON BEHALF OF THE BOARD

Rahul Singh

Director

Jim Dainard

Director

See notes to financial statements

DAVID MCANTONY GIBSON FOUNDATION

(Operating as GlobalMedic)

Statement of Revenues and Expenditures

Year Ended May 31, 2024

	2024	2023
REVENUES		
Donations <i>(Note 11)</i>	\$ 13,776,913	\$ 12,029,491
Federal government funding	51,656	104,268
Foreign exchange gain (loss)	(9,428)	150,810
Fundraising	31,314	18,298
Investments & other income	488,426	269,383
Provincial and territorial government funding <i>(Note 10)</i>	114,000	-
Capital grant revenue <i>(Note 10)</i>	57,264	1,059
	14,510,145	12,573,309
EXPENSES		
Humanitarian programs		
Domestic operations <i>(Note 12)</i>	2,473,162	1,585,828
International operations <i>(Note 13)</i>	8,406,817	9,417,706
Support services		
Administration	89,264	82,277
Amortization	217,222	169,011
Fundraising expenses	43,702	36,872
	11,230,167	11,291,694
EXCESS OF REVENUES OVER EXPENSES	\$ 3,279,978	\$ 1,281,615

See notes to financial statements

DAVID MCANTONY GIBSON FOUNDATION

(Operating as GlobalMedic)

Statement of Changes in Net Assets

Year Ended May 31, 2024

	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 9,395,261	\$ 8,113,646
EXCESS OF REVENUES OVER EXPENSES	3,279,978	1,281,615
NET ASSETS - END OF YEAR	\$ 12,675,239	\$ 9,395,261

See notes to financial statements

DAVID MCANTONY GIBSON FOUNDATION*(Operating as GlobalMedic)***Statement of Cash Flows****Year Ended May 31, 2024**

	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 3,279,978	\$ 1,281,615
Item not affecting cash:		
Amortization of property and equipment	217,222	169,011
	3,497,200	1,450,626
Changes in non-cash working capital:		
Accounts receivable	(14,828)	65,525
Government assistance receivable	(397,148)	899
Inventory	25,027	(24,838)
Prepaid expenses	(2,337)	(1,572)
Accounts payable and accrued liabilities	(408,589)	499,282
Deferred revenue	613,570	(499,425)
Deferred capital grants	618,714	(1,059)
	434,409	38,812
Cash flow from operating activities	3,931,609	1,489,438
INVESTING ACTIVITIES		
Purchase of property and equipment	(4,611,358)	(118,479)
Purchase of investments	(2,518,647)	(47,678)
Cash flow used by investing activities	(7,130,005)	(166,157)
INCREASE (DECREASE) IN CASH FLOW	(3,198,396)	1,323,281
Cash - beginning of year	9,539,425	8,216,144
CASH - END OF YEAR	\$ 6,341,029	\$ 9,539,425

See notes to financial statements

DAVID MCANTONY GIBSON FOUNDATION

(Operating as GlobalMedic)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MAY 31, 2024

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).

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.

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. Only GIKs for which income tax receipts have been issued by the Foundation are recorded as revenue.

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.

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DAVID MCANTONY GIBSON FOUNDATION

(Operating as GlobalMedic)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MAY 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

Non-restricted government grants are recognized as revenue in the year in which eligible expenses are incurred.

Government grants received for the purchase of capital assets are deferred and recognized on the same basis as the capital asset is amortized.

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, 2024

2. PURPOSE OF THE ORGANIZATION

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 257 disasters in 84 countries including Canada since 2002. The organization has provided humanitarian support such as food, water purification, hygiene supplies, shelter, and medical services to over 5.2 million people in need since inception.

3. FINANCIAL INSTRUMENTS

The organization 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 organization's risk exposure and concentration as of May 31, 2024.

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 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.

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

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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MAY 31, 2024

4. TERM DEPOSITS

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

Short-Term GICs

Non-redeemable GIC which matures on May 20, 2025 and carries an annual interest rate of 5.20%. This GIC has a face value of \$541,299 and accrued interest of \$923.

Cashable GIC which matures on November 11, 2024 and carries an annual interest rate of 4.75%. This GIC has a face value of \$2,000,000 and accrued interest of \$53,836.

Cashable GIC which matures on July 13, 2024 and carries an annual interest rate of 5.00%. This GIC has a face value of \$1,400,000 and accrued interest of \$62,945.

Long-Term GICs

Non-redeemable GIC which matures on September 5, 2028 and carries an annual interest rate of 5.00%.

This GIC has a face value of \$129,500 and accrued interest of \$4,790.

5. GOVERNMENT ASSISTANCE RECEIVABLE

	2024	2023
GST/HST Public Service Bodies' Rebate	\$ 455,956	\$ 43,861
Property tax rebate (City of Toronto)	-	14,947
	\$ 455,956	\$ 58,808

6. INVENTORY

	2024	2023
Opening inventory	\$ 1,013,037	\$ 988,199
Purchases	3,100,889	4,305,977
Cost of goods donated	(3,125,916)	(4,281,139)
Closing inventory on hand	\$ 988,010	\$ 1,013,037

DAVID MCANTONY GIBSON FOUNDATION

(Operating as GlobalMedic)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MAY 31, 2024

7. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Buildings	\$ 5,615,471	\$ 244,306	\$ 5,371,165	\$ 1,965,459
Computer equipment	63,641	53,490	10,151	16,879
Equipment	655,566	111,402	544,164	83,950
Land	896,442	-	896,442	509,295
Leasehold improvements	176,057	120,765	55,292	90,299
Motor vehicles	350,074	121,333	228,741	45,939
	\$ 7,757,251	\$ 651,296	\$ 7,105,955	\$ 2,711,821

During the year, \$57,264 (2023 - \$1,059) 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:

	2024	2023
Payroll liabilities	\$ 18,486	\$ 15,154

DAVID MCANTONY GIBSON FOUNDATION

(Operating as GlobalMedic)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MAY 31, 2024

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.

	2024	2023
International		
Armenia	\$ 490,162	\$ -
Indonesia	69,742	75,248
Middle East Conflict	688,043	-
Morocco	74,800	-
Nepal	290,025	341,439
Pakistan	45,387	63,863
Tonga	267,270	366,735
Turkiye / Syria	36,723	290,085
Ukraine	2,302,277	2,866,682
Canada		
Atlantic Canada Hurricane	-	64,221
Community Medic	250,000	250,000
Domestic Response Grant	116,504	-
EMO - Operating Grant	86,022	-
Grassroots Revolution	496,143	471,670
Hygiene Program	41,536	19,405
Wildfire Response Program	168,284	-
	\$ 5,422,918	\$ 4,809,348

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:

	2024	2023
Unamortized opening balance	\$ -	\$ 1,059
Capital asset purchases under capital grants	675,978	-
Grant amortization	(57,264)	(1,059)
	\$ 618,714	\$ -

During the year, the Foundation received \$876,000 from the provincial government (EMO Grant) for the purchase of capital assets and related operating costs. Of the total received, \$675,978 was for capital asset purchases and recorded above. The remaining \$200,022 was for operating expenses of which \$114,000 was recognized as revenue and \$86,022 was deferred (Note 9).

DAVID MCANTONY GIBSON FOUNDATION

(Operating as GlobalMedic)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MAY 31, 2024

11. NON-MONETARY TRANSACTIONS

During the fiscal year, the Foundation received donated goods in response global disasters and other emergencies. In 2023, these goods were sent internationally and consisted of medical supplies, shipping supplies and various electronic equipment. In 2024, these goods consisted only of shipping supplies. These transactions are accounted for at the fair value of the goods provided. During the year, these transactions totaled \$4,397 (2023 - \$1,396,757) and did not generate any excess of revenues over expenses.

12. DOMESTIC OPERATIONS

During the year, the Foundation ran the following programs in Canada: Atlantic Canada Hurricane Response, Wildfire Response, Refugee Shelter Support Program, Yukon Flood Response, Grassroots Revolution Program, Hygiene Program. 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: Armenia, Bangladesh, Brazil, Chad, Gaza, Haiti, Libya, Mexico, Moldova, Morocco, Pakistan, Philippines, Romania, St. Vincent & the Grenadines, Somalia, Syria, Turkiye, Tonga, Ukraine, Zambia. Costs charged to each response include costs of material aid, shipping, flights, in-country operations, staffing and office costs.

DAVID MCANTONY GIBSON FOUNDATION
(Operating as GlobalMedic)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MAY 31, 2024

14. DUE TO RELATED PARTIES

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

	2024	2023
<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	\$ 70,833	\$ 64,166
2590274 Ontario Inc. <i>(A corporation jointly owned by the Foundation's Executive Director and Director of Administration)</i>		
Rental payments and TMI	87,310	72,310
GlobalFire <i>(A charity which shares board members with DMGF)</i>		
Purchased equipment	6,901	-
Contract service expense	16,070	-
	22,971	-
	\$ 181,114	\$ 136,476

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. Advances from a related organization are non-interest bearing and have no set repayment terms.

DAVID MCANTONY GIBSON FOUNDATION

(Operating as GlobalMedic)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MAY 31, 2024

15. LEASE COMMITMENTS

35 Coronet Road

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. Future minimum lease payments as at year end are as follows:

2025	<u>\$ 80,034</u>
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33 Belvia Road

In July 2024, the Foundation entered into a second rental agreement with 2590274 Ontario Inc. This agreement is from July 1, 2024 to June 30, 2029. Under the lease, the Foundation is required to pay base rent for a 7,500 square foot building in Toronto (33 Belvia Road) of \$7,500 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 June 2029. Future minimum lease payments as at year end are as follows:

2025	\$ 93,225
2026	101,700
2027	101,700
2028	101,700
2029	101,700
Thereafter	<u>8,475</u>
	<u>\$ 508,500</u>

16. COMPARATIVE FIGURES

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