Doane Grant Thornton

Financial Statements

EMAS Canada

December 31, 2024

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Doane Grant Thornton

Independent Auditor's Report

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To the Board of Directors of
EMAS Canada

Qualified Opinion

We have audited the financial statements of EMAS Canada ("EMAS"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in fund balances 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* paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of EMAS as at December 31, 2024, 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 ("ASNPO").

Basis for Qualified Opinion

In common with many charitable organizations, EMAS derives revenue from contributions from the public, the completeness of which is not susceptible to satisfactory audit verification. Our verification of this revenue was limited to the amounts recorded by EMAS. Accordingly, we were not able to determine whether any adjustments might be necessary to contributions, excess (deficiency) of revenue over expenses and cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023 and fund balances as at January 1, 2024 and 2023 and December 31, 2024 and 2023. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in 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 EMAS in accordance with the 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.

Other matter

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The supplementary information included in the Schedule is presented for purposes of additional information and has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of the financial statements taken as a whole.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to

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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 EMAS's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate EMAS or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing EMAS'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 EMAS'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 EMAS'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 EMAS 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.

Doane Grant Thornton LLP

Mississauga, Canada
April 28, 2025

Chartered Professional Accountants
Licensed Public Accountants

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EMAS Canada
Statement of Financial Position

At December 31	2024	2023
Assets		
Current		
Cash	**$ 225,671**	$ 286,045
Sales taxes recoverable	**3,852**	2,139
Prepaid expenses	**19,409**	46,972
	248,932	335,156
Investments (Note 3)	**1,356,936**	1,418,396
	$ 1,605,868	$ 1,753,552
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 13,656**	$ 16,092
Fund balances		
General	**312,309**	370,723
Restricted (Schedule)	**1,279,903**	1,366,737
	1,592,212	1,737,460
	$ 1,605,868	$ 1,753,552

On behalf of the Board of Directors

_____ Director _____ Director

See accompanying notes and schedule to the financial statements.

EMAS Canada
Statement of Operations

Year ended December 31	General Funds	Restricted Funds (Schedule)	**Total 2024**	Total 2023
Revenue				
Contributions – restricted funds	$ -	$ 1,122,874	**$ 1,122,874**	$ 984,942
Contributions – 10% shared	119,291	-	**119,291**	106,816
Contributions – general funds	117,316	-	**117,316**	105,755
Investment	37,708	-	**37,708**	35,378
Contributions – in-kind	-	15,844	**15,844**	10,716
Membership fees	7,776	-	**7,776**	10,255
Other income	4,545	-	**4,545**	-
	286,636	1,138,718	**1,425,354**	1,253,862
Expenses				
Charitable activities (including in-kind)	-	1,225,552	**1,225,552**	1,164,661
Salaries, benefits and contract costs (Note 4)	214,381	-	**214,381**	178,312
Professional fees	26,137	-	**26,137**	15,480
Travel - administrative and meetings	23,139	-	**23,139**	19,060
Publicity and publications	17,316	-	**17,316**	22,886
Bank charges and sundry	13,981	-	**13,981**	9,099
Office, telephone and postage	12,068	-	**12,068**	13,388
	307,022	1,225,552	**1,532,574**	1,422,886
Deficiency of revenue over expenses before other item	(20,386)	(86,834)	**(107,220)**	(169,024)
Charitable activities - general	(38,028)	-	**(38,028)**	(5,710)
Deficiency of revenue over expenses	$ (58,414)	$ (86,834)	**$ (145,248)**	$ (174,734)

See accompanying notes and schedule to the financial statements.

EMAS Canada
Statement of Changes in Fund Balances

Year ended December 31	General Funds	Restricted Funds	**Total 2024**	Total 2023
Fund balances, beginning of year	$ 370,723	$ 1,366,737	**$ 1,737,460**	$ 1,912,194
Deficiency of revenue over expenses	(58,414)	(86,834)	**(145,248)**	(174,734)
Fund balances, end of year	$ 312,309	$ 1,279,903	**$ 1,592,212**	$ 1,737,460

See accompanying notes and schedule to the financial statements.

EMAS Canada
Statement of Cash Flows

Year ended December 31	2024	2023
Increase (decrease) in cash		
Operating		
Deficiency of revenue over expenses	**$ (145,248)**	$ (174,734)
Net change in non-cash working capital items		
Sales taxes recoverable	**(1,713)**	(358)
Prepaid expenses	**27,563**	72,411
Accounts payable and accrued liabilities	**(2,436)**	579
	(121,834)	(102,102)
Investing		
Purchase of investments	**(359,778)**	(18,790)
Proceeds on sale of investments	**421,238**	291,731
	61,460	272,941
(Decrease) increase in cash during the year	**(60,374)**	170,839
Cash		
Beginning of year	**286,045**	115,206
End of year	**$ 225,671**	$ 286,045

See accompanying notes and schedule to the financial statements.

1. Nature of the organization

EMAS Canada ("EMAS") is incorporated under the Canada Not-for-profit Corporations Act. EMAS is a registered charity under the Income Tax Act (Canada) and is exempt from income taxes.

EMAS has the following objectives:

(a) co-ordinating and organizing medical group missions;

(b) subsidizing senior medical students who choose to serve their elective period of study in an overseas setting;

(c) covering expenses of overseas teaching missions of selected university consultants;

(d) arranging and sponsoring individual Short-Term Missions (e.g. locum tenens);

(e) packing and shipping of medical and dental supplies for overseas medical missionary outreach;

(f) purchasing of new medical and dental equipment for overseas medical missionary outreach; and

(g) assisting the work of evangelical medical missions overseas.

2. Summary of significant accounting policies

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), the more significant policies of which are outlined below.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to excess (deficiency) of revenue over expenses as appropriate in the fiscal year they become known.

2. Summary of significant accounting policies (continued)

Fund accounting

The accounts are maintained in accordance with the principles of fund accounting, whereby fund balances of EMAS are classified for accounting and reporting purposes into funds to be used according to the directions of the donor or as determined by EMAS.

The General Fund accounts for EMAS's program delivery and administrative activities. This fund reports unrestricted resources.

EMAS maintains Restricted Funds in respect of designated charitable projects and individual missions. Any excess of revenue over expenses arising upon the completion or cancellation of specific charitable projects or individual missions may be transferred to the General Fund, subject to the approval of the Board of Directors (the "Board") and in accordance with the policy as provided to the donors. Any deficit arising upon the completion of specific charitable projects or individual missions is recovered from the General Fund.

Property and equipment

Property and equipment is expensed in the fiscal year of acquisition due to the relative immateriality of the dollar value of items purchased. If property or equipment of significant dollar value (greater than $500) is purchased, they will be capitalized and amortized at appropriate rates over their estimated useful life.

Revenue recognition

EMAS follows the restricted fund method of accounting for contributions. Externally restricted contributions related to general operations are recognized as revenue of the General Fund in the fiscal year in which the related expenses are incurred. All other externally restricted contributions are recognized when received or receivable as revenue of the appropriate restricted fund.

EMAS allocates 10% of a donor's annual contributions from the Restricted Funds to the General Fund to cover the cost of administering these Restricted Funds in accordance with its policy as provided to donors. Contributions recorded in the Restricted Funds are net of this allocation.

Unrestricted contributions are recognized as revenue of the General Fund in the fiscal year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions in-kind are recorded in the accounts of EMAS at fair value when fair value can be reasonably estimated. Donated materials, where EMAS would otherwise have purchased such materials, are valued at fair value. Volunteers contribute services in assisting EMAS to carry out its activities. Because of the difficulty in determining fair value, contributed services are not recognized in the financial statements.

Investment income includes interest income of investments and is recognized as earned. All other revenue is recorded as earned.

2. Summary of significant accounting policies (continued)

Foreign operations and assets

Expenditures and purchases of property and equipment for operations in foreign countries are recorded as expenses when remitted. This policy is based on the fact that the assets and funds would rarely be returned to EMAS once they are sent overseas.

Interfund transfers

Transfers between funds are made when resources of one fund have been authorized by the Board to finance activities and acquisitions in another fund.

Financial instruments

EMAS considers any contract creating a financial asset, liability or equity instrument as a financial instrument. EMAS's financial instruments consist of cash, sales taxes recoverable, investments and accounts payable.

Financial assets or liabilities in non-arms length transactions are initially measured at their fair value and subsequently measured at amortized cost.

Financial assets and liabilities in related party transactions are initially and subsequently measured at cost.

3. Investments

Investments are comprised of guaranteed investment certificates, earning interest at annual rates between 1.14% and 4.60% per annum (2023 - 0.85% and 4.60% per annum) and maturing between January 16, 2025 and May 14, 2029 (2023 - February 5, 2024 and September 7, 2027). The investments are managed according to established investment policies to achieve the long-term objectives of EMAS, subject to the conditions placed on the funds by the donors and are classified as long-term accordingly.

4. Fundraising remuneration

Included in salaries, benefits and contract costs expense is remuneration paid to employees of EMAS whose duties involve fundraising of $34,299 (2023 - $32,180).

5. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extent of risk related to financial instruments.

Credit risk

Credit risk is the risk of financial loss occurring as a result of a counterparty to a financial instrument failing to discharge an obligation or commitment that it has entered into with EMAS. EMAS's main credit risks relate to its sales taxes recoverable. EMAS reduces its exposure to credit risk by assessing credit on a regular basis and providing for an allowance for doubtful accounts when applicable. At December 31, 2024, the allowance for doubtful accounts is $Nil (2023 - $Nil).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. EMAS is exposed to interest rate price risk with respect to its investments with fixed interest rates. EMAS reduces its exposure by abiding by established investment policies to achieve the long-term objectives of EMAS.

Liquidity risk

Liquidity risk is the risk that EMAS will encounter difficulty in raising funds to meet commitments associated to its financial liabilities. EMAS is exposed to liquidity risk with respect to its accounts payable. EMAS manages its liquidity risk by forecasting cash flows from operations, investing and financing activities to ensure that it has sufficient funds available to meet current and foreseeable financial obligations.

Included in accounts payable and accrued liabilities are government remittances owing of $Nil (2023 - $Nil).

Currency risk

Currency risk is the risk arising from the change in price of one currency against another. This exposure extends to foreign currency purchases made to honour overseas program funding commitments throughout the year. EMAS is exposed to currency risk with respect to a portion of its cash held in US dollars in the amount of $5,986 (2023 - $1,278).

EMAS Canada
Schedule of Restricted Revenue, Expenses and Fund Balances

Year ended December 31, 2024	Fund Balances Beginning of Year	Contributions	Contributions - In-Kind	Total Revenue	Expenses	(Deficiency) Excess of Revenue Over Expenses	**Fund Balances End of Year**
Student fund	$ 2,540	$ -	$ -	$ -	$ -	$ -	**$ 2,540**
Project development	2,757	-	-	-	-	-	**2,757**
New exploratory fund	1,286	9,086	-	9,086	(9,086)	-	**1,286**
Robert O Stephens Scholarship fund	22,500	5,353	-	5,353	-	5,353	**27,853**
Cambodia	130,483	49,423	-	49,423	(24,182)	25,241	**155,724**
China - General	55,280	2,871	-	2,871	-	2,871	**58,151**
China - East	82,754	-	-	-	(20,000)	(20,000)	**62,754**
China - South	447,716	34,357	-	34,357	(55,259)	(20,902)	**426,814**
China - West	177,457	84,655	-	84,655	(113,871)	(29,216)	**148,241**
Congo Wood	(3,942)	253,042	-	253,042	(247,258)	5,784	**1,842**
Ecuador	205,520	115,524	14,322	129,846	(174,736)	(44,890)	**160,630**
Gambade	117,117	141,843	-	141,843	(168,468)	(26,625)	**90,492**
Guangdong	29,143	2,027	-	2,027	-	2,027	**31,170**
Haiti	9,879	178,694	-	178,694	(181,730)	(3,036)	**6,843**
Haiti Healthcare training	8,013	819	-	819	-	819	**8,832**
Hong Kong	6,264	-	-	-	-	-	**6,264**
India	532	-	-	-	-	-	**532**
Indonesia	1,843	48,095	-	48,095	(50,348)	(2,253)	**(410)**
Myanmar	15,879	11,521	-	11,521	(10,341)	1,180	**17,059**
Uganda	7,192	-	-	-	-	-	**7,192**
Vietnam	21,999	79,768	-	79,768	(75,140)	4,628	**26,627**
Zimbabwe - Karanda	9,250	52,758	-	52,758	(45,187)	7,571	**16,821**
Zimbabwe - Gutu	15,275	53,038	1,522	54,560	(49,946)	4,614	**19,889**
	$ 1,366,737	$ 1,122,874	$ 15,844	$ 1,138,718	$ (1,225,552)	$ (86,834)	**$ 1,279,903**