

**Doctors Without Borders Canada /  
Médecins Sans Frontières Canada**  
**Financial Statements**  
For the year ended December 31, 2022

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## Independent Auditor's Report

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To the Directors of Doctors Without Borders Canada / Médecins Sans Frontières Canada

### Opinion

We have audited the financial statements of Doctors Without Borders Canada / Médecins Sans Frontières Canada ("MSF Canada"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, 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 MSF Canada as at December 31, 2022, 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.

### 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 MSF Canada 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 opinion.

### 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 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.

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

Those charged with governance are responsible for overseeing MSF Canada'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 MSF Canada'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 MSF Canada'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 MSF Canada 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Oakville, Ontario  
April 14, 2023

**Doctors Without Borders Canada / Médecins Sans Frontières Canada**  
**Statement of Financial Position**

**December 31** **2022** 2021

**Assets**

**Current**

Cash (Note 3)	<b>\$ 19,983,457</b>	\$ 17,892,203
Short-term investments (Note 4)	<b>1,500,000</b>	-
Accounts receivable (Note 5)	<b>9,265,554</b>	9,145,860
Prepaid expenses	<b>567,926</b>	439,736

**31,316,937** 27,477,799

**Capital assets (Note 6)**

**8,837,274** 8,989,061

**\$ 40,154,211** \$ 36,466,860

**Liabilities and Net Assets**

**Current**

Accounts payable and accrued liabilities (Note 7)	<b>\$ 26,756,106</b>	\$ 23,614,251
Deferred revenue (Note 8)	<b>148,947</b>	79,688

**26,905,053** 23,693,939

**Net assets**

Invested in capital assets	<b>8,837,274</b>	8,989,061
Unrestricted	<b>4,411,884</b>	3,783,860

**13,249,158** 12,772,921

**\$ 40,154,211** \$ 36,466,860

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**Doctors Without Borders Canada / Médecins Sans Frontières Canada**  
**Statement of Operations**

<b>For the year ended December 31</b>	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Donations	<b>\$ 98,559,304</b>	\$ 82,237,035
Support from Global Affairs Canada, International Humanitarian Assistance Directorate ("IHA") (Note 10)	<b>14,883,078</b>	22,500,000
Fees from other MSF sections	<b>7,453,425</b>	8,052,807
Grants from other MSF sections	<b>746,620</b>	243,023
Interest and other revenue	<b>475,034</b>	174,521
Other	<b>14,486</b>	54,660
	<b>122,131,947</b>	113,262,046
<b>Expenses</b>		
Program services		
Emergency, medical, nutrition and health projects (Note 11)	<b>86,090,287</b>	88,864,450
Program support and development	<b>14,897,135</b>	13,937,327
Public education	<b>1,284,490</b>	863,867
	<b>102,271,912</b>	103,665,644
Supporting services		
Fundraising	<b>16,299,069</b>	15,894,597
Management and general	<b>3,109,646</b>	2,682,917
	<b>19,408,715</b>	18,577,514
Foreign exchange loss (gain)	<b>(24,917)</b>	46,611
	<b>121,655,710</b>	122,289,769
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 476,237</b>	\$ (9,027,723)

The accompanying notes are an integral part of these financial statements.

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**Doctors Without Borders Canada / Médecins Sans Frontières Canada**  
**Statement of Changes in Net Assets**

**For the year ended December 31**

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	<b>Invested in Capital Assets</b>	<b>Unrestricted</b>	<b>2022 Total</b>	<b>2021 Total</b>
<b>Balance</b> , beginning of year	\$ 8,989,061	\$ 3,783,860	\$ 12,772,921	\$ 21,800,644
Excess (deficiency) of revenue over expenses	(319,338)	795,575	476,237	(9,027,723)
Purchase of capital assets	167,551	(167,551)	-	-
<b>Balance</b> , end of year	<b>\$ 8,837,274</b>	<b>\$ 4,411,884</b>	<b>\$ 13,249,158</b>	<b>\$ 12,772,921</b>

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The accompanying notes are an integral part of these financial statements.

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**Doctors Without Borders Canada / Médecins Sans Frontières Canada**  
**Statement of Cash Flows**

<b>For the year ended December 31</b>	<b>2022</b>	<b>2021</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses	\$ 476,237	\$ (9,027,723)
Adjustments required to reconcile excess (deficiency) of revenue over expenses with net cash provided by operating activities		
Amortization of capital assets	319,338	315,078
Changes in non-cash working capital balances		
Accounts receivable	(119,694)	(1,843,375)
Prepaid expenses	(128,190)	6,031
Accounts payable and accrued liabilities	3,141,855	19,494,805
Deferred revenue	69,259	(27,844)
	<u>3,758,805</u>	<u>8,916,972</u>
<b>Investing activity</b>		
Purchase of short-term investments	(1,500,000)	-
Purchase of capital assets	(167,551)	(81,340)
	<u>(1,667,551)</u>	<u>(81,340)</u>
<b>Increase in cash during the year</b>	<b>2,091,254</b>	<b>8,835,632</b>
<b>Cash, beginning of year</b>	<b>17,892,203</b>	<b>9,056,571</b>
<b>Cash, end of year</b>	<b>\$ 19,983,457</b>	<b>\$ 17,892,203</b>

The accompanying notes are an integral part of these financial statements.

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# Doctors Without Borders Canada / Médecins Sans Frontières Canada

## Notes to Financial Statements

December 31, 2022

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### 1. Nature of Organization

Doctors Without Borders Canada / Médecins Sans Frontières Canada (“MSF Canada”) actively commenced operations on January 1, 1992. MSF Canada continued under the Canada Not-for-profit Corporations Act in July 2014. MSF Canada offers assistance to populations in distress, victims of natural or man-made disasters and victims of armed conflict, without discrimination and irrespective of race, religion, creed or political affiliation.

MSF Canada is a registered charity under the Income Tax Act (Canada) (registration number 13527 5857 RR0001) and as such, is exempt from income taxes provided certain disbursement requirements are met, and may issue charitable tax receipts to donors for qualifying donations.

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### 2. Significant Accounting Policies

#### Basis of Accounting

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASPNO).

#### Revenue Recognition

MSF Canada follows the deferral method of accounting for restricted contributions. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are recognized as revenue in the year in which the related eligible expenses are incurred.

Interest income is recognized as revenue on the accrual basis.

Fees from other Médecins Sans Frontières (“MSF”) sections represent salary costs recovered and other human resource fees, and are recognized as revenue when the related expenses have been incurred or services have been provided.

Grants from other MSF sections represent a grant for the Transformational Investment Capacity (TIC) program. Revenue is recognized in the year in which the related eligible program expenses are incurred.

#### Capital Assets

Capital assets are recorded at cost and are amortized on the straight-line basis over the estimated useful lives as follow:

Office condominium	- 50 years
Office equipment	- 3 years
Furniture and fixtures	- 3 years
Leasehold improvements	- lessor of 3 years or over the term of the lease

When a capital asset no longer contributes to the ability to provide services, or the future economic benefits or service potential of the capital asset is less than its carrying value, the excess of its net carrying amount over its fair value or replacement cost is recognized as an expense in the statement of operations.

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# Doctors Without Borders Canada / Médecins Sans Frontières Canada

## Notes to Financial Statements

December 31, 2022

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### 2. Significant Accounting Policies (Continued)

#### Financial Instruments

Financial assets and financial liabilities are recorded at fair value on initial recognition. All financial instruments are subsequently recorded at cost or amortized cost. Transaction costs incurred on the acquisition of financial instruments are charged to the financial instrument in the year in which they are incurred.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, MSF Canada determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset, and the amount MSF Canada expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

#### Contributed Materials and Services

Doctors and other volunteers contribute a significant amount of time in support of MSF Canada. As this time cannot be easily valued, contributed services are not recognized in the financial statements. Contributed materials are also not recognized.

Donated equity investments are immediately sold, and are recorded at the amount realized on sale of the equity investment.

#### Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets, accounts payable and accrued liabilities, allocation of expenses and the disclosure of contingencies. Actual results could differ from those estimates.

#### Foreign Currency Translation

Foreign currency transactions are translated at the rates of exchange in effect at the dates of the transaction. Resulting foreign currency denominated monetary assets and liabilities are translated at the rates of exchange in effect at the statement of financial position date. Gains and losses on translation of monetary assets and liabilities are included in the statement of operations.

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### 3. Credit Facility

MSF Canada has a line of credit facility with its bank in the amount of \$4,000,000 (2021 - \$4,000,000), bearing interest at the bank's prime lending rate, secured by a general security agreement and a collateral mortgage, and is due on demand. As at December 31, 2022, \$Nil (2021 - \$Nil) was drawn on the facility.

**Doctors Without Borders Canada / Médecins Sans Frontières Canada**  
**Notes to Financial Statements**

**December 31, 2022**

**4. Short-term Investments**

Short-term investments consists of a non-redeemable Guaranteed Investment Certificate earning interest of 4.6%, maturing in September 2023.

**5. Accounts Receivable**

	2022	2021
Donations receivable	\$ 5,307,691	\$ 6,925,255
Other MSF sections	3,128,543	1,243,362
Indirect tax receivable	628,913	667,728
Other	200,407	309,515
	\$ 9,265,554	\$ 9,145,860

**6. Capital Assets**

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Office condominium	\$ 9,716,427	\$ 1,070,720	\$ 9,716,427	\$ 876,429
Office equipment	336,487	159,471	309,832	173,312
Furniture and fixtures	3,668	970	38,063	32,770
Leasehold improvements	21,167	9,314	17,762	10,512
	\$ 10,077,749	\$ 1,240,475	\$ 10,082,084	\$ 1,093,023
Net book value		\$ 8,837,274		\$ 8,989,061

**7. Accounts Payable and Accrued Liabilities**

	2022	2021
Due to other MSF sections related to shared grant and program expenses	\$ 23,840,510	\$ 21,351,965
Other	2,915,596	2,262,286
	\$ 26,756,106	\$ 23,614,251

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## **Doctors Without Borders Canada / Médecins Sans Frontières Canada**

### **Notes to Financial Statements**

**December 31, 2022**

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#### **8. Deferred Revenue**

Deferred revenue consists of \$148,947 relating to funds received for programs taking place in fiscal 2023. \$47,663 from fiscal 2021 has been recognized as revenue during the year.

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#### **9. Financial Instrument Risks**

MSF Canada's current objectives when managing capital are to safeguard the assets and maintain liquidity. MSF Canada maintains its liquidity by monitoring actual and projected cash flows to ensure that it has sufficient liquidity through cash generated from current operations.

##### **Risk Management**

MSF Canada seeks to generate investment income on its cash holdings and invests according to a statement of investment policy approved by its Board of Directors. MSF Canada does not believe that it is exposed to significant market or credit risk from its financial instruments.

##### **Currency Risk**

MSF Canada is exposed to currency risk as a result of exchange rate fluctuations and the volatility of these rates. MSF Canada does not believe that it is exposed to significant currency risk arising from such transactions in foreign currencies. The statement of financial position includes \$99,807 (2021 - \$107,266) in cash denominated in U.S. dollars.

##### **Liquidity Risk**

Liquidity risk is the risk that MSF Canada will be unable to fulfill its obligations on a timely basis or at a reasonable cost. MSF Canada manages its liquidity risk by monitoring its operating requirements. MSF Canada prepares budget and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations. As at December 31, 2022, the most significant financial liabilities are accounts payable and accrued liabilities.

These risks have not changed since the prior year.

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#### **10. Public Institutional Grants**

##### **Global Affairs Canada, International Humanitarian Assistance Directorate**

MSF Canada solicits funds for projects being undertaken by Médecins Sans Frontières worldwide from IHA. IHA funds a number of these projects and grants the funding to MSF Canada. MSF Canada retains 5% (2021 - 5%) of the IHA funds to cover its project coordination, administration and overhead costs. MSF Canada enters into an agency agreement with the operational MSF section that will carry out the project and transfers the IHA funds to that section. At the conclusion of the project, the operational MSF section accounts for the funds to MSF Canada. MSF Canada reviews these accounts and presents them to IHA. To the extent that the funds are not fully spent, they are required to be returned by the operational MSF section to MSF Canada and by MSF Canada to IHA, in accordance with the agreement between the respective parties. There were no amounts required to be returned to IHA as at December 31, 2022 and December 31, 2021.

**Doctors Without Borders Canada / Médecins Sans Frontières Canada**  
**Notes to Financial Statements**

**December 31, 2022**

**10. Public Institutional Grants (Continued)**

IHA grants received during the year were used to fund projects in the following countries:

	<b>2022</b>	2021
New grants recognized during the year	<b>\$ 14,883,078</b>	\$ 22,500,000
Grants disbursed by country:	<b>2022</b>	2021
Bangladesh (Rohingya Refugees)	<b>\$ 2,574,419</b>	\$ 2,860,466
Central African Republic	<b>2,383,721</b>	3,157,478
Chad	<b>2,288,372</b>	41,000
Colombia	<b>1,048,837</b>	953,489
Democratic Republic of Congo	<b>1,906,977</b>	3,166,752
Eswatini/Swaziland	-	512,500
Haiti	-	828,117
Honduras	<b>476,744</b>	-
Kenya	-	865,135
Lesotho	-	196,020
Madagascar	<b>169,125</b>	953,489
Malawi	-	912,250
Mozambique	-	271,900
Peru	-	1,373,500
South Sudan	<b>2,383,721</b>	4,505,438
Uganda	<b>953,488</b>	307,500
Zimbabwe	-	548,460
	<b>\$ 14,185,404</b>	\$ 21,453,494

The grants disbursed amounts are included in program services expenses – emergency, medical, nutrition and health projects (Note 11).

The difference between new grants recognized as revenue and grants disbursed represents project coordination, administration and overhead expenses totaling \$697,674 (2021 - \$1,046,506).

The funds above include a total of \$Nil (2021 - \$9,534,884) of grants for the COVID-19 crisis.

**Doctors Without Borders Canada / Médecins Sans Frontières Canada**  
**Notes to Financial Statements**

**December 31, 2022**

**11. Emergency, Medical, Nutrition and Health Projects by Country**

	<b>2022</b>	<b>2021</b>
Projects funded by IHA (Note 10)	<b>\$ 14,185,404</b>	<b>\$ 21,453,494</b>
Access to Essential Medicines Campaign and Drugs for Neglected Diseases Initiative and Innovation Fund	<b>1,904,883</b>	1,410,956
Afghanistan	<b>1,500,000</b>	933,054
Bangladesh	<b>500,000</b>	1,936,364
Burkina Faso	<b>1,300,000</b>	879,000
Cameroon	<b>1,500,000</b>	1,050,000
Central African Republic	<b>4,300,000</b>	5,345,454
Chad	<b>1,000,000</b>	681,818
Colombia	<b>515,273</b>	-
Democratic Republic of Congo	<b>7,600,000</b>	6,580,909
Eswatini	<b>999,800</b>	-
Ethiopia	<b>900,000</b>	2,268,545
Greece (Migrants Athens)	<b>600,000</b>	70,000
Haiti	<b>1,500,000</b>	1,477,272
High Seas (SAR)	<b>700,000</b>	-
Honduras	-	900,000
India	<b>1,300,000</b>	1,079,546
Iraq	<b>3,400,000</b>	1,654,546
Jordan (Syrian Refugees)	-	681,818
Kenya	<b>1,000,000</b>	-
Lebanon (Syrian crises)	<b>600,000</b>	1,898,700
Libya	-	795,455
Madagascar	-	91,000
Mexico	<b>600,000</b>	200,000
Mozambique	<b>500,000</b>	330,000
Myanmar	<b>900,000</b>	909,092
Niger	<b>3,000,000</b>	4,790,000
Nigeria	<b>3,100,000</b>	8,123,636
Pakistan	<b>323,012</b>	-
Palestine	<b>2,400,000</b>	1,150,000
Sierra Leone	<b>600,000</b>	795,455
Somalia	<b>800,000</b>	568,182
South Sudan	<b>9,200,000</b>	7,340,972
Sudan	<b>5,199,800</b>	4,934,182
Syrian crises	<b>3,315,727</b>	568,182
Tanzania	<b>231,000</b>	-
Ukraine	<b>1,915,388</b>	-
Uzbekistan-Tajikistan	<b>200,000</b>	113,636
Venezuela	<b>400,000</b>	-
Yemen	<b>8,100,000</b>	7,853,182
	<b>\$ 86,090,287</b>	<b>\$ 88,864,450</b>

The funds above include a total of \$Nil (2021 - \$9,762,157) of expenditures for the COVID-19 crisis.

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## Doctors Without Borders Canada / Médecins Sans Frontières Canada

### Notes to Financial Statements

**December 31, 2022**

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#### 12. Expenses

MSF Canada classifies expenses on the statement of operations by function ("Program"). MSF Canada allocates certain expenses by identifying the appropriate basis of allocation and applying that basis consistently each year. Allocated expenses and the basis of allocation are as follows:

##### *Common expenses*

Administration expenses that are not clearly assignable to a specific Program are grouped as common expenses and reallocated to each Program on a consistent basis. The basis of allocation is based on the number of full-time employees.

Common costs of \$1,936,091 (2021 - \$1,741,585) were allocated as follows:

	<b>2022</b>		<b>2021</b>	
Program services				
Program support and development				
Human resources department	<b>13 %</b>	<b>\$ 251,692</b>	15 %	\$ 261,238
Program unit	<b>25 %</b>	<b>484,023</b>	22 %	383,149
Public education				
Communications department	<b>9 %</b>	<b>174,248</b>	6 %	104,495
Fundraising	<b>33 %</b>	<b>638,910</b>	38 %	661,802
Management and general	<b>20 %</b>	<b>387,218</b>	19 %	330,901
	<b>100 %</b>	<b>\$ 1,936,091</b>	100 %	\$ 1,741,585

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#### 13. Commitments

MSF Canada has commitments for its leased premises and equipment in Montreal to December 2025. The future minimum annual lease payments under these operating leases are as follows:

2023		\$ 142,607
2024		144,804
2025		147,098
		\$ 434,509

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#### 14. Contingencies

MSF Canada is involved in various legal actions that are normal to its operations. In the opinion of management, any resulting liabilities are not expected to have a material adverse effect on the financial position or operations and will be recognized in the year of settlement.