HUMANITY FIRST

(a charitable organization)

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the members of **Humanity First**

Qualified Opinion

We have audited the accompanying financial statements of Humanity First, which comprise the statement of financial position as at December 31, 2024, 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, except for the 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 Humanity First 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.

Basis for Qualified Opinion

In common with many charitable organizations, Humanity First derives revenue from donations 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 Humanity First. Therefore, we were not able to determine whether any adjustments might be necessary to recorded donations, excess of revenues over expenses, cash flows from operations for the years ended December 31, 2024 and December 31, 2023, current assets as at December 31, 2024 and December 31, 2023, and net assets as at January 1 and December 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Humanity First 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 Humanity First'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 Humanity First or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Humanity First's financial reporting process.

Auditors' 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 auditors' 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 Humanity First'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 Humanity First's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause Humanity First 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.

Markham, Ontario
June 20, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

HUMANITY FIRST

(a charitable organization)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

	2024	2023
ASSETS		
Current		
Cash	$ 1,672,019	$ 1,486,995
Temporary investments (note 3)	8,129,675	8,839,080
Prepaid expenses and other assets (note 4)	92,661	101,208
	9,894,355	10,427,283
Capital - at cost less accumulated amortization (note 5)	5,000,367	1,605,725
Total assets	$14,894,722	$12,033,008
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 28,539	$ 30,832
Loan payable (note 7)	1,000,000	-
Current portion of long-term debt (note 8)	160,000	-
	1,188,539	30,832
Long-term debt (note 8)	2,226,666	-
Total liabilities	3,415,205	30,832
NET ASSETS		
Internally restricted net assets (note 9)	6,390,100	6,390,100
Unrestricted net assets	5,089,417	5,612,076
	11,479,517	12,002,176
	$14,894,722	$12,033,008

Approved on behalf of the Board:

_____Director

_____Director

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

HUMANITY FIRST

(a charitable organization)

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2024

	Internally Restricted	Unrestricted	2024	2023
BALANCE - Beginning of year	$ 6,390,100	$ 5,612,076	$12,002,176	$10,879,066
Add - Excess (deficiency) of revenues over expenses	-	(522,659)	(522,659)	1,123,110
BALANCE - End of year	$ 6,390,100	$ 5,089,417	$11,479,517	$12,002,176

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

HUMANITY FIRST

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STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2024

	2024	2023
REVENUES		
Donations	$ 3,707,851	$ 5,328,002
Interest	238,309	287,472
	3,946,160	5,615,474
EXPENSES		
Charitable program expenses (per attached schedule)	4,151,397	4,218,564
Credit card and bank charges	100,903	116,886
Wages and benefits	65,500	54,541
Marketing and advertising	17,831	15,295
Professional fees	14,500	10,500
Interest on long-term debt	11,945	-
Office and general	4,883	25,417
Amortization	101,860	51,161
	4,468,819	4,492,364
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$ (522,659)	$ 1,123,110

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

HUMANITY FIRST

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SCHEDULE OF CHARITABLE PROGRAM EXPENSES

YEAR ENDED DECEMBER 31, 2024

	2024	2023
Canadian Programs		
Refugee / immigration resettlement	$ 1,950,439	$ 2,277,517
Food security	366,599	315,441
Fundraising events	20,338	24,749
Disaster relief	17,774	27,811
Community care	10,690	14,193
Knowledge for life	6,536	6,495
Seniors first	3,937	1,796
Global Health	-	1,400
	2,376,313	2,669,402
International Programs		
Global Health	708,387	346,665
Food security	428,347	335,756
Water for life	187,739	194,334
Community care	147,626	81,651
Knowledge for life	112,153	50,169
Disaster relief	74,615	402,393
Orphan care	66,757	80,262
Gift to sight	49,460	57,932
	1,775,084	1,549,162
	$ 4,151,397	$ 4,218,564
Program expenses by Country		
Canada	$ 2,376,313	$ 2,669,402
Bangladesh	30,375	99,380
Belize	60,000	43,200
Brazil	7,500	4,500
Burkina Faso	68,615	31,872
Burundi	32,220	6,233
Cameroon	268,650	201,850
Chad	109,800	127,765
Congo Brazzaville	37,550	20,000
Ecuador	1,600	-
Equatorial Guinea	4,500	7,000
Gabon	8,500	9,500
Georgia	-	13,226
Ghana	44,179	-
Guatemala	1,763	10,000

Continued.....

Guinea	13,545	-
Haiti	-	4,615
Indonesia	-	26,844
Ivory Coast Hospital	467,862	238,748
Jamaica	5,000	-
Kenya	-	10,334
Malaysia	67,410	59,950
Mali	15,000	-
Niger	30,841	-
Nigeria	122,446	110,024
Pakistan	12,250	62,299
Philippines	12,000	14,300
Senegal	259,150	81,000
Somalia	5,000	5,000
Tanzania	10,400	17,600
Thailand	19,600	18,000
Turkiye	-	325,000
United Kingdom	59,328	922
	$ 4,151,397	$ 4,218,564

HUMANITY FIRST

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STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2024

	2024	2023
Cash and cash equivalents provided (used) in:		
Operating activities:		
Excess (deficiency) of revenue over expenses	$ (522,659)	$ 1,123,110
Adjustments for:		
Amortization of capital assets	101,860	51,161
Changes in non-cash working capital:		
(Increase) decrease in temporary investments	709,405	(604,437)
(Increase) decrease in prepaid expenses and other assets	8,547	(97,166)
Loan receivable collected	-	15,835
Decrease in accounts payable and accrued liabilities	(2,293)	(38,115)
	715,659	(723,883)
Cash flow from operating activities:	294,860	450,388
Cash flow from investing activities:		
Purchase of capital assets	(3,496,502)	-
Cash flow from financing activities:		
Increase in loan payable	1,000,000	-
Long-term debt advanced	2,400,000	-
Repayment of long-term debt	(13,334)	-
Cash flow from financing activities:	3,386,666	-
Net increase in cash and cash equivalents	185,024	450,388
CASH AND CASH EQUIVALENTS - Beginning of year	1,486,995	1,036,607
CASH AND CASH EQUIVALENTS - End of year	$ 1,672,019	$ 1,486,995

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

1. NATURE AND PURPOSE OF THE ORGANIZATION

Humanity First ("the Organization") was incorporated under the Canada Corporations Act as a not-for-profit charitable organization and is a registered charity under the Income Tax Act, registration number 87254 1040 RR0001. The Organization is exempt from income taxes under Section 149 of the Income Tax Act.

The mission of the Organization is to carry-out humanitarian relief work wherever required in the world, to and for victims of natural and man-made disasters including floods, famines, earthquakes, war, aggression, illness or any other misfortune of life that may befall. To provide goods and services to the victims as required. To help relieve poverty and deprivation that may exist anywhere in the world, particularly among the vulnerable segment of the community including the elderly, children, widows/widowers, orphan, prisoners of conscience, victims of human right violations, refugees and others. This assistance can take various shapes e.g. providing for housing at low cost and its maintenance, temporary accommodation, food, means of education for children, providing for training to bring about self-sufficiency and self-reliance and general welfare of an appropriate kind. To help promote health and education particularity in Africa where the need is acutely felt in those areas.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit organizations in Part III of the CPA Canada Handbook - Accounting and include the following significant accounting policies:

(a) REVENUE RECOGNITION

The Organization 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 they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized on a time proportion basis.

(b) AGENT RELATIONS

The Organization carries out some of its charitable activities through intermediaries such as an agent or a contractor. A formal written agency agreement is in place with these intermediaries in other countries. The Organization maintains fund transfer records, invoices and expenses for the charitable activities as per agreement and controls projects at its discretion.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

(c) VOLUNTEERS

The Organization heavily relies on volunteer participation. Countless hours are spent by volunteers performing various charitable activities, however, the volunteer hours i.e. time spent by volunteers are not included in the financial statements. Due to difficulty in accurately calculating the time spent by volunteers and difficulty in exact conversion into dollar figures, these amounts are excluded from the financial statements.

(d) CAPITAL ASSETS

Capital assets are recorded at cost and amortized over their estimated lives using the declining method at the following annual rates. When the Organization observes conditions that indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost. The write-downs of tangible capital assets are accounted for as expenses in the statement of operations.

Building	- 2.5% of unamortized cost
Buildings acquired after 2022	- 4% of unamortized cost
Automobile	- 30% of unamortized cost
Furniture and fixtures	- 20% of unamortized cost
Equipment	- 20% of unamortized cost
Computers	- 20% of unamortized cost

(e) USE OF ESTIMATES

The preparation of financial statements in conformity with accounting standards for not-for-profit organizations requires the Organization's management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to the financial statements. Actual results may differ in respect to the estimates and assumptions used by management in the preparation of its financial results.

(f) TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS AND ITEMS

The Organization uses the temporal method to translate its foreign currency transactions. Monetary assets and liabilities are translated at the exchange rate in effect at the statement of financial position date. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Revenues and expenses are translated at the exchange rate in effect at the transaction date. Exchange gains and losses are included in the statement of operations.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

(g) FINANCIAL INSTRUMENTS

The Organization initially measures its financial assets and financial liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and temporary investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, loan payable and long-term debt.

3. TEMPORARY INVESTMENTS

This amount represents cashable term deposits held for various projects including refugee resettlement projects and other charitable programs. Funds held for refugee resettlement projects are restricted by Government of Canada IRCC for sponsored refugees and cannot be used for any other projects.

4. PREPAID EXPENSES AND OTHER ASSETS

Included in prepaid expenses and other assets are government remittances recoverable of $ 13,046 (2023 - $3,219).

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	2024 Net	2023 Net
Buildings	$ 3,764,541	$ 283,809	$ 3,480,732	$ 1,127,219
Land	1,497,103	-	1,497,103	448,153
Automobile	130,843	118,588	12,255	17,507
Furniture and fixtures	19,171	10,883	8,288	10,360
Equipment	11,513	10,062	1,451	1,814
Computers	6,479	5,941	538	672
	$ 5,429,650	$ 429,283	$ 5,000,367	$ 1,605,725

6. CREDIT FACILITIES

The Organization has two authorized lines of credit of $100,000 each (2023 - one line of credit of $100,000), bearing interest at Royal Bank of Canada prime rate + 0.3% and Bank of Montreal prime rate + 0.3% respectively. No amount was drawn under the lines of credit as at December 31, 2024 (2023 - $Nil).

7. LOAN PAYABLE

During the year ended December 31, 2024, the Organization entered into a loan agreement with another Canadian charitable organization to finance acquisition of a building that will be used in charitable programs that was acquired in 2024. The loan of $1,000,000 is non-interest bearing, unsecured and is due by October 31, 2025.

8. LONG-TERM DEBT

	2024	2023
Loan, repayable in monthly principal payments of $13,333 plus interest calculated at Bank of Montreal prime rate plus 0.25%, due November 18, 2029, secured by General Security Agreement.	$ 2,386,666	$ -
Current portion of long term debt	160,000	-
	$ 2,226,666	$ -

Long-term debt principal repayments to be made over each of the next five years are approximately $160,000 per annum.

9. INTERNAL RESTRICTIONS

The Board of directors of the Organization resolved to restrict $6,390,100 for various projects including refugee resettlement projects and other charitable programs. The Organization may not use these internally restricted amounts without the approval of the board of directors. Funds held for refugee resettlement projects are restricted by Government of Canada IRCC for sponsored refugees and cannot be used for any other projects. Also, amounts directed by donors for an identified project are restricted for that specific purpose only.

The unrestricted net assets relate to capital assets only.

10. FINANCIAL INSTRUMENTS

The Organization believes that it is not exposed to significant interest, currency, credit, market or other price risks arising from holding financial instruments.