HUMANITY FIRST

(a charitable organization)

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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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, 2023, 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, 2023, 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, 2023 and December 31, 2022, current assets as at December 31, 2023 and December 31, 2022, and net assets as at January 1 and December 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended December 31, 2022 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.

Berman, Tobolnick & Co LLP

Markham, Ontario
June 24, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

HUMANITY FIRST

(a charitable organization)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

	2023	2022
ASSETS		
Current		
Cash	$ 1,486,995	$ 1,036,606
Temporary investments (note 3)	8,839,080	8,234,643
Prepaid expenses and other assets (note 4)	101,208	4,042
Intercompany loans receivable	-	15,835
	10,427,283	9,291,126
Capital - at cost less accumulated amortization (note 5)	1,605,725	1,656,887
Total assets	$12,033,008	$10,948,013
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 30,832	$ 68,947
NET ASSETS		
Internally restricted net assets (note 7)	6,390,100	6,390,100
Unrestricted net assets	5,612,076	4,488,966
	12,002,176	10,879,066
	$12,033,008	$10,948,013

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, 2023

	Internally Restricted	Unrestricted	2023	2022
BALANCE - Beginning of year	$ 6,390,100	$ 4,488,966	$10,879,066	$10,316,663
Add - Excess of revenues over expenses	-	1,123,110	1,123,110	562,403
BALANCE - End of year	$ 6,390,100	$ 5,612,076	$12,002,176	$10,879,066

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

HUMANITY FIRST

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STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2023

	2023	2022
REVENUES		
Donations	$ 5,328,002	$ 5,572,984
Interest	287,472	107,865
	5,615,474	5,680,849
EXPENSES		
Charitable program expenses (per attached schedule)	4,218,564	4,880,147
Credit card and bank charges	116,886	115,072
Wages and benefits	54,541	41,499
Office and general	25,417	28,444
Marketing and advertising	15,295	4,403
Professional fees	10,500	9,840
Amortization	51,161	39,041
	4,492,364	5,118,446
EXCESS OF REVENUES OVER EXPENSES	$ 1,123,110	$ 562,403

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

HUMANITY FIRST

(a charitable organization)

SCHEDULE OF CHARITABLE PROGRAM EXPENSES

YEAR ENDED DECEMBER 31, 2023

	2023	2022
Canadian Programs		
Refugee / immigration resettlement	$ 2,277,517	$ 2,967,047
Food security	315,441	463,239
Disaster relief	27,811	63,136
Fundraising events	24,749	12,300
Community care	14,193	64,554
Knowledge for life	6,495	1,427
Seniors first	1,796	24,105
Global Health	1,400	3,071
	2,669,402	3,598,879
International Programs		
Disaster relief	402,393	98,815
Global Health	346,665	376,234
Food security	335,756	287,942
Water for life	194,334	265,664
Community care	81,651	82,550
Orphan care	80,262	51,367
Gift to sight	57,932	63,525
Knowledge for life	50,169	55,171
	1,549,162	1,281,268
	$ 4,218,564	$ 4,880,147
Program expenses by Country		
Canada	$ 2,669,402	$ 3,598,879
Bangladesh	99,380	36,776
Belize	43,200	6,800
Brazil	4,500	5,500
Burkina Faso	31,872	-
Burundi	6,233	-
Cameroon	201,850	200,720
Chad	127,765	154,810
Congo Brazzaville	20,000	62,200
Equatorial Guinea	7,000	4,000
Gabon	9,500	2,500
Georgia	13,226	-
Guatemala	10,000	-

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

Continued.....

Haiti	4,615	4,064
Indonesia	26,844	-
Ivory Coast Hospital	238,748	330,148
Kenya	10,334	26,671
Madagascar	-	23,805
Malaysia	59,950	32,200
Mali	-	30,398
Nigeria	110,024	109,926
Pakistan	62,299	58,000
Philippines	14,300	12,000
Senegal	81,000	143,100
Somalia	5,000	-
Tanzania	17,600	14,700
Thailand	18,000	22,950
Turkiye	325,000	-
United Kingdom	922	-
	$ 4,218,564	$ 4,880,147

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

HUMANITY FIRST

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STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

	2023	2022
Cash and cash equivalents provided (used) in:		
Operating activities:		
Excess of revenue over expenses	$ 1,123,110	$ 562,403
Adjustments for:		
Amortization of capital assets	51,161	39,041
Changes in non-cash working capital:		
Increase in temporary investments	(604,437)	(2,076,120)
Increase (decrease) in government remittances recoverable	-	(4,465)
(Increase) decrease in prepaid expenses and other assets	(97,166)	58,378
Increase (decrease) in loan receivable	15,835	(15,835)
Increase (decrease) in accounts payable and accrued liabilities	(38,115)	49,725
	(697,763)	(1,988,317)
Cash flow from operating activities:	476,508	(1,386,873)
Cash flow from investing activities:		
Purchase of capital assets	-	(1,107,495)
Net increase (decrease) in cash and cash equivalents	476,508	(2,494,368)
CASH AND CASH EQUIVALENTS - Beginning of year	1,036,607	3,530,975
CASH AND CASH EQUIVALENTS - End of year	$ 1,513,115	$ 1,036,607

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) 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.

3. TEMPORARY INVESTMENTS

This amount represents cashable term deposits held for various projects including refugee resettlement projects and other charitable programs.

4. PREPAID EXPENSES AND OTHER ASSETS

Included in prepaid expenses and other assets are government remittances recoverable of $ 23,219 (2022 - $2,901).

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	2023 Net	2022 Net
Building	$ 1,316,990	$ 189,771	$ 1,127,219	$ 1,167,667
Land	448,153	-	448,153	448,153
Automobile	130,843	113,336	17,507	25,010
Furniture and fixtures	19,171	8,811	10,360	12,950
Equipment	11,513	9,699	1,814	2,267
Computers	6,479	5,807	672	840
	$ 1,933,149	$ 327,424	$ 1,605,725	$ 1,656,887

6. CREDIT FACILITY

The Organization has an authorized line of credit of $100,000 (2022 - $100,000), bearing interest at Royal Bank of Canada prime rate + 0.3%. No amount was drawn under the line of credit as at December 31, 2023 (2022 - $Nil).

7. 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.

8. 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.

9. COMPARATIVE FIGURES

Certain figures for the year ended December 31, 2022 have been reclassified to conform to the presentation adopted in 2023.