HUMANITY FIRST

(a charitable organization)

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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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, 2020, 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 possible effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations and fundraising referred to in the following paragraph, these financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2020, 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

As in the common with many charitable organizations, the Organization derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2020 and current assets and net assets as at January 2, 2020 and December 31, 2020.

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 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 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.

Respectfully submitted,

Berman, Zobelick & Zuo LLP

Toronto, Ontario
June 28, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

HUMANITY FIRST

(a charitable organization)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2020

	2020	2019
ASSETS		
Current		
Cash	$3,541,995	$ 681,203
Temporary investments	3,166,586	3,733,582
Accounts receivable	-	29,056
Prepaid expenses	54,450	41,483
	6,763,031	4,485,324
Capital - at cost less accumulated amortization (note 3)	615,897	650,501
Total assets	$7,378,928	$6,872,727
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 31,597	$ 6,901
Total liabilities	31,597	6,901
NET ASSETS		
Restricted net assets	6,390,100	4,653,198
Unrestricted net assets	957,231	475,726
	7,347,331	5,128,924
	$7,378,928	$5,135,825

Approved on behalf of the Board:

_____ Director

_____ Director

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

HUMANITY FIRST

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STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2020

		Restricted	Unrestricted	2,020	2,019
BALANCE -	Beginning of year	$4,653,198	$ 475,726	$5,128,924	$3,851,136
Add -	Excess of revenues over expenses	-	2,218,407	2,218,407	1,277,788
Less -	Transferred to restricted reserve	1,736,902	(1,736,902)	-	-
BALANCE -	End of year	$6,390,100	$ 957,231	$7,347,331	$5,128,924

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

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STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2020

	2020	2019
REVENUES		
Donations	$ 6,127,688	$ 3,684,734
Interest	87,770	94,597
	6,215,458	3,779,331
EXPENSES		
Charitable program expenses (per attached schedule)	3,854,658	2,348,987
Office and general	33,960	37,780
Wages and benefits	20,654	11,992
Marketing and advertising	19,825	24,766
Insurance	13,529	32,198
Professional fees	11,692	8,597
Bank charges and interest	8,130	9,731
Amortization	34,603	27,492
	3,997,051	2,501,543
EXCESS OF REVENUES OVER EXPENSES	$ 2,218,407	$ 1,277,788

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, 2020

	2020	2019
Canadian Programs		
Refugee/immigration resettlement	2,662,154	1,038,555
Food bank	380,000	311,704
Community care	35,494	122,969
Disaster relief	1,859	23,990
Seniors first	25,100	22,488
Knowledge for life	5,760	6,403
Healthcare	6,700	4,733
Fundraising events	15,126	3,145
	3,132,194	1,533,987
International Programs		
Healthcare	69,407	183,354
Water for life	126,875	181,400
Food security	209,293	173,480
Knowledge for life	48,749	120,499
Community care	28,571	72,975
Disaster relief	189,292	59,929
Gift to sight	33,277	-
Orphan care	17,000	23,363
	722,464	815,000
	3,854,658	2,348,987
Program expenses by Country		
Canada	3,132,194	1,533,988
Senegal	93,394	152,375
Pakistan	78,300	122,400
Cameroon	71,900	93,627
Chad	55,350	93,600
Nigeria	63,823	86,504
Philippines	40,100	65,486
Niger	7,000	55,325
Bangladesh	45,123	48,998
Thailand	31,100	23,300
Congo Brazaville	14,200	20,000
Haiti	40,772	13,463
Malaysia	9,000	13,000
Brazil	8,900	12,025
Paraguay	-	5,000
Belize	10,000	2,840
Somalia	5,000	2,500

Continued.....

Tanzania	5,500	2,500
Ghana	-	1,093
Kenya	-	963
Fiji	13,000	-
Ecuador	1,091	-
Gabon	4,400	-
Honduras	87,930	-
French Guyana	2,548	-
Indonesia	5,000	-
Mauritus	3,700	-
Congo DRC	7,182	-
Program support	18,151	-
	3,854,658	2,348,987

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, 2020

	2020	2019
Cash and cash equivalents provided (used) in:		
Operating activities:		
Excess of revenue over expenses	$2,218,407	$1,277,788
Adjustments for:		
Amortization of capital assets	34,603	27,492
Changes in non-cash working capital:		
Decrease in grants and accounts receivable	29,056	6,258
(Increase) decrease in temporary investments	566,995	(1,044,475)
Increase in prepaid expenses	(12,967)	(10,587)
Increase (decrease) in accounts payable and accrued liabilities	24,697	(7,376)
	607,782	(1,056,180)
Cash flow from operating activities:	2,860,792	249,100
Cash flow from investing activities:		
Purchase of capital assets	-	(80,000)
Net increase in cash and cash equivalents	2,860,792	169,100
CASH AND CASH EQUIVALENTS - Beginning of year	681,203	512,103
CASH AND CASH EQUIVALENTS - End of year	$3,541,995	$ 681,203

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

1. 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.

(a) PURPOSE OF THE ORGANIZATION

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.

The organization is 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 and is exempt from income taxes under Section 149 of the Income Tax Act.

(b) REVENUE RECOGNITION

Receipts for all government grants are recorded in these financial statements on the cash basis. Therefore, the amounts recorded in these financial statements correspond to the actual amounts received during the fiscal year.

(c) AGENT RELATIONS

Humanity First Canada 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. Humanity First Canada maintains fund transfer records, invoices and expenses for the charitable activities as per agreement and controls projects at its discretion.

(d) RESTRICTED DONATIONS

Some of the donations collected by Humanity First Canada are Restricted Funds by donors where these funds are tied to a specific project or purpose and not available for the general purposes of the organization.

(e) VOLUNTEERS

Humanity First Canada 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.

(f) AMORTIZATION

Capital assets are initially recorded at cost when purchased and are subsequently amortized st the following rate:

Building	- 2.5% of unamortized cost
Land	- 0% of unamortized cost
Automobile	- 30% of unamortized cost
Furniture and fixtures	- 20% of unamortized cost
Equipments	- 20% of unamortized cost
Computers	- 20% of unamortized cost

2. TEMPORARY INVESTMENTS

This amount represents restricted donations tremporarily held as cashable GICs for various projects including refugee resettlement projects and other charitable programs.

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	2020 Net	2019 Net
Building	$ 551,299	$ 112,335	$ 438,964	$ 450,220
Land	120,000	-	120,000	120,000
Automobile	130,843	79,801	51,042	72,917
Equipments	11,513	7,971	3,542	4,427
Computer	6,479	5,167	1,312	1,640
Furniture and fixtures	5,520	4,482	1,038	1,297
	$ 825,654	$ 209,756	$ 615,897	$ 650,501

4. FINANCIAL INSTRUMENTS

The organization belives that it is not exposed to significant interest, currency, credit, market or othr price risks arising from holding financial instruments.

5. COVID-19 PANDEMIC

In 2020, Humanity First has relentlessly provided assistance to those struggling to sustain themselves due to impacts of COVID-19 pandemic. Humanity First had helped more people and is providing enhanced support services. During this period, Humanity First has regularly provided monthly food hampers to families struggling to make their ends meet, support services to senior citizens, resettled refugees, and provided PPE to front-line health care workers.

This includes:

- 4.2 million meals served
- 50 Tons of fresh food distributed
- 11, 000+ families assisted with monthly food rations
- 3,000+ Food deliveries made to homes
- 90,000+ PPE given to front line health care workers
- Relief provided to needy people in 14 countries.
- Over 200,000 hours donated by volunteers