HUMANITY FIRST

(a charitable organization)

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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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, 2021, 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, 2021, 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, 2021 and current assets and net assets as at January 1, 2021 and December 31, 2021.

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.

Berman, Tobchuck & Lam LLP

Markham, Ontario
June 20, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

HUMANITY FIRST

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STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

	2021	2020
ASSETS		
Current		
Cash	$ 3,530,975	$ 3,541,995
Temporary investments	6,158,523	3,166,586
Prepaid expenses	57,953	54,450
	9,747,451	6,763,031
Capital - at cost less accumulated amortization (note 3)	588,432	615,897
Total assets	$10,335,883	$ 7,378,928
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 19,220	$ 31,597
Total liabilities	19,220	31,597
NET ASSETS		
Restricted net assets	6,390,100	6,390,100
Unrestricted net assets	3,926,563	957,231
	10,316,663	7,347,331
	$10,335,883	$ 7,378,928

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, 2021

	Restricted	Unrestricted	2021	2020
BALANCE - Beginning of year	$ 6,390,100	$ 957,231	$ 7,347,331	$ 5,128,924
Add - Excess of revenues over expenses	-	2,969,332	2,969,332	2,218,407
BALANCE - End of year	$ 6,390,100	$ 3,926,563	$10,316,663	$ 7,347,331

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

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STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2021

	2021	2020
REVENUES		
Donations	$ 5,049,596	$ 6,127,688
Interest	11,936	87,770
	5,061,532	6,215,458
EXPENSES		
Charitable program expenses (per attached schedule)	1,997,010	3,854,658
Wages and benefits	27,644	20,654
Office and general	15,895	33,960
Bank charges and interest	14,173	8,130
Professional fees	9,492	11,692
Marketing and advertising	1,660	19,825
Insurance	(1,139)	13,529
Amortization	27,465	34,603
	2,092,200	3,997,051
EXCESS OF REVENUES OVER EXPENSES	$ 2,969,332	$ 2,218,407

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

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SCHEDULE OF CHARITABLE PROGRAM EXPENSES

YEAR ENDED DECEMBER 31, 2021

	2021	2020
Canadian Programs		
Refugee/immigration resettlement	750,236	2,662,155
Food bank	256,293	380,000
Healthcare	12,418	6,700
Community care	2,015	35,494
Disaster relief	609	1,859
Seniors first	548	25,100
Fundraising events	-	15,126
Knowledge for life	-	5,760
	1,022,119	3,132,194
International Programs		
Food security	273,992	209,293
Water for life	204,085	126,875
Healthcare	174,291	69,407
Community care	84,606	28,571
Knowledge for life	79,968	48,749
Orphan care	68,074	17,000
Disaster relief	51,496	189,292
Gift to sight	38,379	33,277
	974,891	722,464
	1,997,010	3,854,658
Program expenses by Country		
Canada	1,022,119	3,132,194
Bangladesh	41,330	45,123
Belize	11,800	10,000
Brazil	1,400	8,900
Cameroon	175,545	71,900
Chad	99,850	55,350
Congo Brazaville	49,200	14,200
Congo DRC	-	7,182
Ecuador	1,270	1,091
Fiji	-	13,000
French Guyana	-	2,548
Gabon	4,000	4,400
Guatemala	2,507	-
Ghana	1,255	-
Haiti	43,192	40,772

Continued.....

Honduras	-	87,930
Indonesia	-	5,000
Ivory Coast Hospital	64,260	-
Kenya	7,069	-
Malaysia	109,844	9,000
Mali	27,439	-
Mauritus	-	3,700
Middle East	37,902	-
Niger	-	7,000
Nigeria	101,002	63,823
Pakistan	-	78,300
Philippines	26,000	40,100
Senegal	120,275	93,394
Somalia	12,400	5,000
Tanzania	5,000	5,500
Thailand	32,351	31,100
Program support	-	18,151
	1,997,010	3,854,658

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

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STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2021

	2021	2020
Cash and cash equivalents provided (used) in:		
Operating activities:		
Excess of revenue over expenses	$ 2,969,332	$ 2,218,407
Adjustments for:		
Amortization of capital assets	27,465	34,603
Changes in non-cash working capital:		
Decrease in grants and accounts receivable	-	29,056
(Increase) decrease in temporary investments	(2,991,936)	566,995
Increase in prepaid expenses	(3,502)	(12,967)
Increase (decrease) in accounts payable and accrued liabilities	(12,379)	24,698
	(3,007,817)	607,782
Cash flow from operating activities:	(11,020)	2,860,792
Net increase (decrease) in cash and cash equivalents	(11,020)	2,860,792
CASH AND CASH EQUIVALENTS - Beginning of year	3,541,995	681,203
CASH AND CASH EQUIVALENTS - End of year	$ 3,530,975	$ 3,541,995

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	2021 Net	2020 Net
Building	$ 551,299	$ 123,310	$ 427,989	$ 438,963
Land	120,000	-	120,000	120,000
Automobile	130,843	95,114	35,729	51,042
Equipments	11,513	8,679	2,834	3,542
Computer	6,479	5,429	1,050	1,312
Furniture and fixtures	5,520	4,690	830	1,038
	$ 825,654	$ 237,222	$ 588,432	$ 615,897

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