

HUMANITY FIRST

(a charitable organization)

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009

INDEX

1. Auditors' Report to the Directors
2. Statement of Financial Position
3. Statement of Changes in Net Assets
4. Statement of Operations
- 5-6. Notes to Financial Statements

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AUDITORS' REPORT

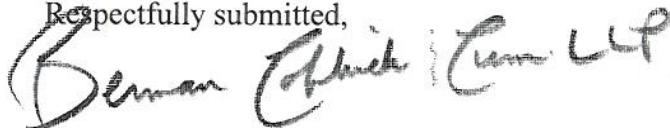
We have audited the statement of financial position of the Humanity First as at December 31, 2009 and the statements of change in net assets, operations and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraphs, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

As is the case of most charitable organizations in receipt of funds by donations and fundraising, verification of such items was impractical beyond accounting for amounts recorded in the accounts of the organization, and we were not able to determine whether adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

In our opinion, except for the effect 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 preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2009 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Respectfully submitted,



CHARTERED ACCOUNTANTS.
Licensed Public Accountants

Toronto, Ontario.
May 10, 2010.

HUMANITY FIRST
(a charitable organization)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009

	2009	2008
ASSETS		
Current		
Cash	\$ 636,740	\$ 499,055
Prepaid expenses and sundry assets	<u>388</u>	<u>388</u>
	637,128	499,443
Capital at cost less accumulated amortization (note 6)	<u>25,259</u>	<u>-</u>
	<u>\$ 662,387</u>	<u>\$ 499,443</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 21,780	\$ 9,160
NET ASSETS		
Unrestricted net assets	<u>640,607</u>	<u>490,283</u>
	<u>\$ 662,387</u>	<u>\$ 499,443</u>

Approved on behalf of the Board:

_____ Director

_____ Director

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

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STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2009

	2009 Unrestricted	2008 Unrestricted
BALANCE - Beginning of year	\$ 490,283	\$ 131,290
- Excess of revenues over expenses	<u>150,324</u>	<u>358,993</u>
BALANCE - End of year	\$ <u>640,607</u>	\$ <u>490,283</u>

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

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STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2009

	2009	2008
REVENUES		
Donated	\$ <u>524,279</u>	\$ <u>482,567</u>
EXPENSES		
Charitable program expenses (note 4)	269,725	80,906
Foodbank	52,087	23,543
Marketing and advertising	17,645	5,776
Wages and wages costs	6,600	5,227
Professional fees	4,300	1,755
Travel costs	3,913	5,271
Office and general	3,723	561
Bank charges	1,487	535
Telephone	704	-
Insurance	460	-
Amortization	<u>13,311</u>	<u>-</u>
	<u>373,955</u>	<u>123,574</u>
EXCESS OF REVENUES OVER EXPENSES	\$ <u>150,324</u>	\$ <u>358,993</u>

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

HUMANITY FIRST

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

1. 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 any where in the world, particularly among the vulnerable segment of the community including the elderly, children, widows/widowers, orphan, prisoners of conscience, victim of human right violates, 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 appropriate kine. To help promote health and education particularly in Africa where the need is acutely felts in those areas.

The organization is incorporated under the Ontario Corporations Act as a non-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.

2. SIGNIFICANT ACCOUNTING POLICIES

- (a) 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.

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

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

The Food Bank Expenses are part of the charitable expenses of the organization.

Humanity first heavily relies on volunteer participation. Countless hours are spent by volunteers 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.

Continued...

HUMANITY FIRST

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

...Continued

- (b) The organization considers its capital to be the balance maintained in its Unrestricted Net Assets. The primary objective of the organization is to invest its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the Board of Directors of the organization with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. The organization is not subject to any externally imposed requirements of its capital.

3. STATEMENT OF CASH FLOWS

A statement of cash flows has not been provided as it would not provide any additional meaningful information.

4. CHARITABLE PROGRAM EXPENSES

	2009	2008
The break down of charitable program expenses is as follows:		
Disaster Relief	\$ 78,606	\$ 14,116
Bangladesh Project	55,933	-
Nigeria Water Wells Project	49,089	50,428
Haiti Bridge Project	34,863	15,365
Oxfam UK	30,067	-
Feed a Family	11,210	997
Nigeria Computer Project	<u>9,957</u>	<u>-</u>
	<u>\$ 269,725</u>	<u>\$ 80,906</u>

5. AMORTIZATION

Amortization of the automobile has been provided at 30% of the unamortized cost and the computer equipment at 45% of unamortized cost.

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	2009 Net	2008 Net
Automobile	\$ 26,968	\$ 8,090	\$ 18,878	\$ -
Computer	<u>11,602</u>	<u>5,221</u>	<u>6,381</u>	<u>-</u>
	<u>\$ 38,570</u>	<u>\$ 13,311</u>	<u>\$ 25,259</u>	<u>\$ -</u>