

HUMANITY FIRST

(a charitable organization)

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

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AUDITORS' REPORT

We have audited the accompanying financial statements of Humanity First, which comprise the statement of financial position as at December 31, 2010, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

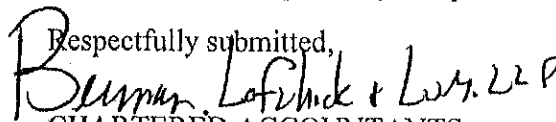
As is the case of most charitable organizations in receipt of funds by donations and fundraising, verification of such items was impractical beyond accounting for amounts recorded in the accounts of the organization, and we were not able to determine whether adjustments might be necessary to contributions,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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 paragraph, the financial statements present fairly, in all material respects, the financial position of Humanity First as at December 31, 2010, and the results of operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario,
July 7, 2011.

Respectfully submitted,

CHARTERED ACCOUNTANTS.
Licensed Public Accountants.

HUMANITY FIRST

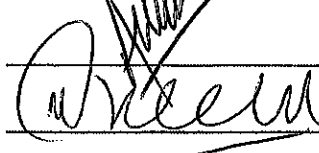
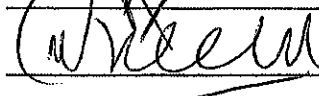
(a charitable organization)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2010

	2010	2009
ASSETS		
Current		
Guaranteed Investment Certificate - 0.65%, due September 8, 2011	\$ 501,015	\$ -
Cash	761,198	636,740
Prepaid expenses and sundry assets	<u>7,263</u>	<u>388</u>
	1,269,476	637,128
Capital at cost less accumulated amortization (note 6)	<u>13,215</u>	<u>25,259</u>
	<u>1,282,691</u>	<u>662,387</u>
Funds held in trust	687,590	-
Trust funds payable	<u>(687,590)</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	<u>\$ 1,282,691</u>	<u>\$ 662,387</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 5,166	\$ 21,780
NET ASSETS		
Unrestricted net assets	<u>1,277,525</u>	<u>640,607</u>
	<u>\$ 1,282,691</u>	<u>\$ 662,387</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, 2010

	2010 Unrestricted	2009 Unrestricted
BALANCE - Beginning of year	\$ 640,607	\$ 490,283
- Excess of revenues over expenses	<u>636,918</u>	<u>150,324</u>
BALANCE - End of year	\$ <u>1,277,525</u>	\$ <u>640,607</u>

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

HUMANITY FIRST
(a charitable organization)
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2010

	2010	2009
REVENUES		
Donated	\$ <u>1,312,654</u>	\$ <u>524,279</u>
EXPENSES		
Charitable program expenses (note 4)	548,679	269,725
Food bank costs	82,527	52,087
Wages and wages costs	9,698	6,600
Office and general	8,920	3,723
Professional fees	4,900	4,300
Marketing and advertising	4,842	17,645
Travel costs	1,734	3,913
Bank charges and interest (net)	1,340	1,487
Telecommunication	1,052	704
Insurance	-	460
Amortization	<u>12,044</u>	<u>13,311</u>
	<u>675,736</u>	<u>373,955</u>
EXCESS OF REVENUES OVER EXPENSES	\$ <u>636,918</u>	\$ <u>150,324</u>

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

HUMANITY FIRST

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

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 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 particularly in Africa where the need is acutely felt 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.

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.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

...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

	2010	2009
The break down of charitable program expenses is as follows:		
Haiti Earthquake Relief	\$ 188,943	\$ -
Pakistan Flood Relief	147,749	-
Community Programs (HFCC)	100,149	-
Nigeria Water Wells Project	75,546	49,089
Bangladesh Flood Relief	19,135	55,933
Fundraising Events	8,244	-
Philippines Flood Relief	3,045	-
Healthcare Programs	2,602	-
Feed a Family Program	2,122	11,210
Nigeria Computer School Project	843	9,957
Small Enterprise Development	250	-
Disaster Relief	-	78,606
Haiti Relief Projects	-	34,863
Programs for Children (Oxfam UK)	-	<u>30,067</u>
	<u>\$ 548,679</u>	<u>\$ 269,725</u>

The break down of food bank expenses is as follows:

Salaries	\$ 59,367
Administrative cost	1,110
Food bank delivery cost	22,050
Capital expenses (PC's/copier)	-
	<u>\$ 82,527</u>

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

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Under Community Programs in Canada, Humanity First has built a Community Center in the City of Vaughan. Humanity First donated \$100,149 to this project and handed over the partially completed facility to AMJC Inc. (a non-profit charitable organization) for the benefit of local community in city of Vaughan.

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	2010 Net	2009 Net
Automobile	\$ 26,968	\$ 13,753	\$ 13,215	\$ 18,878
Computer	<u>11,602</u>	<u>11,602</u>	<u>-</u>	<u>6,381</u>
	\$ <u>38,570</u>	\$ <u>25,355</u>	\$ <u>13,215</u>	\$ <u>25,259</u>

