

RELIEF INTERNATIONAL INC.

operating as

HUMANITY FIRST

(a charitable organization)

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

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AUDITORS' REPORT

We have audited the statement of financial position of the Relief International Inc., operating as Humanity First as at December 31, 2008 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, 2008 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Respectfully submitted,

Berman, Lofchick & Lum, LLP
CHARTERED ACCOUNTANTS.
Licensed Public Accountants

Toronto, Ontario.
May 6, 2009.

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STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2008

	2008	2007
ASSETS		
Current		
Cash	\$ 499,055	\$ 135,790
Prepaid expenses and sundry assets	<u>388</u>	<u>-</u>
	\$ <u>499,443</u>	\$ <u>135,790</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 9,160	\$ 4,500
NET ASSETS		
Unrestricted net assets	<u>490,283</u>	<u>131,290</u>
	\$ <u>499,443</u>	\$ <u>135,790</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, 2008

	Unrestricted	2008 Total	2007 Total
BALANCE - Beginning of year	\$ 131,290	\$ 131,290	\$ 8,662
- Excess of revenues over expenses	<u>358,993</u>	<u>358,993</u>	<u>122,628</u>
BALANCE - End of year	\$ <u>490,283</u>	\$ <u>490,283</u>	\$ <u>131,290</u>

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STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2008

	2008	2007
REVENUES		
Donated	\$ <u>482,567</u>	\$ <u>161,484</u>
EXPENSES		
Charitable program expenses (note 4)	80,906	21,448
Foodbank	23,543	9,750
Marketing and advertising	5,776	-
Travel costs	5,271	-
Wages and wages costs	5,227	-
Professional fees	1,755	1,500
Office and general	561	5,879
Bank charges	<u>535</u>	<u>279</u>
	<u>123,574</u>	<u>38,856</u>
EXCESS OF REVENUES OVER EXPENSES	\$ <u>358,993</u>	\$ <u>122,628</u>

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

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

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 particularity 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 POLICY

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.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

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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.

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

	2008	2007
The break down of charitable program expenses is as follows:		
Nigeria Water Wells Project	\$ 50,428	\$ 5,446
Haiti Bridge Project	15,365	-
Disaster Relief	14,116	-
Feed a Family	997	-
Haiti Flood Relief	-	6,042
Africa Flood Relief	-	5,000
Nigeria Computer Training School	-	<u>4,960</u>
	<u>\$ 80,906</u>	<u>\$ 21,448</u>