

HUMANITY FIRST CANADA

(a charitable organization)

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

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INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Humanity First Canada, which comprise the statement of financial position as at December 31, 2015, and the statements of financial position, changes in net assets, operations 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 our 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, we consider 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.

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

Basis for Qualified Opinion

As is the case of most 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.

Qualified 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, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2015, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Respectfully submitted,

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

Toronto, Ontario
June 25, 2016

HUMANITY FIRST CANADA

(a charitable organization)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2015

	2015	2014
ASSETS		
Current		
Cash	\$ 783,884	\$ 456,324
Temporary investments	1,512,752	1,209,499
Prepaid expenses and sundry assets	<u>25,777</u>	<u>10,512</u>
	2,322,413	1,676,335
Capital at cost less accumulated amortization (note 2)	<u>650,005</u>	<u>651,102</u>
	<u>\$ 2,972,418</u>	<u>\$ 2,327,437</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ <u>14,800</u>	\$ <u>4,401</u>
NET ASSETS		
Restricted for capital purposes	650,005	651,102
Restricted net assets	1,480,931	1,480,931
Unrestricted net assets	<u>826,682</u>	<u>191,003</u>
	2,957,618	2,323,036
	<u>\$ 2,972,418</u>	<u>\$ 2,327,437</u>

Approved on behalf of the Board:


_____ Director

_____ Director

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

HUMANITY FIRST CANADA

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STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2015

	Restricted for Capital purposes	Restricted	Unrestricted	2015	2014
BALANCE - Beginning of year	\$ 651,102	\$ 1,480,931	\$ 191,003	\$ 2,323,036	\$ 1,988,400
- Excess of revenues over expenses	<u>(1,097)</u>	<u>-</u>	<u>635,679</u>	<u>634,582</u>	<u>334,636</u>
BALANCE - End of year	<u>\$ 650,005</u>	<u>\$ 1,480,931</u>	<u>\$ 826,682</u>	<u>\$ 2,957,618</u>	<u>\$ 2,323,036</u>

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

HUMANITY FIRST CANADA
(a charitable organization)
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2015

	2015	2014
REVENUES		
Donations	\$ 1,562,693	\$ 962,135
Interest income	<u>7,353</u>	<u>8,905</u>
	<u>1,570,046</u>	<u>971,040</u>
EXPENSES		
Charitable program expenses (per attached schedule)	854,739	556,553
Wages and wage costs	25,534	25,491
Insurance	9,958	10,561
Marketing and advertising	6,976	13,121
Office and general	6,346	2,863
Bank charges and interest	6,304	5,278
Professional fees	5,335	4,800
Amortization	<u>20,272</u>	<u>17,737</u>
	<u>935,464</u>	<u>636,404</u>
EXCESS OF REVENUES OVER EXPENSES	\$ <u>634,582</u>	\$ <u>334,636</u>

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part of these financial statements.

HUMANITY FIRST CANADA

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SCHEDULE OF CHARITABLE PROGRAM EXPENSES

YEAR ENDED DECEMBER 31, 2015

	2015	2014
Canadian Programs		
Food bank	\$ 206,578	\$ 114,868
Fundraising events	66,278	36,282
Refugee/Immigration resettlement	40,170	1,880
Seniors First	24,622	23,813
Disaster response preparations	13,092	34,854
Our Children and Our Future	7,627	2,750
Healthcare	<u>1,095</u>	<u>3,600</u>
	<u>359,462</u>	<u>218,047</u>
International Programs		
Disaster response	199,777	147,885
Food security	82,161	48,779
Healthcare	69,988	-
Knowledge for Life	67,069	34,063
Orphan care	36,437	10,595
Learn a Skill	22,000	27,000
Water for Life	17,845	47,864
Model Village	<u>-</u>	<u>22,320</u>
	<u>495,277</u>	<u>338,506</u>
Program expenses by Country		
Canada	359,462	218,047
Phillipines	179,358	136,885
Pakistan	70,895	36,000
Niger	68,000	54,820
Senegal	67,938	46,300
Jordan	57,069	11,450
Sierra Leone	32,920	-
Nigeria	13,517	44,437
Nepal	5,580	-
Jamaica	-	2,614
Sri Lanka	<u>-</u>	<u>6,000</u>
	<u>\$ 854,739</u>	<u>\$ 556,553</u>

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HUMANITY FIRST CANADA

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STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2015

	2015	2014
Cash and cash equivalents provided by (used in):		
Operating activities:		
Excess of revenues over expenses	\$ <u>634,582</u>	\$ <u>334,636</u>
Adjustment for:		
Amortization	<u>20,272</u>	<u>17,737</u>
Changes in non-cash working capital:		
Increase in temporary investments	(303,253)	(402,619)
(Increase) decrease in prepaid expenses and sundry assets	(15,265)	14,199
Increase (decrease) in accounts payable and accrued liabilities	<u>10,399</u>	<u>(3,023)</u>
	<u>(308,119)</u>	<u>(391,443)</u>
Cash flow from operating activities:	<u>346,735</u>	<u>(39,070)</u>
Cash flow from investing activities:		
Increase in capital assets	<u>(19,175)</u>	<u>(11,701)</u>
Net increase (decrease) in cash and cash equivalents	327,560	(50,771)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>456,324</u>	<u>507,095</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 783,884</u>	<u>\$ 456,324</u>

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

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HUMANITY FIRST CANADA

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

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 CICA Handbook.

(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 particularly 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.

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HUMANITY FIRST CANADA

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

...Continued

(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

Amortization of the automobile has been provided at 30% of the unamortized cost. The building been amortized in the current year at the rate of 2.5% of cost.

2. CAPITAL ASSETS

	Cost	Accumulated Amortization	2015 Net	2014 Net
Building	\$ 551,299	\$ 53,096	\$ 498,203	\$ 510,977
Land	120,000	-	120,000	120,000
Automobile	50,843	30,366	20,477	5,969
Furniture and fixtures	5,520	2,355	3,165	3,956
Equipment	6,783	2,627	4,156	5,195
Computer	<u>6,479</u>	<u>2,475</u>	<u>4,004</u>	<u>5,005</u>
	\$ <u>740,924</u>	\$ <u>90,919</u>	\$ <u>650,005</u>	\$ <u>651,102</u>

3. FINANCIAL INSTRUMENTS

RISK

The organization's financial instruments consist of cash, GIC's, accounts receivable, accounts payable and accrued liabilities, and long-term debt. It is the opinion of management that the organization is not exposed to significant interest, currency or credit risk arising from these financial instruments.

FAIR VALUE

The carrying values of the financial instruments approximate their fair values because of the relatively short period to maturity of the instruments or because they are receivable or payable on demand.