



Unaudited Financial Statements of

HELPING YOUTH THROUGH EDUCATIONAL SCHOLARSHIPS
(a registered charitable organization, operating as HYTES)

Year ended April 30, 2009

HELPING YOUTH THROUGH EDUCATIONAL SCHOLARSHIPS

Statement of Financial Position

April 30, 2009, with comparative figures for 2008

(Unaudited)

	2009	2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 25,350	\$ 39,227
Accounts receivable	144	42
Inventory	720	959
	26,214	40,228
	\$ 26,214	\$ 40,228
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,265	\$ 7,250
Net assets	23,949	32,978
	\$ 26,214	\$ 40,228

See accompanying notes to financial statements.

HELPING YOUTH THROUGH EDUCATIONAL SCHOLARSHIPS

Statement of Operations and Net Assets

For the year ended April 30, 2009, with comparatives for 2008

(Unaudited)

	2009	2008
Revenue:		
Donations	\$ 40,695	\$ 36,634
Fundraising, net of expenditures of \$9,000 (2008 - \$2,891)	9,115	16,852
Grants (note 3)	3,000	25,000
Interest	658	546
Membership fees	0	200
	<u>53,468</u>	<u>79,232</u>
Expenses:		
Scholarships awarded (note 4)	55,989	48,674
Program costs	6,209	6,382
General and administration	299	100
	<u>62,497</u>	<u>55,156</u>
Excess (deficiency) of revenues over expenses	(9,029)	24,076
Net assets, beginning of year	32,978	8,902
Net assets, end of year	<u>\$ 23,949</u>	<u>\$ 32,978</u>

See accompanying notes to financial statements.

HELPING YOUTH THROUGH EDUCATIONAL SCHOLARSHIPS

Statement of Cash Flows

For the year ended April 30, 2009, with comparatives for 2008

(Unaudited)

	2009	2008
Cash flows provided by (used in):		
Operations:		
Excess (deficiency) of revenues over expenses	\$ (9,029)	\$ 24,076
Change in non-cash operating working capital:		
Accounts receivable	(102)	(5)
Inventory	239	(68)
Accounts payable and accrued liabilities	(4,985)	6,511
	(13,877)	30,514
Increase (decrease) in cash and cash equivalents	(13,877)	30,514
Cash and cash equivalents, beginning of year	39,227	8,713
Cash and cash equivalents, end of year	\$ 25,350	\$ 39,227

See accompanying notes to financial statements.

HELPING YOUTH THROUGH EDUCATIONAL SCHOLARSHIPS

Notes to Financial Statements

For the year ended April 30, 2009, with comparatives for 2008

(Unaudited)

Purpose of the organization:

Helping Youth Through Educational Scholarships ("HYTES") was formed on May 1, 2005 and is a not-for-profit organization which is a registered charity under the Canadian Income Tax Act and therefore is exempt from income taxes. The objects of the HYTES are; 1) to provide educational scholarships to youth in developing countries to empower themselves, their families and their communities, 2) to increase awareness in Canadian schools and the Canadian public on the need for educational support in developing countries, and 3) to cooperate with other organizations or Canadian government agencies to establish a reciprocal referral network.

1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and those applicable to not-for profit entities prepared within the framework of the accounting policies summarized as follows:

a) Fund accounting:

HYTES currently has only one fund, the Operating Fund, which is unrestricted and accounts for HYTES's program delivery and administrative activities.

b) Cash and cash equivalents:

Cash and cash equivalents are comprised of cash and all investments that are highly liquid in nature and have a maturity date of three months or less.

c) Inventory:

Inventory consists of t-shirts, greeting cards, brochures and wine and are valued at the lower of cost, on an average cost basis, and net realizable value.

d) Revenue recognition:

HYTES follows the deferral method of accounting for contributions, which include donations. Revenue is recognized when collection is reasonably assured. Externally restricted contributions related to general operations are recognized as revenue in the Operating Fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

e) Donated services:

The work of HYTES is dependent upon voluntary services of members. The value of donated services is not recorded in these statements.

f) Foreign currency translation:

Monetary assets and liabilities in foreign currencies are translated to Canadian dollars at rates of exchange in effect at the end of the period. Other assets and liabilities, revenues and expenses are translated at rates of exchange in effect at the respective transaction dates. The resulting gains and losses are included in earnings.

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Notes to Financial Statements, page 2

For the year ended April 30, 2009, with comparatives for 2008

(Unaudited)

1. Significant accounting policies (continued):

g) Measurement uncertainty:

Management has made estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the valuation allowance for accounts receivable and the net realizable value of inventory. Consequently, actual results could differ from these estimates.

h) Change in accounting policy:

On May 1, 2008, HYTES adopted Section 3031, Inventories. This standard has been adopted retroactively. Adoption of this standard did not impact the April 30, 2008 comparative figures.

i) Financial instruments:

All financial instruments must be initially recognized at fair value on the balance sheet date. HYTES has classified each financial instrument into the following categories; held for trading financial assets and liabilities, loans or receivables, held to maturity investments, available for sale financial assets and other financial liabilities. Subsequent measurement of the financial instruments is based on their classification. Unrealized gains and losses on held for trading financial instruments are recognized in earnings. Gains and losses on available for sale financial assets are recognized as changes in net assets and transferred to earnings when the asset is derecognized. The other categories of financial instruments are recognized at amortized costs using the effective interest rate method.

Upon adoption of the new standards, HYTES has classified cash and cash equivalents as held for trading, accounts receivables as loans and receivables and accounts payable and accrued liabilities as other liabilities.

j) Capital disclosures:

As of May 1, 2008, HYTES adopted the new Canadian accounting standards relating to capital disclosures. This standard requires entities to disclose their objectives, policies and processes for managing capital. In addition, disclosures are to include whether entities have complied with externally imposed requirements. HYTES complied with any additional financial statement disclosure requirements resulting from this new standard.

k) Future accounting pronouncements:

Financial statement presentation by not-for-profit organizations:

Recent amendments to Section 4400, Financial Statement Presentation by Not-for-Profit Organizations, will modify the requirement with respect to various elements of financial statement presentation. These amendments include:

- (i) Reporting certain revenues at their gross amounts in the statement of revenue and expenses.
- (ii) When a not-for-profit organization classifies its expenses by function and allocates some of its fundraising and general support costs to another function, disclosing the policy adopted for expenses and amounts allocated from each of these two functions to other functions.
- (iii) The elimination of the requirement to treat net assets invested in property and equipment as a separate component of net assets.

The new standard applies to financial statements relating to the fiscal years beginning on or after January 1, 2009. This standard will impact HYTES's disclosure provided but will not affect HYTES's results or financial position.

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Notes to Financial Statements, page 3

For the year ended April 30, 2009, with comparatives for 2008

(Unaudited)

2. Financial instruments:

a) Fair value of financial assets and financial liabilities:

Financial instruments include cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities and approximate their carrying value because of the short term nature of these instruments.

b) HYTES has exposed to the following risks from its use of financial instruments:

(i) Credit risk:

HYTES' exposure to credit risk is on cash and cash equivalents and accounts receivable.

Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. Cash and cash equivalents consists of cash bank balances and term deposits. Credit risk for accounts receivable is the risk that the obligation will fail to be discharged causing HYTES to incur a financial loss. Credit risk is minimized by ensuring that term deposits are limited to amounts covered by insurance limits, that credit is only extended to those entities that management believes has the financial capacity to pay obligations due to HYTES.

(ii) Liquidity risk:

Liquidity is the risk that HYTES will encounter difficulty in raising donations to meet commitments associated with financial instruments. Management controls liquidity risk through cash flow projections used to forecast funding requirements for its financial instruments.

(iii) Market risk:

Fluctuations in general market interest rates have an impact on investment returns for the term deposits. HYTES delivers programs in foreign countries denominated in foreign currencies. Subject to fluctuations in the exchange rates between the Canadian dollar and these currencies could result in changes in the cash and cash equivalents and accounts receivable.

3. Grants:

During the year, HYTES received a grant in the amount of \$3,000 (2007 - \$25,000) from Grant McEwen College in 2009 and the Wild Rose Foundation in 2008. The 2009 grant was unrestricted and the 2008 grant entitled HYTES to pay scholarships in the amount of \$25,000 as a reimbursement of costs incurred. The grants have no terms of repayment.

4. Scholarships awarded:

	2009	2008
Kenya - 13 - \$519 per student (2008 - 15 - \$489 per student)	\$ 6,752	7,338
Tanzania 24 - \$247 per student (2008 - 27 - \$241 per student)	5,917	6,500
Mawengi, Tanzania - 43 - \$394 per student (2007 - 40 - \$340 per student)	16,956	13,611
Moshi, Tanzania 9 - \$473 per student (2008 - nil)	4,259	0
Zambia 47 - \$235 per student (2008 - 45 - \$188 per student)	11,023	9,288
Guatemala 22 - \$417 per student (2008 - 16 - \$400 per student)	9,170	6,400
Uganda 3 - \$637 per student (2008 - 7 - \$791 per student)	1,911	5,537
	\$ 55,989	48,674

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(Unaudited)

5. Capital management:

HYTES's objectives, policies and processes for managing capital include maximinzing interest earned on donation cash proceeds. All cash donations are deposited in the general account and excess funds in term deposits. HYTES does not have any externally imposed capital requirements.