

Unaudited Financial Statements of

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

Year ended April 30, 2010

# HELPING YOUTH THROUGH EDUCATIONAL SCHOLARSHIPS

Statement of Financial Position

April 30, 2010, with comparative figures for 2009

(Unaudited)

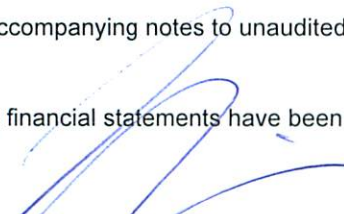
	2010	2009
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 57,843	\$ 25,350
Accounts receivable and other	30	864
	57,873	26,214
	\$ 57,873	\$ 26,214


## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,891	\$ 2,265
Net assets	55,982	23,949
	\$ 57,873	\$ 26,214

See accompanying notes to unaudited financial statements.

These financial statements have been reviewed and approved by:

  
\_\_\_\_\_  
Harold Pliszka, President  
October 26, 2010

  
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Scott Muzychka, CFO  
October 26, 2010

# HELPING YOUTH THROUGH EDUCATIONAL SCHOLARSHIPS

Statement of Operations and Net Assets

For the year ended April 30, 2010, with comparatives for 2009

(Unaudited)

	2010	2009
Revenue:		
Donations	\$ 38,910	\$ 40,695
Government assistance (note 3)	25,000	3,000
Fundraising	11,355	18,115
Interest	272	658
	<u>75,537</u>	<u>62,468</u>
Expenses:		
Scholarships awarded (note 4)	36,272	55,989
Program costs	3,954	6,209
Fundraising costs (note 5)	3,178	9,000
General and administration	100	299
	<u>43,504</u>	<u>71,497</u>
Excess (deficiency) of revenues over expenses	32,033	(9,029)
Net assets, beginning of year	23,949	32,978
Net assets, end of year	<u>\$ 55,982</u>	<u>\$ 23,949</u>

See accompanying notes to unaudited financial statements.

# HELPING YOUTH THROUGH EDUCATIONAL SCHOLARSHIPS

## Statement of Cash Flows

For the year ended April 30, 2010, with comparatives for 2009

(Unaudited)

	2010	2009
Cash flows provided by (used in):		
Operations:		
Excess (deficiency) of revenues over expenses	\$ 32,033	\$ (9,029)
Change in non-cash operating working capital:		
Accounts receivable and other	834	137
Accounts payable and accrued liabilities	(374)	(4,985)
	32,493	(13,877)
Increase (decrease) in cash and cash equivalents	32,493	(13,877)
Cash and cash equivalents, beginning of year	25,350	39,227
Cash and cash equivalents, end of year	\$ 57,843	\$ 25,350

See accompanying notes to unaudited financial statements.

# HELPING YOUTH THROUGH EDUCATIONAL SCHOLARSHIPS

Notes to Financial Statements

For the year ended April 30, 2010, with comparatives for 2009

(Unaudited)

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## **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 the HYTES 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) 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.

### **d) Donated services:**

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

### **e) 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.

# HELPING YOUTH THROUGH EDUCATIONAL SCHOLARSHIPS

Notes to Financial Statements, page 2

For the year ended April 30, 2010, with comparatives for 2009

(Unaudited)

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## 1. Significant accounting policies (continued):

### f) 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 of accounts receivable. Consequently, actual results could differ from these estimates.

### g) 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.

HYTES has classified cash and cash equivalents as held for trading, accounts receivable as loans and receivables and accounts payable and accrued liabilities as other liabilities.

### h) Capital disclosures:

HYTES is required to disclose its objectives, policies and processes for managing capital. In addition, disclosures are to include whether entities have complied with externally imposed requirements.

### i) Future accounting pronouncements:

Effective May 1, 2009, HYTES adopted the Canadian Institute of Chartered Accountants ("CICA") amendments to 4400 Sections of the CICA Handbook. These amendments eliminate the requirement to show net assets invested in property and equipment as a separate component of net assets, clarify the requirements for revenue and expenses to be presented on a gross basis when the not-for-profit organization is acting as a principal and require a statement of cash flow. Adoption of these recommendations has restated the 2009 fundraising revenue by increasing revenue to \$18,115 and increasing fundraising expenses to \$9,000.

# HELPING YOUTH THROUGH EDUCATIONAL SCHOLARSHIPS

Notes to Financial Statements, page 3

For the year ended April 30, 2010, with comparatives for 2009

(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 due to 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. 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. Government assistance:

During 2010, HYTES received government assistance in the form of a grants in the amount of \$25,000 from CIP under the Alberta Government (2009 - \$3,000 Grant McEwen College). The grants are unrestricted and had no terms of repayment.

## 4. Scholarships awarded:

	2010	2009
Kenya - 13 - \$441 per student (2009 - 13 - \$519 per student)	\$ 5,735	\$ 6,752
Tanzania - 12 - \$231 per student (2009 - 24 - \$247 per student)	2,776	5,917
Mawengi, Tanzania - 29 - \$238 per student (2009 - 43 - \$394 per student)	6,900	16,956
Moshi, Tanzania - 9 - \$377 per student (2009 - 9 - \$473 per student)	3,395	4,259
Zambia - 40 - \$232 per student (2009 - 47 - \$235 per student)	9,266	11,023
Guatemala - 17 - \$400 per student (2009 - 22 - \$417 per student)	6,800	9,170
Xela, Guatemala - 7 - \$200 per student (2009 - none)	1,400	0
Uganda - none (2009 - 3 - \$637 per student)	0	1,912
	\$ 36,272	\$ 55,989

# HELPING YOUTH THROUGH EDUCATIONAL SCHOLARSHIPS

Notes to Financial Statements, page 4

For the year ended April 30, 2010, with comparatives for 2009

(Unaudited)

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## **5. Fundraising expenses:**

During the year HYTES paid \$nil (2009 - \$nil) as remuneration to employees whose duties involve fundraising.

## **6. Capital management:**

The objectives, policies and processes for managing capital include maximizing 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.