

Unaudited Financial Statements of

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

Year ended April 30, 2018

HELPING YOUTH THROUGH EDUCATIONAL SCHOLARSHIPS

Statement of Financial Position

April 30, 2018, with comparative information for 2017

(Unaudited)

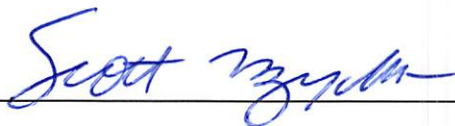
| | 2018 | 2017 |
|--|------------|-----------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 137,762 | \$ 89,639 |
| Accounts receivable | 26 | 9 |
| | <hr/> | <hr/> |
| | \$ 137,788 | \$ 89,648 |
| Liabilities and Net Assets | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 7,269 | \$ 14,862 |
| Net assets | 130,519 | 74,786 |
| | <hr/> | <hr/> |
| | \$ 137,788 | \$ 89,648 |

See accompanying notes to unaudited financial statements.

Approved:



President



Treasurer

HELPING YOUTH THROUGH EDUCATIONAL SCHOLARSHIPS

Statement of Operations and Net Assets
April 30, 2018, with comparative information for 2017
(Unaudited)

| | 2018 | 2017 |
|-----------------------------------|-------------------|------------------|
| Revenue: | | |
| Donations - regular | \$ 27,628 | \$ 6,070 |
| Donations - at fundraising events | 45,000 | 37,750 |
| Government assistance (note 3) | 25,000 | 25,000 |
| Interest | 157 | 161 |
| | <u>97,785</u> | <u>68,981</u> |
| Expenses: | | |
| Scholarships awarded (note 4) | 36,974 | 37,985 |
| Program costs | 3,788 | 4,590 |
| Fundraising costs (note 5) | 1,290 | 838 |
| General and administration | - | 100 |
| | <u>42,052</u> | <u>43,513</u> |
| Excess of revenues over expenses | 55,733 | 25,468 |
| Net assets, beginning of year | 74,786 | 49,318 |
| Net assets, end of year | <u>\$ 130,519</u> | <u>\$ 74,786</u> |

See accompanying notes to unaudited financial statements.

HELPING YOUTH THROUGH EDUCATIONAL SCHOLARSHIPS

Statement of Cash Flows

April 30, 2018, with comparative information for 2017

(Unaudited)

| | 2018 | 2017 |
|---|------------|-----------|
| Cash flows provided by (used in): | | |
| Operations: | | |
| Excess of revenues over expenses | \$ 55,733 | \$ 25,468 |
| Change in non-cash operating working capital: | | |
| Accounts receivable | (16) | (1) |
| Accounts payable and accrued liabilities | (7,593) | 3,589 |
| | 48,124 | 29,056 |
| Increase in cash and cash equivalents | 48,124 | 29,056 |
| Cash and cash equivalents, beginning of year | 89,638 | 60,582 |
| Cash and cash equivalents, end of year | \$ 137,762 | \$ 89,638 |

See accompanying notes to unaudited financial statements.

HELPING YOUTH THROUGH EDUCATIONAL SCHOLARSHIPS

Notes to Financial Statements

April 30, 2018, with comparative information for 2017

(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 accounting standards for not-for-profit organizations 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 the statement of operations.

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.

HELPING YOUTH THROUGH EDUCATIONAL SCHOLARSHIPS

Notes to Financial Statements, page 2
April 30, 2018, with comparative information for 2017
(Unaudited)

1. Significant accounting policies (continued):

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.

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. The Board of Directors controls liquidity risk through cash flow projections used to forecast funding requirements for its financial instruments.

HYTES' main source of revenue are donations and government grants and are dependant on the continued support of the donors and government agencies which are unknown until ultimate receipt. The Board of Directors ensure that the annual budget is consistent with the revenue generated to ensure a sustainable process for paying student scholarships. These conditions result in a material uncertainty which may cast significant doubt on HYTES' ability to continue as a going concern. Continued operations are dependant upon the support of HYTES' donors and government agencies. The financial statements have been prepared on the going concern assumption that HYTES will be able to realize its assets and discharge its liabilities in the normal course of business. These financial statements do not reflect adjustments in the carrying value and classification of assets and liabilities, and the reported expenses that would be necessary if the going concern assumption were not appropriate.

HELPING YOUTH THROUGH EDUCATIONAL SCHOLARSHIPS

Notes to Financial Statements, page 3
April 30, 2018, with comparative information for 2017
(Unaudited)

2. Financial instruments (continued):

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

(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 2018, HYTES received government assistance in the form of a grants in the amount of \$25,000 from CIP under the Alberta Government (2017 - \$25,000). The grant is unrestricted and had no terms of repayment.

4. Scholarships awarded:

| | 2018 | 2017 |
|---|------------------|------------------|
| Kenya - 37 - \$224 per student (2017 - 32 - \$325 per student) | \$ 8,306 | \$ 10,406 |
| Form 5 to 6 Tanzania - 3 - \$563 per student (2017 - 3- \$655 per student) | 1,689 | 1,965 |
| Form 1 to 4 Tanzania - 21 - \$665 per student (2017 - 21 - \$608 per student) | 13,959 | 12,760 |
| Zambia - 37 - \$190 per student (2017 - 36 - \$190 per student) | 7,020 | 6,854 |
| Guatemala - 15 - \$400 per student (2017 - 15 - \$400 per student) | 6,000 | 6,000 |
| | \$ 36,974 | \$ 37,985 |

5. Fundraising expenses:

During the year HYTES paid \$nil (2017 - \$nil) as remuneration to employees whose duties involve fundraising.