



**STUDENTS
OFFERING SUPPORT**

Raising Marks. Raising Money. Raising Roofs.



2012 ANNUAL REPORT



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ABOUT THE ORGANIZATION

Canada: Students Offering Support (or “SOS”) is a charitable social enterprise that works with post-secondary volunteers to help their local peers by raising money for sustainable development projects in rural Latin America.

SOS was founded by Greg Overholt while he was an undergraduate student at Wilfrid Laurier University in 2004. His goal was to leverage the power of business models to have a scalable positive impact. What started as a student club at Laurier has turned into student clubs operating at 21 universities in North America.

To date, 2,000 SOS volunteers have tutored more than 25,000 students and raised more than \$1,000,000 for various sustainable development projects. Since our first international project in 2007, SOS has invested these funds into 78 holistic educational development projects in 28 communities in countries such as Nicaragua, Belize, Guatemala, Honduras, Peru, Costa Rica, and El Salvador.



MISSION STATEMENT

Empowering students through social entrepreneurship to support education both locally and internationally fostering global leaders.

OUR STRATEGIC VISION

Led by volunteer student leaders, by 2017, SOS will provide the highest quality academic support to more than 50,000 students annually across the Americas, becoming an integral part of campus life. Through our uniquely collaborative approach, we will support creative solutions to educational development in rural Latin America.

Raising Marks
Raising Money
Raising Roofs

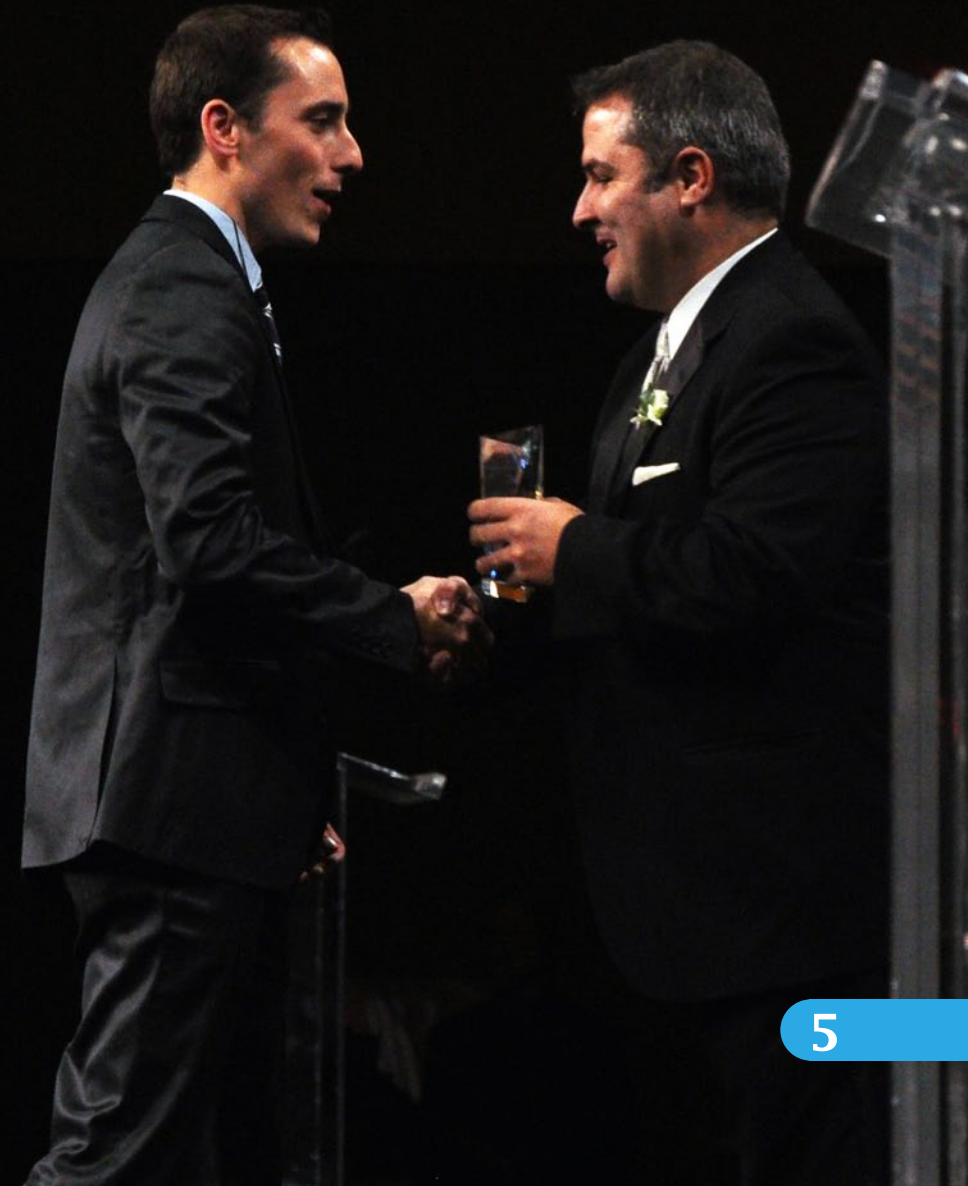




Ernst & Young Entrepreneur Of The Year[®]

Social Entrepreneurship Winner

On behalf of SOS, Greg Overholt was selected as the recipient of the 2011 Special Citation for Social Entrepreneurship in Ontario. This citation is a unique category among the awards and is given to one entrepreneur whose achievements have driven large scale social change and improved people's quality of life.





LETTER FROM THE EXECUTIVE DIRECTOR

At SOS, our job is to offer educational assistance to university students in North America and children in Latin America. But that work is only possible because people like you believe in the quality of our work, our volunteers, and our staff team at the National Head Office and have supported us along the way.

Fact: Education is important.

Statistics show that people who seek out and have access to education generally earn more over their lifetimes, achieve higher levels of employment, enjoy more satisfying careers and become more socially involved citizens.

As current or past students of the North American education system, reliable, quality education is something we already know. We know the value of education and we're lucky enough to be benefitting from it each and every day.

But this isn't the case for many children around the world. In many of the countries in which we work, an accessible education is simply something that is out of reach.

Whether it's because they cannot afford school fees, or because the school is not sufficiently equipped with supplies or isn't sanitary, or because the school is simply too far from the community, going to school on a regular basis simply isn't feasible.

But there's some good news. Because of you – your \$20 in exchange for a helping hand in a tough class; or the hours you spend preparing and teaching an exam-review session; or the effort you put into mixing cement and carrying

bricks in one of our partnering communities – you have made that education, and chance for a better life, a more real possibility for thousands of children.

SOS has helped more than five thousand children and raised more than \$1 million since our inception.

Our 2012 Annual Report is our opportunity to thank you for investing your funds and/or your time and demonstrate what we have been able to accomplish with your support.

I hope you enjoy exploring the results of your dedication to Students Offering Support.

Together, we can do amazing things.

Greg Overholt
Founder & Executive Director
Canada SOS: Students Offering Support

LETTER FROM THE CHAIR OF THE BOARD



The hard work and passion of our volunteers and employees have been the driving force behind SOS's sustained growth. This past year was no exception, with a record \$247K raised and invested into 53 development projects across Latin America. SOS also reached another remarkable milestone, surpassing \$1,000,000 raised through Exam-AID sessions since the organization's inception. This is a clear demonstration that SOS's unique operating model is effectively empowering socially-minded student leaders to make a difference in the world.

In only eight years, SOS has made an impressive transition from a single student club into one of the largest student organizations in Canada. The organization is now being recognized amongst some of the most promising organizations in Canada. For example, Greg Overholt and SOS were selected for the Special Citation in Social Entrepreneurship in Ernst & Young's "Entrepreneur of the Year" awards. I strongly believe SOS has only just begun to tap into its potential to harness the passion and energies of Canada's youth to enrich the lives of their fellow Canadian students and make meaningful contributions in communities across Latin America.

SOS is more focused than ever on finding ways to support the growth of its chapters. We developed a number of tools and resources during the year to help our chapters implement best practices, standardize processes, improve efficiency, and facilitate inter-chapter collaboration. These have all been integrated into an online portal which has become the backbone supporting all chapter operations. I believe this will provide a strong infrastructure for our chapters in the future, creating a base of institutional

knowledge and a platform through which student leaders can leverage each other's experiences to enhance the capabilities of their respective chapters.

We also completed a comprehensive review of our development operations (which is detailed in our "Strategic Operations Report" on the outreach section of the website). As a result of this review, we redesigned our process of identifying, selecting and collaborating with NGO partners. This has increased our access to a broader range of development expertise across a wider footprint. It has also given us the capacity to invest in more projects and make a bigger difference in the communities we support.

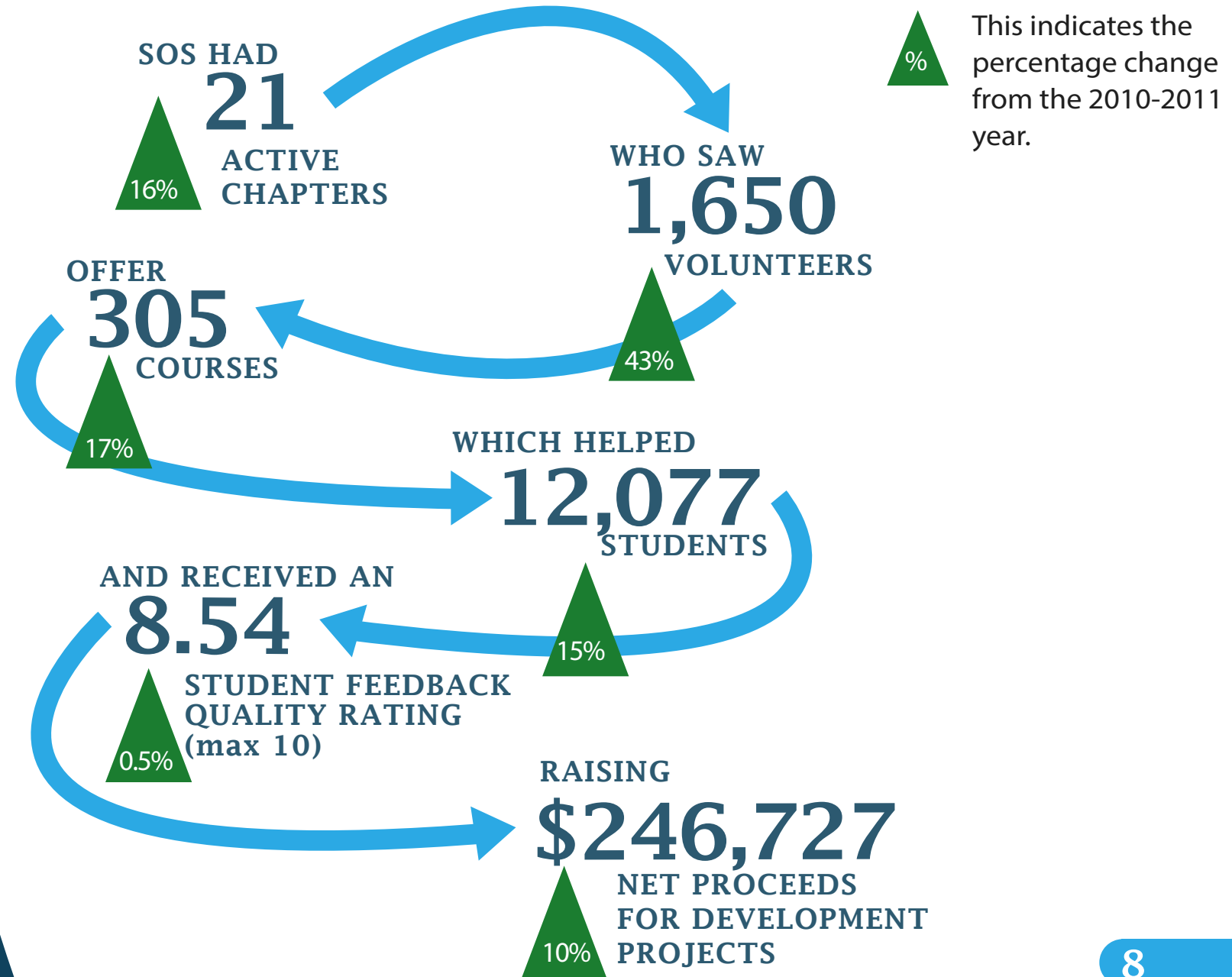
On behalf of the Board of Directors, I want to thank all of our volunteers, employees, and corporate sponsors for making this past year a special success for Students Offering Support.

A handwritten signature in black ink, appearing to read "Robert Shih".

Robert Shih, CA
Chair of the Board



RAISING MARKS: OVERVIEW



Picture: Guatemalan Bottle School (featured on pg 15)



FEATURE: TUTOR OF THE YEAR

Of our 1650 volunteers, more than 250 were tutors on campuses across North America! Every year, it is an incredibly difficult process to select one to be crowned SOS Tutor of the Year. Yet, with the astounding results of Fisnik (Fiz) Lokku of Wilfrid Laurier University, he was a worthy winner of such a competitive honour. He tutored first year Economics, and over the course of the year, he taught more than 1150 students and had an average quality rating of 9.69 out of 10. That's both the highest quality rating and most number of students taught of all the tutors this year.

Congrats, Fiz!

RAISING MARKS: RESULT BREAKDOWN

RESULTS BY CHAPTER

Wilfrid Laurier University:	\$99,419
University of Waterloo:	\$52,500
Queen's University:	\$38,395
York University:	\$18,026
University of British Columbia:	\$17,290
University of Windsor:	\$16,590
University of Toronto:	\$8,950
University of Calgary:	\$8,893
Dalhousie University:	\$7,722
University of Victoria:	\$7,710
University of Western Ontario:	\$5,635
Vancouver Island University:	\$5,440
Others:	\$13,849*

* (McGill, McMaster, Guelph, Ottawa,
Concordia, Brock, Ryerson, FIU, IUB)

TOTAL REVENUE: \$300,422

STUDENT FEEDBACK:

"Jesse was very careful with how he explained the harder concepts. Really enthusiastic and put a lot of effort into ensuring we all understood a topic before moving on. Made the theory easier to understand. Fantastic tutor."

Quote about Jesse Basnak (Tutor)
University of Calgary

"The session was extremely helpful. Dan even stayed after the session to answer any questions we had. He went above and beyond, sending me an email with answers to the questions I had."

Quote about Dan Simard (Tutor)
University of Windsor

"Enthusiastic! Matthew asked us a lot of questions as we were going through the material. He made it feel as though he was working through the problem with you, as opposed to for you."

Quote about Matthew Ho (Tutor)
University of British Colombia

ROOKIE CHAPTER SUCCESS STORY



The University of Calgary's chapter was named the 2012 Rookie Chapter of the Year. Under the leadership of Corinna Liu, the chapter assembled a wonderful team of more than 30 volunteers who tutored 400+ first year students to raise a total of \$8,893. They were also able to complete the largest outreach trip, comprised of 18 volunteers who spent two weeks in the community of Tres de Mayo, Honduras, building two classrooms, as well as two latrines (washrooms) for its high school.



RAISING MARKS: NEW BEGINNINGS



Picture:
Ryan Heron
President of UVIC SOS

NEW CHAPTERS:
UNIVERSITY OF CALGARY
UNIVERSITY OF VICTORIA
VANCOUVER ISLAND
UNIVERSITY
CONCORDIA UNIVERSITY
BROCK UNIVERSITY

As we launch and grow new chapters , we provide more students with opportunities to get involved with SOS at their local school. In 2012, we launched chapters at five new schools across Canada.

MEET THREE OF OUR NEW CHAPTER PRESIDENTS:

"I started the Brock chapter because I have a PASSION FOR EDUCATION and I believe it is a fundamental part of every person's life. I wanted to help people exceed here at Brock, but also give students in Latin America access to the same educational opportunities that we have in Canada."

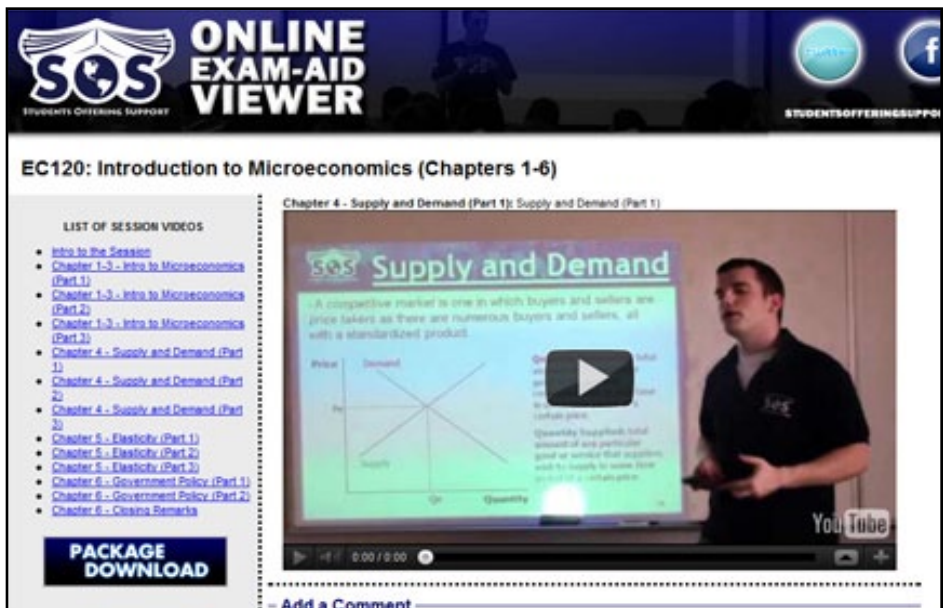
Allison Bell | Chapter President at Brock University

"It's inspirational to see students from different backgrounds and programs come together through passion and leadership and MAKE LASTING IMPACTS on campus and in Latin America."

Corinna Liu | Chapter President at the University of Calgary

"The knowledge that, through SOS, I am PART OF SOMETHING GREATER THAN MYSELF is inspirational. People keep coming back to Exam-AID sessions! It's great to know that SOS will continue at VIU long after we're gone and that the rookie volunteers of this semester will be the seasoned executives of the next."

Nathan Stefani | Chapter President at Vancouver Island University



RAISING MARKS: DIGITAL EXAM-AIDS

Digital Exam-AIDs were piloted at five SOS chapters in 2012. We filmed volunteers teaching Exam-AID sessions to make videos available for students who could not attend sessions or preferred to have control of when and how quickly they go through the material. This small pilot reached 450 students and raised \$5,338 suggesting potential for greater impact in the future.

Going forward, we are looking to expand the Digital Exam-AID platform to provide an even larger number of students with access to quality and accessible education, both locally and globally.

"I much preferred being able to watch the videos at my leisure, with the opportunity to rewind and revisit parts I didn't fully understand. I would definitely choose a digital Exam-AID again."

Student from
Concordia University

"Everything was great and I really appreciate this service. The videos are probably a better selling factor because students want to be able to pause and even rewind back for reference."

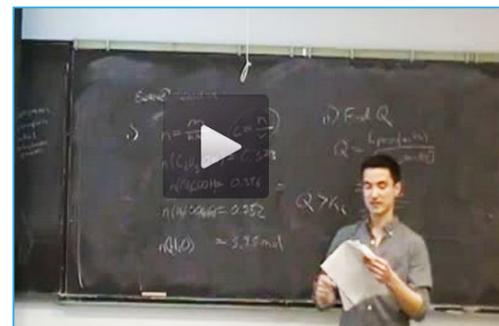
Student from from
Queen's University

"I love the Digital Exam-AID because I can replay and go back to parts that I might not have understood in a live session."

Student from
Queen's University

"This is such a good idea, I was working for both the SOS sessions so this online aid helped me so much. I would do this for ANY class at Laurier. BEST idea by far. Keep up the amazing work."

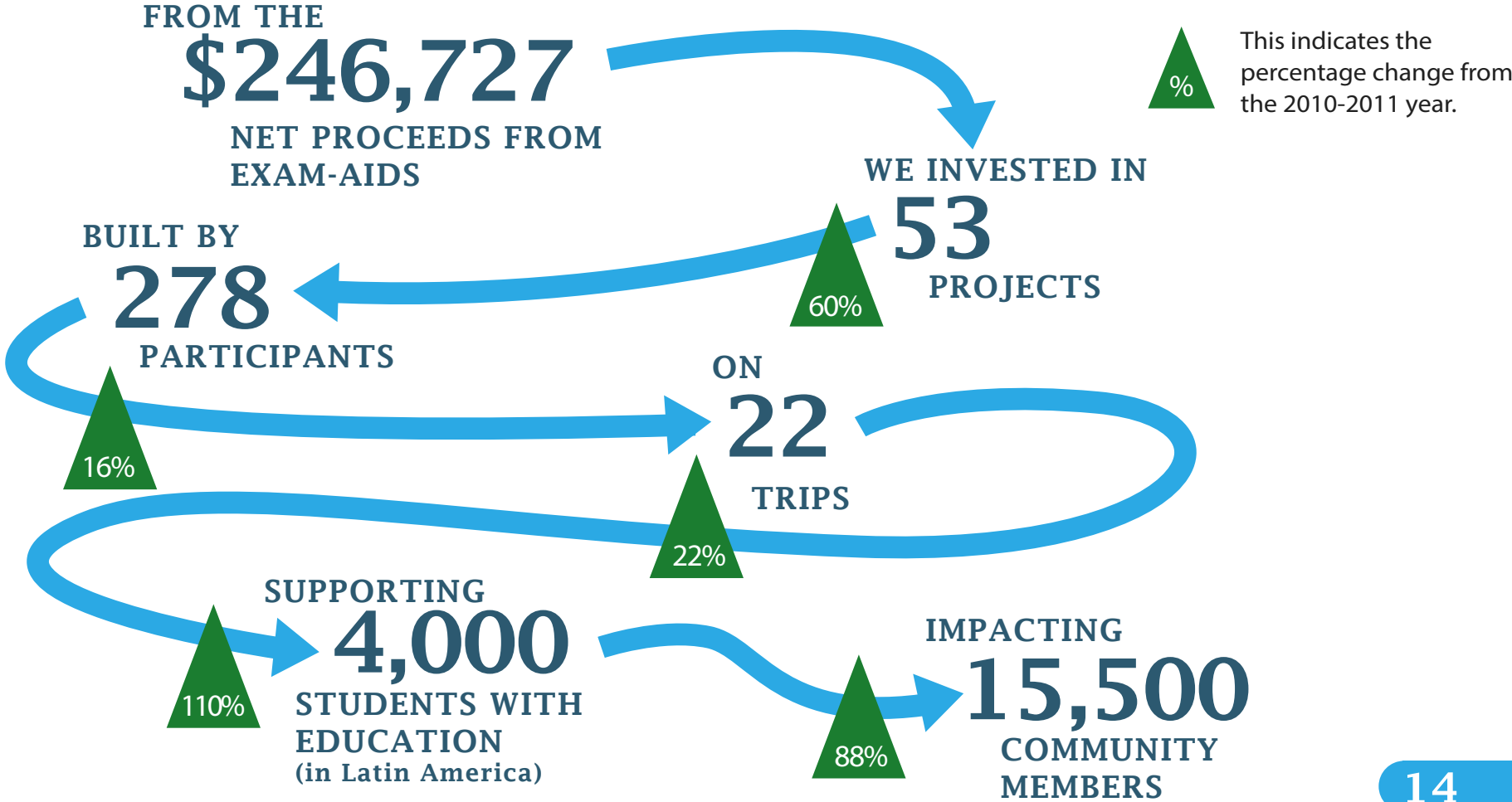
Student from
Wilfrid Laurier University





RAISING ROOFS: OVERVIEW

In 2012, SOS's outreach division focused on the creation of strong volunteer trips that supported holistic and sustainable development projects in Central and South America. All projects were made possible through strong collaborations with partnering organizations. These partners are critical in the development of projects that address three key areas of educational development: accessibility, quality, and relevancy.



Picture: UVIC SOS in Guatemala

DEVELOPMENT PROJECT FEATURE: ECO-CLASSROOM IN GUATEMALA

In 2012, SOS supported our first eco-classroom in Los Naranjales, Guatemala with Dalhousie and UVIC SOS. This project was built using eco-bricks (pop bottles stuffed with inorganic material), which not only increased the accessibility and quality of education, but also made an impact on environmental conservation and student nutrition.

In the months following the August 2012 inauguration of the new school, we have kept up with the community and our partners to learn about what this new school has meant to them. Primary school classes have been held daily in one classroom, and a second government teacher arrived in February 2013 to increase the school's capabilities. The second classroom is used for high school classes and adult literacy, with 35 teenagers and adults attending daily.

HERE'S WHAT PEOPLE IN THE COMMUNITY ARE SAYING:

"We learned that buying things made of inorganic material is not good for our environment, so we are working hard to tell our kids that they should not buy these products because they are not good for their health and for our community. So in order to help Hacienda II (neighbouring community to receive a bottle school in 2013), every Tuesday, when we come down to the town, we take up all the plastic bottles that people leave in the streets."

Maria Alvarado Montecinos

"Now I am not afraid of sending my kids to attend school. Last year, I did not want to send them, because I thought that the school could come down anytime, now I know this is a safe place for my kids."

Romelia Lux Us | President of the
Women's Organization

RAISING ROOFS: OUTREACH TRIPS



SOS raises roofs by supporting the creation of holistic education systems across Central and South America. These systems provide rural youth with access to relevant, safe, and lasting learning environments. These environments empower students to become engaged citizens that pursue positive change in their communities, their countries and around the world.

Our student volunteers build these projects with their own hands on 1–2 week outreach trips. As they make a personal connection in the communities they choose to support, student leaders develop grounded global perspectives and enhance their capabilities to inspire social change.

"It's always said that when you do a trip like this you help the families of the communities so much, but what they never say is how much those families come to mean to you. My family is no longer constrained to those I know by blood or proximity or even language. I now have two very large families in Panama and Nicaragua, each of which I would go to the end of the world and back to help if I could."

Chelsea Stuart-Duval
Nicaragua (2012) & Panama (2010)
(pictured above in Panama)



RAISING MARKS: COMMUNITIES

Below is a list of all the communities we worked with in fiscal 2012. For more information about these communities and the 53 projects funded within them, please visit: www.studentofferingsupport.ca.

Community Name, Country	Projects	SOS chapter
San Pedro Colombia, Belize	Alternative High School	Corporate Trip
Aldea el Novillero, Guatemala	Sports Court	Carleton Alternative Reading Week
Coronado, Costa Rica	Primary School repairs	Carleton Alternative Reading Week
Los Jazmines, Costa Rica	Kindergarten Classroom	Laurier Alternative Reading Week
Umasbamba, Peru	Kindergarten classroom	Waterloo SOS
Camacho Rancho, Bolivia	8 Primary School classrooms	Queens SOS
Las Vegas, Costa Rica	Community Centre	Vancouver Island SOS
Cerro del Padre 1, Nicaragua	Dining Centre and Household Agricultural Project	Laurier SOS
Cedros Abajo, Honduras	Water Project and household latrines	Windsor SOS
Pampa Michi, Peru	Computer Lab	Western SOS
Los Naranjales, Guatemala	2 Eco-Classrooms	Dalhousie and Victoria SOS
Salinas de Nahualpa, Nicaragua	Sports Court	Concordia and UBC SOS
Asiento Viejo, Nicaragua	Learning Resource Centre	York, Laurier, and Windsor SOS
Cerro del Padre 2, Nicaragua	Kindergarten Classroom	Ottawa SOS
Colomba la Florida, Guatemala	Community Centre and Office	Laurier SOS
Las Casurinas, Peru	Community Centre	Laurier SOS
Tres de Mayo, Honduras	2 Classrooms, Dining Center, Latrines	Calgary SOS
Santa Rosa, Costa Rica	Community Centre	Waterloo SOS
San Jeronimo, Nicaragua	High School	Windsor SOS
Coronado, Costa Rica	Roof repairs to classrooms	Head Office

RAISING ROOFS: NGO PARTNERS

In order to ensure our projects are holistically valuable and sustainable in the long-term, Students Offering Support partners with Non-Governmental Organizations. Located in the countries SOS supports, listed here are new partners for 2012, who facilitate the construction of our development projects and volunteer outreach trips.



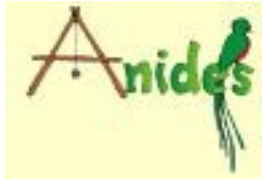
Mano a Mano is a Bolivian organization managed by Bolivian professionals and volunteers who work to promote health, education, and social development. They promote the development of local Bolivian communities with limited resources through integrated infrastructure projects in health, education, roads, and more with the active participation of the beneficiaries, municipalities, and the Bolivian government achieving sustainability for all of their work.

The Fundacion Aprender (Learning Foundation), founded in 2004, is a non-profit organization committed to providing educational opportunities for the youth of Las Salinas de Nahualapa, in rural Nicaragua. Their approach is twofold: helping kids attend school and providing educational opportunities outside of school. Fundacion Aprender offers tutoring programs and various educational and art workshops that range from basic literacy and math to theater, from painting to Tae Kwon Do, from film projects to recycling paper, and a choice of many other workshops.

...continued

Photo: Latrines and Water filtration system. Honduras.

RAISING ROOFS: NGO PARTNERS (continued)



ANIDES is a non-profit organization with extensive experience in community development. Its purpose is to contribute to the well-being of families, in particular the wellbeing of women, through the design, management, and implementation of sustainable socio-economic communities. They focus on environmental conservation and the promotion and defence of the rights of women and youth.



Seeds of Learning is a non-profit organization dedicated to improving educational opportunities in rural Nicaragua and El Salvador. Through North-South collaboration, they work to establish high quality and engaging schools in rural communities. From its early beginnings as an informal library for students in Ciudad Dario, Nicaragua, this organization has grown to develop a model of education that encourages students to engage and invest in their own education.



Pura Vida started as a pilot project in January 2005 in the village of San Marcos la Laguna in order to solve the community's trash problem. After two years of experience, the Pura Vida pilot project is emerging as an ecological movement around Lake Atitlan. Pura Vida's mission is to promote environmental consciousness among the indigenous villages of Guatemala, in order to curb the contamination of air, soil and water, promote healthier living conditions, and preserve the beauty of the land.



Picture: School built with the Columbia River Cooperative, Belize.

CORPORATE PARTNERS

SOS is fortunate to partner with some of Canada's leading enterprises. we would like to recognize the important contributions and generosity of our National Sponsors for the 2011-2012 year: Ernst & Young and HSBC. With their support, we have been able to substantially enhance the level of quality, reach, and impact of our organization. Without them, we would not be where we are today. Here are a few words from our sponsors:



At Ernst & Young, corporate responsibility is integral to how we understand our impact on the world around us. Corporate responsibility is the sum total of our actions.

It's our role in creating a sustainable context—in other words, a thriving community able to protect its environment, educate its children, and become prosperous by fostering innovation and generating new businesses.

That's why our partnership with Students Offering Support is so important to us. Congratulations to the volunteers of SOS on the success that they have achieved throughout the 2011/2012 season.



At HSBC, we believe in investing in the long-term prosperity of the communities we serve. That is why we contribute the majority of our charitable giving to educational and environmental organizations. We believe that education provides life-changing opportunities for young people and is a fundamental building block for economic development. HSBC Bank Canada is proud to support the great work being done through Students Offering Support.

FINANCIAL OVERVIEW

SOS's organizational design is comprised of two different aspects: the SOS chapters and the head office.

SOS chapters are, by their design, created to be self-sustaining social ventures giving SOS student volunteers the experience of managing a social venture. Each chapter manages its own revenues, the expenses incurred to generate these funds, and its bottom-line, which funds its year-end development project.

In order to ensure the organization as a whole continues to operate and grow, 10% of Exam-AID revenue generated by an SOS chapter contributes to SOS' administrative expenses. The remainder (net of additional revenues less operational expenses) is used to fund the capital costs of the SOS chapter's development projects.

The head office is the coordinating and administrative entity that supports our chapters, expands to new schools, and develops relationships with our Latin America NGO's and the communities we work with, ensuring the projects are sustainable and supported for the long-term. The head office's primary sources of funding are:

- a) Contribution fee from Exam-AID revenue;
- b) Participant fees from outreach trips; and
- c) Corporate sponsors and donors.

CHAPTER OVERVIEW OF EARNINGS *(unaudited)*

REVENUES	
Gross Exam-AID Revenue	\$300,422
Net of Fundraising less Expenses	(\$23,653)
<hr/>	
Net Exam-AID Revenues	\$276,769
EXPENSES	
10% Head Office Contribution Fee	\$30,042
(from Gross Exam-AID Revenue of \$300,422)	
<hr/>	
Net Proceeds for Development Projects	\$246,727
Percentage of Net Exam-AID Revenue	89.1%

REVIEW ENGAGEMENT REPORT



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Canada

To the Board of Directors and Stakeholders of Canada SOS: Students Offering Support (o/a Students Offering Support)

We have reviewed the balance sheet of Canada SOS: Students Offering Support (o/a Students Offering Support) as at August 31, 2012 and the statements of operations, changes in net assets, and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements, and accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the organization.

A review does not constitute an audit, and consequently, we do not express an audit opinion on these financial statements.

In common with many non-profit organizations, the organization derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory review procedures. Accordingly, our review of these revenues was limited to the amounts recorded in the records of the organization. We were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expenses, or net assets.

Except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to complete our review of the donations and fundraising revenue, as described in the preceding paragraph, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants
Waterloo, Ontario
March 20, 2013

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Canada SOS: Students Offering Support

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (unaudited)

For the year ended August 31st, 2012

	REVENUES	2012	2011 (restated)
Exam-AID Fundraising		\$300,422	\$277,968
Sponsorship		\$60,297	\$52,369
Donations		\$8,101	\$9,976
Outreach Trip Participant Fees		\$474,663	\$346,210
Other (Chapters + National)		\$31,361	\$25,605
		<u>\$874,844</u>	<u>\$712,128</u>
	EXPENSES		
Head Office (Schedule)		\$574,926	\$433,591
Chapters (Schedule)		\$29,363	\$23,854
Merchandise		\$12,403	\$13,802
Outreach: Project Construction Costs		\$276,562	\$241,324
(Note 7) Foreign Exchange Loss (gain)		\$10,211	\$(9,438)
Bad Debts		\$940	
		<u>\$904,405</u>	<u>\$703,133</u>
Net assets, beginning of the year as previously stated		\$81,405	\$81,848
Prior period correction of an error (Note 7)		\$9,438	-
Net Assets, beginning of year as restated		\$90,843	\$81,848
Excess (deficiency) of revenue over expenses for the year		\$(29,561)	\$8,995
Net assets, end of year		<u>\$61,282</u>	<u>\$90,843</u>

The accompanying notes are an integral part of these financial statements

Canada SOS: Students Offering Support

STATEMENT OF FINANCIAL POSITION (unaudited)

As of August 31st, 2012

ASSETS	2012	2011 (restated)
CURRENT		
Cash (Note 2)	65,999	95,822
Accounts receivable (Note 3)	35,272	26,369
Inventory	13,189	8,477
Prepaid expenses	6,059	4,150
	<hr/>	
	\$120,519	\$134,818
LIABILITIES & NET ASSETS		
CURRENT		
Accounts payable & accrued liabilities (Note 4)	29,770	17,308
Deferred contributions, Operating (Note 5)	29,467	26,667
	<hr/>	
	59,237	43,975
NET ASSETS		
Internally restricted (Note 6)	(12,491)	19,097
Unrestricted	73,773	71,746
	<hr/>	
	61,282	90,843
	<hr/>	
	\$120,519	\$134,818

Approval on Behalf of the Board

Robert Shih, CA
Director

Greg Overholt,
Executive Director

The accompanying notes are an integral part of these financial statements

Canada SOS: Students Offering Support

STATEMENT OF CASH FLOWS (unaudited)

Year Ended August 31st	2012	2011 (restated)
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses for the year	\$(29,561)	\$8,995
Items not involving cash		
Amortization of deferred contributions, operating	(47,500)	(26,667)
	<u>(77,061)</u>	<u>(17,672)</u>
Change in non-cash working capital balances		
Accounts receivable	(8,903)	16,823
Inventory	(4,712)	(1,111)
Prepaid expenses	(1,909)	(3,835)
Accounts payable and accrued liabilities	12,462	(20,772)
	<u>(80,123)</u>	<u>(26,567)</u>
Cash flows from financing activities		
Deferred contributions, operating	50,300	26,667
	<u>50,300</u>	<u>26,667</u>
Decrease in cash during the year	(29,823)	100
Cash, beginning of year	95,822	95,722
	<u>95,822</u>	<u>95,722</u>
Cash, end of year	\$65,999	\$95,822

SCHEDULE OF EXPENSES (unaudited)

Year Ended August 31st	2012	2011 (restated)
HEAD OFFICE		
Conference	\$7,396	\$4,803
Insurance	1,153	1,135
IT development	1,754	993
Marketing & Business Development	3,315	2,686
Office	23,027	8,998
Outreach trip costs (flights, room & board)	402,504	303,723
Professional fees	4,520	3,660
Salaries and wages	131,257	105,302
SOS initiatives		1,788
Training		503
	<u>\$574,926</u>	<u>\$433,591</u>
CHAPTERS		
Administrative	\$8,863	\$2,726
Business Development	404	160
Human resources	5,881	8057
Logistics	5,529	2,243
Marketing	7,683	5,023
Outreach	1,003	5,645
	<u>\$29,363</u>	<u>\$23,854</u>

Canada SOS: Students Offering Support

NOTES TO FINANCIAL STATEMENTS AUGUST 31st, 2012 (unaudited)

1. SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Canada SOS: Students Offering Support (a/o Students Offering Support) (the "organization") is incorporated without share capital under the Ontario Business Corporations Act. The organization is a Canadian registered charity that develops and supports SOS chapters residing within post-secondary schools across North America. Each University SOS chapter raises money through holding "Exam-AID" group review sessions for university and college students. Each year, 90% of the revenue generated from these sessions is used entirely to create community development projects in rural Latin America, built by volunteers on 2-week outreach trips.

Basis of Accounting: These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The following policies have been adopted by the organization where alternatives are available under GAAP.

Revenue Recognition: The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed Services: Volunteers contribute a significant amount of time to the organization's program and supporting services. Due to the difficulty of determining the fair value, contributed time is not recognized in the financial statements.

Inventory: Inventory is recorded at the lower of cost and net realizable value. Cost is determined on a weighted average basis.

Income Taxes: The organization is a registered charity, and as such, is not subject to income taxes.

Harmonized Sales Tax: The organization claims a 50% rebate for the Federal portion of the HST and 82% for the Provincial portion of the HST paid on all qualified expenditures.

Use of Estimates:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial Instruments:

The organization utilizes various financial instruments. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from its financial instruments. The fair values of its financial instruments approximate their carrying values unless otherwise noted.

All transactions related to financial instruments are recorded on a settlement date basis. Transaction costs are expensed as incurred. The fair values of financial instruments are determined using published price quotations, where applicable.

The organization classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The organization's accounting policy for each category is as follows:

Held-for-trading: This category is comprised of cash. It is carried on the balance sheet at fair value with changes in fair value recognized in the statement of operations.

Loans and receivables: These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for the promise to repay on a specified date or dates, or on demand. They arise principally through normal operations (accounts receivable), but also include other types of contractual monetary assets. They are initially recognized at fair value and subsequently carried at amortized cost, using the effective interest rate method, less any provision for impairment.

Other financial liabilities: Other financial liabilities include all financial liabilities and are comprised of accounts payable and accrued liabilities. These liabilities are initially recognized at fair value and subsequently carried at amortized cost using the effective interest rate method.

Canada SOS: Students Offering Support

NOTES TO FINANCIAL STATEMENTS AUGUST 31st, 2012 CONTINUED

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Framework:

For the year ends beginning on or after January 1, 2012, Not-for-Profit Organizations will have the option of adopting either International Financial Reporting Standards (IFRS) or GAAP for Not-for-Profit Organizations. The existing standards in the CICA Handbook- Accounting will continue to be available until 2012, at which time they will cease to be authoritative source of Canadian GAAP for Not-for-Profit Organizations. Accordingly, an organization that wishes to adopt GAAP for Not-for-Profit Organizations will be able to adopt the standards early. The organization is currently monitoring changes to the standards to determine the potential impact on its financial statements.

2. Cash

The organization's bank accounts are held at various chartered banks and earn interest at nominal interest rates. The chapter bank accounts are managed by the individual chapters and the head office bank account is managed by the head office. As at August 31, 2012, the cash balance includes \$48,879 (2011 - \$69,174) held in the head office bank account, and \$nil (2011 - \$9,646) denominated in US dollars converted to \$nil (2011 - \$9,438) Canadian.

3. Accounts Receivable

	2012	2011
HST	\$9,445	\$4,292
OTHER	\$25,817	\$22,077
	<u>\$35,272</u>	<u>\$26,369</u>

4. Accounts Payable and Accrued Liabilities

	2012	2011
Trade accounts payable and accruals	\$18,776	\$14,751
Wages payable	\$10,994	\$2,557
	<u>\$29,770</u>	<u>\$17,308</u>

5. Deferred Contributions, Operating

	2012	2011
Balance, beginning of year	\$26,667	\$26,667
Less amount recognized as revenue in the year	\$(47,500)	\$(26,667)
Add amount received during the year	\$50,300	\$26,667
Balance, end of year	<u>\$29,467</u>	<u>\$26,667</u>

6. Internally Restricted Net Assets

The internally restricted net assets balance is comprised of funds transferred from SOS chapters to a Charity Development Fund maintained by head office. This fund is internally designated for the purpose of contributing to capital projects with the organization's NGO partners.

7. Prior Period Correction of Error:

During the year, it was determined that the organization's US dollar bank account was omitted from the August 31, 2011 balance sheet. The financial statements for the year ended August 31, 2011 have been restated to correct this error. The effect of the restatement on the 2011 financial statements is summarized below:

Statement of Operations and Changes in Net Assets	As previous reported	Adjustment	As restated
Expenses			
Foreign Exchange Gain (loss)	0	(9,438)	(9,438)
Excess (deficiency) of revenue over expenses	(443)	9,438	8,995
Net Assets, end of year	81,405	9,438	90,843
Balance Sheet			
Net Assets, unrestricted	62,308	9,438	71,746

8. Capital Requirements

The organization's objectives when managing its capital are to safeguard the organization's ability to continue as a going concern. Capital is defined by the organization as all unrestricted and internally restricted net assets. The organization has no externally imposed capital requirements. The organization's overall strategy with respect to capital risk management remains unchanged from the year ended August 31, 2011.

9. Comparative Amounts

The comparative amounts presented in the financial statements have been restated to conform to the presentation adopted for the current year.

BOARD OF DIRECTORS

Greg Overholt

Laura Allan

Andre Boysen

Paul Vice

Robert Shih, CA

Lee Poteck

Kevin McKague

ADVISORS

Naseem Saloojee

Jennifer Lovrics, CA

Michael Snyders



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