

# 2013 ANNUAL REPORT



**STUDENTS**  
OFFERING SUPPORT

Raising Marks. Raising Money. Raising Roofs.







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# LETTER FROM THE EXECUTIVE DIRECTOR



Since its inception, Students Offering Support has been a nimble, quick-moving organization which thrives on the keen exploration of new ideas and new ventures.

At the outset, SOS was just a one-person endeavour, operating solely out of my shared basement apartment in Waterloo, Ontario. In those days, every step of the way was a new (and scary) adventure. This year, with the pilot of our new Digital Exam-AIDs, a brand-new presence on Latin American campuses with the Columbia SOS Andes chapter and a new website network for our local chapters, we're in the business of exploration and change all over again – and I couldn't be more excited.

Thanks to you – students, tutors, chapter presidents, board members, NGO partners and other supporters, SOS has grown to be so much more than I ever could have imagined during those days in that basement apartment.

Today, SOS has become a grassroots movement on almost every major campus in Canada. At each SOS campus, volunteers raise money through raising marks during our 'Exam-AID' group review sessions, taught and coordinated by exceptionally engaged student volunteers. The money raised from the sessions is spent raising roofs, creating sustainable education projects in developing nations on annual outreach trips.

Our 2013 Annual Report is our opportunity to take you on the exciting ride with us and demonstrate what we have been able to accomplish. Almost 10 years have past since those early days and I am continually inspired by our volunteers and their impact, pushing me to keep working hard to help shape the future of what this organization can become.

**Best Regards,**

**Greg Overholt**

Founder & Executive Director  
Canada SOS: Students Offering Support





**OUR MISSION:**  
*“Empowering students through social entrepreneurship to support education both locally and internationally by fostering global leaders”*

**As a nationally registered charity, we work to help the best student leaders across Canada become budding social entrepreneurs, paying it forward to help their peers across the country and children across Latin America.**

## Raising MARKS



Volunteers manage SOS campus chapters as social enterprises, planning and running “Exam-AID” group review sessions. During our 3-4 hour Exam-AID sessions, volunteer leaders take their peers over all the material covered on an upcoming exam.

## Raising MONEY



SOS asks for a \$20 donation for access to an array of academic support initiatives our volunteers can provide.

- In-person Exam-AID session
- Digital Exam-AID (videos)
- Study guides / practice exams

The money generated from these sessions is used to fund education development projects in rural Latin America.

## Raising ROOFS

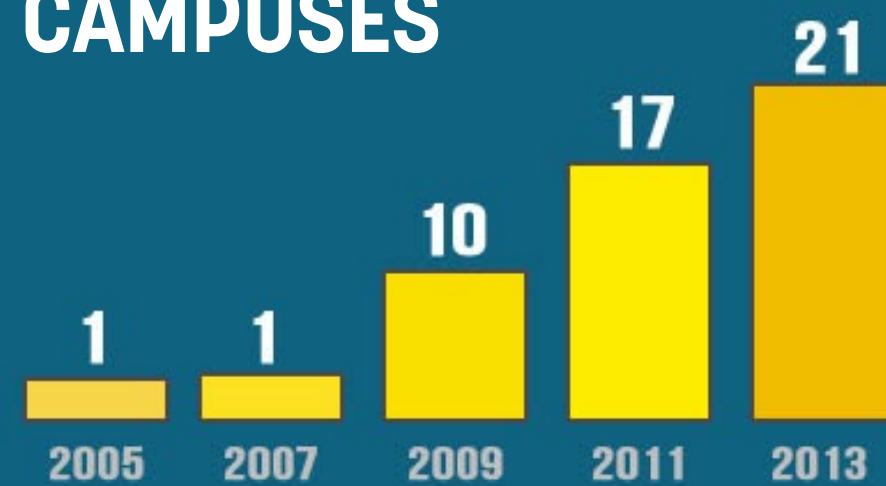


These projects are not just funded by, but also built by volunteers on outreach trips. Each year, volunteers spend two weeks building the project their SOS chapter funded over the year. Projects funded and designed to improve the quality, relevancy, and accessibility of education in our partnering communities.



## 9 YEARS OF SOS (2004-2013)

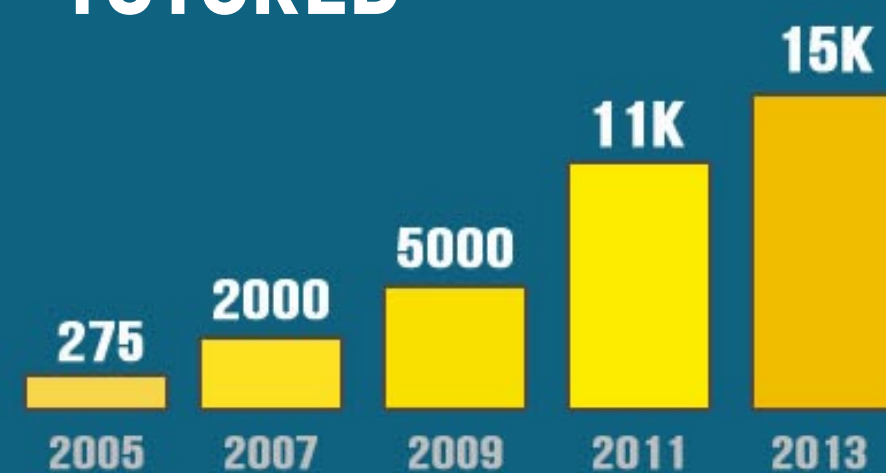
### SOS CAMPUSES



### VOLUNTEER LEADERS



### STUDENTS TUTORED



What started as a student club at Wilfrid Laurier University in 2004 has grown to become one of the largest student organizations in Canada, empowering more than 3,500 student leaders to help more than 33,000 of their peers succeed academically, raising \$1,400,000 for education development projects.

With the addition of more campuses, new initiatives and an added level of support for the upcoming school year, we are on track to be a critical piece in the student success infrastructure on all major campuses in Canada!







# FEATURE: CHAPTER OF THE YEAR WESTERN UNIVERSITY

Western SOS has been a chapter that has faced much resistance from administration, yet had an incredible year, persevering through various ceilings and barriers. Through creative marketing tactics and an inspiring team of superstar leaders, the chapter was able to help more than 700 students and raise \$14,620 (up from \$4000 the previous year!). The money was used to build an early childhood centre in Juscampapa, Peru in August with 15 Western students.





# RAISING MARKS: HELPING STUDENTS ACROSS THE AMERICAS

Our student volunteers are high-capacity, globally-minded individuals who are driven to help others and develop their leadership & management skills. Over the course of the year, SOS volunteers across the Americas were able to help more than 14,500 students prepare for some of the hardest University courses that exist!

“ He is very clear and simplifies things in a direct manner. The upcoming exam seems a LOT less daunting (especially helpful when I may otherwise be merely searching aimlessly in textbook) ”

**Tutor: Mario Salvador (Physics, Windsor SOS)**

“ She was very knowledgeable on the content and could explain it very clearly - Thanks to you & all the SOS volunteers! ”

**Tutor: Kaylee Clark (Chemistry, Queens SOS)**

**14,500**  
**STUDENTS HELPED**

**663**  
**EXAMS SUPPORTED**

**8.72**  
**AVERAGE QUALITY**  
*(10 max)*





## CHAPTER FUNDRAISING RESULTS: *EDUCATE LOCALLY TO EDUCATE GLOBALLY.*

Through our Exam-AID sessions, we ask students for a \$20 donation. These funds are used for education based development projects which are built by SOS volunteers on year-end Outreach Trips across Latin America.

<b>EXAM-AID TOTAL REVENUE:</b>	<b>\$391,285</b>
Wilfrid Laurier University:	\$99,100
University of Waterloo:	\$52,500
Queen's University:	\$43,900
University of British Columbia:	\$22,400
York University:	\$21,900
University of Windsor:	\$21,650
University of Calgary:	\$16,000
Western University:	\$14,600
Dalhousie University:	\$12,850
University of Toronto:	\$12,500
16 Others:	\$73,885*

\* (Universidad de Los Andes, VIU, Ottawa, Victoria, Concordia, Guelph, FIU, Brock, McMaster, Manitoba, Ryerson, McGill, Alberta, IUB, SFU, UTSC)





## ROOKIE CHAPTER OF THE YEAR: UNIVERSIDAD DE LOS ANDES

This year, we piloted the first ever SOS campus chapter outside of North America, at the Universidad de los Andes (Colombia) under the leadership of Diana Garcia.


With a great team of student leaders they helped more than 400 students (*picture above*). They raised \$9,294 for a community centre in Colombia, built during their first Outreach Trip in May 2013 (*pictured right*).






## 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 who pursue positive change in their communities, their countries and around the world.



*"I believe the most eye-opening aspect of my outreach trip was that although everyone tends to go with the mindset that we will be helping people by improving their lives, we all leave with the realization that the inspiring people we meet every day in these communities actually help us to improve our lives and we return home with a new understanding and appreciation for life."*

*Trudy, Windsor  
Nicaragua, 2013*



*"The trip strengthened my motivation for volunteering with SOS. During the school year I'd had a small role and it was amazing to witness where the money goes. Coming back from Costa Rica, I am more enthusiastic about SOS, and eager to take on a larger role volunteering this year."*

*Samathan, UBC  
Costa Rica, 2013*





## PROJECT FEATURE:

### *CEDROS ABAJO, HONDURAS: WATER PROJECT*

In 2013 SOS returned to the community of Cedros Abajo, Honduras to follow up on the progress of a water and sanitation project from the previous year. When students from the University of Calgary fundraised the \$6,000 required to provide a new water system to the community and travelled down to help build it, none of us at SOS imagined the life changing impacts that the project would have.

Prior to the water project, residents of Cedros Abajo walked over an hour on a daily basis to collect water for cooking, drinking, and cleaning from a ravine. The aim of the project was to pump water directly into the homes of community members saving them time, but the actual results far exceeded those expectations. Now, not only do more than 150 people have water pumped directly into their homes from a clean source, but there has been a substantial impact on the health of residents and an increase in school attendance.

*“Now that we have the water project in the community we have higher school attendance because children do not have to work the whole day carrying water. The impact is great: children are healthier and cleaner.”* - **Jorge Raudales, Community Leader**





# RAISING ROOFS: COMMUNITIES & PROJECTS

Below is a list of all the communities we worked with in fiscal 2013. For more information about these communities and the 53 projects funded by SOS, please visit: [www.studentofferingsupport.ca](http://www.studentofferingsupport.ca).

Community Name, Country	Projects funded & built	SOS Chapter
Cedros Abajo, Honduras	Roadside kiosk and eco stoves	Quarry Communications
Asiento Viejo, Nicaragua	Learning resource centre	Laurier & Windsor SOS
San Marcos, Guatemala	Recycling centre	Carleton SOS
San Pedro Columbia, Belize	Alternative high school	Carleton SOS
Lajitas, Honduras	Computer lab	Windsor SOS
Alto Molino, Peru	Early education centre	Laurier SOS
Las Escaleras, Nicaragua	Kindergarten classroom & refurbishments	UVIC & VIU SOS
Cacique de Nicoya, Costa Rica	Library rebuild post earthquake	UBC SOS
Escalares, Nicaragua	Classrooms for primary school	SFU SOS
Las Animas, Honduras	Classroom, latrines, and kitchen repairs	McGill SOS
Santa Fe, Bolivia	Classrooms, teacher housing, latrines, showers	Toronto SOS
Cusco, Peru	Learning resource centre	FIU SOS
Sierra Nevada, Colombia	Boarding school campus repairs	ColLosAndes SOS
Hacienda Il, Guatemala	Eco-classrooms, kitchen, and landscaping	Ottawa SOS
Cedros Abajo, Honduras	Kindergarten classroom and kitchen	Calgary SOS
El Hurangal, Peru	Kindergarten, school yard, and latrines	Windsor SOS
Salinas de Nahualapa, Nicaragua	Computer lab and reading room	Laurier SOS
Escalares, Nicaragua	Kindergarten classroom and refurbishments	Laurier SOS
El Chile, Nicaragua	Kindergarten classrooms	Brock & Queens SOS
San Martin, Costa Rica	Classroom repair after earthquake	Ryerson SOS
Juscampapa, Peru	Early childhood centre, bathrooms, washing station	Western SOS
Santa Fe, Bolivia	Classrooms, teacher housing, latrines, showers	Waterloo SOS



## RAISING ROOFS: NGO PARTNERS

SOS partners with Non-Governmental Organizations, which are located in our support countries, to ensure our projects are holistically valuable and sustainable. Listed below are the new NGO partners for 2013, which have helped facilitate the organization of our outreach trips and the construction of our development projects. (See the 2012 Annual Report for the 5 NGO partners not included on this

**Unidos por San Bartolome** was formed by the municipality of San Bartolome, CONALFA, ODEC, and Fotosintesis-Arquitectura+Reciclaje. This umbrella organization of individuals, companies, and government agencies is interested in the physical, economic, social and educational development of the various Maya Quiche communities surrounding the town of San Bartolome. Their current campaign focuses on environmental education to rescue rivers and sacred sites through the recycling of plastic bottles and other waste and transforming them into the bricks to build schools and health centres.

**Niños de Guatemala (NDG)** is an NGO founded in 2006 with the aim of building a better future for Guatemala and its children through education. NDG strives to achieve this goal by supporting small-scale development projects in the poorest communities. In 2009, NDG opened its first school for young children, Nuestro Futuro School, and continues to expand to accommodate higher grades.

**Learning for Hope** was started in 2006 by a group of students at St. Mary Catholic Secondary School in Pickering, Ontario. The project was initially developed to give students the opportunity to start and operate their own non-profit initiatives. Since that time, their small, community-driven organization has raised almost \$50,000, all of which was spent on long-term educational initiatives. Learning For Hope now works with several school communities in Peru and El Salvador, and has recently established a working relationship with ALALAY, an organization that works with youth on the streets in Bolivia.

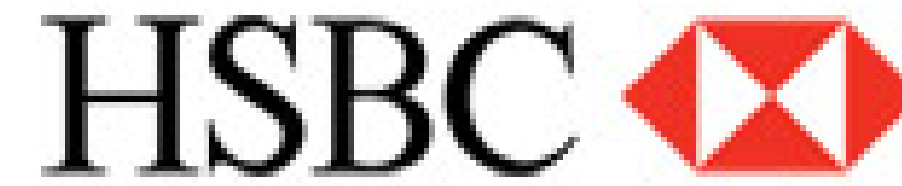


SOS is fortunate to partner with some of Canada's leading enterprises. we would like to recognize the important contributions and generosity of our National Sponsors for the 2012-2013 year: Ernst & Young and HSBC. With their support, we have been able to substantially enhance the quality, reach, and impact of our organization. Without them, we would not be where we are today. Here are a few words from our sponsors:



At EY, corporate responsibility is integral to how we help build a better working world. It enables sustainable, thriving communities that educate their children, foster innovation and entrepreneurship, and protect the environment. That's why our partnership with our Entrepreneur of the Year alumnus Students Offering Support is so important to us.

Congratulations to the volunteers of SOS on the success they've achieved throughout the year.



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.

Congratulations to Students Offering Support and all of their active volunteers on another successful year.





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

SOS chapters are 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 the SOS chapters contribute to SOS’ administrative expenses. The remainder (net of additional chapter fundraising less chapter 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 American NGO’s and the communities we work with, ensuring the projects are sustainable and supported. The head office’s primary sources of funding are:

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

CHAPTER OVERVIEW OF EARNINGS  
*(unaudited)*

Gross Exam-AID Revenue	\$391,285
Chapter Fundraising	\$11,348
Less: Chapter Expenses	\$26,463
<hr/>	
Net Exam-AID Revenues	\$376,170
Less: 10% Head Office Contribution Fee	\$39,129
(from Gross Exam-AID Revenue of \$391,285)	
<hr/>	
Net Proceeds for Development Projects	\$337,041
Percentage of Net Exam-AID Revenue	89.6%





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

We have audited the accompanying financial statements of Canada SOS: Students Offering Support (o/a Students Offering Support), which comprise the balance sheet as at August 31, 2013, and the statements of operations, changes in net assets 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 are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls 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 controls. 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 audit opinion.

**Basis for Qualified Opinion**

In common with many not-for-profit organizations, Canada SOS: Students Offering Support (o/a Students Offering Support) derives revenue from fundraising and awareness events and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of Canada SOS: Students Offering Support (o/a Students Offering Support) and we were unable to determine whether any adjustments might be necessary to donations revenue, excess (deficiency) of revenue over expenditures and net deficiency.

**Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the organization, as at August 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Emphasis of Matter**

Without qualifying our opinion, we draw attention to note 2 in the financial statements, which states that this is the first set of financial statements prepared in accordance with accounting standards for not-for-profit organizations. Comparative figures have not been audited for conformity with these standards.

**Other Matter**

The financial statements for Canada SOS: Students Offering Support (o/a Students Offering Support) for the year ended August 31, 2012 were reviewed by another firm of Chartered Accountants, who expressed a qualified opinion on the statements on March 20, 2013. As such, the comparative figures are unaudited.

A handwritten signature in dark blue ink that reads 'Fuller Landau LLP'.

Chartered Accountants  
Licensed Public Accountants  
February 27, 2014  
Toronto, Ontario





# Canada SOS: Students Offering Support

## BALANCE SHEET

As at August 31

	2013	2012 (unaudited)
ASSETS		
CURRENT		
Cash (Note 4)	\$134,146	\$65,999
Accounts receivable (Note 5)	\$70,448	\$35,272
Inventory	\$10,350	\$13,189
Prepaid expenses	\$1,333	\$6,059
	<u>\$216,277</u>	<u>\$120,519</u>
LIABILITIES & NET ASSETS		
CURRENT		
Accounts payable & accrued liabilities (Note 6)	\$23,402	\$29,770
Deferred contributions, operating (Note 7)	\$35,921	\$29,467
	<u>\$59,323</u>	<u>\$59,237</u>
NET ASSETS		
Internally restricted (Note 8)	\$89,416	(\$12,491)
Unrestricted	\$67,538	\$73,773
	<u>\$156,954</u>	<u>\$61,282</u>
	<u>\$216,277</u>	<u>\$120,519</u>

Approval on  
Behalf of the Board

Greg Overholt,  
Executive Director

The accompanying notes are an integral part of these financial statements





# Canada SOS: Students Offering Support

## STATEMENT OF CHANGES OF NET ASSETS

For the Year Ended August 31	2013	2012 (unaudited)
<b>Internally restricted net assets, beginning of year</b>	<b>(\$12,491)</b>	\$19,097
Allocation from (to) unrestricted net assets	\$101,907	(\$31,588)
<b>Internally restricted net assets, end of year</b>	<b>\$89,416</b>	(\$12,491)
<b>Unrestricted net assets, beginning of year</b>	<b>\$73,773</b>	\$71,746
Excess (deficiency) of revenue over expenses for the year	\$95,672	(\$29,561)
Allocation from (to) internally restricted net assets	(\$101,907)	\$31,588
<b>Unrestricted net assets, end of year</b>	<b>\$67,538</b>	\$73,773

The accompanying notes are an integral part of these financial statements



# Canada SOS: Students Offering Support

## STATEMENT OF OPERATIONS

For the Year Ended August 31	2013	2012 (unaudited)
REVENUES		
Exam-AID Fundraising	\$391,285	\$300,422
Outreach Trip Participant Fees	\$361,466	\$474,663
Sponsorship	\$53,367	\$60,297
Donations	\$8,503	\$8,101
Other (Chapters + National)	\$51,141	\$31,361
	<u>\$865,762</u>	<u>\$874,844</u>
EXPENSES		
Head Office (Schedule of Expenses)	\$480,025	\$574,926
Outreach: Project Construction Costs	\$244,882	\$276,562
Chapters (Schedule of Expenses)	\$26,463	\$29,363
Merchandise	\$13,340	\$12,403
Foreign Exchange Loss (gain)	\$5,380	\$10,211
Bad Debts	-	\$940
	<u>\$770,090</u>	<u>\$904,405</u>
Excess (deficiency) of revenue over expenses for the year	\$95,672	(\$29,561)

The accompanying notes are an integral part of these financial statements



# Canada SOS: Students Offering Support

## SCHEDULE OF EXPENSES

For the Year Ended August 31	2013	2012 (unaudited)
HEAD OFFICE		
Outreach trip costs (flights, room & board)	\$293,417	\$402,504
Salaries and wages	\$131,913	\$131,257
Office	\$24,056	\$23,027
Professional fees	\$14,260	\$4,520
Conference	\$5,799	\$7,396
Marketing & Business Development	\$4,851	\$3,315
Insurance	\$3,252	\$1,153
IT development	\$2,477	\$1,754
	<u>\$480,025</u>	<u>\$574,926</u>
CHAPTERS		
Human resources	\$8,408	\$5,881
Administrative	\$6,659	\$8,863
Logistics	\$6,123	\$5,529
Marketing	\$3,880	\$7,683
Outreach	\$976	\$1,003
Business Development	\$417	\$404
	<u>\$26,463</u>	<u>\$29,363</u>

## STATEMENT OF CASH FLOWS

For the Year Ended August 31	2013	2012 (unaudited)
<b>Net cash flows from/(used in) operating activities</b>		
Excess (deficiency) of revenue over expenses for the year	\$95,672	(\$29,561)
Items not involving cash		
Amortization of deferred contributions, operating	(\$50,000)	(\$47,500)
	<u>\$45,672</u>	<u>(\$77,061)</u>
<b>Change in non-cash working capital balances</b>		
Increase in accounts receivable	(\$35,176)	(\$8,903)
Decrease / (Increase) in inventory	\$2,839	(\$4,712)
Decrease / (Increase) in prepaid expenses	\$4,726	(\$1,909)
(Decrease) / Increase in AP and accrued liabilities	(\$6,368)	\$12,462
	<u>\$11,693</u>	<u>(\$80,123)</u>
<b>Net cash flows from/(used in) financing activities</b>		
Deferred contributions, operating	<u>\$56,454</u>	<u>\$50,300</u>
<b>Increase / (Decrease) in cash during the year</b>	<b>\$68,147</b>	<b>(\$29,823)</b>
Cash, beginning of year	<u>\$65,999</u>	<u>\$95,822</u>
Cash, end of year	<u>\$134,146</u>	<u>\$65,999</u>



# Canada SOS: Students Offering Support

## NOTES TO FINANCIAL STATEMENTS

August 31, 2013

### 1. 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 postsecondary schools across North America. Each SOS chapter raises money through holding “Exam-AID” group review sessions for university and college students. Revenues generated by the chapters from Exam-AID sessions and other on campus events, net of the related chapter expenses, are used to fund community development projects in rural Latin America, built by volunteers on outreach trips.

### 2. ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

Effective September 1, 2012, SOS adopted the Canadian accounting standards for not-for-profit organizations. These are the first financial statements prepared in accordance with the new framework, which has been applied retrospectively.

Management reviewed the exemptions provided on transition to the Canadian accounting standards for not-for-profit organizations and has elected to value inventories at the lower of cost and current replacement cost, which represented a change in accounting policy at the time of transition. The adoption of Canadian accounting standards for not-for-profit organizations, including the change in inventory valuation methodology described above, had no impact on the previously reported assets, liabilities and net assets of the organization, and accordingly, there has been no restatement of previously reported amounts as at the date of the transition, being September 1, 2011. The presentation and disclosures in the financial statements reflect the requirements under the new accounting framework.

### 3. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting:** These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and are being prepared under Part III of the CICA Handbook: Accounting Standards for Not-for Profit Enterprises.

**Revenue Recognition:**

- **Exam-AID Fundraising:** Exam-AID fundraising consists of amounts collected in relation to Exam-AID sessions. Revenues from Exam-AID fundraising are recognized on the date that the session takes place.

- **Sponsorship and Donations:** 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.

- **Outreach Trip Participant Fees:** Participant fees consist of amounts collected in relation to participation on one of SOS’s International Outreach Trips. Revenues are recognized on commencement of the trip and when collectability is reasonably assured.

- **Other Revenue:** These funds consist of amounts raised through on-campus and national events. Revenues are recognized on the date that an event takes place.

**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 replacement cost. 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 recognized during the year. Actual results could differ from management’s best estimates as additional information becomes available in the future.

**Financial Instruments:**

The organization initially measures its financial assets and liabilities at fair value, and subsequently at amortized cost. The organization’s financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and deferred contributions.



3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment and the amount of the write-down is recognized in net income when incurred.

Variable Interest Entities: The organization has neither identified nor consolidated the accounts of any variable interest entities.

Foreign Currency Translation: Monetary assets and liabilities of the organization which are denominated in foreign currencies are translated at year end exchange rates. Non-monetary assets and liabilities are translated at rates in effect at the date the assets were acquired and liabilities incurred. Revenue and expenses are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are included in foreign exchange loss on the statement of operations.

4. 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 31st, 2013 the cash balance includes \$86,261 (2012 - \$48,879) held in the head office bank account.

5. ACCOUNTS RECEIVABLE

	2013	2012 (unaudited)
Trade Receivables	\$60,426	\$25,817
HST input tax credits available	<u>\$10,022</u>	<u>\$9,455</u>
	\$70,448	\$35,272

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2013	2012 (unaudited)
Trade accounts payable and accruals	\$17,762	\$16,137
Wages payable	\$2,933	\$10,994
Government Remittances Payable	<u>\$2,707</u>	<u>\$2,639</u>
	\$23,402	\$29,770

7. DEFERRED CONTRIBUTIONS, OPERATING

	2013	2012 (unaudited)
Balance, beginning of year	\$29,467	\$26,667
Revenue Recognized	(\$50,000)	(\$47,500)
Contributions Received	<u>\$56,454</u>	<u>\$50,300</u>
Balance, end of year	\$35,921	\$29,467

8. INTERNALLY RESTRICTED NET ASSETS

The organization internally restricts a portion of its cash balance for its Charity Development Fund. This fund is internally designated for the purpose of contributing to capital projects with the organization’s NGO partners.

9. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments. The following provides a measure of the organization’s risk at August 31, 2013. The organization mitigates credit risk by considering credit worthiness when granting credit terms to its chapters and trip participants.

Credit Risk:

The organization’s exposure to credit risk is monitored by management who feels that recorded allowances are adequate.

Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market price. Market risk is comprised of three types of risk: currency risk, interest rate risk and other price risk. The organization is exposed to currency risk.

Currency Risk:

The organization’s activities involve holding foreign currencies and making purchases and collections of contributions denominated in foreign currencies. These activities result in exposure to fluctuations in foreign currency exchange rates. At statement date, the organization had net assets denominated in U.S. dollars of approximately \$15,373 (2012 -nil) and net assets denominated in Columbian pesos of approximately \$20.765.850 (2012 - nil).

10. COMMITMENT

The organization leases office premises at 326 1/2 Bloor Street West under an operating lease expiring on May 31, 2015. Rental payments over the next two years are as follows:

	2014	2015
Lease Commitment, 326 1/2 Bloor Street West	\$14,160	\$10,620





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## Students Offering Support

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