

**Okanagan Science &
Technology Council
Financial Statements
For the year ended March 31, 2009
(Unaudited)**

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Review Engagement Report

To the Members of Okanagan Science & Technology Council

We have reviewed the statement of financial position of the Okanagan Science & Technology Council as at March 31, 2009 and the statements of changes in net assets, operations 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.

Based on our review, 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.

BDO Dunwoody LLP

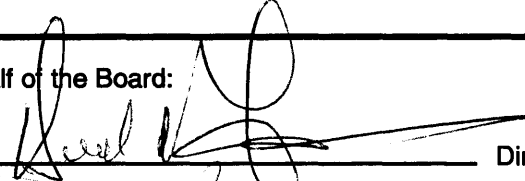
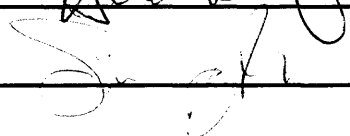
Chartered Accountants

Kelowna, British Columbia
May 22, 2009

Okanagan Science & Technology Council
Statement of Financial Position
(Unaudited)

March 31	2009	2008
Assets		
Current		
Cash and equivalents	\$ 31,760	\$ 53,617
Short-term investments (Note 1)	112,982	110,822
Accounts receivable	34,773	21,828
Prepaid expenses	881	8,027
	\$ 180,396	\$ 194,294
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 20,985	\$ 12,301
Deferred revenue (Note 2)	-	18,550
	20,985	30,851
Net Assets		
Unrestricted	159,411	163,443
	\$ 180,396	\$ 194,294

On behalf of the Board:


 _____ Director

 _____ Director

Okanagan Science & Technology Council
Statement of Changes in Net Assets
(Unaudited)

For the year ended March 31	2009	2008
Unrestricted net assets, beginning of year	\$ 163,443	\$ 219,839
Excess of expenses over revenues for the year	(4,032)	(56,396)
Unrestricted net assets, end of year	\$ 159,411	\$ 163,443

The accompanying summary of significant accounting policies, notes and schedule are an integral part of these financial statements.

Okanagan Science & Technology Council
Statement of Operations
(Unaudited)

For the year ended March 31	2009	2008
Government Revenues		
Province of British Columbia, Ministry of Competition, Science and Enterprise - core operating	\$ 170,000	\$ 170,000
Other government funding	161,359	36,690
	<u>331,359</u>	<u>206,690</u>
Expenses (Schedule)		
Bad debts	1,287	530
Bursaries	-	2,000
Consulting and contracting	11,200	11,545
Capital expenditures	7,244	3,053
Insurance	2,410	2,410
Interest and bank charges	3,570	3,079
Marketing and promotion	195,372	112,720
Office and miscellaneous	14,516	18,616
Professional fees	11,390	9,706
Rent	10,730	10,430
Repairs and maintenance	-	3,210
Salaries and benefits	226,617	193,768
Telephone	7,665	6,875
Travel	1,976	481
	<u>493,977</u>	<u>378,423</u>
Excess of expenses over revenues before the following	<u>(162,618)</u>	<u>(171,733)</u>
Self Generated Revenue		
Seminar fees and sponsorships	77,759	39,911
Memberships	78,667	71,270
Interest income	2,160	4,156
	<u>158,586</u>	<u>115,337</u>
Excess of expenses over revenues for the year	<u>\$ (4,032)</u>	<u>\$ (56,396)</u>

The accompanying summary of significant accounting policies, notes and schedule are an integral part of these financial statements.

Okanagan Science & Technology Council
Statement of Cash Flows
(Unaudited)

For the year ended March 31	2009	2008
Cash flows from operating activities		
Cash receipts from funds and members	\$ 456,290	\$ 346,620
Cash paid to employees and suppliers	(474,577)	(401,712)
Interest paid	(3,570)	(3,079)
Interest received	2,160	4,156
	(19,697)	(54,015)
Cash flows from investing activities		
Cash for purchase of short-term investments	(2,160)	(3,973)
	(21,857)	(57,988)
Net decrease in cash	(21,857)	(57,988)
Cash, beginning of year	53,617	111,605
	31,760	53,617
Cash, end of year	\$ 31,760	\$ 53,617

The accompanying summary of significant accounting policies, notes and schedule are an integral part of these financial statements.

Okanagan Science & Technology Council Summary of Significant Accounting Policies (Unaudited)

March 31, 2009

Nature of Business	The organization is incorporated under the laws of British Columbia as a not-for-profit organization and is engaged in fostering the development of the region as a globally competitive centre of excellence in research, development and application of science, technology and innovation.
Short-term Investments	Short-term investments are stated at the lower of cost and market value.
Equipment	Equipment that is capital in nature has not been capitalized. Expenditures for capital assets in the year are recorded as expenses and disclosed in the statement of operations.
Revenue Recognition	<p>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.</p> <p>Revenue relating to sponsorships and membership fees are recognized when received or when collection is reasonably assured. Revenue relating to seminars is recognized when the service has been provided.</p>
Financial Instruments	<p>The organization utilizes various financial instruments. 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:</p> <p>Held-for-trading This category is comprised of cash. They are carried in the balance sheet at fair value with changes in fair value recognized in the income statement. Transaction costs related to instruments classified as held-for-trading are expensed as incurred.</p> <p>Loans and receivables This category is comprised of accounts receivable. 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 a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value and subsequently carried at amortized cost, using the effective interest rate method, less any provision for impairment. Transaction costs related to loans and receivables are expensed as incurred.</p>

Okanagan Science & Technology Council Summary of Significant Accounting Policies (Unaudited)

March 31, 2009

Financial Instruments

Held-to-maturity

This category is comprised of short term investments. These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the organization's management has the positive intention and ability to hold to maturity and comprises certain investment in debt securities. These assets are initially recognized at fair value and subsequently carried at amortized cost, using the effective interest rate method, less any provisions for impairment. Transaction costs related to held-to-maturity investments are expensed as incurred.

Other financial liabilities

Other financial liabilities includes all financial liabilities other than those classified as held-for-trading and is 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. Transaction costs related to other financial liabilities are expensed as incurred.

Measuring Fair Value

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined by reference to quoted bid or asking prices as appropriate, in the most advantageous active market for that instrument to which the company has immediate access.

Fair values determined using valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discounted rates. In determining those assumptions, external readily observable market inputs including interest rate yield curves, currency rates and price and rate volatilities are considered, as applicable.

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 period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Okanagan Science & Technology Council
Notes to Financial Statements
(Unaudited)

March 31, 2009

1. Short-term Investments

	<u>2009</u>	<u>2008</u>
Guaranteed Investment Certificates	<u>\$ 112,982</u>	<u>\$ 110,822</u>

Short-term investments are comprised of investment certificates from a chartered bank with an effective interest rate of 2.00% maturing May 2009 (2008 - 3.50%). Interest is receivable on an annual basis. Included in short-term investments is \$1,907 (2007 - \$3,445) in accrued interest.

2. Deferred Revenue

The organization has deferred revenues of \$nil (2008 - \$18,550), as in the prior year the Silicon Vineyard Awards event was postponed until 2009. The organization recognized the revenue and expenditures associated with the April 10, 2008 Silicon Vineyard Awards event in the current year.

3. Comparative Figures

Some of the comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.

4. Future Accounting Changes

Financial Instruments

In December 2006, the CICA issued handbook Section 3862, "Financial Instruments - Disclosure" and Section 3863, "Financial Instruments - Presentation". These new standards are effective for the Organization beginning April 1, 2009.

These sections replace CICA handbook Section 3861, "Financial Instruments - Disclosure and Presentation". These new sections enhance the disclosure requirements on the nature and extent of risks arising from financial instruments and how the entity manages those risks. The Organization is currently evaluating the impact of the adoption of these changes on the disclosure and presentation within its financial statements.

Okanagan Science & Technology Council
Schedule of Expenses by Focus Area
(Unaudited)

For the year ended March 31	2009	2008	2007
Focus			
1 - Economic/Business Development	\$ 102,864	\$ 65,087	\$ 89,908
2 - Human Resource Development	16,078	14,915	29,626
3 - Access to Capital	3,583	177	3,199
4 - External Promotions	20,498	-	8,833
5 - Internal Promotion/Membership	37,154	28,513	164,569
6 - Research and Development	12,331	5,000	12,494
7 - Promotion/Awareness	1,456	-	-
General Administration	300,013	264,731	66,870
	\$ 493,977	\$ 378,423	\$ 375,499
