

**Community Futures Development Corporation  
of the Sunshine Coast**

**Financial Statements**

**March 31, 2011**

# The Coast Group

CHARTERED ACCOUNTANTS

Box 1610  
200 - 5710 Teredo Street  
Sechelt BC V0N 3A0  
Telephone: 604.885.2254  
Fax: 604.885.3779  
Email: info@thecoastgroup.ca  
www.thecoastgroup.ca

Doug I. Cameron, BA, CGA  
Robert E. Flux, CA, CFP\*  
Lisa L. Kennedy, CGA  
Richard K. Wilson, BBA, CA\*  
\* Incorporated Partner

## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors,**

**Community Futures Development Corporation of the Sunshine Coast:**

We have audited the accompanying financial statements of Community Futures Development Corporation of the Sunshine Coast, which comprise the statement of Financial Position as at March 31, 2011, and the statement of Operations and Changes in Fund Balances and the statement of 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 generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's 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 auditor considers internal control 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 control. 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 that we have obtained is sufficient and appropriate to provide a basis for our unqualified audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Community Futures Development Corporation of the Sunshine Coast as at March 31, 2011 and the results of its financial activities and its cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

July 27, 2011  
Sechelt, BC

  
Chartered Accountants

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## Auditors' Report On Compliance With Agreement

### To Western Economic Diversification

We have audited the Community Futures Development Corporation's ("CFDC") compliance as at March 31, 2011 with the criteria established in the Contribution Agreement between Western Economic Diversification and the CFDC dated April 12, 2006 and subsequent amendments. Compliance with the criteria established by the provisions of the agreement is the responsibility of the Board of Directors of the CFDC. Our responsibility is to express an opinion on this compliance based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the CFDC complied with the criteria established by the provisions of the agreement referred to above. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with the agreement, and where applicable, assessing the accounting principles used and significant estimates made by management.

In our opinion, CFDC is in compliance, in all material respects, with the criteria established by the Contribution Agreement.

Sechelt, BC  
July 27, 2011

*The Coast Group*

Chartered Accountants

**Community Futures Development Corporation of the Sunshine Coast**  
**Statement of Operations and Changes in Fund Balances**  
**For the year ended March 31, 2011**

	Core Fund	Loan Investment Funds (Schedule 1)	CFDC Leasing Fund.	Total	
				2011	As Restated Note 3 2010
	\$	\$	\$	\$	\$
<b>Revenue</b>					
Interest - cash on deposit	706	25,773	3	26,482	24,227
Interest - loans	-	206,473	-	206,473	203,285
WED Contribution	284,306	-	-	284,306	284,306
Interest Transferred from Growth Start	8,439	-	-	8,439	16,216
Other Income/grants	156,818	1,873	-	158,691	160,111
	<u>450,269</u>	<u>234,119</u>	<u>3</u>	<u>684,391</u>	<u>688,145</u>
<b>Operating Expenses</b>					
Administration Fees	-	9,526	-	9,526	9,564
Advertising and Promotion	11,502	-	-	11,502	5,271
Amortization	8,682	-	-	8,682	8,775
Bad Debts (Note 7)	-	(124,119)	-	(124,119)	180,416
Bank Charges	9	985	-	994	1,172
Board/Staff and AGM	4,831	-	-	4,831	5,030
Collection Costs	-	2,445	-	2,445	256
Equipment Maintenance & General Repairs/I	23,786	-	-	23,786	1,601
Consulting Fees	1,384	-	-	1,384	2,252
G & A Allocated	(425)	-	-	(425)	-
Growth Start Interest Paid to Core	-	8,439	-	8,439	16,216
Non-recoverable HST	8,118	-	-	8,118	6,613
Insurance	1,749	-	-	1,749	4,435
Interest	-	32,937	-	32,937	40,212
Janitorial	3,734	-	-	3,734	4,353
Loan Operations in Core	84,177	-	-	84,177	106,952
Memberships	1,340	-	-	1,340	1,650
Office Rent	21,351	-	-	21,351	27,613
Office Supplies & Miscellaneous	12,602	-	-	12,602	11,254
Professional Fees (Note 3)	16,583	1,492	-	18,075	19,713
Telephone	5,976	-	-	5,976	8,888
Training and Conferences	3,146	-	-	3,146	2,894
Travel	13,106	-	-	13,106	16,412
Wages and Benefits	158,007	-	-	158,007	257,247
Program Costs	140,123	-	-	140,123	116,056
	<u>519,781</u>	<u>(68,295)</u>	<u>-</u>	<u>451,486</u>	<u>854,845</u>
<b>Net Income (Loss) For The Year</b>	<b>(69,512)</b>	<b>302,414</b>	<b>3</b>	<b>232,905</b>	<b>(166,700)</b>
<b>Fund Balances</b>					
Opening (Note 3)	(14,689)	1,856,949	201	1,842,461	2,009,161
Prior Period Adjustments (Note 3)	26,000	(26,000)	-	-	-
Inter-fund Transfer of Loan interest (Note 12)	76,114	(76,114)	-	-	-
	<u>17,913</u>	<u>2,057,249</u>	<u>204</u>	<u>2,075,367</u>	<u>1,842,461</u>
<b>Closing</b>	<b>17,913</b>	<b>2,057,249</b>	<b>204</b>	<b>2,075,367</b>	<b>1,842,461</b>

**Community Futures Development Corporation of the Sunshine Coast**  
**Statement of Financial Position**  
**March 31, 2011**

Assets	Notes	Core Fund	Loan Investment Funds (Schedule 2)	CFDC Leasing Fund	Total	
					2011	As Restated Note 3 2010
		\$	\$	\$	\$	\$
<b>Current</b>						
Cash	4	2,515	1,132,004	204	1,134,723	1,229,021
Accounts Receivable		32,783	-	-	32,783	16,530
HST Receivable		8,118	-	-	8,118	6,613
Prepaid Expenses		15,137	-	-	15,137	4,405
Current Portion of Loans Receivable	6	-	575,238	-	575,238	515,758
		<u>58,553</u>	<u>1,707,242</u>	<u>204</u>	<u>1,765,999</u>	<u>1,772,327</u>
<b>Restricted Project Funds</b>		-	-	-	-	56
<b>Long Term Investment</b>		-	-	-	-	60,000
<b>Capital Assets</b>	2 & 5	17,772	-	-	17,772	14,603
<b>Loans Receivable</b>	6 & 7	-	1,966,853	-	1,966,853	2,177,467
		<u>76,325</u>	<u>3,674,095</u>	<u>204</u>	<u>3,750,624</u>	<u>4,024,453</u>
<b>Liabilities</b>						
<b>Current</b>						
Bank Overdraft	4	22,751	-	-	22,751	21,313
Accounts Payable	3	35,660	-	-	35,660	30,882
		<u>58,411</u>	<u>-</u>	<u>-</u>	<u>58,411</u>	<u>52,195</u>
<b>Restricted Project Funds</b>		-	-	-	-	6,274
<b>Long Term Debt</b>	8	-	1,616,846	-	1,616,846	2,123,523
		<u>58,411</u>	<u>1,616,846</u>	<u>-</u>	<u>1,675,257</u>	<u>2,181,992</u>
<b>Fund Balances</b>						
Contributed Surplus	9	-	1,381,208	-	1,381,208	1,381,208
Invested In Capital Assets	10	17,772	-	-	17,772	14,603
Externally Restricted	11	-	676,041	-	676,041	453,218
Unrestricted	3	142	-	204	346	(6,568)
		<u>17,914</u>	<u>2,057,249</u>	<u>204</u>	<u>2,075,367</u>	<u>1,842,461</u>
		<u>76,325</u>	<u>3,674,095</u>	<u>204</u>	<u>3,750,624</u>	<u>4,024,453</u>

Approved by the Directors:

. Director

. Director