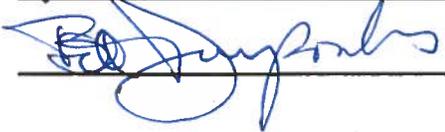


**Statement of Financial Position**  
**As at June 30**  
**(unaudited)**

	<u>Provincial Body</u>	<u>Combined Chapters</u>	<u>Restricted</u>	<u>2012</u>	<u>2011</u>
<b>Assets</b>					
<b>Current</b>					
Cash	\$ 64,943	\$ 16,790	\$ 391,148	\$ 472,881	\$ 319,535
Credit union shares	68	192	-	260	251
Term deposits	57,000	-	775,017	832,017	1,132,000
Accounts receivable (Note 8)	-	-	-	-	135,872
Accrued BCUC awards receivable (Note 9)	-	-	193,922	193,922	-
Accrued interest receivable (Note 4)	139	-	3,467	3,606	5,970
HST/GST receivable	6,683	362	20,477	27,522	67,404
Prepaid expense	407	-	-	407	390
Due from interfunds	15,215	1,252	1,193	17,660	30,016
	<u>144,455</u>	<u>18,596</u>	<u>1,385,224</u>	<u>1,548,275</u>	<u>1,691,438</u>
<b>Capital assets</b>	1,319	-	-	1,319	2,158
	<u>\$ 145,774</u>	<u>\$ 18,596</u>	<u>\$ 1,385,224</u>	<u>\$ 1,549,594</u>	<u>\$ 1,693,596</u>
<b>Liabilities</b>					
<b>Current</b>					
Accounts payable	\$ 11,591	\$ -	\$ 10,272	\$ 21,863	\$ 42,498
Accrued BCUC costs payable (Note 9)	-	-	193,922	193,922	-
Payroll payable	817	-	-	817	-
Due to interfunds	2,445	-	15,215	17,660	30,016
	<u>14,853</u>	<u>-</u>	<u>219,409</u>	<u>234,262</u>	<u>72,514</u>
<b>Deferred revenue</b> (Note 6)	-	2,917	1,163,451	1,166,368	1,495,847
<b>Net assets</b>					
Fund balances (Note 5)	130,921	15,679	2,364	148,964	125,235
	<u>\$ 145,774</u>	<u>\$ 18,596</u>	<u>\$ 1,385,224</u>	<u>\$ 1,549,594</u>	<u>\$ 1,693,596</u>

**Approved by directors:**
  
 \_\_\_\_\_ (President)

  
 \_\_\_\_\_ (Vice-President)

**Statement of Operations and Changes in Fund Balances**  
**For the Periods Ended June 30**  
**(unaudited)**

	Provincial Body	Combined Chapters	Restricted	Twelve Months Ended 2012	Twelve Months Ended 2011
<b>Revenues</b>					
Donations and memberships	\$ 49,540	\$ -	\$ 35,597	\$ 85,137	\$ 62,853
Fundraising and events	-	6,103	-	6,103	2,127
Grant revenue (Note 6)	-	1,083	824,199	825,282	1,363,998
Administrative overhead fees	55,309	-	-	55,309	44,000
Interest income (Note 4)	849	16	12,231	13,096	22,692
BC Utilities Commission awards (Note 9)	-	-	273,320	273,320	173,135
<b>Total revenues</b>	<b>105,698</b>	<b>7,202</b>	<b>1,145,347</b>	<b>1,258,247</b>	<b>1,668,805</b>
<b>Expenses</b>					
Payroll costs	8,437	-	-	8,437	80,341
Program costs	12,395	8,753	859,846	880,994	1,370,154
General and administrative costs	71,337	430	-	71,767	81,797
BC Utilities Commission costs (Note 9)	-	-	273,320	273,320	173,135
<b>Total expenses</b>	<b>92,169</b>	<b>9,183</b>	<b>1,133,166</b>	<b>1,234,518</b>	<b>1,705,427</b>
<b>Net income/(loss) for period</b>	<b>13,529</b>	<b>(1,981)</b>	<b>12,181</b>	<b>23,729</b>	<b>(36,622)</b>
<b>Fund balance</b>					
Beginning balance	105,161	17,660	2,414	125,235	161,857
Transfers of fund balances	12,231	-	(12,231)	-	-
Ending balance	<b>\$ 130,921</b>	<b>\$ 15,679</b>	<b>\$ 2,364</b>	<b>\$ 148,964</b>	<b>\$ 125,235</b>

**BC Sustainable Energy Association**  
**Notes to the Financial Statements**  
**For the years ended June 30, 2012 and 2011**  
*(unaudited)*

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**1. Description of the Entity**

The BC Sustainable Energy Association (“BCSEA”) is a not for profit society registered in BC since 2004. The BCSEA is dedicated to promoting the sustainable use of energy in BC through a variety of activities including educational seminars, policy research initiatives and implementation projects. The purposes of the BCSEA are to:

- a. help British Columbia become a world leader in the use of sustainable energy;
- b. promote the use of sustainable energy to the people of British Columbia;
- c. provide a forum through which members can meet, share ideas and develop joint initiatives, supported by up-to-date information and technical research;
- d. speak with a strong voice to municipal, provincial and federal governments and other agencies on issues concerning the development of clean, renewable, efficient energy in BC and the reduction of British Columbia’s greenhouse gas emissions;
- e. provide one-stop shopping for information on British Columbia’s sustainable energy resources.

**2. Significant Accounting Policies**

a. Canadian Generally Accepted Accounting Principles

BCSEA follows Canadian generally accepted accounting principles.

b. Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates

c. Comparative figures

Certain comparative amounts have been reclassified to conform to the current year’s presentation.

d. Revenue Recognition and Expenses

BCSEA 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 on the accrual basis when the amounts to be received can be reasonably estimated and collection is reasonably assured. Revenues consist of grants, donations, fundraising revenue and interest income.

e. Financial Instruments

The financial instruments of BCSEA consist of cash, short-term deposits, accounts receivable, prepaid expenses and accounts payable. It is management’s opinion that the BCSEA is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments equal their carrying values. In 2012, the short-term deposit interest rates range from 0.9% to 1.35% (2011 – 1.0% to 1.35%)

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**BC Sustainable Energy Association**  
**Notes to the Financial Statements**  
**For the years ended June 30, 2012 and 2011**  
*(unaudited)*

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**2. Significant Accounting Policies** continued

f. Future changes in Accounting Standards

The CICA has issued guidance for new accounting and financial reporting standards for all publicly accountable enterprises, private enterprises and not-for-profit organizations that would be effective for years commencing on or after January 1, 2012. The Association is in the process of reviewing the impact of these standards on its reporting framework and financial statements.

**3. Presentation of Financial Results**

These Financial Statements include only the assets and liabilities of the programs as administered by BCSEA provincial body. It does not include the assets and liabilities of any of its partners or co-funders under each program.

**4. Interest Income and Fund Transfer**

The board has approved the Fund Transfer of \$12,231 (2011 – \$22,117) representing the interest earned on term deposits from the SolarBC Program to the BCSEA Provincial Body Fund. At June 30, 2012 \$3,467 (2011 – \$5,858) of the total interest earned is reflected as accrued interest receivable because the maturity dates of the term deposits occur after the year-end.

**5. Fund Balances**

a. Provincial Body

The Provincial Body fund is the general operations account of the association.

b. Combined Chapters

The Combined Chapters fund relates to the combined monies of the six BCSEA chapters that have their own bank accounts. Although the chapters have control to spend their monies on chapter purposes they are a part of the BCSEA.

c. Restricted

The Restricted Fund represents funds for specific projects funded mainly through special purpose grants. These funds are restricted to create clarity of presentation for reporting purposes. The BCSEA has administered the SolarBC program (“SolarBC”) until it ended on March 31, 2011. SolarBC consisted of six different solar projects for British Columbia: Local Government, Residential, First Nations, Social Housing, Schools and Solar Communities. The SolarBC residential project required that the BCSEA collaborate with Eaga Canada Services Inc. (“Eaga”) to deliver 539 solar hot water systems for existing and/or new-builds by March 31, 2011 when the contract with Eaga ended. Upon the completion of the SolarBC program, the BCSEA has administered SolarBC’s ongoing commitments detailed in Note 11.

**BC Sustainable Energy Association**  
**Notes to the Financial Statements**  
**For the years ended June 30, 2012 and 2011**  
*(unaudited)*

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**6. Deferred Revenue**

Deferred revenue represents unspent resources received in the current year that are restricted solely for the implementation of BCSEA's programs. The deferred revenue balance is as follows:

	<b>2011</b>	2010
Deferred revenue, beginning of year	<b>1,495,847</b>	2,700,194
Amounts received in the year	<b>495,803</b>	159,651
Less: amount recognized as revenue during the year	<b>(825,282)</b>	(1,363,998)
Deferred revenue, end of year	<b>1,166,368</b>	1,495,847

**7. Related Party Transactions**

A registered charity whose principal is a member of the SolarBC Oversight Committee provided professional services associated with outreach to secure local government applications for solar hot-water rebates. Payments totalled \$15,706 in 2012 (2011 – \$24,755).

A company, whose principal was a member of the Board of the BCSEA until December 2011, entered into an agreement to install remote performance monitoring equipment on 16 solar hot water systems that were installed under the SolarBC Residential Program. To December 2011, this company was paid nil (June 30, 2011 – \$20,202 plus GST) for goods and services related to monitoring activities. In addition, the company received payment of \$1,120 to December 2011 (June 30, 2011 – \$2,400) for general administrative services.

Following the completion of the SolarBC program on March 31, 2011 the BCSEA's contract with Eaga ended and no further solar hot water installations or repairs were undertaken by a registered installer affiliated with Eaga. Prior to the conclusion of the program, an affiliated company had installed one solar hot water system and implemented repairs to solar hot water systems on 37 residences and a hall. Total cost of repairs to June 30, 2011 was \$78,388 (June 30, 2012 – \$0) of which SolarBC contributed \$38,425 towards the residences and \$2,633 for the hall. In addition, a company affiliated with Eaga installed 2 solar hot water systems in 2011 (2012 – 0). They were also chosen in 2011 to install 6 solar hot water systems to a community, of which SolarBC's commitment to this project totalled \$29,869 for a total cost of \$55,472.

As a member of the Board of the BCSEA until December 2011, a director received payment of \$3,538 (June 30, 2011 – \$11,131) for financial management services provided to the organization.

As a member of the Board of the BCSEA until December 2011, a director received payment of \$2,368 (June 30, 2011 – \$12,833) for management fees earned while representing the BCSEA at various BC Utilities Commission hearings.

**BC Sustainable Energy Association**  
**Notes to the Financial Statements**  
**For the years ended June 30, 2012 and 2011**  
*(unaudited)*

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**8. Accounts Receivable**

With the completion of the SolarBC program on March 31, 2011, the BCSEA ended its contractual relationship with Eaga for the delivery of the Residential Project component of the SolarBC Program. Under the terms of the contract with Eaga, in 2011, SolarBC paid \$278,000 to Eaga in the form of advances to provide Eaga with the funds to pay eligible grants under the Residential SolarBC Program at the time of application by a homeowner and registered installer. As at June 30, 2011 \$135,872 was receivable (June 30, 2012 – \$0) representing the entire net recovery of incentive payments advanced to Eaga that did not become payable as incentives.

	<b>2012</b>	2011
Beginning balance	<b>135,872</b>	0
Amounts advanced during the year	<b>0</b>	278,000
Less: incentives paid to homeowners	<b>0</b>	(142,128)
Less: Advance paid back to BCSEA	<b>(135,872)</b>	0
Advance receivable to SolarBC at June 30	<b>0</b>	135,872

**9. BC Utilities Commission awards and costs**

The BCSEA regularly intervenes in BC Utilities Commission’s hearings as a non-profit public interest environmental and energy policy organization on behalf of its member’s interests as ratepayers. Upon successful application for a participant cost award in various BCUC interventions, the BCSEA receives awards equal to the amount invoiced by its contractors and associated experts.

In 2012, the BCSEA received \$273,320 (2011 – \$173,135) in Utility Commission awards and related costs. At June 30, 2012 \$193,922 (2011 – \$0) of the total awards received and costs incurred is reflected as accrued awards receivable and costs payable due to applications submitted before year-end and the associated funds being received after year-end.

**10. Cash Flow Statement**

A statement of cash flows has not been prepared as the cash flows are readily apparent in the accompanying Financial Statements.

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**BC Sustainable Energy Association**  
**Notes to the Financial Statements**  
**For the years ended June 30, 2012 and 2011**  
*(unaudited)*

**11. Commitments**

Prior to the conclusion of the SolarBC program on March 31, 2011, SolarBC had entered into Memorandums of Understanding and Partnership Agreements to provide funding towards a number of projects. Payments are contingent upon the fulfillment of certain activities by each organization or community. As at June 30, tentative commitments are as follows:

	2012	2011
Social Housing		
BC Housing	0	16,059
Four Sisters Housing Co-operative	19,324	19,324
Local Governments		
Alert Bay	0	2,466
Grand Forks	0	1,233
Schools		
Public schools (3,15)	60,000	280,000
Brooks Field House	0	17,437
Quw'utusun Smun'een Cowichan Tribes	0	12,593
South Okanagan Secondary	0	6,938
WildBC	0	6,500
Solar Communities		
Various (19,22)	47,500	55,000
District of North Vancouver	10,000	10,000
City of Kelowna	10,000	10,000
District of Saanich	10,000	10,000
District of Tofino	0	10,000
Whistler	5,000	5,000
First Nations		
Future Projects (4,7)	80,000	140,000
Fraser Basin, Old Massett	40,000	40,000
Skidegate	10,000	10,000
Total	291,824	652,550

On March 31, 2011, the SolarBC program ended with an estimated surplus budget of \$746,316 to be allocated over a two year period to support legacy tasks such as pilot development, research, regulatory and barrier resolution, training and capacity building. Cumulative legacy expenses incurred to June 30, 2012, totalled \$185,204 (June 30, 2011 – \$40,751).