

**BC Sustainable Energy Association
Financial Statements
Year Ended June 30, 2018**

Independent Auditor's Report

To the Members of BC Sustainable Energy Association

Report on the Financial Statements

We have audited the accompanying financial statements of BC Sustainable Energy Association, which comprise the statement of financial position as at June 30, 2018, 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 the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 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 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.

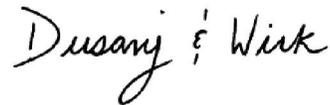
(continues)



Independent Auditor's Report to the Members of BC Sustainable Energy Association (*continued*)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of BC Sustainable Energy Association as at June 30, 2018, and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Victoria, British Columbia
February 8, 2019

Dusanj & Wirk
Chartered Professional Accountants

BC Sustainable Energy Association

Statement of Financial Position

As at June 30, 2018 with comparative figures for 2017

	Provincial Body \$	Combined Chapters \$	Restricted \$	2018 \$	2017 \$
Assets					
Current:					
Cash	2,277	16,492	27,401	46,170	43,577
Term deposits	50,251	-	-	50,251	66,000
Accounts receivable (Note 3)	-	413	13,900	14,313	1,000
Accrued BCUC awards receivable (Note 4)	-	-	201,167	201,167	-
Accrued interest receivable (Note 5)	-	-	-	-	721
Government remittances receivable	718	34	-	752	2,068
Prepaid expense	492	-	-	492	743
Due from interfunds	1,717	36	-	1,753	2,364
	55,455	16,975	242,468	314,898	116,473
Equipment	284	415	-	699	944
Total assets	55,739	17,390	242,468	315,597	117,417
Liabilities					
Current:					
Accounts payable	7,678	-	17,247	24,925	22,852
Accrued BCUC costs payable (Note 4)	-	-	201,167	201,167	-
Payroll payable	2,132	-	-	2,132	4,647
Due to interfunds	36	1,717	-	1,753	2,364
	9,846	1,717	218,414	229,977	29,863
Deferred contributions (Note 6)	-	-	24,054	24,054	3,644
Total liabilities	9,846	1,717	242,468	254,031	33,507
Net Assets					
Fund balances	45,893	15,673	-	61,566	83,910
Total liabilities and net assets	55,739	17,390	242,468	315,597	117,417

Approved on Behalf of the Board:

Director

Director

The accompanying notes are an integral part of these financial statements

BC Sustainable Energy Association

Statement of Operations and Changes in Fund Balances

Year ended June 30, 2018 with comparative figures for 2017

	Provincial Body \$	Combined Chapters \$	Restricted \$	2018 \$	2017 \$
Revenue					
BC Utilities Commission awards (Note 4)	-	-	547,917	547,917	171,708
Donations and memberships	52,008	238	1,344	53,590	48,917
Grant revenue	5,480	-	76,487	81,967	54,898
Energy Connections	-	-	-	-	25,960
Green Energy Doors Open	7,500	-	-	7,500	-
Administration fees	6,000	-	-	6,000	-
Consulting fees	-	-	-	-	25,000
Fundraising and events	100	3,020	-	3,120	20,172
Internal sponsorship	-	-	-	-	3,875
Interest income (Note 5)	446	13	15	474	1,586
Webinar and workshop	500	-	-	500	-
	72,034	3,271	625,763	701,068	352,116
Expenses					
Payroll costs	74,385	-	27,674	102,059	197,335
Program costs	696	1,958	42,013	44,667	55,363
General and administrative costs	27,727	1,043	-	28,770	57,220
Energy Connections	-	-	-	-	15,331
Internal sponsorship	-	-	-	-	3,875
BC Utilities Commission costs (Note 4)	-	-	547,917	547,917	171,708
	102,808	3,001	617,604	723,413	500,832
Excess (deficiency) of revenues over expenses	(30,774)	270	8,159	(22,345)	(148,716)
Beginning balance	60,552	15,403	7,956	83,911	232,626
Transfer of fund balances (Note 7)	16,115	-	(16,115)	-	-
Ending balance	45,893	15,673	-	61,566	83,910

The accompanying notes are an integral part of these financial statements

BC Sustainable Energy Association

Statement of Cash Flows

Year ended June 30, 2018 with comparative figures for 2017

	2018	2017
	\$	\$
Operating activities:		
Deficiency of revenue over expenses	(22,345)	(148,716)
Items not involving cash:		
Amortization of equipment	246	378
Loss on disposal of equipment	-	-
	(22,099)	(148,338)
Cash provided by (used in) non-cash working capital:		
Accounts receivable	(13,313)	3,894
Accrued BCUC awards receivable	(201,167)	5,482
Accrued interest receivable	721	1,495
Government remittances receivable	1,316	1,252
Prepaid expense	251	1,061
Due from interfunds	611	862
Accounts payable	2,073	5,606
Accrued BCUC costs payable	201,167	(5,482)
Payroll payable	(2,515)	(4,033)
Due to interfunds	(611)	(862)
Deferred contributions	20,410	(3,290)
Total cash flows from operating activities	(13,156)	(142,353)
Net decrease in cash and term deposits	(13,156)	(142,353)
Cash and term deposits at beginning of year	109,577	251,930
Cash and term deposits at end of year	96,421	109,577
Cash and term deposits is composed of:		
Cash	46,170	43,577
Term deposits	50,251	66,000
	96,421	109,577

The accompanying notes are an integral part of these financial statements

BC Sustainable Energy Association

Notes to Financial Statements

Year Ended June 30, 2018

1. Purpose of the organization

The BC Sustainable Energy Association ("BCSEA") was established in 2004. It is an independent, non-partisan, charitable society registered in the province of British Columbia. The purposes of BCSEA are:

- a. To advance education by developing and delivering courses, seminars and workshops for the public on topics related to energy conservation and sustainable energy sources;
- b. To advance education by providing well-reasoned policy-oriented research, ideas, analysis and recommendations on sustainable energy issues to the public and government authorities; and
- c. To undertake activities ancillary and incidental to the attainment of the aforementioned charitable purposes.

2. Significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Fund accounting

BCSEA reports its activities in the following funds:

Provincial Body:

The Provincial Body Fund is the general operations account of the organization

Combined Chapters:

The Combined Chapters Fund relates to the combined monies of the five 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 BCSEA.

Restricted:

The Restricted Fund represents funds for specific projects funded through special purpose grants and donations. These funds are restricted to create clarity of presentation for reporting purposes. In 2018, BCSEA administered two projects: Cool It! and BC Utilities Commissions (BCUC) Interventions. The Cool It! project is an educational outreach program delivered to school aged children in grades 4 through 7. The BC Utilities Commissions Interventions is an applicant-funded, quasi-judicial proceedings where the BCSEA presents fact-based analyses on questions relating to energy conservation and sustainable energy sources to allow the Commissioners to determine whether to approve, reject, or amend proposed changes by the regulated utilities in the province of British Columbia.

Revenue recognition

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 consists of grants, donations, fundraising events and interest income.

(continues)

BC Sustainable Energy Association
Notes to Financial Statements
Year Ended June 30, 2018

2. Significant accounting policies (continued)

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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 those estimates and may have impact on future periods.

Financial instruments

BCSEA's financial instruments consist of cash, term deposits, accounts receivable, accrued receivables, prepaid expenses, accounts payable, accrued liabilities, and payroll payable and pass through fund liabilities. Cash and term deposits are measured at fair value. All other financial instruments are measured at amortized cost. The carrying values of these financial instruments approximate their fair values due to the short-term nature of these assets and liabilities.

3. Accounts receivable

Accounts receivable consists of the following:

	2018 \$	2017 \$
BC Utility Commissions amounts receivable		
Fortis	127,223	-
BC Hydro	73,945	-
Sponsorship fees		
Events	413	1,000
Municipal grants		
City of Vancouver	4,900	-
Translink	6,000	-
City of North Vancouver	3,000	-
	215,481	1,000

4. BC Utilities Commission awards receivable and costs payable

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

In 2018, BCSEA received \$547,917 (2017: \$171,708) in Utility Commission awards and related costs. At June 30, 2018, \$201,167 (2017: \$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.

BC Sustainable Energy Association

Notes to Financial Statements

Year Ended June 30, 2018

5. Accrued interest receivable - restricted

During 2018, the Board approved the fund transfer of \$15 (2017: \$1,020) representing the interest earned on term deposits from the organization's internally restricted fund to BCSEA Provincial Body general operations account.

6. Deferred contributions

Deferred contributions represent grants externally restricted by the funding agency or donor (municipalities, school districts, charitable agencies) solely for the implementation of BCSEA's projects and are not held in permanence by the organization:

	2018	2017
	\$	\$
Cool It!	24,054	3,644

7. Transfer of fund balances

During 2018, the board approved the following fund transfers to the Provincial Body: \$15 (2017: \$1,020) representing the interest earned on term deposits held by the Provincial Body as internally restricted funds and \$16,101 (2017: \$139,062) from internally restricted funds to support general operations resulting in a net transfer to the Provincial Body of \$16,116 (2017: \$140,082) and a net transfer from the Restricted projects of \$16,116 (2017: \$140,082).

8. Financial instruments and concentration of risks

BCSEA has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk, currency risk, interest rate risk and liquidity risk. There have been no significant changes in the company's risk exposure from the prior year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This risk is mitigated by the fact that accounts receivable are not concentrated with any single party.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. BCSEA does not face significant currency risk exposure.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. BCSEA does not face significant interest rate risk exposure.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. BCSEA does not face significant liquidity risk exposure.

BC Sustainable Energy Association

Notes to Financial Statements

Year Ended June 30, 2018

9. Remuneration of employees

Under the new Societies Act, which came into effect November 28, 2016, societies must disclose remuneration paid to directors, and to employees and contractors whose remuneration was at least \$75,000 for the fiscal year. During the year, there were no employees who met this criterion. (During the prior year, there were no employees who met this criterion either). The Board of Directors receive no remuneration for their services other than reimbursement of expenses.