

**BC Sustainable Energy Association
Financial Statements
Year Ended June 30, 2021**

Independent Auditor's Report

To the Members of BC Sustainable Energy Association

Report on the Financial Statements

Opinion

We have audited the financial statements of BC Sustainable Energy Association (the Society), which comprise the statement of financial position as at June 30, 2021, and the statements of revenues and expenditures and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at June 30, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

(continues)



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

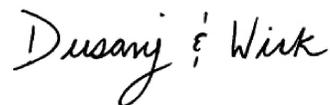
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.



BC Sustainable Energy Association
Statement of Financial Position
June 30, 2021

	Provincial body \$	Combined Chapters \$	Restricted \$	2021 \$	2020 \$
Assets					
Current					
Cash	159,751	14,841	74,477	249,069	168,949
Accounts receivable (Note 3)	4,991	-	-	4,991	4,544
Government remittances receivable	147	3	-	150	786
Prepaid expenses	-	-	-	-	1,025
Due from funds	-	-	-	-	240
	164,889	14,844	74,477	254,210	175,544
Equipment	-	-	-	-	142
Total assets	164,889	14,844	74,477	254,210	175,686
Liabilities					
Current					
Accounts payable and accrued liabilities	5,425	-	-	5,425	4,340
Accrued BCUC costs payable (Note 4)	-	-	-	-	10,000
Wages payable	2,343	-	-	2,343	1,044
Government remittances payable	2,426	-	-	2,426	2,340
Due to funds	-	-	-	-	240
	10,194	-	-	10,194	17,964
Deferred contributions (Note 6)	-	-	74,472	74,472	70,633
Total liabilities	10,194	-	74,472	84,666	88,597
Net Assets					
Fund balances	154,695	14,844	5	169,544	87,089
Total liabilities and net assets	164,889	14,844	74,477	254,210	175,686

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 Revenues and Expenditures and Changes in Fund Balances
Year Ended June 30, 2021

	Provincial body \$	Combined Chapters \$	Restricted \$	2021 \$	2020 \$
Revenue					
BC Utilities commission awards (Note 4)	-	-	328,673	328,673	102,718
Grant revenue	30,722	-	119,003	149,725	145,579
Donations and memberships	73,339	-	-	73,339	48,110
Federal wage subsidy (Note 7)	30,913	-	-	30,913	21,418
Administrative fees	10,796	-	-	10,796	6,000
Fundraising and events	200	-	-	200	2,198
Interest income	40	1	-	41	463
Energy connections revenue	-	-	-	-	20,560
	<u>146,010</u>	<u>1</u>	<u>447,676</u>	<u>593,687</u>	<u>347,046</u>
Expenses					
BC Utilities Commission costs	-	-	328,668	328,668	102,718
Payroll costs	39,157	-	57,252	96,409	103,695
Program costs	-	92	61,751	61,843	91,831
General and administrative costs	24,312	-	-	24,312	27,053
Energy Connections	-	-	-	-	15,563
	<u>63,469</u>	<u>92</u>	<u>447,671</u>	<u>511,232</u>	<u>340,860</u>
Excess (deficiency) of revenue over expenses	82,541	(91)	5	82,455	6,186
Fund balances - beginning of year	72,154	14,935	-	87,089	80,903
Fund balances - end of year	<u>154,695</u>	<u>14,844</u>	<u>5</u>	<u>169,544</u>	<u>87,089</u>

The accompanying notes are an integral part of these financial statements

BC Sustainable Energy Association
Statement of Cash Flows
Year Ended June 30, 2021

	2021	2020
	\$	\$
Operating activities		
Excess of revenue over expenses	82,455	6,186
Item not affecting cash:		
Amortization of equipment	142	56
	<u>82,597</u>	<u>6,242</u>
Changes in non-cash working capital:		
Accounts receivable	(447)	9,315
Government remittances receivable	635	166
Prepaid expenses	1,025	1,213
Accounts payable and accrued liabilities	1,086	(36,056)
Accrued BCUC costs payable	(10,000)	(3,859)
Wages payable	1,299	(748)
Government remittances payable	86	350
Deferred contributions	3,839	(18,049)
	<u>(2,477)</u>	<u>(47,668)</u>
Increase (decrease) in cash flow	80,120	(41,426)
Cash - beginning of year	<u>168,949</u>	<u>210,375</u>
Cash - end of year	<u>249,069</u>	<u>168,949</u>

The accompanying notes are an integral part of these financial statements

BC Sustainable Energy Association

Notes to Financial Statements

Year Ended June 30, 2021

1. Purpose of the Society

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 (ASNPO), 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 four 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 2021, 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 elementary and high schools. 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, 2021

2. Significant accounting policies (*continued*)

Contributed materials and services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

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

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

3. Accounts receivable

Accounts receivable consists of the following:

	2021	2020
	\$	\$
Federal wage subsidy	4,991	4,544

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 2021, BCSEA received \$328,673 (2020: \$102,718) in Utility Commission awards. At June 30, 2021, \$nil (2020: \$10,000) of the total costs incurred is reflected as costs payable due to applications submitted before year-end and the associated funds being received after year-end.

5. Credit facility

There is a line of credit available in the amount of \$15,000 from the Vancouver City Savings Credit Union which bears interest at the bank's prime rate plus 2% per annum. At year end, the balance drawn on the facility is nil (2020: nil).

BC Sustainable Energy Association

Notes to Financial Statements

Year Ended June 30, 2021

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:

	2021	2020
	\$	\$
Cool It!	74,472	70,633

7. Government assistance

As a result of the COVID-19 pandemic, the company received federal government assistance in the form of the Canada Emergency Wage Subsidy (CEWS) in the amount of \$30,913 (2020: \$21,418), which has been included in Provincial Body revenue.

8. Financial risks 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. BCSEA does not face significant credit risk.

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.