

Statement of Financial Position
As at June 30, 2013 and 2012 and July 1, 2011
(unaudited)

	Provincial Body	Combined Chapters	Restricted	June 30, 2013	June 30, 2012	July 1, 2011
Assets						
Current						
Cash	\$ -	\$ 17,423	\$ 67,239	\$ 84,662	\$ 472,881	\$ 319,535
Credit union shares	71	197	-	268	260	251
Term deposits	70,000	-	939,370	1,009,370	832,017	1,132,000
Accounts receivable (Note 8)	-	-	9,230	9,230	-	135,872
Accrued BCUC awards receivable (Note 9)	-	-	17,883	17,883	193,922	-
Accrued interest receivable (Note 4)	893	-	8,572	9,465	3,606	5,970
HST/GST receivable	2,756	370	7,312	10,438	27,522	67,404
Prepaid expense	503	-	-	503	407	390
Due from interfunds	65,579	1,271	-	66,850	17,660	30,016
	<u>139,802</u>	<u>19,261</u>	<u>1,049,606</u>	<u>1,208,669</u>	<u>1,548,275</u>	<u>1,691,438</u>
Capital assets	<u>1,624</u>	<u>-</u>	<u>-</u>	<u>1,624</u>	<u>1,319</u>	<u>2,158</u>
	<u>\$ 141,426</u>	<u>\$ 19,261</u>	<u>\$ 1,049,606</u>	<u>\$ 1,210,293</u>	<u>\$ 1,549,594</u>	<u>\$ 1,693,596</u>
Liabilities						
Current						
Accounts payable	\$ 13,620	\$ 27	\$ 29,842	\$ 43,489	\$ 21,863	\$ 42,498
Bank overdraft	6,900	-	-	6,900	-	-
Accrued BCUC costs payable (Note 9)	-	-	17,883	17,883	193,922	-
Payroll payable	25,927	-	-	25,927	817	-
Due to interfunds	1,271	-	65,579	66,850	17,660	30,016
	<u>47,718</u>	<u>27</u>	<u>113,304</u>	<u>161,049</u>	<u>234,262</u>	<u>72,514</u>
Pass Through Funds (Note 6)	<u>-</u>	<u>4,918</u>	<u>933,938</u>	<u>938,856</u>	<u>1,166,368</u>	<u>1,495,847</u>
Net assets						
Fund balances (Note 5)	<u>93,708</u>	<u>14,316</u>	<u>2,364</u>	<u>110,388</u>	<u>148,964</u>	<u>125,235</u>
	<u>\$ 141,426</u>	<u>\$ 19,261</u>	<u>\$ 1,049,606</u>	<u>\$ 1,210,293</u>	<u>\$ 1,549,594</u>	<u>\$ 1,693,596</u>

Approved by directors:

signed by "Michael Pullinger"

(President)

signed by "Keith Hebert"

(Vice-president)

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

	<u>Provincial Body</u>	<u>Combined Chapters</u>	<u>Restricted</u>	<u>Twelve Months Ended 2013</u>	<u>Twelve Months Ended 2012</u>
Revenues					
Donations and memberships	\$ 50,773	\$ -	\$ 9,141	\$ 59,914	\$ 85,137
Fundraising and events	-	2,259	457	2,716	6,103
Grant revenue	5,000	4,684	300,384	310,068	825,282
Administrative overhead fees	27,760	-	-	27,760	55,309
Interest income (Note 4)	1,142	12	12,702	13,856	13,096
BC Utilities Commission awards (Note 9)	-	-	254,104	254,104	273,320
Total revenues	<u>84,675</u>	<u>6,955</u>	<u>576,788</u>	<u>668,418</u>	<u>1,258,247</u>
Expenses					
Payroll costs	29,422	-	68,812	98,234	8,437
Program costs	3,349	7,901	251,171	262,421	880,994
General and administrative costs	91,818	417	-	92,235	71,767
BC Utilities Commission costs (Note 9)	-	-	254,104	254,104	273,320
Total expenses	<u>124,589</u>	<u>8,318</u>	<u>574,087</u>	<u>706,994</u>	<u>1,234,518</u>
Net income/(loss) for period	(39,914)	(1,363)	2,701	(38,576)	23,729
Fund balance					
Beginning balance	130,921	15,679	2,364	148,964	125,235
Transfer of fund balances	2,701	-	(2,701)	-	-
Ending balance	<u>\$ 93,708</u>	<u>\$ 14,316</u>	<u>\$ 2,364</u>	<u>\$ 110,388</u>	<u>\$ 148,964</u>

BC Sustainable Energy Association
Notes to the Financial Statements
For the years ended June 30, 2013 and 2012
(unaudited)

1. Description of the Entity

The BC Sustainable Energy Association (“BCSEA”) is a private sector 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

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

a. Use of Estimates

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

b. Comparative Figures

Certain comparative amounts have been reclassified where applicable in order to conform to the presentation used in the current year.

c. 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.

d. Financial Instruments

The financial instruments of BCSEA consist of cash, short-term deposits, accounts receivable, accrued receivables, prepaid expenses, accounts payable, accrued liabilities, payroll payable and pass through fund liabilities. The carrying values of these financial instruments approximate their fair values due to the short-term nature of these assets and liabilities.

BC Sustainable Energy Association
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2. Significant Accounting Policies continued

e. Conversion to Canadian Accounting Standards for Not-For-Profit Organizations

Commencing with the 2013 fiscal year, the BCSEA has adopted the Canadian accounting standards for not-for-profit organizations issued by the Accounting Standards Board. These financial statements are the first financial statements for which the BCSEA has applied Canadian accounting standards for not-for-profit organizations, which have been applied retrospectively.

The conversion to the Canadian accounting standards for not-for-profit organizations on July 1, 2012 did not result in adjustment to previously reported assets, liabilities or net assets of the company, and accordingly no adjustments have been recorded in the comparative statement of financial position or statement of operations and changes in fund balances.

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 \$12,702 (2012 – \$12,231) representing the interest earned on term deposits from both the SolarBC Project and the MURB Pilot Project to the BCSEA Provincial Body Fund. At June 30, 2013 \$8,572 (2012 – \$3,467) 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 organization.

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 through special purpose grants and donations. These funds are restricted to create clarity of presentation for reporting purposes. The BCSEA administers three such projects: the SolarBC legacy project (“SolarBC”), the Climate Change Showdown project (“CCS”) and the Multiple Unit Residential Building pilot project (“MURB”).

BC Sustainable Energy Association
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5. Fund Balances continued

c. Restricted

Upon the completion of the original SolarBC program on March 31, 2011, the BCSEA has continued to administer SolarBC's ongoing commitments as described in Note 12. The CCS project is an educational outreach program delivered to school children in grades 4 through 7. The MURB pilot project will determine the economic feasibility of building retrofits for up to six multiple unit residential buildings in the City of Vancouver.

6. Pass Through Fund Liabilities

Pass through fund liabilities 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:

	2013	2012
SolarBC legacy fund	798,449	964,794
MURB pilot fund	132,812	195,751
Climate Change Showdown fund	2,677	2,906
Kamloops chapter – Solar Laundry fund	4,918	2,917
Total – year end	938,856	1,166,368

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 \$nil in 2013 (2012 – \$15,706).

A company, whose principal was a member of the Board of the BCSEA until December 2011, received payment of \$nil in 2013 (2012 – \$1,120) for general administrative services.

As a member of the Board of the BCSEA until December 2011, a director received payment of \$nil in 2013 (2012 – \$3,538) for financial management services.

As a member of the Board of the BCSEA until December 2011, a director received payment of \$nil in 2013 (2012 – \$2,368) for management fees earned while representing the BCSEA at various BC Utilities Commission hearings.

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8. Accounts Receivable

The BCSEA's Climate Change Showdown project delivers its education outreach program during the fall and spring semesters to students in grades 4 through 7. With the completion of the program by May 2013, certain funds related to the delivery of the program remained to be collected as at June 30:

	2013	2012
Donations	1,980	0
Municipal grants		
Kamloops	5,000	0
Delta	2,250	0
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Total – year end	9,230	0

9. BC Utilities Commission Awards and Costs

The BCSEA regularly intervenes in BC Utility 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 2013, the BCSEA received \$254,104 (2012 – \$273,320) in Utility Commission awards and related costs. At June 30, 2013 \$17,883 (2012 – \$193,922) 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. Financial Instruments and Risk Management

The organization actively manages the risks that arise from its use of financial instruments including liquidity risk. Liquidity risk is the risk that the organization cannot meet a demand for cash or fund its obligations as they come due. A key liquidity requirement for the organization is grant commitments. Liquidity risk is managed by ensuring that the majority of the organization's assets are held as term deposits and can be readily liquidated; therefore, the organization's liquidity risk is considered minimal. In addition, the organization aims to retain sufficient cash positions to maintain liquidity. The organization's exposure to and management of liquidity risk has not changed materially since June 30, 2012.

11. 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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12. Subsequent Event

The BCSEA has continued to manage the SolarBC legacy commitments following the conclusion of the SolarBC program on March 31, 2011. The BCSEA's board of directors has established a \$75,000 contingency fund to satisfy any outstanding Memorandums of Understanding. Payments are contingent upon the fulfillment of certain activities by each organization or community.