

**BRITISH COLUMBIA
SUSTAINABLE ENERGY ASSOCIATION**

Financial Statements

Year Ended December 31, 2007

(Unaudited - See Notice To Reader)

OBARA LEE & CO.
CHARTERED ACCOUNTANTS

A Partnership of Incorporated Professionals

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NOTICE TO READER

On the basis of information provided by management, we have compiled the financial position of the BRITISH COLUMBIA SUSTAINABLE ENERGY ASSOCIATION as at December 31, 2007 and the statement of operations and changes in fund balances for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Prior to compiling these financial statements, our firm completed accounting services that included preparation of accounting entries that have a significant affect on the financial statements.

Victoria, B.C.
May 8, 2008

Obara Lee & Co.
CHARTERED ACCOUNTANTS



**BRITISH COLUMBIA
SUSTAINABLE ENERGY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
(unaudited - see Notice to Reader)**

	<u>Provincial Body</u>	<u>Combined Chapters</u>	<u>Restricted</u>	<u>December 31</u>	
				<u>2007</u>	<u>2006</u>
ASSETS					
CURRENT					
Cash	2,279	13,163	85,178	100,620	80,079
Credit Union Shares	56	133	-	189	181
Term deposits	37,000	-	40,000	77,000	40,000
Accounts receivable	450	-	15,774	16,224	11,400
Accrued interest receivable	628	-	963	1,591	223
	<u>40,413</u>	<u>13,296</u>	<u>141,915</u>	<u>195,624</u>	<u>131,883</u>
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities	3,270	-	-	3,270	4,109
Wages and vacation payable	110	-	-	110	-
Employee deductions payable	734	-	-	734	-
Worksafe BC payable	52	-	-	52	-
GST payable	7	59	-	66	233
Deferred revenue (Note 3)	-	-	143,540	143,540	106,046
Due from Provincial Body to Restricted	1,625	-	(1,625)	-	-
Due to Provincial Body from Chapters	(536)	536	-	-	-
	<u>5,262</u>	<u>595</u>	<u>141,915</u>	<u>147,772</u>	<u>110,388</u>
NET ASSETS					
Fund balances	<u>35,151</u>	<u>12,701</u>	<u>-</u>	<u>47,852</u>	<u>21,495</u>
	<u>40,413</u>	<u>13,296</u>	<u>141,915</u>	<u>195,624</u>	<u>131,883</u>

APPROVED BY DIRECTORS:

Guy Hancey, President

Donald Leung, Treasurer

OBARA LEE & CO.
CHARTERED ACCOUNTANTS

**BRITISH COLUMBIA
SUSTAINABLE ENERGY ASSOCIATION**

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

(unaudited - see Notice to Reader)

	Provincial Body	Combined Chapters	Restricted	Year Ended December 31	
				2007	2006
REVENUES					
Donations and memberships	30,310	14,809	-	45,119	21,097
Fund raising and events	16,695	-	-	16,695	5,754
Grant revenue	19,000	500	471,267	490,767	310,953
Other revenue	-	253	-	253	-
Interest revenue	2,164	13	793	2,970	627
Sale of goods (net)	141	1,145	-	1,286	828
Course fees	-	991	872	1,863	4,344
Administration fees (internal)	11,803	-	-	11,803	-
Consulting fees (net)	-	-	-	-	2,000
Deferred revenue (prior)	-	-	106,046	106,046	70,561
Deferred revenue (current)	-	-	(143,540)	(143,540)	(106,046)
TOTAL REVENUES	80,113	17,711	435,438	533,262	310,118
EXPENSES					
Meeting costs	286	110	-	396	308
Program costs (Schedule 1)	12,554	11,768	417,754	442,076	270,274
Payroll costs (Schedule 1)	27,339	-	2,375	29,714	18,121
General and Administrative costs (Schedule 2)	19,048	362	15,309	34,719	20,179
TOTAL EXPENSES	59,227	12,240	435,438	506,905	308,882
NET INCOME FOR YEAR	20,886	5,471	-	26,357	1,236
FUND BALANCE, beginning	14,265	7,230	-	21,495	20,259
FUND BALANCE, ending	35,151	12,701	-	47,852	21,495

**BRITISH COLUMBIA
SUSTAINABLE ENERGY ASSOCIATION**

Notes to Financial Statements

Year Ended December 31, 2007

(Unaudited - See Notice To Reader)

1. REPORTING ENTITY

The BC Sustainable Energy Association was incorporated under the Societies Act of British Columbia on January 6, 2004. The purposes of the Association are:

- a. To help British Columbia become a world leader in the use of sustainable energy by providing a forum through which members can meet, share ideas, and develop joint initiatives, supported by up-to-date information and technical research.
- b. To speak with a strong collective voice to municipal, provincial and federal governments and other agencies on issues concerning the development of clean, renewable, efficient energy in British Columbia, and the reduction of British Columbia's greenhouse gas emissions.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Revenue Recognition and Expenses

Revenue and expenses are recorded according to the deferral method of accounting, except donations, which are recorded when received. Revenue includes grants, donations, user fees and fundraising revenue.

b. Financial Instruments

The Association's financial instruments consist of cash and term deposits, accounts receivable and accounts payable. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

3. DEFERRED REVENUE

Deferred revenue represents amounts received prior to December 31, 2007 which are intended to be for funding for programs after the fiscal year.

4. INTERFUND TRANSFERS

During the current fiscal year the Association required an interfund transfer from the Restricted Fund to the Provincial Body Fund in the amount of \$1,615. An interfund transfer was required from the Provincial Body Fund to the Combined Chapters fund in the amount of \$536.

5. COMPARATIVES

Prior year financial statements were prepared by another firm. Certain figures from the prior year were reclassified to conform to the current year's presentation.

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**BRITISH COLUMBIA
SUSTAINABLE ENERGY ASSOCIATION**

Notes to Financial Statements

Year Ended December 31, 2007

(Unaudited - See Notice To Reader)

6. 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 three British Columbia Sustainable Energy Association chapters that have their own bank accounts. Although the chapters have control to spend their monies for chapter purposes they are a part of British Columbia Sustainable Energy Association.

c. Restricted

The Restricted Fund represents funds for specific projects funded mainly through special purpose grants. The exception is the Sierra Club of BC restricted fund whose revenues come from grants received through an agency agreement with the Sierra Club of BC Foundation but are not necessarily dedicated to specific purposes. These funds are restricted to create clarity of presentation for reporting purposes.

**BRITISH COLUMBIA
SUSTAINABLE ENERGY ASSOCIATION**

SCHEDULE OF PROGRAM AND PAYROLL COSTS

(unaudited - see Notice to Reader)

	<u>Provincial Body</u>	<u>Combined Chapters</u>	<u>Restricted</u>	<u>Year Ended December 31</u>	
				<u>2007</u>	<u>2006</u>
PROGRAM COSTS					
Public events costs	8,354	5,783	-	14,137	3,615
Travel and accomodation costs	-	624	8,834	9,458	1,516
Meals and entertainment	-	15	535	550	-
Printing, graphic and creative costs	1,368	2,619	4,552	8,539	3,388
Communication and postage costs	-	-	620	620	13
Subcontract costs	2,467	100	173,031	175,598	111,271
Other program expenditures	365	2,627	230,182	233,174	150,471
TOTAL PROGRAM COSTS	<u>12,554</u>	<u>11,768</u>	<u>417,754</u>	<u>442,076</u>	<u>270,274</u>
PAYROLL COSTS					
Payroll	3,062	-	-	3,062	-
Worksafe BC	85	-	-	85	20
Contracted Staff - coordinator	24,192	-	2,375	26,567	18,101
TOTAL PAYROLL COSTS	<u>27,339</u>	<u>-</u>	<u>2,375</u>	<u>29,714</u>	<u>18,121</u>

**BRITISH COLUMBIA
SUSTAINABLE ENERGY ASSOCIATION**

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES

(unaudited - see Notice to Reader)

	Provincial Body	Combined Chapters	Restricted	Year Ended December 31	
				2007	2006
Accounting and legal fees	5,120	-	667	5,787	711
Administration fees (internal)	-	-	11,803	11,803	-
Consulting	200	-	-	200	-
Courier and postage	467	51	156	674	204
Insurance	1,000	-	-	1,000	1,000
Interest, bank and credit card charges	2,833	3	-	2,836	1,316
Licenses and dues	350	-	-	350	380
Marketing and promotion	34	-	-	34	-
Meals and entertainment	-	20	-	20	-
Meeting costs	412	-	-	412	-
Office supplies	522	96	2,440	3,058	8,773
Other administrative costs	-	-	305	305	-
Penalties and interest	204	-	-	204	-
Printing & Copying	846	107	(62)	891	2,220
Rent	-	85	-	85	-
Repairs and maintenance	-	-	-	-	44
Subscriptions	-	-	-	-	178
Telephone	1,425	-	-	1,425	2,072
Training and seminar fees	4,542	-	-	4,542	729
Travel	823	-	-	823	650
Web and internet	270	-	-	270	1,902
TOTAL EXPENSES	19,048	362	15,309	34,719	20,179