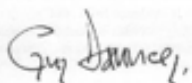
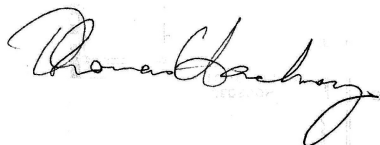


Statement of Financial Position
As at June 30
(unaudited)

	<u>Provincial Body</u>	<u>Combined Chapters</u>	<u>Restricted</u>	<u>2011</u>	<u>2010</u>
Assets					
Current					
Cash	\$ 20,833	\$ 15,343	\$ 283,359	\$ 319,535	\$ 178,141
Credit union shares	66	185	-	251	238
Term deposits	57,000	-	1,075,000	1,132,000	2,762,000
Accounts Receivable (Note 8)	-	-	135,872	135,872	893
Accrued interest receivable (Note 4)	112	-	5,858	5,970	22,922
GST receivable	4,661	795	61,948	67,404	29,466
Prepaid expense	390	-	-	390	390
Due from interfunds	26,931	1,396	1,689	30,016	10,440
	<u>109,993</u>	<u>17,719</u>	<u>1,563,726</u>	<u>1,691,438</u>	<u>3,004,490</u>
Capital assets	<u>2,158</u>	<u>-</u>	<u>-</u>	<u>2,158</u>	<u>3,580</u>
	<u>\$ 112,151</u>	<u>\$ 17,719</u>	<u>\$ 1,563,726</u>	<u>\$ 1,693,596</u>	<u>\$ 3,008,070</u>
Liabilities					
Current					
Accts payable & accrued liabilities	\$ 3,905	\$ 59	\$ 38,534	\$ 42,498	\$ 129,678
Payroll payable	-	-	-	-	5,901
Due to interfunds	3,085	-	26,931	30,016	10,440
	<u>6,990</u>	<u>59</u>	<u>65,465</u>	<u>72,514</u>	<u>146,019</u>
Deferred revenue (Note 6)	<u>-</u>	<u>-</u>	<u>1,495,847</u>	<u>1,495,847</u>	<u>2,700,194</u>
Net assets					
Fund balances (Note 5)	<u>105,161</u>	<u>17,660</u>	<u>2,414</u>	<u>125,235</u>	<u>161,857</u>
	<u>\$ 112,151</u>	<u>\$ 17,719</u>	<u>\$ 1,563,726</u>	<u>\$ 1,693,596</u>	<u>\$ 3,008,070</u>

Approved by directors:


 (President)



 (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 2011</u>	<u>Twelve Months Ended 2010</u>
Revenues					
Donations and memberships	\$ 62,597	\$ 256	\$ -	\$ 62,853	\$ 102,706
Fundraising and events	300	1,827	-	2,127	19,179
Grant revenue (Note 6)	-	-	1,363,998	1,363,998	1,329,619
Administrative overhead fees	44,000	-	-	44,000	32,250
Interest income (Note 4)	552	23	22,117	22,692	57,735
BC Utilities Commission awards	-	-	173,135	173,135	200,966
Total revenues	<u>107,449</u>	<u>2,106</u>	<u>1,559,250</u>	<u>1,668,805</u>	<u>1,742,455</u>
Expenses					
Payroll costs	80,341	-	-	80,341	85,383
Program costs	259	6,160	1,363,735	1,370,154	1,412,760
General and administrative costs	79,911	1,832	54	81,797	52,650
BC Utilities Commission costs	-	-	173,135	173,135	200,966
Total expenses	<u>160,511</u>	<u>7,992</u>	<u>1,536,924</u>	<u>1,705,427</u>	<u>1,751,759</u>
Net (loss)/income for period	(53,062)	(5,886)	22,326	(36,622)	(9,304)
Fund balance					
Beginning balance	136,106	23,546	2,205	161,857	171,161
Transfers of fund balances	22,117	-	(22,117)	-	-
Ending balance	<u>\$ 105,161</u>	<u>\$ 17,660</u>	<u>\$ 2,414</u>	<u>\$ 125,235</u>	<u>\$ 161,857</u>

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. develop and provide programs promoting the protection and preservation of the environment through energy conservation and the use of energy from sustainable sources;
- b. educate the public, institutions, businesses and governments by providing courses, seminars and workshops about energy conservation and the production and use of energy from sustainable sources;
- c. undertake research in the fields of sustainable energy and energy conservation, and making the results of that research available to the public.

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. The short-term deposit interest rates range from 1.0% to 1.35% (2010 – 1.0% to 3.8%)

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 \$22,117 (2010 – \$56,300) representing the interest earned on term deposits from the SolarBC Program to the BCSEA Provincial Body Fund. At June 30, 2011 \$5,858 (2010 – \$22,777) 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. For the past three years the BCSEA has administered, under the guidance of two Oversight Committees, the SolarBC program (“SolarBC”) which integrated six different solar projects to develop a comprehensive solar program for British Columbia. SolarBC consists of the following projects: 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”) for total delivery of the project which consisted of achieving 539 solar hot water systems for existing and/or new-builds by March 31, 2011.

BC Sustainable Energy Association
Notes to the Financial Statements
For the years ended June 30, 2011 and 2010
(unaudited)

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:

	2011	2010
Deferred revenue, beginning of year	2,700,194	3,956,278
Amounts received in the year	159,651	73,535
Less: amount recognized as revenue during the year	(1,363,998)	(1,329,619)
Deferred revenue, end of year	1,495,847	2,700,194

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 \$24,755 in 2011 (2010 – \$20,000).

A company, one of whose principals is a member of the SolarBC Oversight Committee, provided professional services to install PV systems on three schools. Amounts totalled \$nil in 2011 (2010 – \$63,803 plus GST).

A company, whose principal is a member of the Board of the BCSEA entered into an agreement to install remote performance measuring monitoring equipment on up to 25 (16 installed) solar hot water systems that have been installed under the SolarBC Residential Program. During 2011 this company was paid \$20,202 plus HST (2010 – \$49,230 plus GST) for goods and services related to monitoring activities. In addition, the company received payment of \$2,400 in 2011 (2010 – \$2,600) for general administrative services.

A company affiliated with Eaga Canada Services Inc. became a registered installer of the SolarBC Program during fiscal 2010. They provided 1 installation of a solar hot water system in 2011 (2010 – 5). In 2010, they were chosen as the successful application to an RFQ prepared by Eaga to implement repairs to solar hot water systems on 37 residences and a hall. Total cost of repairs in 2011 was \$78,388 of which SolarBC contributed \$38,425 towards the residences and \$2,633 for the hall.

A company affiliated with Eaga Canada Services Inc. installed 2 solar hot water systems in 2011. They were also chosen 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.

In 2011, a member of the Board of the BCSEA received payment of \$11,131 (2010 – \$8,373) for accounting services provided to the organization.

In 2011, a member of the Board of the BCSEA received payment of \$12,833 (2010 – \$21,349) 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, 2011 and 2010
(unaudited)

8. Other Related Party Transactions and Incentives – SolarBC’s Residential Project

The BCSEA has collaborated with Eaga for delivery of the Residential Project of the SolarBC Program to install solar hot water systems for either existing or new-builds by March 31, 2011. Under the terms of the contract with Eaga, as at June 30, 2011, SolarBC has paid \$508,000 (2010 – \$230,000) to Eaga in the form of advances. The purpose of these advances was 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.

The SolarBC advance was segregated from the other assets of Eaga and is held in a separate bank account dedicated for the sole purpose of administering the incentive grants.

These funds were considered as an advance of monies from the BCSEA until such time as Eaga received from Natural Resources Canada all grant monies expected under this project. If the Program ended or the Agreement is terminated before all the originally anticipated 2,000 solar hot water systems have been installed or contracted to be installed, Eaga will return to the BCSEA any monies left in the dedicated incentives account which are not or will not become payable as Incentives, up to a maximum of BCSEA’s contribution to this account less any incentives SolarBC has agreed to fund. In this regard, \$135,872 has been recorded as a receivable representing the entire estimated net recovery of Incentive payments advanced to Eaga at June 30, 2011.

	2011	2010
Incentives advanced – beginning balance	0	0
Amounts advanced during the year	278,000	160,000
Less: incentives paid to homeowners	(142,128)	(160,000)
Amount to be returned to SolarBC	135,872	0

9. 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, 2011 and 2010
(unaudited)

10. Commitments

As at June 30, SolarBC has 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. Tentative commitments are as follows:

	2011	2010
Social Housing		
BC Housing	16,059	22,094
Cdn. Mental Health Assoc.	0	18,039
Four Sisters Housing Co-operative	19,324	0
Local Governments		
Community Energy Assoc.	0	12,300
Alert Bay	2,466	0
Grand Forks	1,233	0
Regional District & City of Nanaimo	0	21,198
Schools		
Public schools (15)	280,000	80,000
Private schools	0	35,434
Brooks Field House	17,437	0
Quw'utusun Smun'een Cowichan Tribes	12,593	0
South Okanagan Secondary	6,938	0
WildBC	6,500	48,597
Regional District of Central Okanagan	0	694
Solar Communities		
Various (22)	55,000	30,000
District of North Vancouver	10,000	14,818
City of Kelowna	10,000	10,000
District of Saanich	10,000	10,000
District of Tofino	10,000	10,000
Whistler	5,000	0
District of Peachland	0	1,388
Township of Esquimalt	0	570
First Nations		
Future Projects (7)	140,000	0
Fraser Basin, Old Massett	40,000	0
Skidegate	10,000	0
Total	652,550	315,132

BC Sustainable Energy Association
Notes to the Financial Statements
For the years ended June 30, 2011 and 2010
(unaudited)

10. Commitments continued

Following the conclusion of the SolarBC program on March 31, 2011, the Oversight Committees determined \$746,316 would be the estimated budget to be allocated over a period of two years to support SolarBC 2020 legacy tasks such as pilot development, research, regulatory and barrier resolution, training and capacity building. SolarBC 2020 expenses incurred to June 30, 2011, totalled \$40,751.