

Financial Statements of

BC Sustainable Energy Association

Year Ended June 30, 2015

(Unaudited)

DICKSON
DUSANJ
& WIRK

CHARTERED
ACCOUNTANTS

Review Engagement Report

To: the Members of BC Sustainable Energy Association

We have reviewed the statement of financial position of BC Sustainable Energy Association as at June 30, 2015 and the statements of operations and changes in fund balances and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the society.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations



Chartered Accountants

Victoria, BC
October 13, 2015

BC Sustainable Energy Association

Statement of Financial Position

(Unaudited)

As at June 30, 2015 with comparative figures for 2014

	Provincial Body	Combined Chapters	Restricted	2015 \$	2014 \$
Assets					
Current					
Cash	4,351	12,334	54,556	71,241	91,544
Term deposits	53,692	-	404,743	458,435	812,238
Accounts receivable (Note 3)	-	2,950	11,540	14,490	8,983
Accrued BCUC awards receivable (Note 4)	-	-	11,788	11,788	35,501
Accrued interest receivable (Note 5)	459	-	4,328	4,787	6,926
HST/GST receivable	1,985	195	225	2,405	1,691
Prepaid expense	1,008	-	-	1,008	396
Due from interfunds	12,628	27	1	12,656	15,056
	74,123	15,506	487,181	576,810	972,335
Equipment	1,528	810	-	2,338	2,908
Total assets	75,651	16,316	487,181	579,148	975,243
Liabilities					
Current					
Accounts payable (Note 6)	8,838	-	592	9,430	118,914
Accrued BCUC costs payable (Note 4)	-	-	11,788	11,788	35,501
Payroll payable	6,221	-	-	6,221	27,141
Due to interfunds	28	-	12,628	12,656	15,056
	15,087	-	25,008	40,095	196,612
Deferred contributions (Note 7)	-	-	9,536	9,536	45,324
Total liabilities	15,087	-	34,544	49,631	241,936
Net Assets					
Fund balances	60,564	16,316	452,637	529,517	733,307
Total liabilities and net assets	75,651	16,316	487,181	579,148	975,243

Approved on Behalf of the Board:

Signed by Robert L. Harper Director

Signed by Gord Kukec Director

The accompanying notes are an integral part of these financial statements.

BC Sustainable Energy Association

Statement of Operations and Changes in Fund Balances

(Unaudited)

Year ended June 30, 2015 with comparative figures for 2014

	Provincial Body \$	Combined Chapters \$	Restricted \$	2015 \$	2014 \$
Revenue					
Administrative overhead fees	-	-	-	-	22,896
BC Utilities Commission awards (Note 4)	-	-	271,461	271,461	237,109
Consulting fees	-	-	6,265	6,265	33,500
Donations and memberships	40,420	-	3,276	43,696	48,742
Fundraising and events	200	18,591	-	18,791	7,068
Grant revenue	6,300	5,411	92,077	103,788	906,389
Interest income (Note 5)	1,072	19	6,583	7,674	12,003
	<u>47,992</u>	<u>24,021</u>	<u>379,662</u>	<u>451,675</u>	<u>1,267,707</u>
Expenses					
Payroll costs	155,641	-	35,002	190,643	161,426
Program costs	28,279	15,924	49,484	93,687	152,309
General and administrative costs	99,445	229	-	99,674	93,944
BC Utilities Commission costs (Note 4)	-	-	271,461	271,461	237,109
	<u>283,365</u>	<u>16,153</u>	<u>355,947</u>	<u>655,465</u>	<u>644,788</u>
Net excess (deficiency) of revenues over expenses	<u>(235,373)</u>	<u>7,868</u>	<u>23,715</u>	<u>(203,790)</u>	<u>622,919</u>
Beginning balance	45,048	8,048	680,211	733,307	110,388
Transfer of fund balances (Note 8)	250,889	400	(251,289)	-	-
Ending balance	<u>60,564</u>	<u>16,316</u>	<u>452,637</u>	<u>529,517</u>	<u>733,307</u>

The accompanying notes are an integral part of these financial statements.

BC Sustainable Energy Association

Statement of Cash Flows

(Unaudited)

Year ended June 30, 2015 with comparative figures for 2014

	2015	2014
	\$	\$
Operating activities:		
Excess (deficiency) of revenue over expenses	(203,790)	622,919
Items not involving cash:		
Amortization of equipment	1,470	1,252
Loss on disposal of equipment	-	156
	(202,320)	624,327
Cash provided by (used in) non-cash workingcapital:		
Accounts receivable	(5,507)	247
Accrued BCUC awards receivable	23,713	(17,618)
Accrued interest receivable	2,139	2,539
HST/GST receivable	(714)	8,747
Prepaid expense	(612)	107
Due from interfunds	2,400	51,794
Accounts payable	(109,484)	75,425
Bank overdraft	-	(6,900)
Accrued BCUC costs payable	(23,713)	17,618
Payroll payable	(20,920)	1,214
Due to interfunds	(2,400)	(51,794)
Deferred contributions	(35,788)	(893,532)
Total cash flows from operating activities	(373,206)	(187,826)
Investing activities:		
Purchase of property and equipment	(900)	(2,692)
Net decrease in cash and term deposits	(374,106)	(190,518)
Cash and term deposits at beginning of year	903,782	1,094,300
Cash and term deposits at end of year	529,676	903,782
Cash and term deposits is composed of:		
Cash	71,241	91,544
Term deposits	458,435	812,238
	529,676	903,782

The accompanying notes are an integral part of these financial statements.

BC Sustainable Energy Association

Notes to the Financial Statements

(Unaudited)

Year ended June 30, 2015 with comparative figures for 2014

1. Description of the Entity

The BC Sustainable Energy Association (“BCSEA”) is a private sector not-for-profit society registered in British Columbia since 2004. The BCSEA is dedicated to promoting the sustainable use of energy in British Columbia 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. Fund accounting

The 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 the 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 2015, The BCSEA administered one such project: the Climate Change Showdown Project (“CCS”). Furthermore, the Multiple Unit Residential Building (MURB) pilot project was administered in the previous fiscal period. In addition, the Board of Directors has internally restricted \$450,269 to support general operations in future fiscal periods.

The CCS project is an educational outreach program delivered to school children in grades 4 through 7. The MURB Pilot Project determined the economic feasibility of building retrofits for up to six multiple unit residential buildings in the City of Vancouver.

BC Sustainable Energy Association

Notes to the Financial Statements

(Unaudited)

Year ended June 30, 2015 with comparative figures for 2014

2. Significant Accounting Policies (continued)

b. 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 revenue and interest income.

c. 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.

d. Financial instruments

The 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

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 2015, certain funds related to the delivery of the program remained to be collected as at June 30. In addition, the Vancouver Chapter hosted an electric vehicle event in May in which sponsorship funds were outstanding as at June 30:

	2015	2014
	\$	\$
Vancouver chapter	2,950	-
Municipal grants		
Corporation of Delta	5,175	-
District of North Vancouver	2,000	-
District of Saanich	1,600	-
City of New Westminister	1,500	-
City of Kamloops	1,265	-
City of Surrey	-	7,500
City of Richmond	-	1,483
	<u>14,490</u>	<u>8,983</u>

BC Sustainable Energy Association

Notes to the Financial Statements

(Unaudited)

Year ended June 30, 2015 with comparative figures for 2014

4. BC Utilities Commission Awards Receivable and Costs

The 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, the BCSEA receives awards equal to the amount invoiced by its contractors and associated experts.

In 2015, the BCSEA received \$271,461 (2014 – \$237,109) in Utility Commission awards and related costs. At June 30, 2015 \$11,788 (2014 – \$35,501) 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.

5. Accrued Interest Receivable - Restricted

During 2015, the Board approved the fund transfer of \$6,583 (2014 - \$11,225) representing the interest earned on term deposits from both the SolarBC Legacy Project and the MURB Pilot Project to the BCSEA Provincial Body Fund. At June 30, 2015 \$4,328 (2014 - \$6,467) of the total interest earned is reflected as accrued interest receivable because the maturity dates of the term deposits occur after the year-end.

6. Accounts Payable - Restricted

At June 30, 2015, \$0 (2014 - \$101,265) of the Restricted Fund's accounts payable balance of \$592 (2014 - \$107,979) was due to funds to be returned to the Greater Vancouver Community Assistance Foundation as a result of the completion of the MURB Pilot Project.

7. 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:

	2015	2014
	\$	\$
Multiple Unit Residential Building Pilot Fund	-	18,047
Climate Change Showdown Fund	9,536	21,866
Kamloops chapter	-	5,411
	<u>9,536</u>	<u>45,324</u>

As all of Multiple Unit Residential Building Pilot (MURB) commitments have been met, the Board approved the retirement of MURB's remaining deferred contribution of \$18,047 with the corresponding unspent surplus funds recognized as grant revenue.

8. Transfer of Fund Balances

During 2015, the Board of Directors approved the following fund transfers to the Provincial Body: \$6,583 (2014 – \$11,225) representing the interest earned on term deposits held by the Provincial body as internally restricted funds, \$0 (2014 – \$2,365) representing the cash remaining in the bank accounts of the Central Interior and Comox chapters following their closure and \$246,767 (2014 - \$0) from internally restricted funds to support general operations. In addition, the Board of Directors approved the fund transfer of \$2,450 (2014 – \$10,606) from the Provincial Body to support the activities of the CCS and the Vancouver chapter that resulted in a net transfer to the Provincial Body of \$250,889 (2014 – \$2,984) and a net transfer from the Restricted projects of \$251,289 (2014 - \$619).

BC Sustainable Energy Association

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Year ended June 30, 2015 with comparative figures for 2014

9. Financial Risks and Concentration of Risks

The 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 society's risk exposure from the prior year.

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

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. The BCSEA does not face significant interest rate risk exposure.

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