BC Sustainable Energy Association
Financial Statements
Year Ended June 30, 2018
Independent Auditor's Report

To the Members of BC Sustainable Energy Association

Report on the Financial Statements

We have audited the accompanying financial statements of BC Sustainable Energy Association, which comprise the statement of financial position as at June 30, 2018, the statement of operations and changes in fund balances and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Independent Auditor's Report to the Members of BC Sustainable Energy Association  (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of BC Sustainable Energy Association as at June 30, 2018, and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Victoria, British Columbia
February 8, 2019

Dusanj & Wirk
Chartered Professional Accountants
### Statement of Financial Position

**As at June 30, 2018 with comparative figures for 2017**

<table>
<thead>
<tr>
<th></th>
<th>Provincial Body</th>
<th>Combined Chapters</th>
<th>Restricted</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>2,277</td>
<td>16,492</td>
<td>27,401</td>
<td>46,170</td>
<td>43,577</td>
</tr>
<tr>
<td>Term deposits</td>
<td>50,251</td>
<td>-</td>
<td>-</td>
<td>50,251</td>
<td>66,000</td>
</tr>
<tr>
<td>Accounts receivable (Note 3)</td>
<td>-</td>
<td>413</td>
<td>13,900</td>
<td>14,313</td>
<td>1,000</td>
</tr>
<tr>
<td>Accrued BCUC awards receivable (Note 4)</td>
<td>-</td>
<td>-</td>
<td>201,167</td>
<td>201,167</td>
<td>-</td>
</tr>
<tr>
<td>Accrued interest receivable (Note 5)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Government remittances receivable</td>
<td>718</td>
<td>34</td>
<td>-</td>
<td>752</td>
<td>2,068</td>
</tr>
<tr>
<td>Prepaid expense</td>
<td>492</td>
<td>-</td>
<td>-</td>
<td>492</td>
<td>743</td>
</tr>
<tr>
<td>Due from interfunds</td>
<td>1,717</td>
<td>36</td>
<td>-</td>
<td>1,753</td>
<td>2,364</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>55,455</td>
<td>16,975</td>
<td>242,468</td>
<td>314,898</td>
<td>116,473</td>
</tr>
<tr>
<td><strong>Equipment</strong></td>
<td>284</td>
<td>415</td>
<td>-</td>
<td>699</td>
<td>944</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>9,846</td>
<td>1,717</td>
<td>218,414</td>
<td>229,977</td>
<td>29,863</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund balances</td>
<td>45,893</td>
<td>15,673</td>
<td>-</td>
<td>61,566</td>
<td>83,910</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>55,739</td>
<td>17,390</td>
<td>242,468</td>
<td>315,597</td>
<td>117,417</td>
</tr>
</tbody>
</table>

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 Operations and Changes in Fund Balances

Year ended June 30, 2018 with comparative figures for 2017

<table>
<thead>
<tr>
<th></th>
<th>Provincial Body</th>
<th>Combined Chapters</th>
<th>Restricted</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BC Utilities Commission awards <em>(Note 4)</em></td>
<td>-</td>
<td>-</td>
<td>547,917</td>
<td>547,917</td>
<td>171,708</td>
</tr>
<tr>
<td>Donations and memberships</td>
<td>52,008</td>
<td>238</td>
<td>1,344</td>
<td>53,590</td>
<td>48,917</td>
</tr>
<tr>
<td>Grant revenue</td>
<td>5,480</td>
<td>-</td>
<td>76,487</td>
<td>81,967</td>
<td>54,898</td>
</tr>
<tr>
<td>Energy Connections</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25,960</td>
<td></td>
</tr>
<tr>
<td>Green Energy Doors Open</td>
<td>7,500</td>
<td>-</td>
<td>-</td>
<td>7,500</td>
<td>-</td>
</tr>
<tr>
<td>Administration fees</td>
<td>6,000</td>
<td>-</td>
<td>-</td>
<td>6,000</td>
<td>-</td>
</tr>
<tr>
<td>Consulting fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25,000</td>
</tr>
<tr>
<td>Fundraising and events</td>
<td>100</td>
<td>3,020</td>
<td>3,120</td>
<td></td>
<td>20,172</td>
</tr>
<tr>
<td>Internal sponsorship</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,875</td>
</tr>
<tr>
<td>Interest income <em>(Note 5)</em></td>
<td>446</td>
<td>13</td>
<td>15</td>
<td>474</td>
<td>1,586</td>
</tr>
<tr>
<td>Webinar and workshop</td>
<td>500</td>
<td>-</td>
<td>-</td>
<td>500</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>72,034</td>
<td>3,271</td>
<td>625,763</td>
<td>701,068</td>
<td>352,116</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll costs</td>
<td>74,385</td>
<td>-</td>
<td>27,674</td>
<td>102,059</td>
<td>197,335</td>
</tr>
<tr>
<td>Program costs</td>
<td>696</td>
<td>1,958</td>
<td>42,013</td>
<td>44,667</td>
<td>55,363</td>
</tr>
<tr>
<td>General and administrative costs</td>
<td>27,727</td>
<td>1,043</td>
<td>-</td>
<td>28,770</td>
<td>57,220</td>
</tr>
<tr>
<td>Energy Connections</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15,331</td>
</tr>
<tr>
<td>Internal sponsorship</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,875</td>
</tr>
<tr>
<td>BC Utilities Commission costs <em>(Note 4)</em></td>
<td>-</td>
<td>-</td>
<td>547,917</td>
<td>547,917</td>
<td>171,708</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>102,808</td>
<td>3,001</td>
<td>617,604</td>
<td>723,413</td>
<td>500,832</td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenues over expenses</strong></td>
<td>(30,774)</td>
<td>270</td>
<td>8,159</td>
<td>(22,345)</td>
<td>(148,716)</td>
</tr>
<tr>
<td><strong>Beginning balance</strong></td>
<td>60,552</td>
<td>15,403</td>
<td>7,956</td>
<td>83,911</td>
<td>232,626</td>
</tr>
<tr>
<td><strong>Transfer of fund balances <em>(Note 7)</em></strong></td>
<td>16,115</td>
<td>-</td>
<td>(16,115)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Ending balance</strong></td>
<td>45,893</td>
<td>15,673</td>
<td>-</td>
<td>61,566</td>
<td>83,910</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deficiency of revenue over expenses</td>
<td>$(22,345)</td>
<td>$(148,716)</td>
</tr>
<tr>
<td>Items not involving cash:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of equipment</td>
<td>246</td>
<td>378</td>
</tr>
<tr>
<td>Loss on disposal of equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total cash flows from operating activities</td>
<td>$(13,156)</td>
<td>$(142,353)</td>
</tr>
<tr>
<td>Net decrease in cash and term deposits</td>
<td>$(13,156)</td>
<td>$(142,353)</td>
</tr>
<tr>
<td>Cash and term deposits at beginning of year</td>
<td>109,577</td>
<td>251,930</td>
</tr>
<tr>
<td><strong>Cash and term deposits at end of year</strong></td>
<td>96,421</td>
<td>109,577</td>
</tr>
<tr>
<td>Cash and term deposits is composed of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>46,170</td>
<td>43,577</td>
</tr>
<tr>
<td>Term deposits</td>
<td>50,251</td>
<td>66,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>96,421</td>
<td>109,577</td>
</tr>
</tbody>
</table>

*The accompanying notes are an integral part of these financial statements*
1. **Purpose of the organization**

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 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 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 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 2018, 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 grades 4 through 7. 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)*
2. Significant accounting policies (continued)

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

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

Accounts receivable consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>BC Utility Commissions amounts receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fortis</td>
<td>127,223</td>
<td>-</td>
</tr>
<tr>
<td>BC Hydro</td>
<td>73,945</td>
<td>-</td>
</tr>
<tr>
<td>Sponsorship fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Events</td>
<td>413</td>
<td>1,000</td>
</tr>
<tr>
<td>Municipal grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Vancouver</td>
<td>4,900</td>
<td>-</td>
</tr>
<tr>
<td>Translink</td>
<td>6,000</td>
<td>-</td>
</tr>
<tr>
<td>City of North Vancouver</td>
<td>3,000</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>215,481</td>
<td>1,000</td>
</tr>
</tbody>
</table>

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 2018, BCSEA received $547,917 (2017: $171,708) in Utility Commission awards and related costs. At June 30, 2018, $201,167 (2017: $0) 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 2018, the Board approved the fund transfer of $15 (2017: $1,020) representing the interest earned on term deposits from the organization's internally restricted fund to BCSEA Provincial Body general operations account.

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:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cool It!</td>
<td>24,054</td>
<td>3,644</td>
</tr>
</tbody>
</table>

7. **Transfer of fund balances**

   During 2018, the board approved the following fund transfers to the Provincial Body: $15 (2017: $1,020) representing the interest earned on term deposits held by the Provincial Body as internally restricted funds and $16,101 (2017: $139,062) from internally restricted funds to support general operations resulting in a net transfer to the Provincial Body of $16,116 (2017: $140,082) and a net transfer from the Restricted projects of $16,116 (2017: $140,082).

8. **Financial instruments 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. This risk is mitigated by the fact that accounts receivable are not concentrated with any single party.

   **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.
9. Remuneration of employees

Under the new Societies Act, which came into effect November 28, 2016, societies must disclose remuneration paid to directors, and to employees and contractors whose remuneration was at least $75,000 for the fiscal year. During the year, there were no employees who met this criterion. (During the prior year, there were no employees who met this criterion either). The Board of Directors receive no remuneration for their services other than reimbursement of expenses.