

Financial Statements of

BC Sustainable Energy Association

Year Ended June 30, 2017

DICKSON
DUSANJ
WIRK

CHARTERED
PROFESSIONAL
ACCOUNTANTS

Independent Auditors' Report

To: the Members of BC Sustainable Energy Association

Report on 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, 2017 and the statements of operations and changes in fund balances and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Members' Responsibility for the Financial Statements

Members are responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

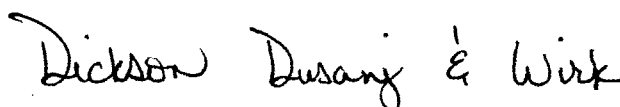
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether 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 auditors' 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 and fair presentation 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 overall 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.

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, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants

Victoria, BC
August 28, 2017

BC Sustainable Energy Association

Statement of Financial Position

As at June 30, 2017 with comparative figures for 2016

	Provincial Body \$	Combined Chapters \$	Restricted \$	2017 \$	2016 \$
Assets					
Current:					
Cash	15,661	14,314	13,602	43,577	46,930
Term deposits	50,000	-	16,000	66,000	205,000
Accounts receivable (Note 3)	-	1,000	-	1,000	4,893
Accrued BCUC awards receivable (Note 4)	-	-	-	-	5,482
Accrued interest receivable (Note 5)	353	-	368	721	2,216
Government remittances receivable	1,576	166	326	2,068	3,320
Prepaid expense	743	-	-	743	1,804
Due from interfunds	2,313	51	-	2,364	3,226
	70,646	15,531	30,296	116,473	272,871
Equipment	426	518	-	944	1,323
Total assets	71,072	16,049	30,296	117,417	274,194
Liabilities					
Current:					
Accounts payable	5,824	646	16,382	22,852	17,246
Accrued BCUC costs payable (Note 4)	-	-	-	-	5,482
Payroll payable	4,647	-	-	4,647	8,680
Due to interfunds	51	-	2,313	2,364	3,226
	10,522	646	18,695	29,863	34,634
Deferred contributions (Note 6)	-	-	3,644	3,644	6,934
Total liabilities	10,522	646	22,339	33,507	41,568
Net Assets					
Fund balances	60,550	15,403	7,957	83,910	232,626
Total liabilities and net assets	71,072	16,049	30,296	117,417	274,194
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, 2017 with comparative figures for 2016

	Provincial Body \$	Combined Chapters \$	Restricted \$	2017 \$	2016 \$
Revenue					
BC Utilities Commission awards (Note 4)	-	-	171,708	171,708	109,328
Donations and memberships	48,247	-	670	48,917	51,234
Grant revenue	5,000	4,999	44,899	54,898	37,309
Energy Connections	25,960	-	-	25,960	16,185
Consulting fees	25,000	-	-	25,000	-
Fundraising and events	11,100	9,072	-	20,172	14,811
Internal sponsorship	-	-	3,875	3,875	-
Interest income (Note 5)	548	18	1,020	1,586	4,114
	115,855	14,089	222,172	352,116	232,981
Expenses					
Payroll costs	177,647	-	19,688	197,335	171,268
Program costs	4,509	12,954	37,900	55,363	56,668
General and administrative costs	56,129	1,091	-	57,220	152,561
Energy Connections	15,331	-	-	15,331	40,047
Internal sponsorship	3,875	-	-	3,875	-
BC Utilities Commission costs (Note 4)	-	-	171,708	171,708	109,328
	257,491	14,045	229,296	500,832	529,872
Excess (deficiency) of revenues over expenses	(141,636)	44	(7,124)	(148,716)	(296,891)
Beginning balance	62,104	15,359	155,163	232,626	529,517
Transfer of fund balances (Note 7)	140,082	-	(140,082)	-	-
Ending balance	60,550	15,403	7,957	83,910	232,626

The accompanying notes are an integral part of these financial statements

BC Sustainable Energy Association

Statement of Cash Flows

Year ended June 30, 2017 with comparative figures for 2016

	2017	2016
	\$	\$
Operating activities:		
Deficiency of revenue over expenses	(148,716)	(296,891)
Items not involving cash:		
Amortization of equipment	378	623
Loss on disposal of equipment	-	393
	(148,338)	(295,875)
Cash provided by (used in) non-cash working capital:		
Accounts receivable	3,894	9,596
Accrued BCUC awards receivable	5,482	6,306
Accrued interest receivable	1,495	2,571
Government remittances receivable	1,252	(915)
Prepaid expense	1,061	(796)
Due from interfunds	862	9,430
Accounts payable	5,606	7,816
Accrued BCUC costs payable	(5,482)	(6,306)
Payroll payable	(4,033)	2,459
Due to interfunds	(862)	(9,430)
Deferred contributions	(3,290)	(2,602)
Total cash flows from operating activities	(142,353)	(277,746)
Net decrease in cash and term deposits	(142,353)	(277,746)
Cash and term deposits at beginning of year	251,930	529,676
Cash and term deposits at end of year	109,577	251,930
Cash and term deposits is composed of:		
Cash	43,577	46,930
Term deposits	66,000	205,000
	109,577	251,930

The accompanying notes are an integral part of these financial statements

BC Sustainable Energy Association

Notes to the Financial Statements

Year ended June 30, 2017 with comparative figures for 2016

1. Description of the Entity

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 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:

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 2017, BCSEA administered one such project: Cool It! The Cool It! project is an educational outreach program delivered to school aged children in grades 4 through 7. In addition, the Board of Directors has internally restricted \$7,957 (2016: \$155,163) to support general operations in future fiscal periods.

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.

BC Sustainable Energy Association

Notes to the Financial Statements

Year ended June 30, 2017 with comparative figures for 2016

2. Significant Accounting Policies

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:

	2017 \$	2016 \$
Sponsorship fees		
Events	1,000	2,900
Municipal grants		
District of Saanich	-	1,993
	<u>1,000</u>	<u>4,893</u>

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 2017, BCSEA received \$171,708 (2016: \$109,328) in Utility Commission awards and related costs. At June 30, 2017, \$0 (2016: \$5,482) 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 2017, the Board approved the fund transfer of \$1,020 (2016: \$3,352) representing the interest earned on term deposits from the organization's internally restricted fund to BCSEA Provincial Body general operations account. At June 30, 2017, \$368 (2016: \$1,826) of the total interest earned is reflected as accrued interest receivable because the maturity dates of the term deposits occur after the year-end.

BC Sustainable Energy Association

Notes to the Financial Statements

Year ended June 30, 2017 with comparative figures for 2016

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:

	2017	2016
	\$	\$
Cool It!	3,644	1,935
Victoria Chapter	-	4,999
	<u>3,644</u>	<u>6,934</u>

7. Transfer of Fund Balances

During 2017, the board approved the following fund transfers to the Provincial Body: \$1,020 (2016: \$3,352) representing the interest earned on term deposits held by the Provincial Body as internally restricted funds, \$0 (2016: \$2,369) representing remaining surplus in the Clean Energy Classrooms project following its termination and \$139,062 (2016: \$272,543) from internally restricted funds to support general operations resulting in a net transfer to the Provincial Body of \$140,082 (2016: \$278,264) and a net transfer from the Restricted projects of \$140,082 (2016: \$278,264).

8. Financial Risks 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.

BC Sustainable Energy Association

Notes to the Financial Statements

Year ended June 30, 2017 with comparative figures for 2016

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 was one employee who met this criterion and the amount of remuneration paid to this person was \$90,000.) The Board of Directors receive no remuneration for their services other than reimbursement of expenses.