
**HUB CYCLING
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2018
(Unaudited)**





REVIEW ENGAGEMENT REPORT

To the Members of
HUB Cycling

We have reviewed the statement of financial position of HUB Cycling as at March 31, 2018 and the statements of operations, changes in net assets 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 management.

Management's Responsibility for the Financial Statements

Management is 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 misstatements, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of HUB Cycling as at March 31, 2018 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.

Manning Elliott LLP

Chartered Professional Accountants

Vancouver, British Columbia

July 18, 2018

HUB CYCLING
 STATEMENT OF FINANCIAL POSITION
 AS AT MARCH 31, 2018
 (Unaudited)

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and short-term investments	\$ 336,546	\$ 208,468
Accounts receivable	16,250	64,252
Prepaid expenses and deposits	4,830	4,091
	357,626	276,811
CAPITAL ASSETS (Note 3)	1,548	2,248
TOTAL ASSETS	\$ 359,174	\$ 279,059
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 8,261	\$ 5,251
Deferred revenue (Note 4)	174,401	187,234
TOTAL LIABILITIES	182,662	192,485
COMMITMENTS (NOTE 6)		
NET ASSETS	176,512	86,574
TOTAL LIABILITIES AND NET ASSETS	\$ 359,174	\$ 279,059

On behalf of the Board:

 Director
 DERIK WENMAN, TREASURER

 Director
 JEFF LEIGH, VP



HUB CYCLING
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2018
(Unaudited)

		2018		2017
BALANCE, BEGINNING OF YEAR	\$	86,574	\$	41,543
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR		89,938		45,031
BALANCE, END OF YEAR	\$	176,512	\$	86,574



HUB CYCLING**STATEMENT OF OPERATIONS****FOR THE YEAR ENDED MARCH 31, 2018**(Unaudited)

	2018	2017
REVENUE		
Private funding and donations	\$ 321,108	\$ 306,881
Government revenue	277,522	220,338
Regional Government	183,125	140,750
Membership fees	72,346	70,463
Courses and fees for service	37,033	51,942
Merchandise and t-shirt sales	6,696	3,978
Interest and expenses recovered	4,852	1,240
	902,682	795,592
EXPENSES		
PROGRAMMING		
Event and workshop supplies	87,108	34,712
Advertising and promotion	34,513	38,920
Travel	17,683	13,554
Professional fees	16,021	15,948
Website	9,162	11,093
Insurance	5,124	6,968
Licences, dues and fees	3,454	3,206
Program and project fees	212	132
	173,277	124,533
STAFFING		
Wages and benefits	532,886	517,325
Subcontracts	46,522	56,707
	579,408	574,032
ORGANIZATIONAL AND OVERHEAD		
Office and miscellaneous	24,256	23,135
Rent	22,868	20,019
Interest and bank charges	5,096	3,117
Telecommunications	3,523	3,530
Professional development	3,044	1,348
Amortization	699	749
Repairs and maintenance	573	99
	60,059	51,997
TOTAL EXPENSES	812,744	750,561
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 89,938	\$ 45,031



HUB CYCLING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2018
(Unaudited)

	2018	2017
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 89,938	\$ 45,031
Items not involving cash:		
Amortization	699	749
	90,637	45,780
Change in non-cash working capital items:		
Accounts receivable	48,002	7,370
Prepaid expenses and deposits	(739)	10,148
Accounts payable and accrued liabilities	3,011	191
Deferred revenue	(12,833)	51,790
	128,078	115,279
INVESTING ACTIVITIES		
Purchase of capital assets	-	(1,883)
INCREASE IN CASH AND EQUIVALENTS DURING THE YEAR	128,078	113,396
CASH AND EQUIVALENTS, BEGINNING OF YEAR	208,468	95,072
CASH AND EQUIVALENTS, END OF YEAR	\$ 336,546	\$ 208,468



HUB CYCLING

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

(Unaudited)

INCORPORATION AND NATURE OF OPERATIONS

The Society was established in 1998 and was formerly the Vancouver Area Cycling Coalition. The Society strives to improve cycling through education, action and events, as increased cycling leads to healthier, happier and more connected communities. The Society leads the way in making cycling an attractive choice for everyone.

The Society is incorporated under the Society Act of British Columbia and is a registered charity for the purposes of the Income Tax Act and is accordingly exempt from income taxes.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook - Accounting. Financial statements prepared in accordance with ASNPO are also in accordance with Canadian generally accepted accounting principles ("GAAP").

These financial statements have, in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

a) Financial instruments

i) Measurement

The Society's financial instruments consist of cash and short-term investments, accounts receivable and accounts payable.

The Society initially measures all of its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Society subsequently measures all of its financial assets and liabilities at amortized cost.

ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations in the period in which it is determined.

b) Cash and cash equivalents

Cash and cash equivalents represent cash on hand, cash on deposit, and short-term investments.



HUB CYCLING

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

(Unaudited)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Capital assets

Capital assets are stated at cost less accumulated amortization which is recorded over the useful lives of the assets on a 25% declining balance basis, with no half-year's provision in the year of acquisition.

The Society monitors the recoverability of capital assets based on its long-term service potential. When a capital asset no longer has any long-term service potential to the Society, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs recognized under this policy are not reversed.

d) Revenue recognition

The Society 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 when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

All other revenue is recorded on an accrual basis and when collection is reasonably assured.

Deferred revenue represents funding received in the current year that is designated for the following year.

e) Contributed materials

The Society records contributed goods at their fair market value where that value can be reasonably estimated and the goods would normally be purchased by the Society. No donated materials have been recorded in the current year.

f) Contributed services

Volunteers contribute during the year to assist the Society in carrying out its service delivery activities. Due to the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

g) Use of estimates

The preparation of the financial statements in conformity of Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as at the end of or during the reporting period. Management believes the estimates used are reasonable and prudent, however, actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the determination of useful lives of assets for calculating amortization, recognition of revenue and expenses and the amounts recorded as accrued liabilities.



HUB CYCLING**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2018**(Unaudited)

2. FINANCIAL INSTRUMENTS RISKS

The Society's financial instruments are described in Note 1(a). In management's opinion, the Society is not exposed to significant credit, currency, liquidity, interest rate or other market risks arising from these financial instruments and there has been no change in the risk exposures from the prior year.

3. CAPITAL ASSETS

			2018		2017
	Cost	Accumulated Amortization	Net Book Value		Net Book Value
Office furniture and equipment	\$ 4,200	\$ 2,652	\$ 1,548	\$	2,064
Promotional display	-	-	-		164
Bike trailer	-	-	-		20
	<u>\$ 4,200</u>	<u>\$ 2,652</u>	<u>\$ 1,548</u>	<u>\$</u>	<u>2,248</u>

4. DEFERRED REVENUE

Deferred revenue represents funding received in advance to be spent in future years and is comprised of the following:

		2018		2017
Regional Government	\$	31,995	\$	55,650
Private funding and donations		142,406		131,584
	<u>\$</u>	<u>174,401</u>	<u>\$</u>	<u>187,234</u>

5. ECONOMIC DEPENDENCE

The Society is economically dependent on government and private funding.

6. COMMITMENTS

The Society leases its premises expiring in December 2018. The total estimated payment for fiscal 2019 is \$26,166.

