
**HUB CYCLING
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**



INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Members of HUB Cycling

We have reviewed the accompanying financial statements of HUB Cycling which comprise the statement of financial position as at March 31, 2019 and the statements of revenues and expenditures, changes in net assets and 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 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.

Practitioners' Responsibility for the Financial Statements

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 these financial statements do not present fairly, in all material respects, the financial position of HUB Cycling as at March 31, 2019, 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

August 12, 2019

HUB CYCLING
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash and short-term investments	\$ 368,328	\$ 336,546
Accounts receivable	52,700	16,250
Prepaid expenses and deposits	4,830	4,830
	425,858	357,626
CAPITAL ASSETS (Note 3)	8,660	1,548
	\$ 434,518	\$ 359,174
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 5,433	\$ 8,261
Deferred revenue (Note 4)	160,285	174,401
	165,718	182,662
COMMITMENTS (Note 5)		
NET ASSETS	268,800	176,512
	\$ 434,518	\$ 359,174

On behalf of the Board

_____ Director

_____ Director

HUB CYCLING
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
REVENUE		
Private funding and donations	\$ 446,137	\$ 321,108
Government revenue	410,921	277,522
Regional Government	248,000	183,125
Membership fees	75,177	72,346
Courses and fees for service	33,461	37,033
Interest and expenses recovered	2,530	4,852
Merchandise and t-shirt sales	2,256	6,696
	1,218,482	902,682
EXPENSES		
PROGRAMMING		
Event and workshop supplies	91,577	87,108
Advertising and promotion	50,565	34,513
Travel	24,326	17,683
Professional fees	17,233	16,021
Website	8,148	9,162
Insurance	9,890	5,124
Licences, dues and fees	1,864	3,454
Program and project fees	660	212
	204,263	173,277
STAFFING		
Wages and benefits	757,381	532,886
Subcontracts	77,476	46,522
	834,857	579,408
ORGANIZATIONAL AND OVERHEAD		
Office and miscellaneous	29,525	24,256
Rent	39,063	22,868
Interest and bank charges	6,073	5,096
Telecommunications	5,216	3,523
Professional development	3,906	3,044
Amortization	2,887	699
Repairs and maintenance	404	573
	87,074	60,059
TOTAL EXPENSES	1,126,194	812,744
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 92,288	\$ 89,938

HUB CYCLING
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
BALANCE, BEGINNING OF YEAR	\$ 176,512	\$ 86,574
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	92,288	89,938
BALANCE, END OF YEAR	\$ 268,800	\$ 176,512

HUB CYCLING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 92,288	\$ 89,938
Item not affecting cash:		
Amortization	2,887	699
	95,175	90,637
Changes in non-cash working capital:		
Accounts receivable	(36,450)	48,002
Prepaid expenses and deposits	-	(739)
Accounts payable and accrued liabilities	(2,828)	3,011
Deferred revenue	(14,116)	(12,833)
	(53,394)	37,441
	41,781	128,078
INVESTING ACTIVITY		
Purchase of capital assets	(9,999)	-
INCREASE IN CASH AND EQUIVALENTS DURING THE YEAR	31,782	128,078
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	336,546	208,468
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 368,328	\$ 336,546

HUB CYCLING
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

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 Societies 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 revenues and expenditures. 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 revenues and expenditures in the period in which it is determined.

iii) Transaction costs

Transaction costs that are directly attributable to the origination, issuance or assumption of a financial instrument that is subsequently measured at amortized cost are assigned to those financial instruments. All other transaction costs are recognized in the statement of operations in the period incurred.

(b) Cash and cash equivalents

Cash and cash equivalents represent cash on hand, cash on deposit, and short-term investments which are readily convertible into known amounts of cash and which are subject to minimal risks of changes in fair value.

HUB CYCLING
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

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.

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 revenues and expenditures. 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 to be received 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.

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 except as explained in the following paragraphs. There has been no change in risk exposures from the prior year.

HUB CYCLING
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

2. FINANCIAL INSTRUMENTS RISKS (*continued*)

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.

The Society's financial assets that are exposed to credit risk are cash and short-term investments and accounts receivable. The risk associated with cash and short-term investments is minimized to the extent that they are placed with a major Canadian financial institution. The risk associated with accounts receivable is minimized given the several number of parties owing amounts to the Society and its history of collecting substantially all of its outstanding receivables within 30 days.

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable. However, cash flow from operations is budgeted to provide for the Society's cash requirements.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Society is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through interest rate on short-term investments.

Concentration of risk

During the year the Society received 54% (2018 - 51%) of revenues from the various levels of government.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Office furniture and equipment	\$ 9,429	\$ 4,346	\$ 5,083	\$ 1,548
Bike trailer	4,769	1,192	3,577	-
	\$ 14,198	\$ 5,538	\$ 8,660	\$ 1,548

HUB CYCLING
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

4. DEFERRED REVENUE

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

	2019		2018
Regional Government	\$ 26,749	\$	31,995
Private funding and donations	133,536		142,406
	\$ 160,285	\$	174,401

5. COMMITMENTS

The Society leases its premises expiring in December 2019. The total estimated payment for fiscal 2020 is \$24,570.