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**HUB CYCLING  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Members of HUB Cycling

We have reviewed the accompanying financial statements of HUB Cycling (the Society) that comprise the statement of financial position as at March 31, 2020, and the statements of revenues and expenses, 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.

### Practitioner's 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 the financial statements do not present fairly, in all material respects, the financial position of HUB Cycling as at March 31, 2020, 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  
September 10, 2020

**HUB CYCLING**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2020**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and short-term investments	\$ 303,782	\$ 368,328
Accounts receivable	59,735	52,700
Prepaid expenses and deposits	2,600	4,830
	<b>366,117</b>	<b>425,858</b>
<b>CAPITAL ASSETS (Note 3)</b>	<b>12,609</b>	<b>8,660</b>
	<b>\$ 378,726</b>	<b>\$ 434,518</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 5,454	\$ 5,433
Deferred revenue (Note 4)	119,209	160,285
	<b>124,663</b>	<b>165,718</b>
<b>COMMITMENTS (Note 5)</b>		
<b>NET ASSETS</b>	<b>254,063</b>	<b>268,800</b>
	<b>\$ 378,726</b>	<b>\$ 434,518</b>

On behalf of the Board

 Director

 Director

**HUB CYCLING**  
**STATEMENT OF REVENUES AND EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2020**

	2020	2019
<b>REVENUES</b>		
Government revenue	\$ 533,067	\$ 410,921
Private funding and donations	434,118	446,137
Regional government	182,000	248,000
Membership fees	52,490	75,177
Courses and fees for service	37,564	33,461
Interest and expenses recovered	27,275	2,530
Merchandise and t-shirt sales	924	2,256
	<b>1,267,438</b>	<b>1,218,482</b>
<b>EXPENSES</b>		
<b>PROGRAMMING</b>		
Event and workshop supplies	105,191	91,577
Travel	30,350	24,326
Advertising and promotion	23,789	50,565
Website	23,739	8,148
Professional fees	17,983	17,233
Insurance	13,091	9,890
Licences, dues and fees	1,009	1,864
Program and project fees	-	660
	<b>215,152</b>	<b>204,263</b>
<b>STAFFING</b>		
Wages and benefits	804,736	757,381
Subcontracts	152,810	77,476
	<b>957,546</b>	<b>834,857</b>
<b>ORGANIZATIONAL AND OVERHEAD</b>		
Rent	44,667	39,063
Office and miscellaneous	41,351	29,525
Telecommunications	10,697	5,216
Interest and bank charges	4,748	6,073
Amortization	4,203	2,887
Professional development	3,730	3,906
Repairs and maintenance	81	404
	<b>109,477</b>	<b>87,074</b>
	<b>1,282,175</b>	<b>1,126,194</b>
<b>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES</b>		
<b>FOR THE YEAR</b>	<b>\$ (14,737)</b>	<b>\$ 92,288</b>

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**HUB CYCLING**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

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	<b>2020</b>	2019
BALANCE - BEGINNING OF YEAR	<b>\$ 268,800</b>	\$ 176,512
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	<b>(14,737)</b>	92,288
BALANCE - END OF YEAR	<b>\$ 254,063</b>	\$ 268,800

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**HUB CYCLING**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
(Deficiency) excess of revenues over expenses for the year	\$ (14,737)	\$ 92,288
Item not affecting cash:		
Amortization	4,203	2,887
	<b>(10,534)</b>	<b>95,175</b>
Changes in non-cash working capital:		
Accounts receivable	(7,035)	(36,450)
Prepaid expenses and deposits	2,230	-
Accounts payable and accrued liabilities	21	(2,828)
Deferred revenue	(41,076)	(14,116)
	<b>(45,860)</b>	<b>(53,394)</b>
	<b>(56,394)</b>	<b>41,781</b>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	(8,152)	(9,999)
<b>CHANGE IN CASH DURING THE YEAR</b>	<b>(64,546)</b>	<b>31,782</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>368,328</b>	<b>336,546</b>
<b>CASH - END OF YEAR</b>	<b>\$ 303,782</b>	<b>\$ 368,328</b>

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**HUB CYCLING**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2020**

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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 expenses. 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 expenses 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 revenues and expenses 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.

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**HUB CYCLING**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2020**

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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's policy is to record a write-down to a capital asset's fair value or replacement cost when conditions indicate that a capital asset is impaired. Such conditions include when the Society's value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. Write-downs are recognized as an expense in the statement of revenues and expenses and 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 revenues 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 significant change in risk exposures from the prior year except as explained below.



**HUB CYCLING**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2020**

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.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Office furniture and equipment	\$ 9,429	\$ 5,617	\$ 3,812	\$ 5,083
Bike trailer	12,922	4,125	8,797	3,577
	\$ 22,351	\$ 9,742	\$ 12,609	\$ 8,660

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**HUB CYCLING**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2020**

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4. DEFERRED REVENUE

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

	<b>2020</b>	2019
Regional Government	\$ 48,200	\$ 26,749
Private funding and donations	71,009	133,536
	<b>\$ 119,209</b>	<b>\$ 160,285</b>

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5. COMMITMENTS

The Society has a premises lease expiring in December 2020. The total estimated payment for fiscal 2021 is \$1,143.

6. ECONOMIC DEPENDENCE

The Society is economically dependent on government funding. During the year, the Society received 56% (2019 - 54%) of revenues from various levels of government.

7. COVID-19 RISK

In March 2020 a global pandemic was declared due to the COVID-19 virus, which has had a significant impact on businesses and not-for-profit organizations through the restrictions put in place by the Canadian government regarding travel, business operations, and isolation/quarantine orders. At this time, the extent of the impact that the COVID-19 pandemic may have on the Society is not determinable as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place by Canada, and other countries to fight the virus. The Society continues to monitor its operations and assess the impact COVID-19 will have on its activities.