
**HUB CYCLING
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2017
(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, 2017 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.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Manning Elliott LLP

Chartered Professional Accountants

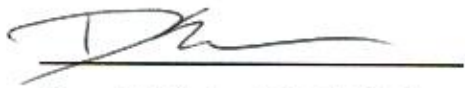
Vancouver, British Columbia

June 8, 2017

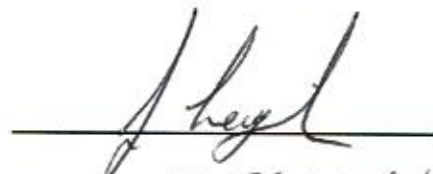
HUB CYCLING
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2017
(Unaudited)

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and short-term investments	\$ 208,468	\$ 95,072
Accounts receivable	64,252	71,622
Prepaid expenses and deposits	4,091	14,239
	276,811	180,933
CAPITAL ASSETS (Note 3)	2,248	1,114
TOTAL ASSETS	\$ 279,059	\$ 182,047
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 5,251	\$ 5,060
Deferred revenue (Note 4)	187,234	135,444
TOTAL LIABILITIES	192,485	140,504
NET ASSETS	86,574	41,543
TOTAL LIABILITIES AND NET ASSETS	\$ 279,059	\$ 182,047

On behalf of the Board:



DERIK WENMAN
Director



JEFF LEIGH
Director



HUB CYCLING

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2017

(Unaudited)

		2017		2016
BALANCE, BEGINNING OF YEAR	\$	41,543	\$	46,124
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR		45,031		(4,581)
BALANCE, END OF YEAR	\$	86,574	\$	41,543



HUB CYCLING**STATEMENT OF OPERATIONS****FOR THE YEAR ENDED MARCH 31, 2017**(Unaudited)

	2017	2016
REVENUE		
Private funding and donations	\$ 306,881	\$ 204,944
Government revenue	220,338	205,102
Regional Government	140,750	143,625
Membership fees	70,463	54,058
Courses and fees for service	51,942	63,941
Merchandise and t-shirt sales	3,978	1,103
Interest and expenses recovered	1,240	2,573
	<hr/> 795,592	<hr/> 675,346
EXPENSES		
PROGRAMMING		
Advertising and promotion	38,920	29,855
Event and workshop supplies	34,712	24,850
Professional fees	15,948	15,631
Travel	13,554	13,269
Website	11,093	4,468
Insurance	6,968	6,633
Licences, dues and fees	3,206	1,941
Program and project fees	132	1,057
	<hr/> 124,533	<hr/> 97,704
STAFFING		
Wages and benefits	517,325	413,294
Subcontracts	56,707	121,834
	<hr/> 574,032	<hr/> 535,128
ORGANIZATIONAL AND OVERHEAD		
Office and miscellaneous	23,135	21,354
Rent	20,019	16,895
Telecommunications	3,530	3,180
Interest and bank charges	3,117	3,193
Professional development	1,348	2,102
Amortization	749	371
Repairs and maintenance	99	-
	<hr/> 51,997	<hr/> 47,095
TOTAL EXPENSES	<hr/> 750,561	<hr/> 679,927
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	<hr/> \$ 45,031	<hr/> \$ (4,581)



HUB CYCLING**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED MARCH 31, 2017**(Unaudited)

	2017	2016
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ 45,031	\$ (4,581)
Items not involving cash:		
Amortization	749	371
	45,780	(4,210)
Change in non-cash working capital items:		
Accounts receivable	7,370	(41,617)
Prepaid expenses and deposits	10,148	(12,748)
Accounts payable and accrued liabilities	191	1,595
Deferred revenue	51,790	67,340
	115,279	10,360
INVESTING ACTIVITIES		
Purchase of capital assets	(1,883)	-
INCREASE IN CASH AND EQUIVALENTS DURING THE YEAR		
	113,396	10,360
CASH AND EQUIVALENTS, BEGINNING OF YEAR	95,072	84,712
CASH AND EQUIVALENTS, END OF YEAR	\$ 208,468	\$ 95,072



HUB CYCLING

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(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, 2017

(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 (2015 - \$Nil).

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, 2017**(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

			2017		2016
	Cost	Accumulated Amortization	Net Book Value		Net Book Value
Office furniture and equipment	\$ 4,200	\$ 2,136	\$ 2,064	\$	870
Promotional display	874	710	164		219
Bike trailer	191	171	20		25
	<u>\$ 5,265</u>	<u>\$ 3,017</u>	<u>\$ 2,248</u>	<u>\$</u>	<u>1,114</u>

4. DEFERRED REVENUE

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

		2017		2016
Regional Government	\$	55,650	\$	20,500
Private funding and donations		131,584		99,944
Vancouver Foundation		-		15,000
	<u>\$</u>	<u>187,234</u>	<u>\$</u>	<u>135,444</u>

5. ECONOMIC DEPENDENCE

The Society is economically dependent on government and private funding.

