

**CYCLE TORONTO**  
**Financial Statements**  
**December 31, 2019**

**CYCLE TORONTO**  
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**Year Ended December 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Cycle Toronto

### *Opinion*

We have audited the financial statements of Cycle Toronto, which comprise the statement of financial position as at December 31, 2019, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Cycle Toronto as at December 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.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Cycle Toronto in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Cycle Toronto's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Cycle Toronto or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Cycle Toronto's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

(continues)

Independent Auditor's Report to the Members of Cycle Toronto *(continued)*

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit conducted in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Hogg, Shain & Scheck PC*

Toronto, Ontario  
March 29, 2020

Authorized to practise public accounting by the  
Chartered Professional Accountants of Ontario

**CYCLE TORONTO**  
**Statement of Financial Position**  
**As at December 31, 2019**

	2019	2018
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 115,738	\$ 96,343
Accounts receivable	9,885	46,551
Prepaid expenses	5,646	2,618
	131,269	145,512
<b>CAPITAL ASSETS (Note 3)</b>	7,291	9,113
	<b>\$ 138,560</b>	<b>\$ 154,625</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 25,326	\$ 23,685
Deferred revenues (Note 5)	15,344	5,000
	40,670	28,685
<b>NET ASSETS</b>		
<b>UNRESTRICTED</b>	97,890	125,940
	<b>\$ 138,560</b>	<b>\$ 154,625</b>

**APPROVED ON BEHALF OF THE BOARD**

\_\_\_\_\_ *Director*

\_\_\_\_\_ *Director*

*See the accompanying notes to these financial statements*

**CYCLE TORONTO**  
**Statement of Operations and Changes in Net Assets**  
**Year Ended December 31, 2019**

	2019	2018
<b>REVENUES</b>		
Membership fees	\$ 147,214	\$ 143,932
Grants <i>(Note 6)</i>	133,556	96,750
Donations and fundraising <i>(Note 7)</i>	118,432	107,466
Bike Month	102,199	123,220
Workshop fees, merchandise sales, and other events	15,793	38,210
Bike Valet parking services	9,617	25,177
	<u>526,811</u>	<u>534,755</u>
<b>EXPENSES</b>		
Staff	324,068	333,575
Program delivery	63,290	80,989
Services and events	41,071	27,939
General and administration	38,192	24,430
Occupancy and telecommunications	31,507	36,071
Website	24,177	22,055
Outreach	14,165	6,224
Membership	9,519	15,887
Governance and strategic planning	5,713	2,012
Amortization of capital assets	1,822	2,279
Advocacy	1,337	6,599
	<u>554,861</u>	<u>558,060</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>(28,050)</b>	<b>(23,305)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u><b>125,940</b></u>	<u>149,245</u>
<b>NET ASSETS, END OF YEAR</b>	<u><b>\$ 97,890</b></u>	<u>\$ 125,940</u>

*See the accompanying notes to these financial statements*

**CYCLE TORONTO**  
**Statement of Cash Flows**  
**Year Ended December 31, 2019**

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenses	\$ (28,050)	\$ (23,305)
Item not affecting cash:		
Amortization of capital assets	1,822	2,279
	<u>(26,228)</u>	<u>(21,026)</u>
Changes in non-cash working capital items:		
Accounts receivable	36,666	(2,611)
Prepaid expenses	(3,028)	(53)
Accounts payable and accrued liabilities	1,641	(975)
Deferred revenues	10,344	(13,000)
	<u>45,623</u>	<u>(16,639)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>19,395</b>	<b>(37,665)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>96,343</b>	<b>134,008</b>
<b>CASH, END OF YEAR</b>	<b>\$ 115,738</b>	<b>\$ 96,343</b>

*See the accompanying notes to these financial statements*

**CYCLE TORONTO**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

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**1. NATURE AND PURPOSE OF ORGANIZATION**

Cycle Toronto is a not-for-profit, membership-based organization incorporated without share capital under the laws of Ontario in 2008. Cycle Toronto changed its name from the Toronto Cyclists Union on June 25, 2012. Its purpose is to make Toronto a healthy, safe, and vibrant cycling city. Through its focus on advocacy, education, and encouragement, Cycle Toronto works to shape policy and infrastructure, and build community to transform the city's cycling culture. As a not-for-profit organization, Cycle Toronto is exempt from income taxes under section 149(1) of the Income Tax Act (Canada).

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the CPA Canada Handbook and include the following significant accounting policies.

Revenue recognition

Cycle Toronto follows the deferral method of accounting for restricted contributions. Contributions explicitly and implicitly restricted by the donor, including grants, Bike Month, and donations and fundraising, are deferred when received and recognized as revenues in the year in which the related activity takes place and expenses are incurred. Unrestricted contributions are recognized as revenues when received or receivable, provided the contribution receivable can be reasonably estimated and collection is reasonably assured.

Membership fees are recognized over the period of performance.

Revenues from valet parking services, workshop fees, merchandise sales, and other performance-related activities are recognized upon completion of performance.

Donated goods and services

Donated goods and services are recognized when a fair value can be reasonably estimated and when they would be used in the normal course of operations, and would otherwise have been purchased.

Capital assets

Capital assets, which consist of bike racks and cargo bikes, are recorded at cost less accumulated amortization. They are amortized over their estimated useful lives, on a declining balance basis at an annual rate of 20%. Amortization in the year of purchase is at one-half of the normal annual rate.

Financial instruments

Cycle Toronto's financial instruments consist of cash, accounts receivable, and accounts payable. Cycle Toronto initially measures its financial instruments at fair value, and subsequently, at amortized cost.

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Such estimates are reviewed periodically and any adjustments are reported in the year in which they become known. Actual results could differ from these estimates.

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**CYCLE TORONTO**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

**3. CAPITAL ASSETS**

	Cost	Accumulated amortization	<b>2019 Net book value</b>	2018 Net book value
Equipment	\$ 16,088	\$ 8,797	<b>\$ 7,291</b>	\$ 9,113

**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities at December 31, 2019 include government remittances payable of \$Nil (2018 - \$6,551).

**5. DEFERRED REVENUES**

Deferred revenues at August 31 consist of the following

	<b>2019</b>	2018
David Suzuki Foundation	\$ 15,344	\$ -
Regional Municipality of York	-	5,000
	<b>\$ 15,344</b>	<b>\$ 5,000</b>

Continuity of deferred revenues is as follows:

Balance, beginning of the year	\$ 5,000	\$ 18,000
Add: Funds received from contributors	246,099	206,970
Less: Amounts recognized as income	(235,755)	(219,970)
Balance, end of the year	<b>\$ 15,344</b>	<b>\$ 5,000</b>

**6. GRANTS**

	<b>2019</b>	2018
David Suzuki Foundation	\$ 85,056	\$ 61,250
Culturelink	38,900	25,700
Clean Air Partnership	9,600	7,600
Access Alliance	-	2,200
	<b>\$ 133,556</b>	<b>\$ 96,750</b>

**7. IN-KIND CONTRIBUTIONS**

Cycle Toronto received in-kind contributions of \$7,910 (2018 - \$Nil) for legal costs, which are included in donations and fundraising in the statement of operations.

**CYCLE TORONTO**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**

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**8. CAPITAL DISCLOSURES**

Cycle Toronto's capital consists of its net assets. Its capital management objective consists of ensuring that it continues as a going concern in order to fulfil its mission. It manages its capital structure by preparing and monitoring annual budgets to maintain a satisfactory level of capital.

Cycle Toronto manages several grants with external restrictions that specify the conditions for using these financial resources. It has complied with the requirements, with respect to these restricted contributions.

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**9. FINANCIAL INSTRUMENTS**

It is management's opinion that Cycle Toronto is not exposed to significant credit, liquidity, or market risks arising from its financial instruments.

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**10. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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