

**NEW HOPE COMMUNITY BIKES**  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014



ROBERT H  
KLOET  
CERTIFIED  
MANAGEMENT  
ACCOUNTANT

## NOTICE TO READER

On the basis of information provided by New Hope Community Bikes, we have compiled the balance sheet of New Hope Community Bikes as at December 31, 2014 and the statements of income, retained earnings and cash flows for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Hamilton, Ontario  
October 15, 2015

Robert H. Kloet, CPA, CMA

**NEW HOPE COMMUNITY BIKES  
FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2014**

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**NEW HOPE COMMUNITY BIKES  
BALANCE SHEET  
AS AT DECEMBER 31, 2014**

	<b>2014</b>
<b>ASSETS</b>	
Cash	\$ 40,436
Accounts receivable	7,500
Inventory	3,300
Deposits	1,294
	<b>52,530</b>
<b>CAPITAL ASSETS</b> (Note 3)	<b>2,866</b>
	<b>\$ 55,396</b>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 7,029
Deferred revenue	20,000
	<b>27,029</b>
<b>FUND BALANCES</b>	
<b>General Fund (unrestricted) (page 3)</b>	<b>24,415</b>
<b>Net Investment in capital assets (page 3)</b>	<b>3,953</b>
	<b>28,368</b>
	<b>\$ 55,396</b>

Approved by the Board

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**NEW HOPE COMMUNITY BIKES  
STATEMENT OF CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General Fund	Investment in Capital Assets	2014 Total
<b>Balance, beginning of year</b>	\$ 23,591	\$ -	\$ 23,591
Excess (deficiency) of revenues over expenses	4,777	-	4,777
Net investment in capital assets	(3,953)	3,953	-
<b>BALANCE, END OF YEAR</b>	<b>\$ 24,415</b>	<b>\$ 3,953</b>	<b>\$ 28,368</b>

*(The accompanying notes form an integral part of these financial statements.)*

**NEW HOPE COMMUNITY BIKES**  
**STATEMENT OF GENERAL FUND REVENUES AND EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	2014
<b>Revenues</b>	
Sales	\$ 107,257
Donations	8,798
Grants from other charities	98,031
Government grants	4,644
	<b>218,731</b>
<b>Expenses</b>	
Advertising and promotion	3,825
Amortization	1,087
Interest and bank charges	1,578
Insurance	2,127
Maintenance and repairs	353
Office and general	1,377
Parts and supplies	129,832
Professional fees	670
Rent	12,000
Salaries and benefits	59,288
Utilities	1,818
	<b>213,954</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ 4,777</b>

*(The accompanying notes form an integral part of these financial statements.)*

**NEW HOPE COMMUNITY BIKES  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>2014</b>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITES</b>	
Excess (deficiency) of revenues over expenses for the year	\$ 4,777
Adjustments for:	
- amortization of capital assets	1,087
	<b>5,864</b>
Net changes in non-cash working capital balances	
- accounts receivable	(7,500)
- inventory	(3,300)
- deposits and other current assets	(1,294)
- accounts payable and accrued liabilities	7,029
-deferred revenue	20,000
	<b>(5,065)</b>
	<b>799</b>
<b>INVESTING AND FINANCING ACTIVITIES</b>	
Fund balance transferred in from First CRC	39,637
Transfer in of capital assets	3,953
Additions to capital assets	(3,953)
	<b>39,637</b>
<b>INCREASE (DECREASE) IN CASH DURING THE YEAR</b>	<b>40,436</b>
<b>CASH BALANCE AT BEGINNING OF THE YEAR</b>	<b>-</b>
<b>CASH BALANCE AT END OF THE YEAR</b>	<b>\$ 40,436</b>
Cash is comprised of the following:	
General Fund	\$ 40,436

*(The accompanying notes form an integral part of these financial statements.)*

**NEW HOPE COMMUNITY BIKES  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**1. Purpose of the Organization**

The Corporation was incorporated under the provisions of Part III of the Corporations Act (Ontario) (the "Act") as a corporation without share capital by Letters of Patent dated the 3rd day of August, 2012, and it is subject to the provisions of these Letters Patent, the Act, other relevant statutes and all laws of general application. New Hope Community Bikes was approved as a charity on December 20, 2013. Its purpose is to educate the public on bicycle and road safety, bicycle maintenance and repair, and the benefits of bicycling and to protect the environment for the benefit of the public by operating a donation centre in which used bicycles will be refurbished and redistributed to the public, or recycled.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and included the following significant accounting policies:

(a) Revenue recognition

Donations are recognized as revenue when received. The organization follows the deferral method of accounting for donations. Restricted donations and grants are recognized as revenue in the year in which the related expenses are incurred. Unrestricted donations and grants are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(b) Inventory

Inventory is measured as the lower of cost and net realizable value. Cost is determined using the weighted average method. Net realizable value is the estimated selling price, less any selling costs.

(c) Volunteer Services

Because the hours of service by volunteers are not normally purchased by the organization and the difficulty in determining their fair market value, contributed services are not recognized in the financial statements

(c) Capital Assets and Amortization

Capital assets are recorded at acquisition cost. Amortization is provided for on a declining balance basis as follows:

Computers	- 55%
Equipment	- 20%

**3. CAPITAL ASSETS**

	Cost	Accumulated Amortization	2014
Computers	\$ 848	\$ 466	\$ 382
Equipment	3,105	621	2,484
	\$ 3,953	\$ 1,087	\$ 2,866