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**Cycling British Columbia**  
**Financial Statements**  
**December 31, 2025**

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## Independent Auditor's Report

To the Board of Directors of Cycling British Columbia

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Cycling British Columbia (the "Society"), which comprise the statement of financial position as at December 31, 2025, and the statement of operations, statement of changes in net assets and statement of 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 Society as at December 31, 2025, and its results of 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 Society 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Society had excess revenue over expenditures of \$ 52,196, and as at December 31, 2025, the Society had working capital of \$ 14,210 and net assets of \$ 49,866. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Society's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### 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 Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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. As part of an audit 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 Society'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 Society'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 Society 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.

### **Report on Other Legal and Regulatory Requirements**

As required by the *Societies Act* (British Columbia), we report that, in our opinion, the accounting principles in the Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Vancouver, B.C.  
May 15, 2026

**Chartered Professional Accountants**

# Cycling British Columbia

## Statement of Financial Position

December 31, 2025

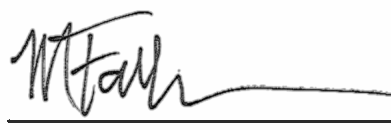
	2025	2024
	\$	\$
<b>Assets</b>		
Current assets		
Cash	222,899	59,075
Accounts receivable	134,928	35,075
Inventory	-	9,747
Prepaid expenses	7,600	16,191
	<u>365,427</u>	<u>120,088</u>
Equipment (Note 3)	<u>35,656</u>	<u>68,312</u>
	<u>401,083</u>	<u>188,400</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	84,441	85,780
Deferred revenue (Note 10)	259,367	93,858
Deferred contributions relating to equipment (Note 5)	7,409	11,092
	<u>351,217</u>	<u>190,730</u>
<b>Net assets (liabilities)</b>		
Investment in equipment	35,656	68,312
Unrestricted	14,210	(70,642)
	<u>49,866</u>	<u>(2,330)</u>
	<u>401,083</u>	<u>188,400</u>

Nature of operations and going concern (Note 1)

*The accompanying notes are an integral part of these financial statements.*

Approved by the Board

  
\_\_\_\_\_, Director  
Scott Suffolk (TREASURER)

  
\_\_\_\_\_, Director  
Martin Farnham, Chair

# Cycling British Columbia

## Statement of Operations

Year ended December 31, 2025

	2025	2024
	\$	\$
<b>Revenue</b>		
Contributions	22,167	12,112
Gaming grants	212,977	212,975
Grants	215,480	345,963
Memberships and licenses	682,820	630,255
Race, program and event revenue	186,066	170,548
Sponsorship	32,728	39,083
Amortization of deferred contributions relating to equipment (Note 5)	3,682	3,661
	<u>1,355,920</u>	<u>1,414,597</u>
<b>Expenditures</b>		
Affiliation fees	68,266	45,571
Amortization of equipment	14,407	27,761
Bank charges, credit card commissions and online service fees	22,683	21,999
Communication	10,004	13,341
Insurance - administration	9,740	10,612
Insurance - members/commercial event	262,938	245,927
Office operations	13,138	12,820
Professional fees	29,000	25,895
Publications, promotion and marketing	22,023	20,180
Race, program and event costs	161,508	145,793
Rent	-	20,568
Salaries and benefits (Note 7)	573,947	683,734
Subcontractors	134,675	149,519
	<u>1,322,329</u>	<u>1,423,720</u>
Excess (deficiency) of revenue over expenditures from operations	33,591	(9,123)
<b>Other item</b>		
Gain on disposition of equipment	18,605	12,925
<b>Excess of revenue over expenditures for the year</b>	<u>52,196</u>	<u>3,802</u>

*The accompanying notes are an integral part of these financial statements.*

# Cycling British Columbia

## Statement of Changes in Net Assets

Year ended December 31, 2025

			2025 \$
	<u>Unrestricted</u>	<u>Investment in equipment</u>	<u>Total</u>
<b>Balance, beginning of year</b>	(70,642)	68,312	(2,330)
Excess of revenue over expenditures for the year	52,196	-	52,196
Transfers			
Amortization of equipment	14,407	(14,407)	-
Disposition of equipment	<u>18,249</u>	<u>(18,249)</u>	<u>-</u>
<b>Balance, end of year</b>	14,210	35,656	49,866

			2024 \$
	<u>Unrestricted</u>	<u>Investment in equipment</u>	<u>Total</u>
<b>Balance, beginning of year</b>	(109,800)	103,668	(6,132)
Excess of revenue over expenditures for the year	3,802	-	3,802
Transfers			
Amortization of equipment	27,761	(27,761)	-
Purchase of equipment	(1,971)	1,971	-
Disposition of equipment	<u>9,566</u>	<u>(9,566)</u>	<u>-</u>
<b>Balance, end of year</b>	(70,642)	68,312	(2,330)

*The accompanying notes are an integral part of these financial statements.*

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# Cycling British Columbia

## Statement of Cash Flows

Year ended December 31, 2025

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	2025	2024
	\$	\$
<b>Cash flows from (used in) operating activities</b>		
Excess revenue for the year	52,196	3,802
Items not affecting cash		
Amortization of equipment	14,407	27,761
Amortization of deferred contributions	(3,682)	(3,660)
Gain on disposition of equipment	(18,605)	(12,925)
Changes in non-cash working capital		
Accounts receivable	(99,853)	127,959
Inventory	9,747	12,569
Prepaid expenses	8,591	(745)
Accounts payable and accrued liabilities	(1,340)	(95,341)
Deferred revenue	165,510	14,508
	<u>126,971</u>	<u>73,928</u>
<b>Cash flows from (used in) investing activities</b>		
Purchases of equipment	-	(1,971)
Proceeds from disposition of equipment	36,853	17,800
	<u>36,853</u>	<u>15,829</u>
<b>Cash flows from (used in) financing activities</b>		
Repayment of obligations under capital leases	-	(2,129)
Demand loan proceeds	-	(22,500)
Repayment of loan payable	-	(40,000)
	<u>-</u>	<u>(64,629)</u>
<b>Increase in cash during the year</b>	163,824	25,128
Cash, beginning of year	<u>59,075</u>	<u>33,947</u>
<b>Cash, end of year</b>	<u>222,899</u>	<u>59,075</u>

See Note 9.

*The accompanying notes are an integral part of these financial statements.*

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# Cycling British Columbia

## Notes to the Financial Statements

December 31, 2025

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### 1. Nature of operations and going concern

Cycling British Columbia (the "Society") was incorporated on February 27, 1974 under the *Society Act* (British Columbia) with the purpose of facilitating programs for cycling and cyclists in British Columbia. In March 2017, the Society continued under the *Societies Act* (British Columbia).

The Society is exempt from income taxation under Section 149 of the *Income Tax Act* (Canada) as long as certain criteria continue to be met.

These financial statements have been prepared on the going concern basis which assumes the Society will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of operations. There is material uncertainty about the appropriateness of the use of the going concern assumption because during the year ended December 31, 2025, the Society had excess of revenues over expenditures of \$ 52,196 (2024 - \$ 3,802), and as at December 31, 2025, the Society had working capital of \$ 14,210 (2024 - deficit of \$ 70,642) and net assets of \$ 49,866 (2024 - net liabilities of \$ 2,330).

The Society's ability to maintain operations is dependent on its ability to generate positive cash flows from operations, and to receive continued contributions from government or other sources. In an effort to address the going concern risk, the Society is taking steps to better monitor operating cash flows and work towards increasing its working capital. This includes ongoing monitoring of cash flows and monthly forecasts, adjusting costs to align with secured funding and continuing to seek new funding sources. The Society also has access to a demand loan facility up to \$ 150,000, which can be used to meet short-term cash shortfalls.

Should the Society be unable to generate positive cash flows from operations, and does not receive sufficient contributions, the Society may not be able to meet its obligations. These financial statements do not include any adjustments to the carrying value of assets and liabilities, the reported revenues and expenditures and balance sheet classifications that would be necessary, should the Society be unable to continue as a going concern.

### 2. Significant accounting policies

#### Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations which necessarily involves the use of estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies summarized below.

#### Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses reported during the year. Significant estimates made by management include allowance for doubtful accounts, amortization and impairment of equipment, assessment of impairment of inventory, and accrued liabilities. Actual results could differ from these estimates.

#### Inventory

Inventory is valued at the lower of cost and net realizable value, with cost determined using the weighted average cost method.

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# Cycling British Columbia

## Notes to the Financial Statements

December 31, 2025

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### 2. Significant accounting policies - continued

#### Equipment

Equipment is carried at cost less accumulated amortization. Amortization is provided over the estimated useful life of each asset using the declining balance method applied at the following annual rates:

Artwork	-	20%
Office and computer equipment	-	30%
Sports equipment	-	30%
Vehicles	-	30%
Website	-	100%

#### Impairment of long-lived assets

The carrying amount of equipment is written down to its residual value when the equipment no longer has any long-term service potential to the Society. In that event, the amount by which the carrying value of an impaired equipment exceeds its residual value is charged to operations.

#### Revenue recognition

The Society follows the deferral method of accounting for sponsorship and other contributions. Sponsorship includes cash contributions. Cash contributions are recognized when receivable if the amount to be received can be estimated and collection is reasonably assured.

Contributions revenue includes in-kind contributions of goods and services provided without charge or at a reduced charge. This revenue is recognized when the goods or services are provided and are recognized at the fair value of the goods or property. An equivalent amount is recognized in expenditures for the year.

Restricted contributions are deferred and recognized as revenue in the year related expenses are incurred. Restricted contributions include donated equipment which is recorded at fair market value when donated and is deferred and recognized as revenue when related amortization is recorded. 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.

Membership fees and other revenues from commercial activities are recognized as revenue when the amounts to be received can be estimated and collection is reasonably assured.

Proceeds from gaming grants are recorded as revenue when the related program expenses are incurred.

#### Deferred revenue

Deferred revenue consists of unexpended restricted contributions and revenue relating to events occurring after year end.

#### Financial instruments

The Society initially measures its financial assets and liabilities at fair value, other than financial instruments arising from related party transactions, which are measured at using the cost method less any reduction for impairment. The Society subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and demand loan. The Society has no financial instruments measured at fair value.

# Cycling British Columbia

## Notes to the Financial Statements

December 31, 2025

### 2. Significant accounting policies - continued

Financial assets measured at amortized cost or using the cost method are tested for impairment when there are indicators of impairment. The amount of the write-down is recorded on statement of operations. The previously recognized impairment loss may be reversed to the extent of any improvement, directly or by adjusting the allowance account, 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 on statement of operations in the period the reversal occurs.

The carrying amount of a financial asset or liability carried at amortized cost is adjusted by the transaction costs, which are recognized in net income using the straight-line method.

#### Comparative figures

Certain 2024 figures have been reclassified to conform to the presentation used in the current year.

3. Equipment	2025		
	\$		
	Cost	Accumulated amortization	Net
Artwork	8,500	3,604	4,896
Office and computer equipment	10,000	5,069	4,931
Sports equipment	85,280	61,511	23,769
Vehicles	<u>20,613</u>	<u>18,553</u>	<u>2,060</u>
	124,393	88,737	35,656
			2024
			\$
	Cost	Accumulated amortization	Net
Artwork	8,500	2,380	6,120
Office and computer equipment	68,440	61,396	7,044
Sports equipment	281,682	229,479	52,203
Vehicles	36,956	34,011	2,945
Website	<u>13,125</u>	<u>13,125</u>	-
	408,703	340,391	68,312

During the year, equipment was disposed of for proceeds of \$ 36,853, having a net book value of \$ 18,248, resulting in a gain on disposal of \$ 18,605.

### 4. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities is \$ Nil (2024 - \$ 10,393) owed to the Government of Canada in respect of payroll remittances.

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# Cycling British Columbia

## Notes to the Financial Statements

December 31, 2025

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### 5. Deferred contributions relating to equipment

Deferred contributions relating to equipment are included in deferred revenue and represent restricted equipment contributions. The balance of deferred contributions relating to equipment in the account is as follows:

	2025	2024
	\$	\$
Balance, beginning of year	11,092	18,988
Less: Amounts amortized to revenue	(3,683)	(3,661)
Less: Equipment disposed during the year	-	(4,235)
Balance, end of year	7,409	11,092

### 6. Demand loan

The Society has access to a revolving demand facility in the amount of \$ 150,000. The facility bears interest at the lender's prime rate plus 0.75% per annum and is secured by the general security agreement and all property of the Society. At December 31, 2025, the Society utilized \$ Nil (2024 - \$ Nil) of this demand loan facility.

### 7. Remuneration paid to employees and contractors

Under the *Societies Act* (British Columbia) the Society is required to disclose the employees and contractors earning remuneration over \$ 75,000 in the fiscal year.

For the year ended December 31, 2025 the Society paid remuneration totalling \$ 337,784 (2024 - \$ 315,099) to four (2024 - four) employees whose total remuneration exceeded \$ 75,000 on an individual basis. Total remuneration to these employees consists of compensation and benefits.

### 8. Financial instruments

Financial instruments consist of cash, accounts receivable, demand loan, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying amounts, unless otherwise noted. It is management's opinion that the Society is not exposed to significant interest or currency risk arising from these financial instruments.

#### Credit risk

Cash and accounts receivable are exposed to credit risk due to the potential for counterparties to default on their contractual obligations. The maximum potential loss on all financial instruments is equal to the carrying amount of those items.

#### Interest rate risk

Demand loan bears interest at a variable rate and therefore is subject to interest rate cash flow risk as fluctuations in the market rates or interest may increase or decrease its fair value.

# Cycling British Columbia

## Notes to the Financial Statement

December 31, 2025

### 9. Supplemental cash flow information

During fiscal 2025 and 2024 non-cash activities were conducted by the Society as follows:

	2025	2024
	\$	\$
<b>Operating activity</b>		
Deferred revenue relating to contributed equipment	-	(4,235)
<b>Investing activities</b>		
Purchase of equipment	-	-
Disposition of equipment	-	4,235
	-	-

### 10. Deferred revenue

As at December 31, 2025 and 2024, the Society's deferred revenue consisted of the following:

					2025
					\$
	Membership fees	Multiperiod grants	Gaming grant	Sponsorship in-kind	Total
Balance, beginning of year	78,760	10,001	131	4,966	93,858
Amounts received during the year	863,273	195,480	213,000	17,762	1,289,515
Amounts recognized to revenue during the year	<u>(682,820)</u>	<u>(205,481)</u>	<u>(212,977)</u>	<u>(22,728)</u>	<u>(1,124,006)</u>
Balance, end of year	259,213	-	154	-	259,367

					2024
					\$
	Membership fees	Multiperiod grants	Gaming grant	Sponsorship in-kind	Total
Balance, beginning of year	68,236	-	107	11,462	79,805
Amounts received during the year	640,779	205,480	213,000	4,966	1,064,225
Amounts recognized to revenue during the year	<u>(630,255)</u>	<u>(195,479)</u>	<u>(212,976)</u>	<u>(11,462)</u>	<u>(1,050,172)</u>
Balance, end of year	78,760	10,001	131	4,966	93,858

### 11. Contingent liability

The Society is involved in a litigation with a former employee. Management is unable to estimate the Society's potential liability, if any, resulting from this action. Any settlement will be reflected as a charge to income in the year incurred. No provision for possible loss has been accrued.