

BICYCLE TRADE ASSOCIATION OF CANADA
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007

BICYCLE TRADE ASSOCIATION OF CANADA
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YEAR ENDED DECEMBER 31, 2007

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AUDITORS' REPORT

To the Members of Bicycle Trade Association of Canada

We have audited the statement of financial position of Bicycle Trade Association of Canada as at December 31, 2007 and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Newmarket, Ontario
May 26, 2008

Rumley & Chaggares
Chartered Accountants
Professional Corporation

Authorized to practise public accounting by
The Institute of Chartered Accountants of Ontario

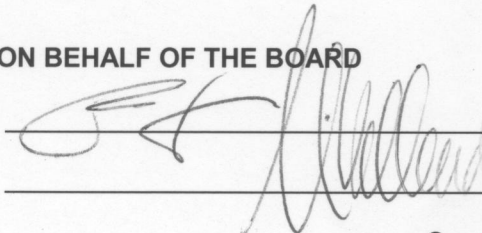
BICYCLE TRADE ASSOCIATION OF CANADA

Statement of Financial Position

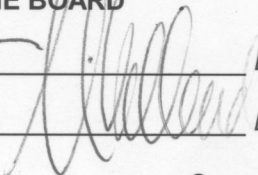
As At December 31, 2007

	2007	2006
	\$	\$
ASSETS		
CURRENT		
Cash and cash equivalent (Note 4)	479,671	488,515
Accounts receivable	8,317	493,267
GST/QST refundable	8,349	-
Prepaid expenses	1,548	43,000
	497,885	1,024,782
EQUIPMENT (Note 5)	5,699	3,442
	503,584	1,028,224
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	43,010	14,780
Deposits received	1,961	-
GST/QST payable	-	76,822
Deferred revenue (Note 6)	-	467,328
	44,971	558,930
NET ASSETS		
General fund	258,613	469,294
Internally restricted grant fund (Note 7)	200,000	-
	458,613	469,294
	503,584	1,028,224

ON BEHALF OF THE BOARD



Director



Director

See notes to financial statements

BICYCLE TRADE ASSOCIATION OF CANADA
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2007

	2007	2006
	\$	\$
REVENUE		
Trade show revenue	738,681	719,243
Membership revenue	71,850	66,105
Publications revenue	47,270	46,537
Other income	13,581	14,109
	871,382	845,994
EXPENSES		
Amortization	1,648	1,005
Board expenses	34,882	22,587
Cycling promotion programs	1,496	21,601
Government relations	61,719	14,128
Grant program	1,766	-
Insurance	7,042	7,042
Interest and bank charges	9,120	9,040
Member communications	36,731	26,876
Office and general	14,105	16,459
Professional development	5,036	2,209
Professional fees	6,620	11,296
Publications expense	68,802	66,770
Rent	18,664	10,662
Research	35,100	31,127
Telephone and internet	7,379	5,869
Trade show expenses	418,830	414,300
Travel and entertainment	4,502	2,080
Wages and benefits	148,621	134,948
	882,063	797,999
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(10,681)	47,995

	General Fund \$	Internally Restricted Grant Fund (Note 7) \$	2007 \$	2006 \$
NET ASSETS - BEGINNING OF YEAR	469,294	-	469,294	421,299
Deficiency of revenue over expenses	(10,681)	-	(10,681)	47,995

(continues)

See notes to financial statements

BICYCLE TRADE ASSOCIATION OF CANADA

Statement of Changes in Net Assets *(continued)*

Year Ended December 31, 2007

	General Fund	Internally Restricted Grant Fund (Note 7)	2007	2006
Transfer from General Fund	(200,000)	200,000	-	-
NET ASSETS - END OF YEAR	258,613	200,000	458,613	469,294

See notes to financial statements

BICYCLE TRADE ASSOCIATION OF CANADA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007

1. PURPOSE OF ASSOCIATION

The Bicycle Trade Association of Canada (BTAC) was incorporated under the Canada Corporation Act without share capital in November 1994. The objectives of the Association are: to maintain a voluntary, nonprofit trade association to promote and improve the high standards of conduct within the trade among members; to encourage friendly trade and foster sound business practices within the trade; to stimulate interest in and demand for industry products and services; and, to cause, organize, conduct and participate in trade shows in the best interest of the trade. The association is exempt from income tax according to section 149 (1) (l) of the Canadian Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Outlined below are those policies considered particularly significant for the organization.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

Equipment

Equipment is stated at cost less accumulated amortization. Equipment is amortized over their estimated useful lives at the following rates and methods:

Computer equipment	30% to 45%	declining balance method
Furniture and fixtures	20%	declining balance method

The association regularly reviews its equipment to eliminate obsolete items.

Revenue Recognition

Revenue is recognized on an accrual basis.

(continues)

BICYCLE TRADE ASSOCIATION OF CANADA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Contributed Services

Volunteers contribute approximately 1,000 hours per year to assist BTAC in carrying out its objectives. Due to the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

3. **FINANCIAL INSTRUMENTS**

The association's financial instruments consist of cash and cash equivalents, accounts receivable, GST/QST receivable/payable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

4. **CASH AND CASH EQUIVALENTS**

Cash and cash equivalent included in the balance sheet comprise the following amounts:

	2007	2006
	\$	\$
Cash	115,952	23,630
Guaranteed investments certificates	363,719	464,885
	479,671	488,515

5. **EQUIPMENT**

	Cost	Accumulated amortization	2007 Net book value	2006 Net book value
	\$	\$	\$	\$
Computer equipment	3,904	878	3,026	-
Furniture and fixtures	5,974	3,867	2,107	2,633
Computer-pre March 04	3,763	3,197	566	809
	13,641	7,942	5,699	3,442

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6. **DEFERRED REVENUE**

Deferred revenue is a result of invoices created in 2006 for the 2007 Trade Show exhibit space.

7. **INTERNALLY RESTRICTED GRANT FUND**

The mission of the association's grant program is to increase bicycle ridership and awareness. The program provides grants in the following areas: creation and enhancement of bicycle facilities, advocacy and education.

8. **STATEMENT OF CASH FLOW**

A statement of cash flow has been omitted as it would not provide additional meaningful information not readily determinable from other financial information provided.

9. **COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation. This reclassification did not affect net operating surplus or net assets.