



**Consolidated Financial Statements and Independent
Auditor's Report**

World Bicycle Relief, NFP and its Subsidiaries

December 31, 2013 and 2012

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INDEPENDENT AUDITOR'S REPORT

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Board of Directors World Bicycle Relief, NFP and its Subsidiaries

We have audited the accompanying consolidated financial statements of World Bicycle Relief, NFP and its subsidiaries (the Organization), which comprise the consolidated statements of financial position as of December 31, 2013 and 2012, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of World Bicycle Relief - Zambia, a wholly owned subsidiary, which statements reflect total assets constituting 10% and 15% of the consolidated total assets as of December 31, 2013 and 2012, respectively, and total revenue and support of 15% and 10%, respectively, of the consolidated total revenue and support for the years then ended. We did not audit the financial statements of Qhubeka The Motive Power NPC, a wholly owned subsidiary, which statements reflect total assets constituting 10% of the consolidated total assets and 3% of the total revenue and support for the year ended, December 31, 2013. Those statements are audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for World Bicycle Relief - Zambia and Qhubeka The Motive Power NPC is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2013 and 2012, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Supplemental information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis, rather than to present the financial position, results of operations and cash flows of the individual entities, and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.



Chicago, Illinois
September 16, 2014

World Bicycle Relief, NFP and its Subsidiaries
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2013 and 2012

ASSETS	2013	2012
CURRENT ASSETS		
Cash and cash equivalents	\$3,212,661	\$1,837,015
Contribution receivables	305,607	341,241
Trade receivables	636,492	570,459
Inventory	<u>1,244,391</u>	<u>559,134</u>
Total current assets	5,399,151	3,307,849
OTHER ASSETS		
Prepayments	63,245	78,088
Other assets	132,478	87,195
NON-CURRENT ASSETS		
Investments	574,480	340,470
Deferred tax	50,034	-
Fixed assets, at cost, net of accumulated depreciation of \$217,758 and \$164,525, in 2013 and 2012, respectively	<u>238,512</u>	<u>245,572</u>
TOTAL ASSETS	<u>\$6,457,900</u>	<u>\$4,059,174</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 500,835	\$ 265,624
Accrued expenses	206,807	146,408
Deferred revenue	510,007	24,201
Customer deposits	165,689	-
Note payable	548,233	476,908
Other liabilities	<u>34,596</u>	<u>6,218</u>
Total current liabilities	1,966,167	919,359
NON-CURRENT LIABILITIES		
Note payable, net of current portion	<u>106,708</u>	-
Total liabilities	2,072,875	919,359
NET ASSETS		
Unrestricted	4,310,025	3,064,815
Temporarily restricted	<u>75,000</u>	<u>75,000</u>
Total net assets	4,385,025	3,139,815
TOTAL LIABILITIES AND NET ASSETS	<u>\$6,457,900</u>	<u>\$4,059,174</u>

The accompanying notes are an integral part of this statement.

World Bicycle Relief, NFP and its Subsidiaries
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year ended December 31, 2013

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Revenue and support			
Contributions and grants	\$ 6,135,573	\$ 75,000	\$ 6,210,573
Special events, net of related expenses	(60,596)		(60,596)
Royalties	75,615		75,615
Bicycle social enterprise program	4,301,021		4,301,021
Other income	244,794		244,794
Net assets released from restrictions	<u>75,000</u>	<u>(75,000)</u>	<u>-</u>
Total revenue and support	10,771,407	-	10,771,407
Expenses			
Program services			
Social Enterprise	5,651,129	-	5,651,129
Bicycle Education Empowerment Program (BEEP)	<u>1,168,921</u>	<u>-</u>	<u>1,168,921</u>
Total program services	6,820,050	-	6,820,050
Supporting services			
Management and administrative	523,812	-	523,812
Fundraising	<u>2,187,974</u>	<u>-</u>	<u>2,187,974</u>
Total supporting services	<u>2,711,786</u>	<u>-</u>	<u>2,711,786</u>
Total expenses before tax benefit	9,531,836	-	9,531,836
Tax benefit	<u>2,200</u>	<u>-</u>	<u>2,200</u>
Increase in net assets from operating activities	1,241,771	-	1,241,771
Other non-operating changes in net assets			
Investment income, net of investment expenses	58,839	-	58,839
Transfer of assets - control of affiliate	7,346	-	7,346
Foreign exchange loss	<u>(62,746)</u>	<u>-</u>	<u>(62,746)</u>
Increase in net assets	1,245,210	-	1,245,210
Net assets - beginning of year	<u>3,064,815</u>	<u>75,000</u>	<u>3,139,815</u>
Net assets - end of year	<u>\$ 4,310,025</u>	<u>\$ 75,000</u>	<u>\$ 4,385,025</u>

The accompanying notes are an integral part of this statement.

World Bicycle Relief, NFP and its Subsidiaries
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year ended December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Revenue and support			
Contributions and grants	\$5,091,697	\$ 75,000	\$5,166,697
Special events, net of related expenses	(118,152)	-	(118,152)
Royalties	42,058	-	42,058
Bicycle social enterprise program	2,427,570	-	2,427,570
Other income	170,792	-	170,792
Net assets released from restrictions	<u>75,000</u>	<u>(75,000)</u>	<u>-</u>
Total revenue and support	7,688,965	-	7,688,965
Expenses			
Program services			
Social Enterprise	3,507,295	-	3,507,295
Bicycle Education Empowerment Program (BEEP)	<u>1,480,665</u>	<u>-</u>	<u>1,480,665</u>
Total program services	4,987,960	-	4,987,960
Supporting services			
Management and administrative	490,482	-	490,482
Fundraising	<u>1,417,419</u>	<u>-</u>	<u>1,417,419</u>
Total supporting services	1,907,901	-	1,907,901
Total expenses before tax benefit	6,895,861	-	6,895,861
Tax benefit	<u>42,988</u>	<u>-</u>	<u>42,988</u>
Increase in net assets from operating activities	836,092	-	836,092
Other non-operating changes in net assets			
Investment income, net of investment expenses	44,775	-	44,775
Foreign exchange loss	<u>(15,286)</u>	<u>-</u>	<u>(15,286)</u>
Increase in net assets	865,581	-	865,581
Net assets - beginning of year	<u>2,199,234</u>	<u>75,000</u>	<u>2,274,234</u>
Net assets - end of year	<u>\$3,064,815</u>	<u>\$ 75,000</u>	<u>\$3,139,815</u>

The accompanying notes are an integral part of this statement.

World Bicycle Relief, NFP and its Subsidiaries
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2013

	Programs		Total programs	Supporting services		Total supporting services	Total
	BEEP	Social Enterprise		Management and administrative	Fundraising		
Bicycles and bicycle parts	\$ 661,934	\$3,079,549	\$3,741,483	\$ -	\$ 14,004	\$ 14,004	\$3,755,487
Personnel	111,683	1,411,326	1,523,009	229,009	714,666	943,675	2,466,684
In-kind expenses	48,137	142,280	190,417	36,261	512,083	548,344	738,761
Professional services	18,455	160,518	178,973	117,680	187,972	305,652	484,625
Travel	10,991	124,407	135,398	26,642	314,219	340,861	476,259
Occupancy	13,873	219,015	232,888	26,806	42,244	69,050	301,938
Shipping and freight	197,040	39,958	236,998	888	21,179	22,067	259,065
Registrations and license fees	-	5,083	5,083	10,299	216,812	227,111	232,194
Product development costs	-	137,937	137,937	-	-	-	137,937
Repairs and maintenance	30,044	74,051	104,095	-	1,162	1,162	105,257
Supplies	17,968	35,545	53,513	5,344	35,724	41,068	94,581
Depreciation	-	76,062	76,062	17,875	-	17,875	93,937
Bank service charges	78	22,235	22,313	12,637	58,890	71,527	93,840
Printing	276	17,331	17,607	222	65,838	66,060	83,667
Insurance	5,250	35,771	41,021	19,805	390	20,195	61,216
Other expenses	-	34,844	34,844	20,329	-	20,329	55,173
Grants	47,138	-	47,138	-	-	-	47,138
Bad debts	-	32,626	32,626	-	344	344	32,970
Taxes and duties	6,054	-	6,054	15	5	20	6,074
Advertising	-	2,591	2,591	-	2,442	2,442	5,033
	<u>\$1,168,921</u>	<u>\$5,651,129</u>	<u>\$6,820,050</u>	<u>\$523,812</u>	<u>\$2,187,974</u>	<u>\$2,711,786</u>	<u>\$9,531,836</u>

The accompanying notes are an integral part of this statement.

World Bicycle Relief, NFP and its Subsidiaries
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2012

	Programs		Total programs	Supporting services		Total supporting services	Total
	BEEP	Social Enterprise		Management and administrative	Fundraising		
Bicycles and bicycle parts	\$ 692,335	\$1,282,700	\$1,975,035	\$ -	\$ 2,811	\$ 2,811	\$1,977,846
Personnel	364,268	1,035,436	1,399,704	231,190	712,578	943,768	2,343,472
In-kind expenses	98,937	264,347	363,284	110,311	90,846	201,157	564,441
Professional services	40,606	161,947	202,553	40,347	137,733	178,080	380,633
Travel	129,904	246,243	376,147	30,548	182,864	213,412	589,559
Occupancy	56,098	185,326	241,424	6,829	25,454	32,283	273,707
Shipping and freight	9,796	40,372	50,168	1,868	31,155	33,023	83,191
Repairs and maintenance	40,395	72,108	112,503	-	55	55	112,558
Supplies	31,951	60,650	92,601	1,395	70,064	71,459	164,060
Depreciation	-	70,431	70,431	10,654	-	10,654	81,085
Bank service charges	2,642	11,195	13,837	10,303	28,726	39,029	52,866
Database services	938	4,878	5,816	1,981	69,730	71,711	77,527
Printing	2,155	8,423	10,578	69	57,497	57,566	68,144
Insurance	9,921	32,483	42,404	13,255	-	13,255	55,659
Bad debts	-	18,765	18,765	-	-	-	18,765
Taxes and duties	619	4,043	4,662	172	92	264	4,926
Advertising	100	7,948	8,048	31,560	7,814	39,374	47,422
	<u>\$1,480,665</u>	<u>\$3,507,295</u>	<u>\$4,987,960</u>	<u>\$490,482</u>	<u>\$1,417,419</u>	<u>\$1,907,901</u>	<u>\$6,895,861</u>

The accompanying notes are an integral part of this statement.

World Bicycle Relief, NFP and its Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Change in net assets	\$1,245,210	\$ 865,581
Transfer in of cash - control of affiliate	138,099	-
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Unrealized gain on investment	(62,010)	(44,220)
Proceeds from sale of investments	1,057	416
Contributions of art	-	(86,000)
Contributions of investments	(173,057)	(145,544)
Depreciation	93,937	81,085
Loss (gain) from the sale of equipment	924	(5,275)
Changes in assets and liabilities		
Receivables	(80,940)	(91,682)
Inventory	(586,098)	334,160
Prepayments	36,213	(128,799)
Deferred revenue	330,986	24,201
Customer deposits	158,156	-
Other assets	(32,931)	-
Accounts payable	389,020	(484,211)
Accrued expenses	6,211	(79,005)
Interest payable	4,800	1,908
Tax payable	-	(132)
Deferred tax	(50,034)	-
Other payable costs	<u>(4,246)</u>	<u>(112,740)</u>
Net cash provided by operating activities	1,415,297	129,743
Cash flows from investing activities		
Purchase of property and equipment	(47,963)	(81,247)
Proceeds from the sale of equipment	<u>-</u>	<u>25,911</u>
Net cash used in investing activities	(47,963)	(55,336)
Cash flows from financing activities		
Proceeds from notes payable	<u>(2,544)</u>	<u>475,000</u>
Net cash (used in) provided by financing activities	(2,544)	475,000
Effect of exchange rate change on cash	<u>10,856</u>	<u>9,596</u>
Net increase in cash and cash equivalents	1,375,646	559,003
Cash and cash equivalents at beginning of year	<u>1,837,015</u>	<u>1,278,012</u>
Cash and cash equivalents at end of year	<u>\$3,212,661</u>	<u>\$1,837,015</u>

The accompanying notes are an integral part of these statements.

World Bicycle Relief, NFP and its Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE A - ORGANIZATION

World Bicycle Relief NFP (collectively, the Organization) is transforming individuals and their communities through the power of bicycles. The Organization is a section 501(c)(3) tax-exempt public charity, incorporated on June 20, 2006, and existing under the Illinois General Not-For-Profit Corporation Act, to provide access to independence and livelihood through the power of bicycles. Activities of World Bicycle Relief NFP are consolidated under the U.S. operating group for reporting services

World Bicycle Relief - Zambia was incorporated on July 12, 2007, in the Republic of Zambia. It serves to carry out the on-site Zambian program operations of the Organization. In addition, it is engaged in the assembly and sale of bicycles and bicycle parts through the Organization's social enterprise program in Zambia.

World Bicycle Relief - Kenya (WBR Kenya) is domiciled in Kenya as a branch of the Organization. WBR Kenya was registered as a branch in Kenya on December 14, 2009. Operating principally in Kenya, it is engaged in the assembly and sale of bicycles and bicycle parts through the Organization's social enterprise program.

World Bicycle Relief (Private) Limited is a limited liability company incorporated and domiciled in Zimbabwe. Operating principally in Zimbabwe, it is engaged in the assembly and sale of bicycles and bicycle parts through the Organization's social enterprise program.

Buffalo Bicycle Limited (BBL) is a Mauritius private company limited by shares, and was incorporated by Deutsche International Trust Corporation Limited on November 21, 2011. BBL is a wholly owned subsidiary of the Organization. BBL carries out investment holding, trading and treasury activities. BBL is a trading conduit for the product development, purchase and selling of bicycles, primarily to facilitate activities for subsidiary companies to be operated in Sub-Saharan Africa in 2013. BBL is expected to earn a margin on the bicycle trading activities, which will be its main source of income.

Buffalo Bicycle Kenya (BBK) is a Kenyan limited liability company incorporated under The Companies Act (Cap. 486) on August 27, 2012, in Nairobi. The Organization and BBL are shareholders in BBK.

World Bicycle Relief UK (WBR UK) is a non-profit private company limited by guarantee with no share capital and one subscriber, the Organization. It was formed under The Companies Act of 2006 and 1986 in the United Kingdom. WBR UK's objective is to relieve the needs of people living in impoverished or disaster-stricken areas of the world by the provision of bicycles to enable them to access education, employment, health care and other essentials of life. WBR UK was formed on March 3, 2011. Activities of WBR UK are consolidated under the U.S. operating group for reporting purposes. WBR UK is not part of the U.S. operating group for tax reporting purposes.

World Bicycle Relief Deutschland (WBR DE) is a German limited liability company, incorporated on April 17, 2013. WBR is a shareholder of WBR DE. It is incorporated in Germany. WBR DE's objective is to provide economic and non-commercial support to World Bicycle Relief - Zambia and Qhubeka The Motive Power Movement NPC from South Africa. WBR DE's objective is to relieve needs of people living in impoverished or disaster-stricken areas of the world by providing bicycles to enable them to access education, employment, healthcare and other essentials of life. Activities of WBR DE are consolidated under the U.S. operating group for reporting purposes. WBR DE is not part of the U.S. operating group for tax reporting purposes.

Qhubeka The Motive Power Movement NPC (Qhubeka) is a non-profit company controlled by the Organization. It is incorporated in South Africa. Qhubeka's objective is to provide poverty relief for the poor and needy persons through the provision of bicycles and it operates principally in South Africa. As of July 1,

World Bicycle Relief, NFP and its Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
December 31, 2013 and 2012

2013, Qhubeka became the program of the Organization in South Africa by the addition of directors representing World Bicycle Relief to the board of directors of Qhubeka.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

All significant inter-organization accounts and transactions have been eliminated in consolidation.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Additionally, information is required to segregate program service expenses from supporting services. Supporting services include management and administrative and fundraising expenses.

Revenue Recognition

Contributions and grants received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending of the existence and/or nature of any donor restrictions. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as unrestricted revenues. Contributions of assets other than cash are recorded at their estimated fair value. The expiration of temporary restrictions on net assets (i.e., the donor-imposed stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets.

Donated investments are recorded at fair value as of the date of the contributions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets, unless their use is restricted by explicit donor stipulation or by law.

Net Assets

Net assets have been recorded and reported as changes in unrestricted, temporarily restricted or permanently restricted net assets.

Unrestricted - Unrestricted net assets consist of resources that are available for use in carrying out the mission of the Organization and include those expendable resources that have been designated for special use by the board of directors.

Temporarily restricted - Temporarily restricted net assets represent those amounts that are donor restricted with respect to purpose or time. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of a restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

Permanently restricted - Permanently restricted net assets result from contributions with donor restrictions that mandate the original principal be invested in perpetuity. Permanently restricted net assets include beneficial

World Bicycle Relief, NFP and its Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
December 31, 2013 and 2012

interests in perpetual trusts held by third parties. The majority of the earnings from permanently restricted net assets are available for the general use of the Organization. The Organization currently does not have any permanently restricted net assets.

Prepayments

Prepayments consist of prepaid insurance, prepaid rent and prepaid technology and license fees. Prepaid rent is reclassified to expense over the life of a lease agreement. Prepaid insurance is reclassified to expense as insurance coverage is incurred over the life of the insurance policy. Prepaid technology and license fees are reclassified as registration and license fees over the life of the licensing agreement.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) 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 reporting period. Actual results could differ from those estimates.

Trade Receivables and Bad Debts

Trade receivables are charged to bad debt expense when they are determined to be uncollectible based on a periodic review of accounts by management. The Organization determines its uncollectible accounts by considering a number of factors, including the length of time receivables are past due, the Organization's previous collection history, the entity's current ability to pay its obligation, and the condition of the general economy and the industry as a whole. U.S. GAAP requires that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Contribution Receivables

As of December 31, 2013 and 2012, foundations, individuals and corporations have unconditionally promised to give \$305,607 and \$341,241, respectively, to be used for particular programs and general support. All amounts are due in less than one year.

Investments

Pursuant to the accounting guidance for fair value measurements and its subsequent updates, fair value is defined as the price that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Organization considers the principal or most advantageous market in which it would transact, and it considers assumptions that market participants would use when pricing the asset or liability.

The accounting guidance for fair value measurement also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is as follows:

World Bicycle Relief, NFP and its Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
December 31, 2013 and 2012

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, as well as investments measured at net asset value (NAV), or its equivalent, that are redeemable at or near the reporting date. The nature of these securities include investments for which quoted prices are available but which are traded less frequently and investments that are fair valued using securities, the parameters of which can be directly observed.

Level 3 - Assets that lack sufficient pricing observability as of the report date, and investments measured at NAV or its equivalent asset value that are not redeemable at or near the reporting date. These assets are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inventory

Inventory consists mainly of bicycles and bicycle parts. Any inventory is stated at the lower of cost or market value.

Advertising

Advertising costs are charged to operations when incurred.

Capitalization and Depreciation

Vehicles, furniture and equipment are recorded at cost, net of accumulated depreciation. Vehicles, furniture and equipment are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. Assets are depreciated over their estimated service lives. The estimated service lives of the assets for depreciation purposes may be different than their actual economic useful lives.

	<u>Estimated life</u>	<u>Method</u>
Vehicles	4 - 5 years	Straight-line
Furniture and equipment	3 - 8 years	Straight-line

Breakdown by asset class as of December 31:

	<u>2013</u>	<u>2012</u>
Vehicles	\$ 294,489	\$ 260,021
Furniture and equipment	<u>161,781</u>	<u>150,076</u>
Total	456,270	410,097
Accumulated depreciation	<u>(217,758)</u>	<u>(164,525)</u>
Net book value	<u>\$ 238,512</u>	<u>\$ 245,572</u>

World Bicycle Relief, NFP and its Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
December 31, 2013 and 2012

In 2013, \$51,558 of fully depreciated fixed assets were written off as they were no longer in service.

Special Events

Breakout of special events revenue and expenses are the following for the years ended December 31:

	<u>2013</u>	<u>2012</u>
Special event revenue	\$ 77,214	\$ 112,607
Related expenses	<u>(137,810)</u>	<u>(230,759)</u>
Special events, net of related expenses	<u>\$ (60,596)</u>	<u>\$(118,152)</u>

Foreign Currency Translation

The U.S. dollar (dollars) is the functional currency for the Organization's operations worldwide. The functional currency of World Bicycle Relief - Kenya is the Kenyan Schilling. Transactions in currencies other than dollars are translated into dollars at the rates of exchange in effect during the date of the transaction or an average currency valuation for the period. Property and equipment purchased with non-U.S. currency are translated into dollars at the exchange rate in effect at the time of the purchase. Current assets and liabilities denominated in non-U.S. currency are translated into dollars at the exchange rate in effect at the date of the consolidated statement of financial position.

NOTE C - CHANGE IN ACCOUNTING POLICY

During 2013, management began capitalizing purchased bicycle parts to inventory rather than expensing them. The change in inventory management was made to better match costs related to bicycle distributions in the Bicycle for Educational Empowerment Program. The 2012 statement of financial position was revised to reflect the change in accounting policy effective January 1, 2012, as follows:

	<u>Reported</u>	<u>Revision</u>	<u>Revised</u>
Inventory	\$456,909	\$ 102,225	\$559,134
Prepayments	180,313	(102,225)	78,088

NOTE D - CASH AND CASH EQUIVALENTS

The Organization maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash. The Organization maintained cash in foreign bank accounts totaling \$549,642 and \$501,572 at December 31, 2013 and 2012, respectively. The Organization does not believe these accounts to be a significant credit risk.

World Bicycle Relief, NFP and its Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
December 31, 2013 and 2012

The Organization's broker may hold cash in a money market account in the name of the Organization. This balance can be transferred to the Organization's cash account at any time and is considered a cash equivalent.

NOTE E - LEASE COMMITMENT

Office/Warehouse Leases

In April 2011, World Bicycle Relief - Zambia entered into a three-year warehouse and office lease effective from April 12, 2011 through April 11, 2014, with monthly payments of \$3,350 for the first year, to increase by 3% for the second and third year of the lease.

Future minimum lease payments for office, warehouse and staff leases for the year ending December 31, 2014, is \$13,804.

NOTE F - IN-KIND DONATIONS AND DONATED SERVICES

During the years ended December 31, 2013 and 2012, the Organization received contributions of goods, including rent, utilities and advertising. The estimated fair value of in-kind goods was \$497,845 and \$49,374, respectively. During the years ended December 31, 2013 and 2012, the Organization also received donated services, including legal advice and officer's salary. The estimated fair value of donated services was \$240,916 and \$515,067, respectively. These contributions have been recorded as contributions in the accompanying consolidated statements of activities and changes in net assets. The related expenses are shown as expenses in the accompanying consolidated statements of functional expenses.

NOTE G - RESTRICTED NET ASSETS

Temporarily restricted net assets of \$75,000 are available for the Bicycle Education Empowerment Program (BEEP) as of December 31, 2013 and 2012.

NOTE H - RELATED-PARTY TRANSACTIONS

The Organization received contributions from related parties for the years ended December 31, 2013 and 2012, as follows:

	<u>2013</u>	<u>2012</u>
Contributions from related parties	\$ 940,748	\$ 797,298
In-kind contributions and donated services from related parties	<u>239,523</u>	<u>239,523</u>
Total	<u>\$1,180,271</u>	<u>\$1,036,821</u>

World Bicycle Relief, NFP and its Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
December 31, 2013 and 2012

The Organization also provides cash reimbursement to related parties for expenses paid on behalf of the Organization. The amounts of the transactions for the years ended December 31, 2013 and 2012, are as follows:

	<u>2013</u>	<u>2012</u>
Cash reimbursement to related parties for expenses paid on behalf of the Organization	\$396,514	\$1,572,969
Amounts due to related parties classified as accounts payable on the consolidated statement of financial position	14,034	18,878
Amounts due to related parties classified as notes payable on the consolidated statement of financial position	654,941	476,908

NOTE I - INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consist of donated private equity and are stated at fair value determined by obtaining an independent valuation. The valuation was based on equity transactions that took place on September 30, 2013. All equity transactions were based on the same equity price.

The following table summarizes the assets measured at fair value on a recurring basis as of December 31, 2013 and 2012:

	<u>2013</u>			
	Quoted prices in active markets for identical assets/liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
Privately held membership units	\$ -	\$ -	<u>\$574,480</u>	<u>\$574,480</u>
Total assets	\$ -	\$ -	<u>\$574,480</u>	<u>\$574,480</u>
	<u>2012</u>			
	Quoted prices in active markets for identical assets/liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
Privately held membership units	\$ -	\$ -	<u>\$340,470</u>	<u>\$340,470</u>
Total assets	\$ -	\$ -	<u>\$340,470</u>	<u>\$340,470</u>

The carrying value of the Organization's cash and cash equivalents, receivables, accounts payable, accrued expenses and customer deposits approximate their fair value due to their short-term nature.

World Bicycle Relief, NFP and its Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
December 31, 2013 and 2012

Investment income is summarized as follows for the years ended December 31,:

	<u>2013</u>	<u>2012</u>
Realized loss on contributed investments	\$ (1,057)	\$ (416)
Unrealized gain	62,010	44,220
Dividends and interest income	17,040	971
Interest expense	<u>(19,154)</u>	<u>-</u>
Total	<u>\$58,839</u>	<u>\$44,775</u>

The changes in fair value for Level 3 investments for the years ended December 31, 2013 and 2012, are as follows:

	<u>Fair value December 31, 2012</u>	<u>Contributions</u>	<u>Unrealized gain</u>	<u>Fair value December 31, 2013</u>	<u>Carrying value</u>
Privately held investment	<u>\$340,470</u>	<u>\$172,000</u>	<u>\$62,010</u>	<u>\$574,480</u>	<u>\$574,480</u>
Total	<u>\$340,470</u>	<u>\$172,000</u>	<u>\$62,010</u>	<u>\$574,480</u>	<u>\$574,480</u>
	<u>Fair value December 31, 2011</u>	<u>Contributions</u>	<u>Unrealized gain</u>	<u>Fair value December 31, 2012</u>	<u>Carrying value</u>
Privately held investment	<u>\$150,750</u>	<u>\$145,500</u>	<u>\$44,220</u>	<u>\$340,470</u>	<u>\$340,470</u>
Total	<u>\$150,750</u>	<u>\$145,500</u>	<u>\$44,220</u>	<u>\$340,470</u>	<u>\$340,470</u>

Investments consisted of privately held membership units, which were classified as available-for-sale.

NOTE J - INCOME TAXES

The Organization is a not-for-profit entity, as described in Section 501(c)(3) of the Internal Revenue Code (the IRC), and is exempt from income taxes, except to the extent of any unrelated business income. The Organization does not have unrelated business income. World Bicycle Relief - Zambia is a charitable institution, as described in Section 41 of the Zambian Income Tax Act, under Chapter 323 of The Laws of Zambia. World Bicycle Relief - Kenya is a branch of the Organization. World Bicycle Relief - Zimbabwe is a taxable limited liability company, limited by guarantee, incorporated in Zimbabwe. WBR - UK is a charitable institution limited by guarantee under United Kingdom laws. WBR DE is a limited liability company charity. Qhubeka is a non-profit corporation. WBR Zimbabwe, Buffalo Bicycle Limited, BBK are for-profit entities. WBR Zimbabwe had a deferred tax asset for the years ended December 31, 2013, that covered any tax liability. Buffalo Bicycle Limited had a tax liability of \$231 as of December 31, 2013. Buffalo Bicycle Limited was the only entity required to have a provision for income taxes accrued, and did so accordingly.

World Bicycle Relief, NFP and its Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
December 31, 2013 and 2012

The Organization was organized and incorporated in Illinois as a Not-for-Profit Organization in 2006. The Organization has received a favorable determination letter from the Internal Revenue Service for its Section 501(c)(3) status under the IRC of 1986. The Financial Accounting Standards Board issued guidance that requires tax effects from uncertain tax positions to be recognized in the consolidated financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. Management has determined there are no material uncertain positions that require recognition in the consolidated financial statements. The tax years ended 2010, 2011, 2012 and 2013 are still open to audit for both federal and state purposes.

NOTE K - EMPLOYEE BENEFIT PLAN

The Organization participates in a Profit Sharing 401(k) Plan (the Plan) covering substantially all the Organization's employees who are salaried or temporary employees during the Plan year. Interns and part-time employees are not eligible for the Plan. The Plan is a voluntary defined contribution retirement plan. Employer contributions are computed as 3% of covered employees' compensation. The Organization's contributions, funded on a current basis, were \$29,596 and \$33,462 for the years ended December 31, 2013 and 2012, respectively.

NOTE L - SUBSEQUENT EVENTS

In preparation of these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 16, 2014, the date the consolidated financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in the consolidated financial statements.

SUPPLEMENTAL INFORMATION

World Bicycle Relief, NFP and its Subsidiary
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2013

ASSETS	U.S. operating group	Zambia	Kenya	Zimbabwe	Mauritius	South Africa	Eliminations	Consolidated
CURRENT ASSETS								
Cash and cash equivalents	\$2,840,747	\$ 65,971	\$ 27,883	\$106,369	\$ 99,371	\$ 72,320	\$ -	\$3,212,661
Contribution receivables	302,859	-	-	-	-	2,748	-	305,607
Trade receivables	-	299,772	50,075	51,688	-	234,957	-	636,492
Inventory	210,435	128,685	330,904	277,650	-	296,717	-	1,244,391
Due from affiliates								
Zambia	-	-	-	-	109,697	-	(109,697)	-
Kenya	-	-	-	-	229,556	-	(229,556)	-
Zimbabwe	-	-	-	-	183,139	-	(183,139)	-
South Africa	-	-	-	-	70,000	-	(70,000)	-
BBL Mauritius	<u>60,397</u>	-	-	-	-	-	<u>(60,397)</u>	-
Total current assets	3,414,438	494,428	408,862	435,707	691,763	606,742	(652,789)	5,399,151
OTHER ASSETS								
Prepayments	25,028	19,507	17,460	-	1,250	-	-	63,245
Other assets	695	96,070	16,912	18,039	-	762	-	132,478
NON-CURRENT ASSETS								
Investments	574,580	-	-	-	-	-	(100)	574,480
Due from affiliates								
Zambia	1,432,364	-	-	-	-	-	(1,432,364)	-
Kenya	811,618	-	-	-	-	-	(811,618)	-
Zimbabwe	522,992	-	-	-	-	-	(522,992)	-
Deferred tax	-	-	-	50,034	-	-	-	50,034
Fixed assets, at cost, net of accumulated depreciation of \$240,896	<u>-</u>	<u>32,017</u>	<u>27,218</u>	<u>143,992</u>	<u>-</u>	<u>35,285</u>	<u>-</u>	<u>238,512</u>
TOTAL ASSETS	<u>\$6,781,715</u>	<u>\$642,022</u>	<u>\$470,452</u>	<u>\$647,772</u>	<u>\$693,013</u>	<u>\$642,789</u>	<u>\$(3,419,863)</u>	<u>\$6,457,900</u>

World Bicycle Relief, NFP and its Subsidiary
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - CONTINUED
December 31, 2013

LIABILITIES AND NET ASSETS	U.S. operating group	Zambia	Kenya	Zimbabwe	Mauritius	South Africa	Eliminations	Consolidated
CURRENT LIABILITIES								
Accounts payable	\$ 262,212	\$181,489	\$ 1,743	\$ 47,536	\$ -	\$ 7,855	\$ -	\$ 500,835
Accrued expenses	136,317	23,070	-	-	2,573	44,847	-	206,807
Deferred revenue	-	140,925	-	-	-	369,082	-	510,007
Due to affiliates								
U.S. operating group	-	-	-	-	60,497	-	(60,497)	-
Mauritius	-	109,697	229,556	183,139	-	70,000	(592,392)	-
Customer deposits	-	7,533	-	-	158,156	-	-	165,689
Note payable	-	-	-	29,992	375,000	143,241	-	548,233
Other liabilities	165	11,078	23,122	-	231	-	-	34,596
Total current liabilities	398,694	473,792	254,421	260,667	596,457	635,025	(652,889)	1,966,167
NON-CURRENT LIABILITIES								
Note payable, net of current portion	-	-	-	-	106,708	-	-	106,708
Due to affiliates								
U.S. operating group	-	1,432,364	811,618	522,992	-	-	(2,766,974)	-
Total liabilities	398,694	1,906,156	1,066,039	783,659	703,165	635,025	(3,419,863)	2,072,875
NET ASSETS								
Unrestricted	6,308,021	(1,264,134)	(595,587)	(135,887)	(10,252)	7,764	100	4,310,025
Stated capital	-	-	-	-	100	-	(100)	-
Temporarily restricted	75,000	-	-	-	-	-	-	75,000
Total net assets	6,383,021	(1,264,134)	(595,587)	(135,887)	(10,152)	7,764	-	4,385,025
TOTAL LIABILITIES AND NET ASSETS	\$6,781,715	\$ 642,022	\$ 470,452	\$ 647,772	\$693,013	\$642,789	\$(3,419,863)	\$6,457,900

World Bicycle Relief, NFP and its Subsidiary
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2012

ASSETS	U.S. operating group	Zambia	Kenya	Zimbabwe	Mauritius	Eliminations	Consolidated
CURRENT ASSETS							
Cash and cash equivalents	\$1,364,169	\$148,801	\$ 44,835	\$215,565	\$ 63,645	\$ -	\$1,837,015
Contribution receivables	341,241	-	-	-	-	-	341,241
Trade receivables	-	170,675	71,956	327,828	-	-	570,459
Inventory	102,225	25,365	338,976	92,568	-	-	559,134
Due from affiliates							
Kenya	-	-	-	-	24,418	(24,418)	-
Zimbabwe	-	-	-	-	404,651	(404,651)	-
Mauritius	<u>52,049</u>	<u>5,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,909)</u>	<u>-</u>
Total current assets	1,859,684	350,701	455,767	635,961	492,714	(486,978)	3,307,849
OTHER ASSETS							
Prepayments	62,133	-	-	-	15,955	-	78,088
Other assets	87,195	-	-	-	-	-	87,195
NON-CURRENT ASSETS							
Investments	340,570	-	-	-	-	(100)	340,470
Due from affiliates							
Zambia	1,370,525	-	-	-	-	(1,370,525)	-
Kenya	805,716	-	-	-	-	(805,716)	-
Zimbabwe	498,921	-	-	-	-	(498,921)	-
Fixed assets, at cost, net of accumulated depreciation of \$164,525	<u>10,654</u>	<u>61,841</u>	<u>34,300</u>	<u>138,777</u>	<u>-</u>	<u>-</u>	<u>245,572</u>
TOTAL ASSETS	<u>\$5,035,398</u>	<u>\$412,542</u>	<u>\$490,067</u>	<u>\$774,738</u>	<u>\$508,669</u>	<u>\$(3,162,240)</u>	<u>\$4,059,174</u>

World Bicycle Relief, NFP and its Subsidiary
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - CONTINUED
December 31, 2012

LIABILITIES AND NET ASSETS	U.S. operating group	Zambia	Kenya	Zimbabwe	Mauritius	Eliminations	Consolidated
CURRENT LIABILITIES							
Accounts payable	\$ 69,520	\$ 60,730	\$ 2	\$ 135,042	\$ 330	\$ -	\$ 265,624
Accrued expenses	146,408	-	-	-	-	-	146,408
Deferred revenue	24,201	-	-	-	-	-	24,201
Due to affiliates							
Zambia	-	-	-	-	5,860	(5,860)	-
Mauritius	-	-	24,418	404,651	52,149	(481,218)	-
Note payable	-	-	-	-	476,908	-	476,908
Other liabilities	-	-	1,576	-	4,642	-	6,218
Total current liabilities	240,129	60,730	25,996	539,693	539,889	(487,078)	919,359
NON-CURRENT LIABILITIES							
Due to affiliates							
U.S. operating group	-	1,370,525	805,716	498,921	-	(2,675,162)	-
NET ASSETS							
Unrestricted	4,720,269	(1,018,713)	(341,645)	(263,876)	(31,320)	100	3,064,815
Stated capital	-	-	-	-	100	(100)	-
Temporarily restricted	75,000	-	-	-	-	-	75,000
Total net assets	4,795,269	(1,018,713)	(341,645)	(263,876)	(31,220)	-	3,139,815
TOTAL LIABILITIES AND NET ASSETS	<u>\$5,035,398</u>	<u>\$ 412,542</u>	<u>\$ 490,067</u>	<u>\$ 774,738</u>	<u>\$508,669</u>	<u>\$(3,162,240)</u>	<u>\$4,059,174</u>

World Bicycle Relief, NFP and its Subsidiary
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year ended December 31, 2013

	U.S. operating group	Zambia	Kenya	Zimbabwe	Mauritius	South Africa	Eliminations	Consolidated
Revenue and support								
Contributions and grants	\$5,800,743	\$ -	\$ -	\$ -	\$ -	\$409,830	\$ -	\$ 6,210,573
Special events, net of related expenses	(60,596)	-	-	-	-	-	-	(60,596)
Royalties	75,615	-	-	-	-	-	-	75,615
Bicycle social enterprise program	-	1,550,799	310,912	1,810,120	579,690	49,500	-	4,301,021
Other income	<u>93,833</u>	<u>1,959</u>	<u>116</u>	<u>132,954</u>	<u>-</u>	<u>15,932</u>	<u>-</u>	<u>244,794</u>
Total revenue and support	5,909,595	1,552,758	311,028	1,943,074	579,690	475,262	-	10,771,407
Expenses								
Program services								
Social Enterprise	173,847	1,887,865	426,177	1,784,152	1,251,491	127,597	-	5,651,129
Bicycle Education Empowerment Program (BEEP)	<u>1,064,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,085</u>	<u>-</u>	<u>1,168,921</u>
Total program services	1,238,683	1,887,865	426,177	1,784,152	1,251,491	231,682	-	6,820,050
Supporting services								
Management and administrative	441,219	-	-	-	-	82,593	-	523,812
Fundraising	<u>2,077,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,351</u>	<u>-</u>	<u>2,187,974</u>
Total supporting services	2,518,842	-	-	-	-	192,944	-	2,711,786
Total expenses before tax benefit	3,757,525	1,887,865	426,177	1,784,152	1,251,491	424,626	-	9,531,836
Tax benefit	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,431</u>	<u>(231)</u>	<u>-</u>	<u>-</u>	<u>2,200</u>
Increase (decrease) in net assets from operating activities	2,152,070	(335,107)	(115,149)	161,353	(672,032)	50,636	-	1,241,771
Other non-operating changes in net assets								
Intercompany (expense) income	(637,130)	137,994	(125,902)	(16,359)	678,702	(37,305)	-	-
Investment income (loss), net	63,501	-	(2,149)	(17,005)	14,398	94	-	58,839
Transfer of assets - control of affiliate	-	-	-	-	-	7,346	-	7,346
Foreign exchange loss	<u>9,311</u>	<u>(48,308)</u>	<u>(10,742)</u>	<u>-</u>	<u>-</u>	<u>(13,007)</u>	<u>-</u>	<u>(62,746)</u>
Increase (decrease) in net assets	1,587,752	(245,421)	(253,942)	127,989	21,068	7,764	-	1,245,210
Net assets, beginning of year	<u>4,795,269</u>	<u>(1,018,713)</u>	<u>(341,645)</u>	<u>(263,876)</u>	<u>(31,220)</u>	<u>-</u>	<u>-</u>	<u>3,139,815</u>
Net assets, end of year	<u>\$6,383,021</u>	<u>\$(1,264,134)</u>	<u>\$(595,587)</u>	<u>\$ (135,887)</u>	<u>\$ (10,152)</u>	<u>\$ 7,764</u>	<u>\$ -</u>	<u>\$ 4,385,025</u>

World Bicycle Relief, NFP and its Subsidiary
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year ended December 31, 2012

	U.S. operating group	Zambia	Kenya	Zimbabwe	Mauritius	Eliminations	Consolidated
Revenue and support							
Contributions and grants	\$5,166,697	\$ 142,126	\$ -	\$ -	\$ -	\$(142,126)	\$5,166,697
Special events, net of related expenses	(118,152)	-	-	-	-	-	(118,152)
Royalties	42,058	-	-	-	-	-	42,058
Bicycle social enterprise program	-	1,007,636	392,687	945,075	82,172	-	2,427,570
Other income	<u>112,741</u>	<u>11,500</u>	<u>6,329</u>	<u>40,239</u>	<u>-</u>	<u>(17)</u>	<u>170,792</u>
Total revenue and support	5,203,344	1,161,262	399,016	985,314	82,172	(142,143)	7,688,965
Expenses							
Program services							
Social Enterprise	652,482	1,052,144	563,455	1,115,210	124,004	-	3,507,295
Bicycle Education Empowerment Program (BEEP)	<u>1,480,665</u>	<u>142,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(142,126)</u>	<u>1,480,665</u>
Total program services	2,133,147	1,194,270	563,455	1,115,210	124,004	(142,126)	4,987,960
Supporting services							
Management and administrative	488,574	-	-	36,295	1,908	(36,295)	490,482
Fundraising	<u>1,417,419</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,417,419</u>
Total supporting services	1,905,993	-	-	36,295	1,908	(36,295)	1,907,901
Total expenses before tax benefit	4,039,140	1,194,270	563,455	1,151,505	125,912	(178,421)	6,895,861
Tax benefit	<u>-</u>	<u>-</u>	<u>10</u>	<u>42,978</u>	<u>-</u>	<u>-</u>	<u>42,988</u>
Increase (decrease) in net assets from operating activities	1,164,204	(33,008)	(164,429)	(123,213)	(43,740)	36,278	836,092
Other non-operating changes in net assets							
Investment income, net	44,775	-	-	-	-	-	44,775
Interest income	23,758	-	-	-	12,520	(36,278)	-
Foreign exchange loss	<u>(8,228)</u>	<u>-</u>	<u>(7,058)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,286)</u>
Increase (decrease) in net assets	1,224,509	(33,008)	(171,487)	(123,213)	(31,220)	-	865,581
Net assets, beginning of year	<u>3,570,760</u>	<u>(985,705)</u>	<u>(170,158)</u>	<u>(140,663)</u>	<u>-</u>	<u>-</u>	<u>2,274,234</u>
Net assets, end of year	<u>\$4,795,269</u>	<u>\$(1,018,713)</u>	<u>\$(341,645)</u>	<u>\$ (263,876)</u>	<u>\$(31,220)</u>	<u>\$ -</u>	<u>\$3,139,815</u>