

INFLUENCING TOMORROW

CANADIAN URBAN
TRANSIT ASSOCIATION
ANNUAL REPORT 2019



CUTA
ACTU

CANADIAN URBAN TRANSIT ASSOCIATION
ASSOCIATION CANADIENNE DU TRANSPORT URBAIN

CUTA AND ITS MEMBERS LEAD CHANGE IN THE TRANSIT INDUSTRY, ARE PROPONENTS OF NEW TECHNOLOGY AND OFFER THE MOST SUSTAINABLE TRANSPORTATION CHOICES FOR CANADIAN COMMUNITIES.

In 2019, a federal election year, CUTA influenced tomorrow with its *Priority Transit* campaign that kept the focus on the industry throughout the changing political landscape. CUTA's events drew unprecedented numbers of attendees and put a special focus on the bright minds of tomorrow, providing the opportunity for young leaders to bring their innovative ideas together with seasoned transit professionals. CUTA worked with its international counterparts to bring relevant courses in alternative propulsion which served members who are implementing fleet electrification. **Read on, to hear about the many ways CUTA and its members influenced tomorrow in 2019.**

VISION

To inspire and influence the evolution of integrated urban mobility.

MISSION

CUTA is the collective and influential voice of public transportation in Canada, dedicated to being at the centre of urban mobility issues with all orders of government and delivering the highest value to its members and the communities they serve.

CUTA will be the go-to organization for information, trends, networking and training, providing leadership for its members and all stakeholders.

To operate effectively, CUTA will foster a culture of active engagement with its members.

CUTA will deliver a high-performance working environment. Its team will be consummate experts and professionals.

Success will be measured by an action-oriented focus, achievements, and contributions to member success.



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From *technology in transit*
to *generation innovation*, CUTA's
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MESSAGE FROM THE CHAIR OF THE BOARD



There has never been a better time to belong to an association as when there is an acute need to share information and share it fast. CUTA members have proven that in times of crisis, they will band together in support of the transit industry and help one another to find resiliency in the face of unprecedented times.

As my term as CUTA's Chair winds down, I am reflecting on the many ways we influenced tomorrow as an industry in 2019. As our national ridership numbers continue to climb, I am immensely proud of the work we continue to do to support that growth. Last year, CUTA provided

multiple opportunities for engaged members to take part in high-profile advocacy initiatives, ensuring that transit was front and centre for voters and government stakeholders during an important election year.

In 2019, the CUTA Board of Directors tackled industry issues and addressed federal operational funding through the gas tax fund, the investing in Canada plan (ICIP) and oversaw the first meeting of CUTA's National Safety and Security Working Group.

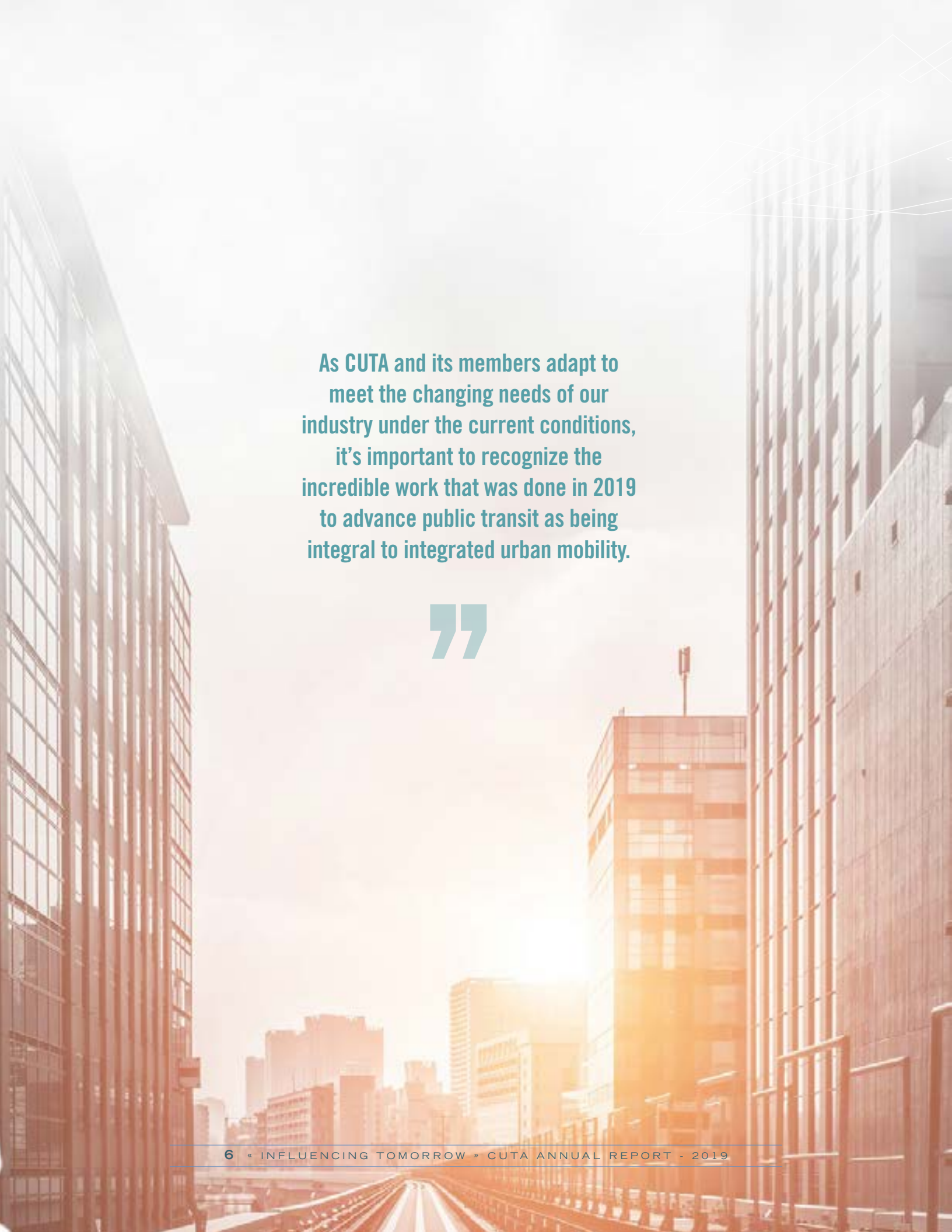
From *technology in transit* to *generation innovation*, CUTA's events in 2019 centred around the idea of tapping into the future. CUTA's events took place across Canada from St. John's in the Spring to my vibrant hometown of Calgary for the Annual Conference and Transit Show. The Annual Conference focused on how our industry is generating innovation and the importance of the next generation of leaders in transit. I am thrilled to say that over 800 transit stakeholders took part.

In 2019 CUTA fostered partnerships with like-minded organizations including APTA and UITP, broadening our reach and achieving an international perspective on industry issues and best practices, ultimately deepening CUTA's reach and member value. As we enter this new decade, CUTA and its members must continue to innovate and prepare to respond to the urgent need to green operations. Public transit will always be at the centre of sustainable transportation.

Best laid plans aside, 2020 has placed a challenge in front of us like we have not seen in a century. This worldwide issue will force our minds to be in two places at the same time. We will be dealing with the health emergency, while we prepare for what a post COVID-19 world looks like. CUTA will be right alongside its members as it actively supports our industry with valuable advocacy and information sharing efforts at the same time CUTA finalizes its strategic plan.

I believe we have built a strong organization that is up to the task. I would like to recognize the great talent and dedication of the CUTA staff for their excellent work during my time as Chair. We are lucky to work in a collaborative industry that is committed not only to integrated urban mobility but also supporting each other as colleagues, partners and proud Canadians.

Doug Morgan
Chair, CUTA Board of Directors



As CUTA and its members adapt to meet the changing needs of our industry under the current conditions, it's important to recognize the incredible work that was done in 2019 to advance public transit as being integral to integrated urban mobility.

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MESSAGE FROM THE PRESIDENT AND CEO



2020 presented CUTA members with a major obstacle, the COVID-19 outbreak. The challenges we faced in disinfecting, maintaining safe social distance, and operator safety are only compounded by plunging ridership as people work from home and schools are cancelled. Inevitably, the pandemic will have long-lasting effects on society and, in turn, transit.

Whatever this pandemic may bring, however, CUTA will help our members learn from each other and advocate for our sector at all levels of government.

As CUTA and its members adapt to meet the changing needs of our industry under the current conditions, it's important to recognize the incredible work that was done in 2019 to advance public transit as being integral to integrated urban mobility.

I am pleased to report we grew by almost 40 new members last year and diversified our member base. We stepped up advocacy to governments and expanded our research and technical services, including our brand-new Centre of Excellence. I hope this will help members adapt to meet our industry's changing needs.

Looking back on 2019, we continued our important advocacy work in Ottawa. With federal and provincial elections taking place, CUTA was well-positioned to promote the widespread benefits of public transit. Garnering national media attention, our Priority Transit campaign sparked an expansive dialogue on social media and culminated in two well-attended Policy Forums held in Vancouver and Montreal.

In St. John's, our spring symposium about Technology in Transit brought together innovative thinkers from across the country. Our annual conference in Calgary connected hundreds of professionals dedicated to transit and integrated urban mobility, and our sixth national Young Leaders Summit brought together more than 60 emerging leaders from across Canada who share a passion for transit. CUTA's events in 2019 could not have been done without the generosity of our fantastic sponsors. Thank you for your dedication and support for our industry.

We also kept our members current too, through our biweekly newsletter, our quarterly magazine and our website. In 2019 we increased our overall social media presence by 40%, improving and expanding our ability to reach members with the latest updates.

Thank you for taking the time to read our annual report and thank you for your feedback on our programs and services. Please continue to reach out and help us improve.

A handwritten signature in black ink that reads "Marco D'Angelo".

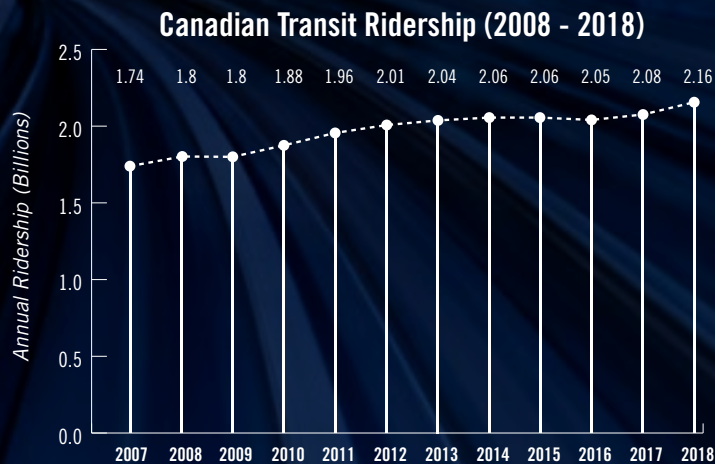
Marco D'Angelo
President & CEO

FINANCIAL POSITION

Steady member support at CUTA events and consistent membership renewals combined with sound financial management contributed to solid financial results in 2019. CUTA is well positioned as we continue to implement our strategic plan as well as other initiatives to influence tomorrow and continue to build a stronger association.

MEMBERSHIP

CUTA was pleased to welcome 37 new members in 2019, which brings our current membership to 487 at the time of publication. As the urban mobility landscape evolves, so does the diversity of **CUTA's membership**. Membership at CUTA means being connected to transit systems, manufacturers and suppliers, consultants, affiliate national and international associations, educational institutions, research organizations, alternative energy providers, technology companies, provincial government departments and thought leaders. CUTA members represent 98% of all transit ridership in Canada.



PUBLIC AFFAIRS AND COMMUNICATIONS

2019 was a busy and successful year for CUTA advocacy. Elections at the federal and provincial levels provided opportunities for CUTA to engage with political parties and the electorate to promote public transit and how its economic, environmental and social benefits contribute to community building in Canada. New governments and newly elected officials also provided a new audience for CUTA outreach on the transit industry's priority policy issues.

At the federal level, CUTA launched its **Priority Transit**¹ campaign in June 2019 with the unveiling of **national research findings**² from Léger Marketing, underscoring the high importance that Canadians attach to transit in their communities. The campaign website provided voters with information on CUTA-promoted solutions to tackle road congestion, green transit fleets and contribute to more reliable and frequent transit service ahead of the federal election on October 21. CUTA's campaign garnered earned media coverage across major outlets in both language markets, and culminated in a **Toronto Star article**³ on the eve of the election that summarized our association's views on the different political party platforms on transit. Two well-attended Transit Policy Forums held in **Vancouver**⁴ (September 12) and **Montreal**⁵ (October 3) provided platforms for all political parties to outline their policy platforms on transit and generated **media coverage**⁶ of the discussions.

CUTA was also busy with provincial advocacy in 2019. We continued supporting members and stakeholders in Ontario with outreach to the provincial government and engaged CUTA's Prairie Provinces and Territories (PPT) Chapter to advocate towards a new provincial government in Alberta. On the latter, CUTA organized a transit advocacy lobby day at the Alberta legislature in late November and presented to new regional caucus groups around that time. We likewise prepared and submitted **pre-budget recommendations**⁷ to the provincial government to inform the preparation of budget 2019.

CUTA's communications team ensures that members and the public know what is happening in the transit industry in real time. From international trends and national transit news to stories about your local transit system, CUTA provides valuable information to make sure your organization stays up to date. Whether it is through our website, Urban Mobility FORUM magazine, our bi-weekly EXPRESSIONS newsletter, blog posts or social media, CUTA keeps you current.

CUTA's social media channels saw a major increase in traffic throughout 2019. With the unveiling of the CoE, the Priority Transit federal election campaign, and innovative events and training opportunities, there was a lot to promote on social media. These initiatives contributed to CUTA raising its overall social media engagement in 2019, with our LinkedIn following up 40% from 2019, and our Twitter following up 30% in the same period.

YOUNG LEADERS SUMMIT

For the first time since 2013, CUTA brought together young people from across Canada who share a passion for transit. At the 6th annual Young Leaders Summit (YLS), a total of 60 delegates took part in technical tours, engaging sessions and an action-plan competition. With a 50/50 gender split, these young leaders were provided an all expenses paid opportunity to hear from past YLS alumni who are now leaders in the transit industry.

Organized by CUTA staff, a dedicated committee of volunteers and YLS alumni from across Canada, our 2019 YLS was a resounding success.

I learned an amazing amount from the sessions, keynote speakers, action plan projects, tours, and most of all, the people. Each conversation was full of excitement, progressive ideas, or hope for the future of creating sustainable communities and it was so very refreshing.

As a young professional I truly appreciate being given the opportunity to connect with existing and emerging leaders of change - it is your mentorship that helps us to develop and grow. Thank you again for everything!

Kayla Bruce, 2019 YLS Delegate



GOVERNANCE - BOARD OF DIRECTORS

In 2019, the CUTA Board of Directors met to address emerging issues in the transit industry while guiding the development of policy programs to advance the goals and objectives of Canadian transit. Board members moved to advance the planning of CUTA's successful events and training held in 2019, the inception of the Priority Transit federal election campaign and its 2 subsequent Policy Forums held in Vancouver and Montreal.

The board also addressed federal operational funding through the gas tax fund, the investing in Canada plan (ICIP) as it relates to public transit and oversaw the first meeting of CUTA's National Safety and Security Working Group. This thought leadership led CUTA to find innovative ways to promote integrated urban mobility with stakeholder groups and advocate key issues with the federal government.

COMMITTEES

CUTA is proud to have diverse committees – **5 national committees, 5 regional committees**, as well as several sub-committees, task forces, and working groups. Participation in CUTA committees offered members the chance to make lasting professional connections, discuss and form content around industry ideas, and uncover solutions to challenges and ideas. National committees advised on issues and identified projects and tasks. Sub-committees, task forces, and working groups were established to address specific issues.

Most of the committees met at CUTA events (Spring Symposium in St. John's and the Annual Conference in Calgary), where some new faces appeared and joined the committee meetings for the first time. Attendance of in-person committee meetings increased throughout the year, especially during major events.

EVENTS AND INDUSTRY PROGRAMS

In May, Metrobus hosted our Spring Symposium in St. John's which focused on the theme Technology in Transit. With over 170 transit professionals in attendance, our symposium welcomed a diverse audience of conference veterans, first-time attendees and innovative thinkers from across North America.

In November, CUTA travelled to Calgary to host its Annual Conference and Transit Show, connecting hundreds of professionals dedicated to transit and integrated urban mobility. Hosted by Calgary Transit, speakers dove deep into the theme Generation Innovation, highlighting innovative breakthroughs in transit infrastructure, technology, customer service, environmental sustainability and more.



RESEARCH AND TECHNICAL SERVICES - THE FUTURE OF TRANSIT IS DIGITAL

In 2019, CUTA continued to modernize its Statistical Data Collection program by conducting its Fleet and On-board Equipment and Conventional Transit Statistics data collections in CUTA's online data platform. The modernization of CUTA's data collection programs is an initiative that began in 2018 starting with the creation of an online data platform that granted capacity to collect new data. As the data platform evolves, it will provide additional data **exporting capabilities to members.**¹

CUTA hosted its first ever Data Blitz at its 2019 Annual Conference in Fall. The Data Blitz was an event that invited teams of industry professionals from across Canada to use a set of data provided by Calgary Transit to evaluate the efficacy of a significant network redesign. The event was a resounding success in that it inspired delegates to think about how data can be used in a multitude of ways to **visualize and evaluate public transit trends.**²

ONLINE CENTRE OF EXCELLENCE RESOURCES

CUTA launched its Centre of Excellence web pages publicly earlier this year. This compelling new section of the CUTA website is a key tool for positioning CUTA as a one-stop shop where **research, data, and analysis are easy to access for CUTA members and the public.**³

It also strengthens CUTA's reputation as a Centre of Excellence for transit and **integrated urban mobility information and expertise.**⁴

CUTA's Centre of Excellence Webinar program launched June 2019 and has already curated 17 hours of content for members and the public with over 1000 registrants at time of press. CUTA's CoE Webinars bring together stakeholders on leading topics in a timely and responsive format, offering flexible access to key learnings on transit and urban mobility each month. The program has been very well received and is tracked through our webinar survey with an average score of 8.29 out of 10. Overall, the CoE has provided multiple benefits to our members through many different lanes.

AWARDS

At our Annual Conference in Calgary, we hosted the **2019 CUTA Individual and Corporate Leadership Awards** ceremony. CUTA was able to recognize and celebrate those who make our industry successful – in the words of Mayor Nenshi, people who have gone about their daily work delivering high quality transit services and products, and the leaders who have had the vision, tenacity, and courage to make public transit work in our cities and towns.

This was a big year for the CUTA awards. We received almost 60 nominations for organizations and individuals across the country – the most we have ever received. Close to 300 people attended our ceremony, which culminated in the selection of 24 fantastic and deserving winners; it was a privilege to honour them in Calgary.


LEARNING

CUTA specializes in transit training, performance and recruitment solutions. 2019 was a big year for our training department, and saw strides being made in electrification, safety programs and online distance learning.

In partnership with APTA and UITP, CUTA organized an International Electric Bus Course in Montreal at the end of March, followed by a second session held in Los Angeles. Both training opportunities were fully sold out. There is a demand for Electric Bus knowledge and expertise in Canada and that desire for knowledge is only expected to grow.

CUTA also delivered its first distance learning course on its new *Learning Management System: Transit Asset Management, Building Blocks to Service Excellence*. The Transit Asset Management course is a 10-module course delivered by a subject matter expert and sponsored by the Federation of Canadian Municipalities, with funds from their Asset Management Program.

CUTA delivered Transit Ambassador Train-the-Trainer courses in York Region, Nevada, Connecticut and our newly renovated CUTA boardroom in 2019. The training team also championed and delivered *Transit Stops: Locating and Designing for Safety*. This represents CUTA's first ever half day course on siting transit stops and stations for safety of pedestrians and other road users.



Connecting to, hearing from, and collaborating with Canadian urban transit providers just got easier. On January 26, 2020 The Canadian Foundation for Animal-Assisted Support Services (CFAS) had the privilege of making an online presentation about the ABC's of Service Dogs to CUTA's Members. It was a seamless and rewarding experience from beginning to end thanks to Oliver Nicholls, Coordinator, Research and Statistics.

Joanne Moss, CFAS



This course provided an excellent fundamental introduction to the electrification of transit vehicles and infrastructure in combination with case studies identifying the operational impacts of implementing this technology. An excellent course for new people to this emerging technology!

Jeff Coleman, BC Transit



The course was great, the modules were easily done in the time allowed, and the final project helped tie it all together and allowed me to get an actual start on my own asset plan.

Paul Bracken, Saskatoon Transit



STAFF 2019

NAME	POSITION
Jason Allen**	Director, Learning & Networking
Kevin Brown	Manager, Business Development
Paulina Cadena**	Lead, National Conferences and Event
Calvin Chia	Data Analyst
Marco D'Angelo	President & CEO
Christine Harminc	Manager, Communications
Jodie Hunt	Manager, Communications
Sarah Ingram	Coordinator, Learning & Networking
Keith Jarvis	Coordinator, Digital Media & Marketing
Chad Jedy-Hugo	Director, Public Affairs & Strategic Communications
Richard Kong	Coordinator, Finance
Samuel Lafontaine**	Associate, Public Affairs
Jason Leclair**	Manager, Information Technology
McCartney Lee	Coordinator, Communications & Public Relations
Jeff Mackey	Coordinator, Public Policy
Milly Mikkelsen	Manager, Human Resources
Angela Murray	Director, Finance and Operations
Oliver Nicholls	Junior Coordinator, Research & Statistics
Johanne Palermo	Content Strategist, Publications
Wendy Reuter	Vice President, Member Value
Inès Sartini	Bilingual Administrative Coordinator
Winnie Tong-Luo	Coordinator, Member Services
Joanne Vézina	Executive Assistant
Luc Vincent	Director Events & Industry Programs
Nathaniel Wallace	Policy Analyst

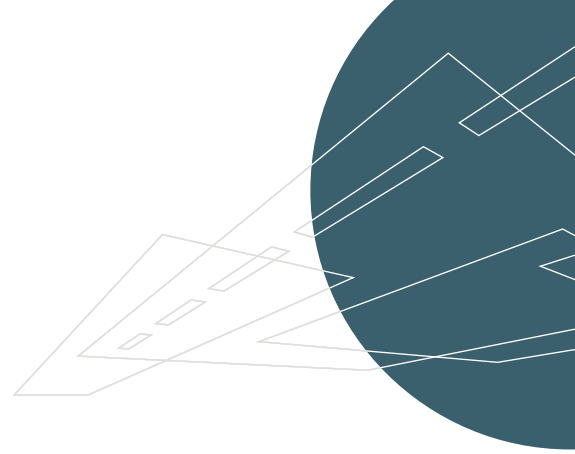
** Employee no longer at CUTA as of December 31, 2019

EXECUTIVE COMMITTEE 2019

NAME	POSITION
Doug Morgan, Calgary Transit	Chair
Alain Mercier, Réseau de transport de la Capitale	First Vice-Chair
Suzanne Connor, Burlington Transit	Immediate Past-Chair
Pat Delmore, Transit Windsor	Vice-Chair, Finance
Kevin Desmond, TransLink	Vice-Chair, Communications & Public Affairs
Dave Reage, Halifax Transit	Vice-Chair, Technical Services
James McDonald, Saskatoon Transit	Vice-Chair & National Chair, Workforce Development
Cheri Malo, Whitehorse Transit	Vice-Chair, Small Systems
Sean Rathwell, Dillon Consulting	Vice-Chair & National Chair, Business Members
Jean-Pierre Miroux, Thales Canada Inc.	Vice-Chair, Business Members
Jennifer McNeil, New Flyer	Vice-Chair, Business Members
Laurent Chevrot, Réseau de transport de Longueuil	Vice-Chair, Integrated Mobility
Wes Brodhead, City of St. Albert	Vice-Chair, Municipal Councils & National Chair, Transit Board Members Committee
Brian Leck, Toronto Transit Commission	Honorary Counsel
Marco D'Angelo, CUTA	President & CEO

BOARD OF DIRECTORS 2019

NAME	POSITION
TRANSIT SYSTEM MEMBERS	
Ann-Marie Carroll, York Region Transit	Director
Tony D'Alessandro, Town of Milton	Director
Susan Reed Tanaka, Transit Toronto Commission	Director
Tim Luey, St. Catharines Transit	Director
Kelly Paleczny, London Transit Commission	Director
Eddie Robar, Edmonton Transit Service	Director
Kevin Schubert, BC Transit	Director
Luc Tremblay, Société de transport de Montréal	Director
Dave Wardrop, Winnipeg Transit	Director
NATIONAL COMMITTEE CHAIRS*	
Tony Houad, Transit Windsor	Director
Christine Terin, York Region Transit	Director
REGIONAL COMMITTEE CHAIRS	
Chantale Dugas, Réseau de transport de la Capitale	Director
Alex Milojevic, Brampton Transit	Director
Judy Powell, St. John's Transportation Commission	Director
Scott Pass, Passenger Contracted Transportation Services Ltd.	Director
Wade Coombs, Strathcona County Transit	Director
GOVERNMENT AGENCIES, AFFILIATES & OTHERS	
Daniel Bergeron, Autorité régionale de transport métropolitain	Director
Richard Campbell, Affiliate - Canada Bikes	Director
Lorenzo Mele, Region of Peel	Director
Vincent Patterson, Affiliate	Director
Ryan Reichl, Alberta Transportation	Director
Marie-Chantal Ross, National Research Council	Director
Vinay Sharda, Ministry of Transportation – Ontario	Director
BUSINESS MEMBERS	
Dennis Fletcher, Steer	Director
Vance Harris, DIALOG	Director
Dennis Kar, Dillon Consulting	Director
Bruce McCuaig, AECOM	Director
Amy Miller, Clever Devices	Director
Yvonne René-de-Cotret, Deloitte Inc.	Director
Emanuelle Toussaint, Nova Bus	Director



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE CANADIAN URBAN TRANSIT ASSOCIATION

OPINION

We have audited the financial statements of Canadian Urban Transit Association (the "Association"), which comprise the statement of financial position as at December 31, 2019, and the statements of changes in net assets, operations, 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 Association as at December 31, 2019, 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 Association 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.

EMPHASIS OF MATTER - RESTATED COMPARATIVE INFORMATION

We draw attention to Note 2 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2018 has been restated. The financial statements for the year ended December 31, 2018 (prior to the adjustments that were applied to restate certain comparative information explained in Note 2) were audited by another auditor who expressed an unmodified opinion on those financial statements on April 23, 2019. 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 these 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association'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 Association'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 Association 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.

BDO CANADA LLP

Chartered Accountants

Licensed Public Accountants

Mississauga, Ontario

April 14, 2020

CANADIAN URBAN TRANSIT ASSOCIATION
STATEMENT OF FINANCIAL POSITION

for the year ended December 31, 2019

	2019	2018
	\$	\$
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 1,006,020	\$ 1,383,276
Short term investments restricted (Note 3)	92,278	81,305
Accounts receivable	335,043	260,623
Government remittances receivable	46,797	62,090
Inventory	-	24,104
Prepaid expenses	132,908	157,619
	1,613,046	1,969,017
CAPITAL ASSETS (Note 4)	318,283	27,631
	\$ 1,931,329	\$ 1,996,648
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 496,738	\$ 548,070
Deferred revenue (Note 5)	88,112	90,075
	584,850	638,145
NET ASSETS		
Unrestricted	983,118	864,470
Internally restricted		
Project fund	182,604	202,618
Regional youth summit fund	20,889	44,030
Business members' assessment fund	60,229	47,746
Advocacy fund	96,535	196,535
Quebec advocacy fund	3,104	3,104
	1,346,479	1,358,503
	\$ 1,931,329	\$ 1,996,648

CANADIAN URBAN TRANSIT ASSOCIATION
STATEMENT OF OPERATIONS

for the year ended December 31, 2019

	2019	2018
	\$	\$
REVENUE		
Membership fees	\$ 1,717,396	\$ 1,623,294
Advertising	110,418	134,342
Fee for service	142,248	79,541
Publication and other	38,350	14,785
Investment income (Note 3)	16,522	16,980
	2,024,934	1,868,942
PROGRAM REVENUES		
Meetings	\$ 1,110,078	\$ 1,145,165
Advocacy	582,155	483,085
Training/Ambassador	480,853	286,747
STRADA	109,713	180,164
Youth summit revenue	39,550	-
	2,322,349	2,095,161
TOTAL REVENUES	\$ 4,347,283	\$ 3,964,103
PROGRAM EXPENSES		
Meetings	\$ 712,199	\$ 749,115
Advocacy	203,177	302,956
Training/ambassador	302,405	232,153
STRADA	68,489	151,489
Youth summit expenses	62,889	-
Project funds	20,014	50,209
	\$ 1,369,173	\$ 1,485,922
GENERAL OPERATING EXPENSES (Schedule)	\$ 2,990,134	\$ 2,464,710
TOTAL EXPENSES	\$ 4,359,307	\$ 3,950,632
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	\$ (12,024)	\$ 13,471

CANADIAN URBAN TRANSIT ASSOCIATION
STATEMENT OF CASH FLOWS

for the year ended December 31, 2019

	2019	2018
	\$	\$
CASH WAS PROVIDED BY (USED IN):		
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ (12,024)	\$ 13,471
Adjustments to reconcile excess (deficiency) of revenue over expenses to net cash provided by (used in) operating activities		
Amortization	63,974	9,472
Loss on disposal of capital assets	-	588
Changes in non cash working capital balances		
Accounts receivable	(74,420)	(43,465)
Government remittances receivable	15,293	(5,817)
Inventory	24,104	6,763
Prepaid expenses	24,711	(65,978)
Accounts payable and accrued liabilities	(51,332)	(430,606)
Deferred revenue	(1,963)	(66,815)
	(11,657)	(582,387)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of short term investments - net	(10,973)	-
Proceeds on sale of long term investments	-	539,845
Purchase of capital assets	(354,626)	(25,823)
	(365,599)	514,022
DECREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(377,256)	(68,365)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,383,276	1,451,641
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,006,020	\$ 1,383,276

CANADIAN URBAN TRANSIT ASSOCIATION
SCHEDULE OF GENERAL OPERATING EXPENSES
for the year ended December 31, 2019

	2019	2018
	\$	\$
Amortization	\$ 63,974	\$ 9,472
Branding and marketing	18,784	26,876
Committee meetings	41,261	77,156
Media relations	5,650	780
Occupancy costs - Ottawa	65,220	60,552
Occupancy costs - Toronto	206,939	203,621
Office and general	111,747	73,858
Postage	6,178	10,999
Printing	6,325	3,619
Professional development	15,925	17,612
Professional fees	301,648	231,006
Salaries and benefits	2,019,902	1,643,633
Telephone	30,919	24,847
Travel	95,662	80,679
	\$ 2,990,134	\$ 2,464,710

CANADIAN URBAN TRANSIT ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
as at year ended December 31, 2019

	Unrestricted	Project Fund	Regional Youth Summit Fund	Business Members' Assessment Fund	Advocacy Fund	Quebec Advocacy Fund	2019 Total	2018 Total
	\$	\$	\$	\$	\$	\$	\$	\$
Net assets, beginning of year, as restated (Note 2)	864,470	202,618	44,030	47,746	196,535	3,104	1,358,503	1,345,032
Excess (deficiency) of revenue over expenses for the year	(1,366)	-	(23,141)	12,483	-	-	(12,024)	13,471
Interfund transfers (Note 1)	120,014	(20,014)	-	-	(100,000)	-	-	-
Net assets, end of year	983,118	182,604	20,889	60,229	96,535	3,104	1,346,479	1,358,503



CANADIAN URBAN TRANSIT ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2019

PURPOSE OF THE ORGANIZATION

The Canadian Urban Transit Association (the "Association") is a not-for-profit trade association incorporated without share capital under the Canada Not-for-Profit Corporations Act ("NFP Act"). The Association is exempt from income taxes under section 149(1)(l) of the Income Tax Act (Canada).

VISION

To inspire and influence the evolution of integrated urban mobility.

MISSION STATEMENT

- The Association is the collective and influential voice of public transportation in Canada, dedicated to being the centre of urban mobility issues with all levels of government, and delivering the highest value to its members and the communities they serve.
- The Association will be the "go to" organization for information, trends, networking and training providing leadership for its members and all stakeholders.
- To operate effectively, the Association will foster a culture of active engagement with its members.
- The Association will deliver a high performance working environment. Its team will be consummate experts and professionals.
- Success will be measured by an action oriented focus, achievements and contributions to member success.

1. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations.

REVENUE RECOGNITION

The Association follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Capital asset contributions are recognized as revenue on the same basis as amortization expense. 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.

Annual membership fees are recognized as revenue in the year to which the membership relates.

Advertising, fee for service and publication revenue is recognized in the year in which services are performed when the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest and other income is recognized as revenue when earned.

Revenue from the Association's programs, including its meetings, advocacy, training/ambassador, STRADA, and youth regional summit, are recognized in the year the events are held or services are provided; with any fees billed in advance recorded as deferred revenue.

INTERNALLY RESTRICTED NET ASSETS

Project Fund

In 2018 the Board of Directors approved the transfer of \$159,936 from the unrestricted net assets to the Project Fund. The purpose of this fund is for investment in one time projects with one or more of the following criteria:

- Adds benefit to the membership;
- Enables the creation of revenue for the Association;
- Should not cause an ongoing operational expense; and
- Improves the productivity of staff.

During the year, the Board of Directors approved a transfer of \$20,014 from the Project Fund to the unrestricted net assets for Centre of Excellence and Research Report projects.

Regional Youth Summit Fund

The Youth Summit Fund was approved by the Board of Directors for funds received for the purpose of holding youth summits. Instead of a national youth summit, as was organized by the Association in the past, five regional events took place in 2012, and were organized by volunteers from the selected transit system host from each regional committee.

Each regional host was fully responsible for the use of funds they received, including any financial deficit. Any financial surplus resulting from Regional Youth Summits were transferred to the Association's bank account, to be held "in trust" for the next regional youth summit for that region. This amount is to be released, upon approval by the Board, in the following years. If the summits do not continue, the Association's Board of Directors will decide how any surplus funds held in trust will be used.

Business Members' Assessment Fund

The fund holds the proceeds received from annual membership fee supplements collected from the Association's business members. The funds are to be used to offset the costs of the Business Members Evening Event held twice per annum. The Chair/Co Chair of the Business Members Committee approves the release of the funds and is based on the location of the event.

1. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Advocacy Fund

The Board of Directors approved the establishment of an Advocacy Fund as a result of transferring the VIP program to the Association's ongoing advocacy activities. The fund holds the proceeds from the annual membership fee supplements collected from all transit system and business members and is internally restricted for Advocacy activities only. The annual budget is prepared by the Communications & Public Affairs Committee with approval by the Executive Committee. Input from the Quebec Regional Committee is used to determine the recommendations with regards to the French language component.

During the year, the Board of Directors approved a transfer of \$100,000 from the Advocacy Fund to the unrestricted net assets for one time specific advocacy activities.

EXTERNALLY RESTRICTED NET ASSETS

Quebec Advocacy Fund

This fund was initiated from the net proceeds of a Quebec Workshop for Elected Officials held in 2000. Disbursement of the fund is under the jurisdiction of Quebec Regional Committee and intended for use in Quebec advocacy initiatives.

Contributed Services

Volunteers contribute a substantial number of hours each year to assist the Association in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include amounts on deposit with financial institutions and money market funds that are readily convertible to cash.

Capital Assets

Capital assets are recorded at cost less accumulated amortization. Contributed capital assets, if any, are recorded at fair value at the date of contribution less accumulated amortization. Amortization is provided over the estimated useful lives of the assets as follows:

Computer equipment	3 years straight line basis
Furniture and fixtures	5 years straight line basis
Leasehold improvements	over the lease term

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 at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Management's estimates and assumptions used in determining amortization methods and rates and useful life of capital assets is reviewed annually and is based on management's best estimates. These estimates are subject to measurement uncertainty, and the effect on the financial statements in future periods could be significant.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument for those measured at amortized cost.

CANADIAN URBAN TRANSIT ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2019

2. PRIOR YEAR ADJUSTMENT

During the year, it was determined that the balance in the Regional Youth Summit Fund, Business Members' Assessment Fund and the Advocacy Fund should not be accounted for as deferred revenue relating to externally restricted contributions. As there were no restrictions in place when the funds were received prior to fiscal 2018, the amounts should have been recognized as revenue and included in opening net assets as at January 1, 2018. As the Board of Directors had previously approved the establishment of internally restricted funds, the financial statements that are presented for comparative purposes have been restated as follows:

	As previously stated	Adjustments	As restated
Net assets, beginning of the year	\$ 1,056,721	\$ 288,311	\$ 1,345,032
Net assets, end of year			
Regional youth summit fund	-	44,030	44,030
Business members' assessment fund	-	47,746	47,746
Advocacy fund	-	196,535	196,535
Net assets, end of the year	1,070,192	288,311	1,358,503

3. SHORT TERM INVESTMENTS - RESTRICTED

Investments are summarized as follows:

	2019	2018
CIBC Flexible GIC, 1.6%, maturing June 15, 2020	\$ 70,823	\$ -
CIBC Flexible GIC, 0.6%, maturing March 18, 2020	10,482	-
CIBC Flexible GIC, 1.8%, maturing August 31, 2020	10,973	-
CIBC Flexible GICs, matured	-	81,305
	\$ 92,278	\$ 81,305

The three (2018 two) CIBC Flexible GICs are held as a security for the OMERS pension fund. Interest earned on the GICs during the year was \$16,522 (2018 \$16,980).

The Association's investment policy states that investments are limited to instruments backed by either the federal or provincial governments or the Canadian Deposit Investment Corporation. The term of the investments should not exceed 36 months and a minimum 25% of the invested funds are to be accessible within three months.

4. CAPITAL ASSETS

	2019		2018	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Computer equipment	\$ 369,581	\$ 358,466	\$ 357,137	\$ 346,871
Furniture and fixtures	61,179	12,236	-	-
Leasehold improvements	298,368	40,143	17,365	-
	\$ 729,128	\$ 410,845	\$ 374,502	\$ 346,871
Net book value	\$ 318,283			\$ 27,631

CANADIAN URBAN TRANSIT ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2019

5. DEFERRED REVENUE

Deferred revenue includes the funding received, less the costs incurred to date for programs which were not complete as at December 31, 2019 as well as membership fees, training and registration fees and other funds received in advance.

Deferred revenue is comprised on the following:

	2019	2018
	\$	\$
Membership fees	\$ 64,637	\$ 20,912
Training/ambassador	-	42,388
Leasehold inducement	17,875	21,175
Special activities	5,600	5,600
	<u>\$ 88,112</u>	<u>\$ 90,075</u>

6. COMMITMENTS

The Association is committed to minimum amount of rentals under a long term lease for its Toronto premises, which expires May 31, 2025 and its Ottawa premise, which expires June 30, 2021.

Future minimum payments under the operating leases, including estimated maintenance fees, are as follows:

	\$
2020	142,820
2021	119,186
2022	91,586
2023	96,443
2024	99,912
Thereafter	41,630
	<u>591,577</u>

The Association is also responsible for its share of operating costs and realty taxes, which are estimated at \$83,260 annually.

7. FINANCIAL INSTRUMENTS

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations. The Association's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivables. This risk has not changed from the prior year.

The Association is also exposed to credit risk arising from all of its bank accounts and short term investments being held at one financial institution and deposits are only insured up to \$100,000.

Liquidity Risk

Liquidity risk is the risk that the Association may encounter difficulty in meeting its obligations associated with its financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Association will not have sufficient funds to settle a transaction on a due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial assets. Liquidity risk arises from the Association's accounts payable and accrued liabilities and commitments. This risk has not changed from the prior year.

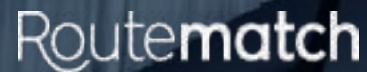
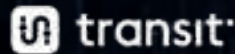
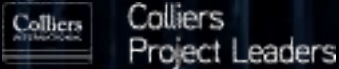
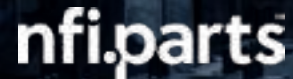
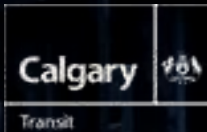
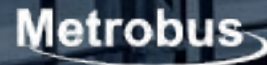
Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to this risk through its interest bearing investments. Interest rate risk is managed by the Association through construction of a portfolio of fixed yield investments with varying maturity and interest rates. This risk has not changed from prior year.

8. SUBSEQUENT EVENT

Subsequent to year end, the COVID 19 pandemic in Canada has disrupted economic activities which has resulted in an economic slowdown. The Association relies on membership fees, advertising fees and program revenue in order to fulfill its mandate and these revenue sources may be affected due to the current economic environment. At this time, it is not possible to reliably estimate the length or effect of these uncertainties, including the impact on the financial results of the Association in future periods.

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