

IN IT
TOGETHER

CANADIAN URBAN
TRANSIT ASSOCIATION
ANNUAL REPORT 2020



CUTA
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CANADIAN URBAN TRANSIT ASSOCIATION
ASSOCIATION CANADIENNE DU TRANSPORT URBAIN



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IN IT TOGETHER

The transit industry came together in 2020. To learn from each other how to operate safely during a pandemic. In CUTA's first ever virtual conference. And in tirelessly advocating that public transit receive \$4.6 billion in unprecedented operating support. This past year, CUTA members were in it together, and our annual report focuses on what we accomplished in 2020 as a transit family. Thank you for staying connected.

WE ARE CUTA

CUTA is the national voice for public transit. Our members include transit systems that carry 95% of the country's riders, public bodies, companies that supply the sector, and experts in urban mobility. We advocate for investment and support from governments. We share best practices. We facilitate conversations and connections to help transit professionals keep up with the latest. And we're the leading data collection body in the field.





IN 2020, THE TRANSIT INDUSTRY WAS TURNED UPSIDE DOWN.

NONE OF US NEEDS REMINDING WHY. BUT BEING PART OF AN ASSOCIATION MEANS BEING PART OF A COMMUNITY AND CUTA MEMBERS SHOWED THAT DURING A CRISIS, WE CAN STILL CONNECT AND LEARN FROM ONE ANOTHER. AFTER ALL, WE ARE IN THIS TOGETHER. AND THAT HASN'T CHANGED.

The basics of urban mobility haven't changed, either. We know that planning our cities around the needs of cars is detrimental. Not only to congestion, but also to the environment, the economy, and to society. There are many good reasons to keep public transit going safely and conveniently. And one of our challenges as an industry is to keep those reasons front and centre before governments. The future of our communities depends on it.

At CUTA's virtual conference, we talked about what this future could look like. More specifically, the "new normal" for public transit. One of the only good things about an online event is that you can welcome speakers from around the world. I had the pleasure of sitting down with Minister Catherine McKenna, who said it best: "public transit moves cities faster, cleaner, and in more affordable ways." Thank you to everyone who joined us.

In 2020, CUTA also strengthened its ties with national and international partners. Working in tandem with organizations like the FCM as well as APTA and UITP, we broadened our understanding of industry issues and best practices.

We have built a strong organization that is up to the task. I would like to recognize the dedication of the CUTA staff. And I would like to thank the members. We are lucky to work in a collaborative industry that is committed to supporting one another, as I was reminded every time I joined my colleagues as the pandemic began and unfolded. Thank you.

A handwritten signature in black ink, appearing to read 'Alain Mercier', with a long horizontal flourish extending to the right.

Alain Mercier
CUTA Chair



WE WILL ALL REMEMBER 2020 AS THE YEAR OF COVID

AND ITS IMPACTS ON OUR PERSONAL LIVES AND OUR PROFESSIONAL ONES. IT CHANGED HOW WE SAW FAMILY, WORKED, AND COMMUNICATED. IT'S SURPRISING THIS ANNUAL REPORT ISN'T BEING DELIVERED ON ZOOM.

But it also affected the transit sector. Not only in how we have kept customers safe or the dedication of our operators. But also, how we united as a transit family to secure an unprecedented \$4.6 billion in emergency operating support. We kept our communities connected and continue to get people where they need to go.

You're going to read about this work in our annual report. But we did a lot to expand and support our industry in 2020. We welcomed almost 30 new members, including Uber. And we hosted more than 100 webinars that connected systems from coast-to-coast so they could share best practices on managing this pandemic.

In 2020, CUTA made diversity and inclusion a priority. Transit plays an important role in fostering equity in mobility options, and we should reflect the communities that we serve. CUTA welcomed the Council of Minority Transportation Officials (COMTO) to Canada and we look forward to working with them.

CUTA also put on its first virtual conference. Members participated from across Canada, and speakers joined us from around the world. Between the conference and trade show, we welcomed almost 1400 participants. A big thank you to our sponsors for making this event a huge success.

And a special thanks to our members for staying connected during a particularly difficult year, and helping our industry through it. Thank you for your support.

A handwritten signature in black ink, appearing to read 'Marco D'Angelo', written in a cursive style.

Marco D'Angelo
President & CEO

PUBLIC AFFAIRS

Covid turned so many things upside down and CUTA's public affairs work was no exception. In normal years, capital investment, zero-emission buses, and electrification would be our priorities. But 2020 was, in so many ways, not a normal year.

Our industry has never faced such a steep and immediate decline in ridership or revenue as we did when lockdowns began last March. Some systems suffered a literal complete drop in revenue as fare collection was suspended to allow rear-door boarding to keep operators safe. Across the country, transit systems suffered an almost 90% decline in revenue—as they grappled with new disinfecting requirements and mask protocols on board.

Like municipalities, CUTA was in the unusual position of asking the federal government to fund operating costs in a sector in provincial jurisdiction. Before Covid, there was nobody in Ottawa whose job it was to even think about the issue—as we were trying to get them to act on the issue.

The need to integrate our work in Ottawa with work in provincial capitals soon became apparent, which is where the unprecedented level of cooperation among systems played such a large role. At least once a week, we met to compare notes and developments in the provinces. And over several months as the prime minister and premiers met, we kept at it until finally the Safe Restart Agreement was concluded with \$4.6 billion in dedicated operating support for public transit.

It's work that continues. CUTA continues to work with member systems and is directly reaching out to provincial governments to advocate for ongoing operating support until ridership returns to pre-pandemic levels. When that will happen we don't know. But we do know the public agrees—a poll commissioned by CUTA found 82% want ongoing support—and we will continue to push for ongoing support on behalf of member systems and the millions of Canadians who rely on them every day.

POLICY FORUM

Normally, September brings with it Transit Awareness Days, as members gather in Ottawa to talk with cabinet ministers, opposition MPs, and civil servants about the issues affecting public transit. But September 2020 wasn't normal and so a virtual policy forum was held instead. About 200 people attended.

In addition to discussing the Safe Restart Agreement, it also addressed climate change and resiliency. The pandemic hasn't gotten rid of our climate emergency or the need to build sustainable cities for future generations. Panelists spoke about transit being central to a green economic recovery. Without it, cities will become congested; urban air will become unbreathable; and many lower-income Canadians will be unable to get to work. Carrie Hotton-MacDonald from Edmonton Transit said it best: "transit is a true game-changer for climate resiliency. We need to be at the forefront of plans and investment. Our recovery and prosperity are at stake."

We also hosted a discussion on zero-emissions vehicles. During his re-election campaign, Prime Minister Justin Trudeau promised to legislate a target to reduce Canada's emissions to net zero by 2050. Public transit investment will be crucial to reaching this goal, with the PM mandating the procurement of 5,000 zero-emission school and transit buses over the next five years.



MEMBERSHIP SUCCESS

CUTA was pleased to welcome 27 new members in 2020, bringing our total to 444. Joining CUTA means being connected to the transit sector—which is about more than just systems. There are suppliers, businesses, and experts whose innovation and quality keep improving how millions of Canadians get where they need to go every day.

In 2020, CUTA held more than 100 webinars, so members from St. John's to Victoria could share how they were operating during the pandemic and learn from each other. We will continue to connect our members from coast-to-coast. Your success is important to us.

UBER JOINS THE CUTA FAMILY

As an active player in promoting integrated urban mobility, we were excited to welcome Uber as a new member in 2020.

“CUTA has been a great resource for transit during the pandemic. CUTA has continually kept us in close contact and aware of the ongoing issues that are important to members.”

- Transit system member in Ontario who has been a member for more than 10 years



2020 VIRTUAL CONFERENCE

Transit's new normal: moving forward with confidence

In November, CUTA hosted its annual conference and trade show. We did it virtually this year. Obviously, you all know why. But CUTA members still came together. We shared what's working, what's not, and how we can continue to improve public transit so we can continue to improve communities.

One of the best aspects of a virtual event is that you draw speakers from around the world. Andy Byford, the head of Transport for London, was able to join us. We also welcomed federal Infrastructure and Communities Minister Catherine McKenna, who spoke about Canada's recovery and the Permanent Transit Fund. Other speakers touched on financing, zero-emission buses, city planning, infrastructure and more.

Almost 500 delegates joined us for CUTA's first virtual conference, and more than 900 people participated in our virtual trade show.

This conference would not have been possible without the generous contributions of our 22 sponsors and 46 trade show exhibitors. Our success in advocacy, training, and supporting the transit industry depends on partnerships with organizations like these. A big thanks to them for their ongoing support.

“CUTA goes out of its way to make sure it's a worthwhile investment for Business Members: always responsive and making sure that sponsors receive the information they need.”

- 2020 Virtual Conference Sponsor

THE CUTA AWARDS

Transit systems and the companies that supply them keep our communities moving. But some people and organizations go above and beyond, and each year we honour excellence with the CUTA awards.

Obviously, public transit has felt the impacts of Covid-19. But the industry still came together to celebrate our success stories. Close to 150 people attended our virtual awards ceremony, where we honoured 14 deserving winners. If you are interested in learning more about the 2020 CUTA Awards, please check out our [online awards booklet](#).

INDUSTRY PROGRAMS

CUTA offers training in several areas of public transit operations, which in 2020 achieved new milestones.

We brought our Transit Ambassador program to the Chicago Transit Authority, where it will be delivered to almost 5,000 operators once the border reopens. To date, 66 Canadian transit systems, 52 in the United States, and 30 international systems have used Transit Ambassador.

Our STRADA program was modernized, and now links members to more than 900 assessments for candidate recruitment. We also started developing a new online program on renewable natural gas and hydrogen-based mobility.

CANADIAN SURFACE SECURITY ROUNDTABLE

In November, CUTA held the sixth Canadian Surface Security Roundtable in partnership with Transport Canada. This webinar brought together transit executives, security practitioners, and industry law enforcement to exchange ideas and improve the security of Canadian surface transportation.

STAFF 2020

NAME	POSITION
Kevin Brown	Manager, Business Development
Calvin Chia	Data Analyst
Marco D'Angelo	President & CEO
Jamey Heath	Director, Communications & Public Affairs
Sarah Ingram	Coordinator, Learning & Networking
Keith Jarvis	Coordinator, Digital Media & Marketing
Richard Kong	Coordinator, Finance
McCartney Lee	Coordinator, Communications & Public Relations
Milly Mikkelsen	Manager, Human Resources
Oliver Nicholls	Coordinator, Research & Statistics
Inès Sartini	Bilingual Administrative Coordinator
Winnie Tong-Luo	Events & Membership Coordinator
Angela Van Wingerden	Events Coordinator
Elvane Veeramalay	Policy & Public Affairs Officer
Jonah Vetro	Coordinator, Events & Business Development
Joanne Vézina	Executive Assistant
Luc Vincent	Director Events & Industry Programs
Nathaniel Wallace	Policy Analyst
Denise Waller	Controller, Finance

CUTA Staff as of December 31, 2020



EXECUTIVE COMMITTEE 2020

NAME	POSITION
Alain Mercier, Réseau de transport de la Capitale (Québec)	Chair
Jim McDonald, Saskatoon Transit	First Vice Chair
Doug Morgan, Calgary 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
Kelly Paleczny (specialized), London Transit Commission	Vice Chair-Workforce Development
Wade Coombs, Strathcona County Transit	Vice Chair-Small Systems & Regional Chair
Jennifer McNeill, NFI Group Inc.	Vice Chair & National Chair - Business Members
Bruce McCuaig, AECOM	Vice Chair-Business Members
Vacant	Vice Chair-Integrated Mobility
Wes Brodhead, City of St-Albert	Vice Chair-Municipal Councils
Brian Leck, Toronto Transit Commission	Honourary Counsel
Marco D'Angelo, CUTA	President & CEO

BOARD OF DIRECTORS 2020

NAME	POSITION
TRANSIT SYSTEM MEMBERS	
Kevin Schubert, BC Transit	Director
Eddie Robar, Edmonton Transit Service	Director
Dave Wardrop, Winnipeg Transit	Director
Tim Luey, St. Catharines Transit	Director
Ann-Marie Carroll, York Region Transit	Director
Tony D'Alessandro, Town of Milton	Director
Sue Connor, Burlington Transit	Director
Pamela Kraft, Toronto Transit Commission	Director
Scott Haskill, Toronto Transit Commission	Director
Guy Picard, Société de transport de Laval	Director
Sylvain Yelle, exo Réseau de transport métropolitain (RTM)	Director
NATIONAL COMMITTEE CHAIRS	
Tony Houad, Transit Windsor	Director
Christine Terin, York Region Transit	Director
Carrie Hotton-MacDonald, Edmonton Transit Service	Director
Sarina Gersher, City of Saskatoon	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
GOVERNMENT AGENCIES, AFFILIATES & OTHERS	
Daniel Bergeron, Autorité régionale de transport métropolitain	Director
Richard Campbell, Affiliate - Vélo Canada Bikes	Director
Lorenzo Mele, ACT Canada	Director
Ryan Reichl, Alberta Transportation	Director
BUSINESS MEMBERS	
Amy Miller, Clever Devices	Director
Emmanuelle Toussaint, Nova Bus	Director
Dennis Fletcher, Steer	Director
Jean-Pierre Miroux, Thales Canada Inc.	Director
Dennis Kar, Dillon Consulting	Director
Vance Harris, DIALOG	Director
Josh Colle, Ernst & Young	Director
Vincent Patterson, Keolis GR Light Rail Transit	Director
Pierre Zivec, Transdev Canada	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, 2020, 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, 2020, 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.

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

Oakville, Ontario

April 22, 2021

CANADIAN URBAN TRANSIT ASSOCIATION
STATEMENT OF FINANCIAL POSITION
for the year ended December 31, 2020

	2020	2019
	\$	\$
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 1,385,706	\$ 1,006,020
Short term investments restricted (Note 2)	94,295	92,278
Accounts receivable (Note 7)	441,447	335,043
Government remittances receivable	-	46,797
Prepaid expenses	72,984	132,908
	1,994,432	1,613,046
CAPITAL ASSETS (Note 3)	241,562	318,283
	\$ 2,235,994	\$ 1,931,329
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 207,316	\$ 496,738
Deferred revenue (Note 4)	284,557	88,112
	491,873	584,850
NET ASSETS		
Unrestricted	1,340,120	864,470
Internally restricted		
Project fund	182,604	182,604
Regional youth summit fund	20,889	20,889
Business members' assessment fund	125,869	60,229
Advocacy fund	71,535	96,535
Quebec advocacy fund	3,104	3,104
	1,744,121	1,346,479
	\$ 2,235,994	\$ 1,931,329

CANADIAN URBAN TRANSIT ASSOCIATION
STATEMENT OF OPERATIONS
for the year ended December 31, 2020

	2020	2019
	\$	\$
REVENUE		
Membership fees	\$ 1,704,418	\$ 1,717,396
Advertising	109,699	110,418
Fee for service	122,054	142,248
Publication and other	23,732	38,350
Investment income (Note 2)	6,307	16,522
Government assistance (Note 7)	466,808	-
	2,433,018	2,024,934
PROGRAM REVENUES		
Meetings	272,730	1,110,078
Advocacy	469,035	582,155
Training/Ambassador	33,272	480,853
STRADA	61,720	109,713
Youth summit revenue	-	39,550
	836,757	2,322,349
TOTAL REVENUE	3,269,775	4,347,283
PROGRAM EXPENSES		
Meetings	170,386	712,199
Advocacy	65,042	203,177
Training/ambassador	39,529	302,405
STRADA	62,849	68,489
Youth summit expenses	-	62,889
Project funds	2,635	20,014
COVID-19 pandemic public policy	134,053	-
	474,494	1,369,173
GENERAL OPERATING EXPENSES (Schedule)	2,397,639	2,990,134
TOTAL EXPENSES	2,872,133	4,359,307
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	\$ 397,642	\$ (12,024)

CANADIAN URBAN TRANSIT ASSOCIATION
STATEMENT OF CASH FLOWS
for the year ended December 31, 2020

	2020 \$	2019 \$
CASH WAS PROVIDED BY (USED IN):		
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ 397,642	\$ (12,024)
Adjustments to reconcile excess (deficiency) of revenue over expenses to net cash provided by (used in) operating activities		
Amortization	79,954	63,974
Changes in non cash working capital balances		
Accounts receivable	(106,404)	(74,420)
Government remittances receivable	46,797	15,293
Inventory	-	24,104
Prepaid expenses	59,924	24,711
Accounts payable and accrued liabilities	(289,422)	(51,332)
Deferred revenue	196,445	(1,963)
	384,936	(11,657)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of short term investments - net	(2,017)	(10,973)
Purchase of capital assets	(3,233)	(25,823)
	(5,250)	365,599)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR	379,686	(377,256)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,006,020	1,383,276
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,385,706	\$ 1,006,020

CANADIAN URBAN TRANSIT ASSOCIATION
SCHEDULE OF GENERAL OPERATING EXPENSES
for the year ended December 31, 2020

	2020 \$	2019 \$
Amortization	\$ 79,954	\$ 63,974
Branding and marketing	4,622	18,784
Committee meetings	12,894	41,261
Media relations	-	5,650
Occupancy costs - Ottawa	60,832	65,220
Occupancy costs - Toronto	196,983	206,939
Office and general	107,629	111,747
Other expenses (recovery)	(65,724)	-
Postage	12,582	6,178
Printing	997	6,325
Professional development	10,867	15,925
Professional fees	254,545	301,648
Salaries and benefits	1,669,364	2,019,902
Telephone	25,270	30,919
Travel	26,824	95,662
	\$ 2,397,639	\$ 2,990,134

CANADIAN URBAN TRANSIT ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
as at year ended December 31, 2020

	Unrestricted	Project Fund	Regional Youth Summit Fund	Business Members' Assessment Fund	Advocacy Fund	Quebec Advocacy Fund	2020 Total	2019 Total
	\$	\$	\$	\$	\$	\$	\$	\$
Net assets, beginning of year	983,118	182,604	20,889	60,229	96,535	3,104	1,346,479	1,358,503
Excess (deficiency) of revenue over expenses for the year	332,002	-	-	65,640	-	-	397,642	(12,024)
Interfund transfers (Note 1)	25,000	-	-	-	(25,000)	-	-	-
Net assets, end of year	1,340,120	182,604	20,889	125,869	71,535	3,104	1,744,121	1,346,479



CANADIAN URBAN TRANSIT ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2020

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)(1) 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.

In 2019, 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.

1. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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 \$25,000 (2019 - \$100,000) from the Advocacy Fund to the unrestricted net assets for 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

Government Assistance

Government assistance is recorded in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

1. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

2. SHORT TERM INVESTMENTS - RESTRICTED

Investments are summarized as follows:

	2020	2019
CIBC Flexible GIC, 0.75%, maturing March 19, 2021	\$ 10,668	\$ -
CIBC Flexible GIC, 1.25%, maturing June 15, 2021	72,455	-
CIBC Flexible GIC, 0.35%, maturing August 31, 2021	11,172	-
CIBC Flexible GICs, matured	-	92,278
	\$94,295	\$92,278

The three (2019 - three) CIBC Flexible GICs are held as a security for the OMERS pension fund. Interest earned on the GICs during the year was \$6,307 (2019 - \$16,522).

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.

3. CAPITAL ASSETS

	2020		2019	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Computer equipment	\$ 372,814	\$ 366,510	\$ 369,581	\$ 358,466
Furniture and fixtures	61,179	24,472	61,179	12,236
Leasehold improvements	298,368	99,817	298,368	40,143
	\$ 732,361	\$ 490,799	\$ 729,128	\$ 410,845
Net book value	\$ 241,562			\$ 318,283

4. DEFERRED REVENUE

Deferred revenue includes the funding received, less the costs incurred to date for programs which were not complete as at December 31, 2020 as well as membership fees, training and registration fees and other funds received in advance.

Deferred revenue is comprised on the following:

	2020	2019
	\$	\$
Membership fees	\$ 64,482	\$ 64,637
Leasehold inducement	14,575	17,875
Special activities	205,500	5,600
	\$284,557	\$ 88,112

5. 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 for the next five years are as follows:

	\$
2021	119,186
2022	91,586
2023	96,443
2024	99,912
2025	41,630
	448,757

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

6. 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 shortterm 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.

7. GOVERNMENT ASSISTANCE

During the year, the Association received approximately \$466,808 in financial assistance from COVID-19 subsidy programs. Included in this amount is \$428,461 from the Canadian Emergency Wage Subsidy ("CEWS") program and \$38,347 from the Canada Emergency Rent Subsidy ("CERS") program. At year end, the Association has a receivable of \$43,503 from the CEWS program and \$11,021 from the rent program. Management of the Association does not have an obligation to repay the Government of Canada for these subsidies as they have determined that the Association has met all applicable eligibility criteria.

8. COVID-19 IMPACT

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a global pandemic which continues to spread throughout Canada and around the world. Management is actively monitoring the global situation on its financial condition, liquidity, operations and business sector. The Association largely relies on membership, events and publication revenue in order to fulfil its mandate and these revenue sources may be affected due to the current economic environment. During this time, the Association is continuing to facilitate events and services virtually as applicable.

As an evolving risk, the duration and full impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of government intervention. Estimates of the extent to which the COVID-19 pandemic may materially impact the Association's ability to fulfil its mandate in future periods is also subject to uncertainty. The Association is monitoring the impact of the pandemic and is managing expenses and operations accordingly.

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