

KEEPING CANADA MOVING

CANADIAN URBAN
TRANSIT ASSOCIATION
ANNUAL REPORT 2021



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KEEPING CANADA MOVING

For a second year, transit systems and transit businesses responded to the pandemic with determination and innovation—moving more than two million Canadians every day. CUTA continued to bring the sector together, through regular webinars to help systems learn from each other. We held a virtual spring summit and annual conference. And we were active during the federal election and at provincial legislatures about transit’s ongoing need for operating support to compensate for lower ridership due to the pandemic.

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 collector in the field.

MESSAGE FROM THE CHAIR OF THE BOARD



LAST YEAR WAS BOTH A TIME OF GREAT SUCCESS FOR TRANSIT AS WELL AS ONGOING CHALLENGES. ON THE GREAT SUCCESS FRONT, THE FEDERAL GOVERNMENT UNVEILED EXCITING NEW CAPITAL AND ELECTRIFICATION PROGRAMS.

Yet our sector's need for ongoing support continued as the pandemic also continued. As transit ridership remained depressed, the need to replace that revenue remained. And so the most sustained advocacy the transit system has engaged in continued.

It has necessitated different ways of trying to set priorities with governments, involving more digital advocacy and more direct discussion, too. I am hopeful these efforts will bear fruit as 2022 progresses.

But 2021 was not only about the seemingly never-ending task of talking about the need to keep transit running with extended operating support. It was also a time to celebrate two of CUTA's long-standing priorities becoming reality in exciting federal announcements. Soon, Canada will have a Permanent Transit Fund that will improve predictability in capital projects and flow more dollars. We also have our first Zero-Emission Transit Fund that will assist systems in electrifying their fleets. Both resulted from many years of effort, which I am heartened paid off. As 2022 is now at hand, we also see the benefits of many innovations in our industry - from new on-demand solutions, revenue strategies and most importantly, customer experience improvements!

At the time of writing, there is reason to hope for future success on the operating side. There is also reason to hope that many of you are reading this in person at our AGM, and it would be remiss of me not to welcome you to Quebec City. I hope you enjoy your stay and re-connecting with old friends.

A handwritten signature in black ink, appearing to read 'Alain Mercier'.

Alain Mercier
CUTA Chair

MESSAGE FROM THE PRESIDENT AND CEO



COVID HAS THROWN A LOT AT US. THE TRANSIT SECTOR BROADLY, AND AS INDIVIDUALS AS WELL. IT'S EASY—ONLY TOO EASY—TO SEE THE DOWNSIDE, BUT THERE IS AN ADMIRABLE UPSIDE TO WHAT WE'VE BEEN THROUGH. IT HAS SHOWN OUR ADAPTABILITY, OUR CAMARADERIE, AND OUR ABILITY TO ADAPT.

CUTA continued to play a facilitating role through the pandemic. Our weekly webinars, where systems could learn from each other as the pandemic evolved, continued. Thousands of people took part. We helped facilitate conversations about how riders could be encouraged to return. As vaccinations became available, that was another important topic.

For a second year, our events were on-line and we continued to adapt to a more virtual world. We improved our digital offerings to reflect more people working from home. Covid has taught me not to make pandemic-related predictions, but whatever happens with the virus we will continue to evolve to reflect how people want to meet and absorb information.

As well as I think our events evolved to meet these challenging times, I would like to say a special thank you to our business members. For years, the transit show and its ability to showcase products and services in-person was an important event on their calendar. Covid took that opportunity away, and I'm grateful for their willingness to also adapt, even though I know it wasn't easy or ideal.

Thank you to all our members for allowing CUTA to have another successful year. I look forward to continuing to work and engage with you over the year ahead. Dare I say it, in person.

Marco D'Angelo

Marco D'Angelo,
President and CEO, CUTA



ANNUAL REPORT 2021 HIGHLIGHTS

PUBLIC AFFAIRS

Last year was another busy one for public affairs as transit systems continued to grapple with lower revenue as the pandemic depressed ridership. Again, this included more activity at the provincial level than usual. This involved two rounds of advertising. One, during the federal election. The other late in 2021 as funds from the original Safe Restart Agreement, which provided operating support for transit systems, were expiring. Both advertising campaigns were in English and French.

CUTA met with representatives from the four largest parties involved in party platforms before the 2021 federal election took place, to urge they include support of operating public transit. In lieu of a policy forum, there were two candidate panels during the election—one in English, one in French. As well, CUTA registered as a third party during the election, driving traffic with its advertising and social media to dedicated websites that advocated for extended operating support: keeptransitrunning.ca and ilfautquecaroule.ca

Last year also saw the successful culmination of years of CUTA advocacy when the federal government announced it would create a Permanent Transit Fund with \$3 billion a year in capital investments, starting in 2026. In addition, it also created a \$2.75 billion fund to help transit systems electrify. These were long-standing CUTA priorities.

MEMBERSHIP

Our membership has grown to 403 with the addition of 26 new members in 2021. CUTA's members have access through our events, our directory and various channels- to a network of systems, suppliers, businesses, and experts whose innovative approaches improve how Canadians get where they need to be every day.

We connect our members through events. CUTA organized a virtual transit show during the annual conference in 2021 as a convenient way for exhibitors to network and provide a showcase for their initiatives-and for conference attendees to learn about them.

We look forward to connecting our members across the country as we head to our return of in-person events. We are exceptionally proud to represent our members, and their employees, the people who built an industry that substantially changed the quality of life for the better, for all Canadians. We plan to continue to be a valued and trusted voice for the transit sector, representing the talent, determination, and tenacity of our valued members, and sharing industry insights with the rest of the world.



ANNUAL REPORT 2021 HIGHLIGHTS

INDUSTRY PROGRAMS

CUTA delivered several new programs during 2021. One, an Introduction to Specialized Transit, was developed as a self-driven, online offering to better help people new to specialized transit understand this important part of public transport. In collaboration with the international transit body UITP, ran an electric bus course with the support of the Federation of Canadian Municipalities.

We also, with the Canadian Natural Gas Vehicle Alliance, ran a course on natural gas and fuel cell buses. STRADA, an operator recruitment software used by many transit systems, saw a number of new systems join the program.

As CUTA has done since the onset of the pandemic, we provided well-attended, weekly webinars about the impacts of Covid to public transit. These were augmented by six additional webinars on relevant industry topics such as fleet electrification and on-demand transit.

CYBER SECURITY

In March, CUTA and the American Public Transit Association co-hosted a webinar about cyber security as transit systems have increasingly become targets of attacks. In particular, ransomware attacks.

Cybersecurity experts gave an overview of the issue, advice on how to develop robust protection from attacks and a response should one occur. Featured speakers were from the Canadian Centre for Cyber Security as well as security personnel from transit systems in Montreal and Washington, D.C.

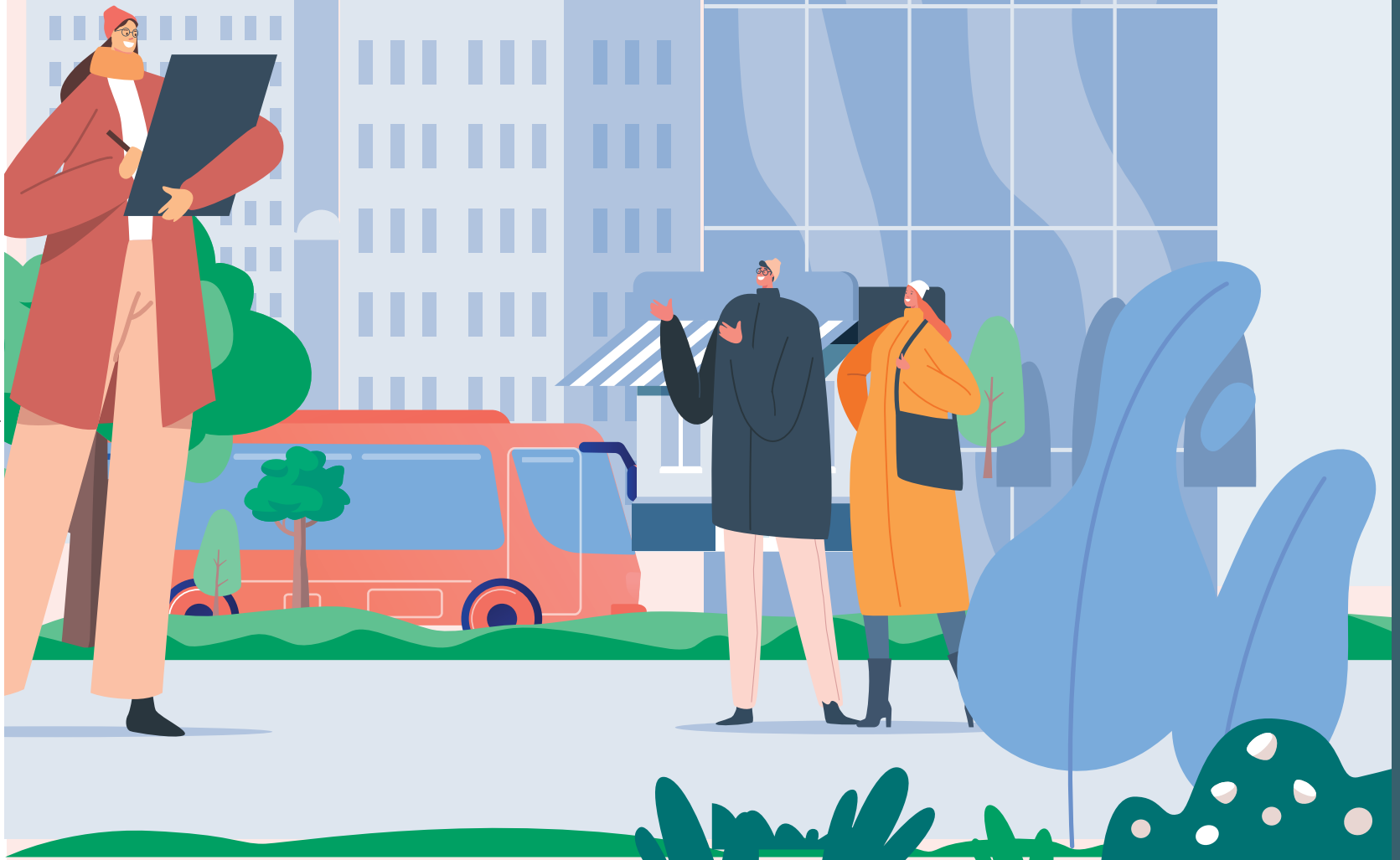
THE CUTA AWARDS

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 2021 CUTA Awards, please check out our **online awards booklet**.



ANNUAL REPORT 2021 HIGHLIGHTS



2021 STAFF, EXECUTIVE COMMITTEE & BOARD OF DIRECTORS

STAFF 2021

NAME	POSITION
Kevin Brown	Manager, Business Development
Calvin Chia	Data Analyst
Marco D'Angelo	President & CEO
Dieynaba Deme	Director, Membership Success & Events
Jamey Heath	Director, Communications & Public Affairs
Sarah Ingram	Coordinator, E-Learning & Programs
Richard Kong	Coordinator, Finance
Alex Krause	Specialist, Communications & Public Affairs
Monica Meng	Coordinator, Digital Media & Marketing
Milly Mikkelsen	Director, Human Resources & Operations
Simon Minelli	Director, Research, Technical Services & Industry Programs
Oliver Nicholls	Coordinator, Research/Data & Webinars
Shiv Ruparell	Senior Policy & Public Affairs Officer
Inês Sartini	Coordinator, Human Resources & Operations
Angela Van Wingerden	Events Coordinator
Jonah Vetro	Coordinator, Events & Corporate Partnerships
Joanne Vézina	Manager of CEO office
Nathaniel Wallace	Policy Analyst
Denise Waller	Controller, Finance

CUTA Staff as of December 31, 2021

2021 STAFF, EXECUTIVE COMMITTEE & BOARD OF DIRECTORS

EXECUTIVE COMMITTEE 2021

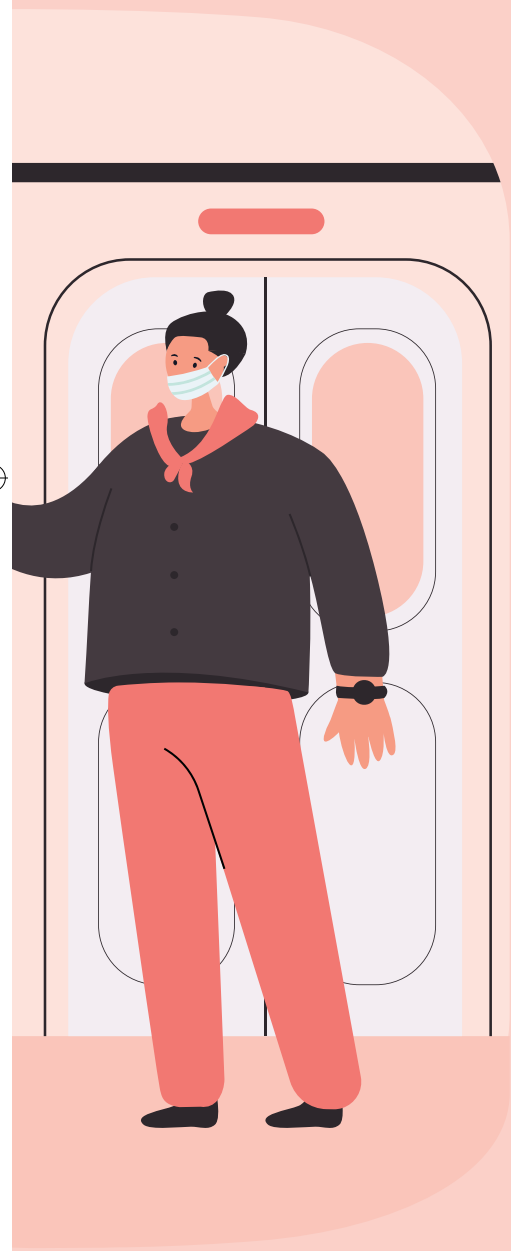
NAME	POSITION
Alain Mercier, Réseau de transport de la Capitale (Québec)	Chair
Jim McDonald, Saskatoon Transit	First Vice Chair
Doug Morgan, Calgary Transit	Immediate Past Chair
Kelly Paleczny, London Transit Commission	Vice Chair-Finance
Ann-Marie Carroll, York Region Transit	Vice Chair-Communications & Public Affairs
Dave Reage, Halifax Transit	Vice Chair-Technical Services
Kevin Schubert, BC Transit	Vice Chair-Workforce Development
Wade Coombs, Strathcona County Transit	Vice Chair-Small Systems
Bruce McCuaig, AECOM	Vice Chair & National Chair - Business Members
Dennis Kar, Dillon Consulting	Vice Chair-Business Members
Josh Colle, Ernst & Young	Vice Chair-Integrated Mobility
Wes Brodhead, City of St Albert	Vice Chair-Municipal Councils
Michael Atlas, Toronto Transit Commission	Honourary Counsel
Brian Leck, Toronto Transit Commission	Honourary Counsel
Marco D'Angelo, CUTA	President & CEO

2021 STAFF, EXECUTIVE COMMITTEE & BOARD OF DIRECTORS

BOARD OF DIRECTORS 2021

NAME	POSITION
TRANSIT SYSTEM MEMBERS	
Geneviève Bourbeau, Société de transport de Montréal (STM)	Director
Eddie Robar, City of Edmonton Fleet and Facilities	Director
Meredith Gilbert, Fredericton Transit	Director
Tim Luey, St. Catharines Transit	Director
Tony Houad, Transit Windsor	Director
Tony D'Alessandro, Town of Milton	Director
Sue Connor, Burlington Transit	Director
Pamela Kraft, TTC	Director
Scott Haskill, TTC	Director
Guy Picard, Société de transport de Laval (STL)	Director
Sylvain Yelle, exo Réseau de transport métropolitain (RTM)	Director
Neil Malcolm, Grand River Transit	Director
Michael McDaniel, TransLink	Director
Carrie Hotton-MacDonald, Edmonton Transit Service	Director
Bjorn Radstrom, Winnipeg Transit	Director
REGIONAL COMMITTEE CHAIRS	
Alex Milojevic, Brampton Transit	Reg Chair ON
Chantale Dugas, Réseau de transport de la Capitale (Québec)	Reg Chair-QC
Chris MacIsaac, City of Airdrie	Reg Chair PP&T
Judy Powell, St. John's Transportation Commission	Reg Chair AT
Scott Pass, Passenger Contracted Transportation Services Ltd.	Regional Chair BC
BUSINESS MEMBERS	
Amy Miller, Clever Devices	Director
Emmanuelle Toussaint, NovaBus & Prévost	Director
Dennis Fletcher, Dennis Fletcher & Associates	Director
Jean-Pierre Miroux, THALES	Director
Vance Harris, DIALOG	Director
Vincent Patterson, Keolis GR Light Rail Transit	Director
Pierre Zivec, Transdev Canada	Director
Jennifer McNeill, NFI Group Inc.	Director
GOVERNMENT AGENCIES, AFFILIATES & OTHERS	
Daniel Bergeron, ARTM	Director
Sarina Gersher, City of Saskatoon	Director
Lorenzo Mele, ACT Canada	Director
Richard Campbell, Canada Bikes	Director





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WE KNOW HOW IMPORTANT
TRANSIT IS TO PEOPLE. IT'S
ABOUT QUALITY OF LIFE, IT'S
ABOUT SPENDING LESS TIME ON
THE ROAD STUCK IN TRAFFIC,
MORE TIME DOING THE THINGS
YOU LOVE LIKE BEING WITH
YOUR FAMILY.

PRIME MINISTER JUSTIN TRUDEAU

”





2021 FINANCIALS

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, 2021, 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, 2021, 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

March 9, 2022

CANADIAN URBAN TRANSIT ASSOCIATION
STATEMENT OF FINANCIAL POSITION
 for the year ended December 31, 2021

	2021	2020
	\$	\$
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 1,194,236	\$ 1,385,706
Short term investments restricted (Note 2)	595,269	94,295
Accounts receivable (Note 8)	245,479	441,447
Prepaid expenses	132,396	72,984
	2,167,380	1,994,432
CAPITAL ASSETS (Note 3)	171,170	241,562
	\$ 2,338,550	\$ 2,235,994
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 256,768	\$ 207,316
Deferred revenue (Note 4)	23,135	79,057
Deferred contribution (Note 5)	160,526	205,500
	440,429	491,873
NET ASSETS		
Unrestricted	\$ 1,454,779	\$ 1,340,120
Internally restricted		
Project fund	182,604	182,604
Regional youth summit fund	20,889	20,889
Business members' assessment fund	190,210	125,869
Advocacy fund	46,535	71,535
Quebec advocacy fund	3,104	3,104
	1,898,121	1,744,121
	\$ 2,338,550	\$ 2,235,994

CANADIAN URBAN TRANSIT ASSOCIATION
STATEMENT OF OPERATIONS
for the year ended December 31, 2021

	2021	2020
	\$	\$
REVENUE		
Membership fees	\$ 1,704,124	\$ 1,704,418
Advertising	120,121	109,699
Fee for service	123,067	122,054
Publication and other	10,406	23,732
Investment income (Note 2)	7,607	6,307
Government assistance (Note 8)	-	466,808
	1,965,325	2,433,018
PROGRAM REVENUES		
Meetings	\$ 367,369	\$ 272,730
Advocacy	530,036	469,035
Training/Ambassador	99,985	33,272
STRADA	88,430	61,720
Youth summit revenue	128,545	-
	1,214,365	\$ 836,757
TOTAL REVENUE	3,179,690	\$ 3,269,775
PROGRAM EXPENSES		
Meetings	\$ 136,668	\$ 170,386
Advocacy	16,312	65,042
Training/ambassador	110,125	39,529
STRADA	29,504	62,849
Project funds	-	2,635
COVID-19 pandemic public policy	127,283	134,053
Safe Restart	128,545	-
	\$ 548,437	\$ 474,494
GENERAL OPERATING EXPENSES (Schedule)	2,477,253	2,397,639
TOTAL EXPENSES	3,025,690	2,872,133
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	\$ 154,000	\$ 397,642

CANADIAN URBAN TRANSIT ASSOCIATION
STATEMENT OF CASH FLOWS
for the year ended December 31, 2021

	2021 \$	2020 \$
CASH WAS PROVIDED BY (USED IN):		
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ 154,000	\$ 397,642
Adjustments to reconcile excess (deficiency) of revenue over expenses to net cash provided by (used in) operating activities		
Amortization	78,890	79,954
Changes in non cash working capital balances		
Accounts receivable	195,968	(106,404)
Government remittances receivable	-	46,797
Prepaid expenses	(59,412)	59,924
Accounts payable and accrued liabilities	49,452	(289,422)
Deferred revenue	(55,922)	(9,055)
Deferred contribution	(44,974)	205,500
	318,002	384,936
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of short term investments - net	(500,974)	(2,017)
Purchase of capital assets	(8,498)	(3,233)
	(509,472)	(5,250)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(191,470)	379,686
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,385,706	1,006,020
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,194,236	\$ 1,385,706

CANADIAN URBAN TRANSIT ASSOCIATION
SCHEDULE OF GENERAL OPERATING EXPENSES
 for the year ended December 31, 2021

	2021 \$	2020 \$
Amortization	\$ 78,890	\$ 79,954
Branding and marketing	12,657	4,622
Committee meetings	7,841	12,894
Occupancy costs - Ottawa	57,553	60,832
Occupancy costs - Toronto	204,798	196,983
Office and general	78,408	107,629
Other expenses (recovery)	-	(65,724)
Postage	14,172	12,582
Printing	-	997
Professional development	12,105	10,867
Professional fees	207,018	254,545
Salaries and benefits	1,739,014	1,669,364
Telephone	24,286	25,270
Travel	40,511	26,824
	\$ 2,477,253	\$ 2,397,639

CANADIAN URBAN TRANSIT ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
 as at year ended December 31, 2021

	Unrestricted	Project Fund	Regional Youth Summit Fund	Business Members' Assessment Fund	Advocacy Fund	Quebec Advocacy Fund	Safe Project Fund	2021 Total	2020 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net assets, beginning of year	1,340,120	182,604	20,889	125,869	71,535	3,104	-	1,744,121	1,346,479
Excess (deficiency) of revenue over expenses for the year	89,659	-	-	64,341	-	-	-	154,000	397,642
Interfund transfers (Note 1)	25,000	-	-	-	(25,000)	-	-	-	-
Net assets, end of year	1,454,799	182,604	20,889	190,210	46,535	3,104	-	1,898,121	1,744,121



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2021 FINANCIALS

CANADIAN URBAN TRANSIT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2021

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.



CANADIAN URBAN TRANSIT ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2021

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.



CANADIAN URBAN TRANSIT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2021

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.

In 2019, the Board of Directors approved a transfer of \$25,000 (2020 - \$25,000) 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.

Safe Restart Fund

This fund was formed in 2021 when the Association initiated an advocacy campaign called "Safe Restart". The intended use of the fund is to spread awareness to the ridership of safety protocols surrounding COVID-19 and the transit system.

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.



CANADIAN URBAN TRANSIT ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Government assistance

Government assistance is recognized in the year it is received or receivable if the amount can be estimated fairly and collection is reasonably certain.

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:

	2021	2020
Restricted Investments		
CIBC Flexible GIC, 040%, maturing June 15, 2022	\$ 73,361	\$ -
CIBC Flexible GIC, 1.25%, maturing August 31, 2022	11,211	-
CIBC Flexible GIC, prime less 2%, maturing March 21, 2022	10,697	-
CIBC Flexible GICs, matured	-	94,295
	\$ 95,269	94,295
Unrestricted Investments		
CIBC Variable GICs, prime less 2%, maturing October 5, 2022	500,000	-
	\$ 595,269	94,295

Interest earned on the GICs during the year was \$7,607 (2020 - \$6,307).

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.

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3. CAPITAL ASSETS

	2021		2020	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Computer equipment	\$ 381,312	\$ 373,492	\$ 372,814	\$ 366,510
Furniture and fixtures	61,179	36,707	61,179	24,472
Leasehold improvements	298,368	159,490	298,368	99,817
	\$ 740,859	\$ 569,689	\$ 732,361	\$ 490,799
Net book value		\$ 171,170		\$ 241,562

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, 2021 as well as membership fees, training and registration fees and other funds received in advance.

Deferred revenue is comprised on the following:

	2021 \$	2020 \$
Membership fees	\$ 11,860	\$ 64,482
Leasehold inducement	11,275	14,575
	\$ 23,135	\$ 79,057

5. DEFERRED CONTRIBUTION

Deferred contribution includes the funding received, less the costs incurred to date for the Safe Restart program as at September 30, 2022.

	Balance beginning of year	Received in the year	Disbursed and recognized in the year	Balance end of year
Safe Restart Program	\$ 205,500	\$ 83,571	\$ 128,545	\$ 160,526

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 September 30, 2022.

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

2022	\$ 132,986
2023	96,443
2024	99,912
2025	41,630
	370,971

The Association is also responsible for its share of operating costs and realty taxes, which are estimated at \$116,512 annually.

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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 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 y

8. GOVERNMENT ASSISTANCE

During the year, the Association received \$Nil (2020 - \$466,808) in financial assistance from COVID-19 subsidy programs. Included in this amount is \$Nil (2020 - \$428,461) from the Canadian Emergency Wage Subsidy ("CEWS") program and \$Nil (2020 - \$38,347) from the Canada Emergency Rent Subsidy ("CERS") program. At year end, the Association has a receivable of \$Nil (2020 - \$43,503) from the CEWS program and \$Nil (2020 - \$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.

9. 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.

10. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform with the current year's financial statement presentation.

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