

SHAPING THE **FUTURE** OF URBAN TRANSIT **FOR 120 YEARS**

CANADIAN URBAN TRANSIT ASSOCIATION
ANNUAL REPORT **2023**



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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.

120 YEARS OF HISTORY

Our journey began in 1904 with the founding of the Canadian Street Railway Association in Montreal. In 1932, we adopted the name we proudly use today. Initially, our focus was on privately-owned transit systems. As we evolved alongside municipally owned systems, our scope diversified. We are now engaged in addressing modern challenges such as traffic congestion, integrated mobility, and the expansion of public transit for sustainable urban living.

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.



MESSAGE FROM THE CHAIR OF THE BOARD

As we approach a new chapter in CUTA's history, we are honoured to celebrate our 120th year in 2024, marking our collective journey as an association and the rich heritage of Canada's public transit sector. Serving as CUTA's Chair this past year has been a privilege, and I am optimistic about the future. The potential for collective achievements is boundless, and I anticipate continued success.

Looking back, we are reminded of CUTA's achievements that have helped improve urban mobility nationwide. Our advocacy efforts at federal and provincial levels have been instrumental in maintaining and forging relationships that safeguard public transit's position, regardless of political shifts. Our primary goal remains to ensure that leaders recognize the importance of support for transit systems. We are dedicated to this focus, securing a future where public transit is recognized and supported as a cornerstone of national development and prosperity.

Amidst global challenges, Canada faces affordability, housing, and climate crises. Public transit can play a pivotal role in addressing these challenges. CUTA is committed to raising awareness about the transformative potential of public transit, and we have led research that highlights how transit intersects with national objectives. With this focus, CUTA advocates for the vital role of transit, ensuring decision-makers recognize its importance.

As we honour our past, we also look to the future, understanding that it rests on the shoulders of the next generation of transit leaders. We are thrilled to keep

nurturing young talent through our Young Leaders Summit and Mentorship Program. This new generation of leaders must continue to underscore the essential role of transit in making a difference in people's everyday lives. Public transit is at the heart of building sustainable, livable communities, easing traffic congestion, and providing affordable travel options for Canadian commuters.

All this being said, we couldn't have done it alone. I wish to express my sincere appreciation to our members for their continuous support, commitment, and enthusiasm toward enhancing Canada's transit landscape. Their active involvement has been crucial in advancing our common objectives, and we value their ongoing collaboration. As we mark CUTA's 120th anniversary, I am proud to see our continued commitment to enhancing transit for our riders and communities through innovation and excellence. It gives me great hope for the future.

Let's keep working together, inspired by our rich heritage, and driven by a vision for a promising transit future.

Kelly Paleczny
CUTA Chair of the Board



MESSAGE FROM THE PRESIDENT AND CEO

2023 was a transformative year for the public transit industry. Canadian communities had to contend with new economic, social, and political realities that impacted the urban mobility landscape.

And CUTA quickly adapted its priorities to address these emerging trends head-on.

As shifting ridership patterns became the norm, we led a study on fare recovery, evaluating a variety of innovative fare products and strategies. These options looked at regaining lost ridership, and long-term strategies for attracting new riders.

Early 2023 saw an increase in reported incidents of violence and social disorder on transit. In response, we issued comprehensive safety and security recommendations and called on all levels of government to provide support, understanding that many issues facing transit systems stem from broader societal concerns.

Canada's growing population coupled with inflation and rising affordability concerns heightened fears around the housing crisis unfolding in our communities. Building new homes requires a focus on public transit and CUTA led a comprehensive study examining how housing and transit policy can work hand-in-hand.

Our signature events in Saskatoon, Ottawa, and Edmonton allowed our industry to come together and have meaningful conversations about the future of urban mobility, through the lens of technology, research, innovation and policy.

Throughout the year we continued to advocate for more support for public transit at the federal and provincial levels, building new relationships with elected officials and advancing key infrastructure funding priorities.

And we continued to provide valuable training opportunities and industry programs to our members as we work share best practices in all aspects of the urban mobility landscape.

We were proud to continue our close collaboration with UITP. 2023 was a particularly important year, as the organization welcomed Canada's own Renée Amilcar as Chair - the first woman and first North American in that prestigious position.

2023 was truly a transformative year for CUTA, creating a solid foundation as we reexamine our mandate in 2024 through a renewed strategic plan, and celebrate our milestone 120th year.

We're proud of our past and focused on our future. Through the support of our members, CUTA will continue to navigate the evolving urban mobility landscape and help ensure a bright future for Canada's public transit industry.

Marco D'Angelo,
President & CEO

ALBANY, 1922



Hamilton Mirror Plate Co.
77 PARK ST.

WASH. ST. BLDG. INV. SERVICE

REAR COLLAR

WHOLESALE
STEVENSON & SONS

MARKET HOTEL

CORNER
NEW
STREET

WHOLESALE

G. & W. MILLERSON
GROCER

TROLLEY

2023 HIGHLIGHTS

PUBLIC AFFAIRS

Prioritizing public transit policy at all levels of government

CUTA continued to work closely with the federal government to represent the interests of transit systems in relation to the Permanent Public Transit Fund – a \$3 billion annual investment in permanent, predictable capital funding starting in 2026. CUTA's advocacy work focused on securing an earlier launch of the program to address urgent infrastructure needs facing Canada's transit agencies. CUTA also led advocacy campaigns aimed at securing support for the safety and security needs of transit riders and workers.

CUTA convened regional roundtables focused on transit and housing policy. Our goal is to provide our members with the essential tools, support, and up-to-date information needed to influence the future of transit. In September, CUTA held a Policy Forum in Ottawa. This event offered members and key government personnel the opportunity to discuss safety and security issues in transit and explore how housing and transit policies intersect.

CUTA is also strengthening its connections with federal ministries, associated organizations, and other key stakeholders. Through these strategic partnerships, CUTA is promoting the development of public transit solutions that are accessible, sustainable, and resilient, addressing today's complex and dynamic challenges.

RESEARCH AND INDUSTRY PROGRAMS

Providing leading edge research and support programs to help our members succeed

Transit system across Canada saw new safety and security challenges in 2023. CUTA responded by developing a new Safety and Security Task Force that developed of 27 recommendations for public transit

systems and all levels of government to support safety on transit for riders and transit workers alike.

With housing affordability as a primary issue for Canadian families, CUTA responded by releasing a report on the policy intersections between housing and transit. To respond to changing urban mobility landscape after the pandemic, CUTA released a report related to fare policies and how to best align with new travel trends.

CUTA launched online versions of its Transit Planning, and Scheduling and Runcutting courses. The Transit Ambassador customer service program was also deployed for Metra commuter rail in the Chicago metropolitan area.

CUTA worked closely with the Ontario Public Transit Association's Zero-Emission Bus Committee to expand the membership to all CUTA members, allowing them access to important initiatives and information sharing. In 2024, CUTA will continue to work with the committee to make it an official CUTA national committee, leveraging the national scope of CUTA and its partners.

MEMBERSHIP

Adapting to our members' evolving needs

In 2023, CUTA warmly welcomed 15 new members, enriching our community with fresh perspectives and expertise.

For over a century, CUTA has remained steadfast in this commitment, granting members access to a robust network of systems, suppliers, businesses, and industry experts. Our dedication to fostering collaboration and innovation is evident in our events. Last year, we convened nearly 1,000 attendees, providing a platform for meaningful exchange and showcasing the offerings of numerous companies. We are dedicated to forging connections that transcend geographical boundaries.

TRAVEL TAX, 1957



2023 STAFF

NAME	POSITION
Aline Diarra	Executive Assistant to President & CEO
Alisha Goyal	Coordinator, Human Resources & Operations
Ariel Davis	Specialist, Government Relations & Public Policy
Calvin Chia	Transit Industry Solution Specialist
Daniel Waller	Coordinator, Membership Success & Events
Dieynaba Deme	Director, Membership Success & Events
Fenil Sanghvi	Controller, Finance
Jon MacMull	Director, Communications & Public Affairs
Kelly-Anne Luke	Coordinator, Communications & Digital Media
Marco D'Angelo	President & CEO
Milly Mikkelsen	Director, Human Resources & Operations
Olga Eonga	Coordinator, Bilingual Membership Success & Events
Oliver Nicholls	Coordinator, Research/Data & Webinars
Richard Kong	Coordinator, Finance
Sarah Benhaddou	Bilingual Events Planner
Sarah Ingram	Coordinator, E-Learning & Programs
Sasha Dajia	Data Research Analyst
Simon Minelli	Director Research, Technical Services & Industry Programs
William Currie	Coordinator, Digital Media & Marketing

CUTA Staff as of December 31, 2023

2023 EXECUTIVE COMMITTEE

NAME	POSITION
EXECUTIVE COMMITTEE	
Kelly Paleczny, London Transit	Chair
Dave Reage, Halifax Transit	First Vice Chair
Alain Mercier	Immediate Past Chair
Michael McDaniel, Coast Mountain Bus Company (TransLink)	Vice Chair, Finance
Maureen Cosyn Heath, Hamilton Street Railway	Vice Chair, Communications & Public Affairs
Bjorn Radstrom, Winnipeg Transit	Vice Chair, Technical Services
Marc Rousseau, exo RTM	Vice Chair, Workforce Development
Wade Coombs, Strathcona County Transit	Vice Chair, Small Transit Systems
Wes Brodhead, City of St-Albert	Vice Chair, Municipal Councils
Sophie Leblanc, Blaise Transit Ltd.	Vice Chair, Business Members
Pierre Zivec, Transdev Canada	Vice Chair, Business Members
Josh Colle, Ernst & Young	Vice Chair, Integrated Mobility
Michael Atlas, TTC	Honourary Counsel
Marco D'Angelo, CUTA	President & CEO

2023 BOARD OF DIRECTORS

NAME	POSITION
TRANSIT SYSTEM MEMBERS	
Charlene Sharpe, Fredericton Transit	Director
Karen Thornburn, TTC	Director
Sharon Fleming, Calgary Transit	Director
Tyson Cragg, Transit Windsor	Director
Lynette Griffin, Regina Transit	Director
Josée Roy, STL	Director

2023 BOARD OF DIRECTORS (CONTINUED)

NAME	POSITION
TRANSIT SYSTEM MEMBERS	
Alex Milojevic, Brampton Transit	Director
Nicolas Girard, RTC (Québec)	Director
Tim Luey, Niagara Transit Commission	Director
Tony D'Alessandro, Town of Milton	Director
Neil Malcolm, Grand River Transit	Director
Etienne Lyrette, STM	Director
Sophie St-Pierre, STO	Director
Carrie Hotton-MacDonald, Edmonton Transit Service	Director
Chris MacIsaac, City of Airdrie	Director
Judy Powell, St John's Transportation	Director
Christy Harrold, BC Transit	Director
BUSINESS MEMBERS	
Barry Dykeman, USSC	Director
Doug Parker, Arcadis IBI Group	Director
Kirsten Watson, AECOM	Director
Lindy Norris, The Routing Company	Director
Shilpa Panicker, Watt Consulting Group	Director
Yuval Grinspun, Left Turn Right Turn	Director
Amy Miller, BusPas	Director
Dennis Fletcher, Dennis Fletcher & Associates	Director
Vance Harris, DIALOG	Director
Dennis Kar, Dillon Consulting	Director
Jennifer McNeill, New Flyer	Director
Scott Pass, Passenger Contracted Transportation Services Ltd.	Director
Trever Sparrow, Sparrow Group Inc.	Director
Christos Kritsidimas, Nova Bus	Director
GOVERNMENT AGENCIES, AFFILIATES AND OTHERS	
Sarina Gersher, City of Saskatoon	Director
Marc Blanchet, ARTM	Director
Melissa Djurakov, MTO	Director
Shanon Zachidniak, City of Regina	Director
Lorenzo Mele, ACT Canada	Director

Toronto, 1966



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Keefe



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Next Outing a
Big Success!



THE UNIVERSITY OF TORONTO

4390



2023 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, 2023, 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, 2023, 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.

2023 FINANCIALS

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

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 14, 2024

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 \$	2022 \$
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 600,433	\$ 1,741,050
Short term investments restricted (Note 2)	1,397,233	602,052
Accounts receivable	401,671	357,076
Prepaid expenses	192,653	122,189
	2,591,990	2,822,367
CAPITAL ASSETS (Note 3)	30,572	102,652
	\$ 2,622,562	\$ 2,925,019
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 515,103	\$ 708,966
Deferred revenue (Note 4)	124,939	164,320
Deferred contribution (Note 5)	160,526	160,526
	800,568	1,033,812
NET ASSETS		
Unrestricted	\$ 1,538,903	\$ 1,599,272
Internally restricted		
Project fund	160,554	182,604
Regional youth summit fund	27,028	20,889
Business members' assessment fund	70,870	63,803
Advocacy fund	21,535	21,535
Quebec advocacy fund	3,104	3,104
	1,821,994	1,891,207
	\$ 2,622,562	\$ 2,925,019

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 \$	2022 \$
REVENUE		
Membership fees	\$ 1,686,203	\$ 1,662,711
Advertising	124,635	132,592
Fee for service	106,194	124,376
Publication and other	16,749	14,518
Investment income (Note 2)	58,057	16,559
	1,991,838	1,950,756
PROGRAM REVENUES		
Conference	\$ 1,289,672	\$ 1,491,376
Advocacy	512,287	513,739
Training/Ambassador	399,625	214,276
STRADA	125,270	133,957
Youth summit revenue	95,405	-
	2,422,259	\$ 2,353,348
TOTAL REVENUE	4,414,097	4,304,104
PROGRAM EXPENSES		
Conferences	\$ 773,626	\$ 1,017,983
Advocacy	87,339	79,371
Training/ambassador	254,464	186,355
STRADA	41,482	41,763
Project funds	8,520	10,895
Youth summit expenses	89,266	-
	\$ 1,254,697	\$ 1,336,367
GENERAL OPERATING EXPENSES (Schedule)	3,228,613	2,974,651
TOTAL EXPENSES	4,483,310	4,311,018
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	\$ (69,213)	\$ (6,914)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 \$	2022 \$
CASH WAS PROVIDED BY (USED IN):		
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficiency of revenue over expenses for the year	\$ (69,213)	\$ 6,914)
Adjustments to reconcile deficiency of revenue over expenses to net cash provided by (used in) operating activities		
Amortization	80,742	77,855
Changes in non cash working capital balances		
Accounts receivable	(111,597)	(111,597)
Prepaid expenses	(70,464)	10,207
Accounts payable and accrued liabilities	(193,863)	452,198
Deferred revenue	(39,381)	141,185
	(336,774)	562,934
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of short term investments - net	(795,181)	(6,783)
Purchase of capital assets	(8,662)	(9,337)
	(803,843)	(6,120)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(1,140,617)	546,814
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,741,050	1,194,236
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 600,433	\$1,741,050

SCHEDULE OF**GENERAL OPERATING EXPENSES**

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 \$	2022 \$
Amortization	\$ 80,742	\$ 77,855
Branding and marketing	125,123	104,850
Committee meetings	85,632	72,563
Occupancy costs - Ottawa	63,948	60,780
Occupancy costs - Toronto	209,430	208,487
Office and general	193,590	98,196
Postage	16,309	14,309
Printing	4,536	3,963
Professional development	14,313	9,824
Professional fees	331,298	364,982
Salaries and benefits	1,966,454	1,820,405
Telephone	25,826	24,640
Travel	111,412	113,797
	\$3,228,613	\$2,974,651


STATEMENT OF**CHANGES IN NET ASSETS**

FOR THE YEAR ENDED DECEMBER 31, 2023

	Unrestricted	Project	Regional	Business		Quebec	2023	2022
	Fund	Fund	Summit	Assessment	Advocacy	Advocacy	Total	Total
	\$	\$	Fund	Fund	Fund	Fund	\$	\$
Net assets, beginning of year	1,599,272	182,604	20,889	63,803	21,535	3,104	1,891,207	1,898,121
Excess (deficiency) of revenue over expenses for the year	(69,213)	-	-	-	-	-	(69,213)	(6,914)
Interfund transfers (Note 1)	8,844	(22,050)	6,139	7,067	-	-	-	-
Net assets, end of year	1,538,903	160,554	27,028	70,870	21,535	3,104	1,821,994	1,891,207

OTTAWA, 2007





CANADIAN URBAN TRANSIT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

NATURE OF OPERATIONS

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. The Association is exempt from income taxes under Section 149(1)(1) of the Income Tax Act (Canada).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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 deferred and amortized over the life of the related capital asset. 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 over the period to which the membership relates.

Advertising, fee for service and publication revenue are 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 conference, 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

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 2023, the Board of Directors approved a transfer of \$22,050 (2022 - \$Nil) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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 \$Nil (2022 - \$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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost. 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.

2. SHORT TERM INVESTMENTS

Short-term investments include both restricted and unrestricted investments. Restricted investments include Guaranteed Investment Certificate (GIC) held as a security for the OMERS pension fund and internally restricted GICs meant for the Association's emergency fund.

Investments are summarized as follows:

	2023	2022
Restricted Investments		
CIBC Flexible GIC, 2.75%, maturing June 14, 2024	\$ 74,686	\$ 73,655
CIBC Flexible GIC, 2.75%, maturing August 30, 2024	11,526	11,256
CIBC Variable GIC, prime less 3.3%, maturing March 21, 2024	11,021	10,730
	\$ 97,233	95,641
Unrestricted Investments		
CIBC Variable GICs, 4.75%, maturing October 16, 2024	\$ 600,000	\$ 506,411
CIBC Non-redeemable GIC, 5.85%, maturing October 16, 2024	300,000	-
CIBC Cashable GIC, 4.90%, maturing November 4, 2024	400,000	-
	\$ 1,397,233	602,052

Interest earned on the GICs during the year was \$58,057 (2022 - \$16,559).

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

3. CAPITAL ASSETS

	2023		2022	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Computer equipment	\$ 399,311	\$ 388,270	\$ 390,649	\$ 379,437
Furniture and fixtures	61,179	61,179	61,179	48,943
Leasehold improvements	298,368	278,837	298,368	219,164
	\$ 758,858	\$ 728,286	\$ 750,196	\$ 647,544
Net book value		\$ 30,572		\$ 102,652

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, 2023, as well as membership fees, training and registration fees and other funds received in advance.

Deferred revenue is comprised of the following:

	2023 \$	2022 \$
Membership fees	\$102,829	\$ 148,860
Leasehold inducement	22,110	15,460
	\$124,939	\$ 164,320

5. DEFERRED CONTRIBUTION

Deferred contribution represents funding received for the Safe restart program. During the year, \$Nil (2022 - \$Nil) funding was received and \$Nil (2022 - \$Nil) was spent, related to the Safe restart program.

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, 2024.

Future minimum payments under the operating leases for the next two years are as follows:

2024	\$ 141,312
2025	41,630
	\$ 182,942

The Association is also responsible for its share of operating costs and realty taxes, which are estimated at \$126,967 annually.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Association is exposed to currency risk with respect to foreign currency purchases.

The Association entered into the following US dollar transactions, which have been converted in Canadian dollars as noted below:

	2023	2022
Accounts receivable	\$ 148,544	\$ 58,663

8. COMPARATIVE FIGURES

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

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