

**CANADIAN INSTITUTE OF
TRANSPORTATION ENGINEERS**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

Wilkinson Rogers LLP

Chartered Professional Accountants

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Chartered Professional Accountants

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INDEPENDENT AUDITORS' REPORT

To the members of CANADIAN INSTITUTE OF TRANSPORTATION ENGINEERS

We have audited the accompanying financial statements of the Canadian Institute of Transportation Engineers, which comprise of the statement of financial position as at December 31, 2016, and the statement of operations and changes in fund balances, and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Canadian Institute of Transportation Engineers Inc. as at December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

Comparative information

The accompanying statement of financial position as of December 31, 2015, and the related statements of operations and cash flows for the year then ended were not audited, reviewed or compiled by us and, accordingly, we do not express an opinion or any form of assurance on them.

Wilkinson Rogers LLP

CHARTERED PROFESSIONAL ACCOUNTANTS, LICENSED PUBLIC ACCOUNTANTS

CANADIAN INSTITUTE OF TRANSPORTATION ENGINEERS
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

	2016	2015
ASSETS		
Cash (note 3)	\$ 294,434	\$ 170,255
Investments (note 4)	124,259	160,026
Accounts receivable	3,432	2,000
Prepaid expenses	15,938	-
	<u>\$ 438,063</u>	<u>\$ 332,281</u>
 LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	<u>\$ 6,410</u>	<u>\$ 928</u>
 FUND BALANCE		
OPERATING	<u>431,653</u>	<u>331,353</u>
	<u>\$ 438,063</u>	<u>\$ 332,281</u>

Approved by:

Director: _____

Director: _____

**CANADIAN INSTITUTE OF TRANSPORTATION ENGINEERS
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016	2015
REVENUE		
Annual conference	\$ 233,188	\$ 151,809
Membership dues	93,911	63,267
Advertising	92,625	75,650
Scholarships and donations	5,737	6,440
Interest income	1,990	6,521
	<u>427,451</u>	<u>303,687</u>
OPERATING EXPENSES		
Annual conference	190,094	118,890
Administrator	16,500	9,513
Executive expenses	14,594	18,037
Director expenses	12,007	12,421
TLC Projects	10,000	24,774
Awards and scholarships	9,129	9,064
Traffic bowl	7,860	6,276
Membership support programs	7,813	3,471
Professional fees	7,321	2,019
Awards travel	6,306	5,999
Transportation talk	6,063	6,651
Website expenses	5,396	12,686
Insurance	5,157	5,157
TLC Admin	5,071	5,617
Section rebates	5,000	3,750
International initiatives	4,142	-
CITE Appointees	4,104	4,673
Interest and bank charges	3,635	5,249
Communications coordinator	3,540	6,320
Student presentation	1,600	3,200
Telephone	1,094	1,477
Postage and mailing	725	517
	<u>327,151</u>	<u>265,761</u>
EXCESS OF REVENUE OVER EXPENDITURES	100,300	37,926
FUND BALANCE - Beginning	<u>331,353</u>	<u>293,427</u>
FUND BALANCE - Ending	<u><u>\$ 431,653</u></u>	<u><u>\$ 331,353</u></u>

CANADIAN INSTITUTE OF TRANSPORTATION ENGINEERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Net income	\$ 100,300	\$ 37,926
Non-cash transactions		
Changes in non-cash working capital:		
Accounts receivable	(1,432)	(1,520)
Prepaid expenses	(15,938)	-
Accounts payable and accrued liabilities	5,480	(431)
Cash flow from operating activities	<u>88,410</u>	<u>35,975</u>
INVESTING ACTIVITIES		
Reinvested interest	(402)	(1,294)
Proceeds from sale of investments	160,026	136,953
Purchase of investments	<u>(123,855)</u>	<u>(150,193)</u>
Cash flow from investing activities	<u>35,769</u>	<u>(14,534)</u>
NET INCREASE IN CASH DURING THE YEAR	124,179	21,441
CASH - Beginning	<u>170,255</u>	<u>148,814</u>
CASH - Ending	<u>\$ 294,434</u>	<u>\$ 170,255</u>

CANADIAN INSTITUTE OF TRANSPORTATION ENGINEERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

1. PURPOSE OF THE ORGANIZATION

The Canadian Institute of Transportation Engineer Inc. (the "Institute") is a member organization composed of over 2,000 transportation engineers, planners, technologists and students across Canada. The purpose of the Institute is to promote the professional development of its members, support and encourage education, stimulate research, develop public awareness programs and service as a conduit for the exchange of professional information in the field of transportation and traffic engineering.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Institute have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). Significant accounting policies are summarized below:

a) Revenue Recognition

The Institute earns revenue from membership dues, conference registration, advertising and interest income on investments.

Membership dues and conference registration fees are set annually and are recognized as revenue in the fiscal year they relate. Dues and fees are not paid in advance.

Advertising revenue is recognized in revenue in the period in which the services are provided.

Investment income includes interest, investment income earned is recognized as revenue.

b) Cash and cash equivalents

Cash consists of cash on hand, cash on deposit and cheques issued and outstanding.

c) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they became known. Actual results could differ from those estimates.

d) Foreign currency transactions

Monetary assets and liabilities are translated at the rate of exchange in effect at year-end. Exchange gains and losses are included in the statement of operations.

e) Donated services

A large number of people have contributed a significant amount of time, services and equipment to the activities of the Institute without compensation. The financial statements do not reflect the value of these contributed services because, although clearly substantial, no reliable basis exists for determining an appropriate amount.

CANADIAN INSTITUTE OF TRANSPORTATION ENGINEERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

3. CASH AND CASH EQUIVALENTS

	2016	2015
Cash in operating account	\$ 112,200	\$ 79,853
Cash in conference account	124,469	70,393
Cash in investment account	<u>57,765</u>	<u>20,009</u>
	<u>\$ 294,434</u>	<u>\$ 170,255</u>

4. INVESTMENTS

	2016	2015
Guaranteed Investment Certificates		
1.4% interest, due April 11, 2018	\$ 124,259	\$ -
1.1% interest, due August 12, 2016	-	91,729
2% interest, due August 15, 2016	-	56,942
1.5% interest, due December 20, 2016	-	11,355
	<u>\$ 124,259</u>	<u>\$ 160,026</u>

5. FINANCIAL INSTRUMENTS

Risks and concentrations of risks

The Institute is exposed to various risks through its financial instruments. The following analysis provides a measure of the Institute's risk exposure and concentrations as at December 31, 2016.

a) Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments will fluctuate due to changes in market interest rates. The Institute's exposure to interest rate risk is mitigated by holding cash in term deposits with stated interest rates.

b) Foreign currency risk

The organization realizes the revenue from its membership dues in U.S. dollars. The US dollars are converted to Canadian dollars the day they are deposited. The organization does not hedge the risk related to the fluctuation in the exchange rate between the U.S. and Canadian dollar.