

**CANADIAN INSTITUTE OF
TRANSPORTATION ENGINEERS
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

Wilkinson Rogers LLP

Chartered Professional Accountants

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

**To the members of
Canadian Institute of Transportation Engineers**

We have reviewed the accompanying financial statements of Canadian Institute of Transportation Engineers that comprise the statement of financial position as at December 31, 2018 and the statements of operations and changes in fund balance and 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Canadian Institute of Transportation Engineers as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for Not-for-Profit organizations.



CHARTERED PROFESSIONAL ACCOUNTANTS, LICENSED PUBLIC ACCOUNTANTS

CANADIAN INSTITUTE OF TRANSPORTATION ENGINEERS
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

ASSETS

| | | |
|----------------------------------|----|----------------|
| Cash | \$ | 163,774 |
| Investments (note 3) | | 302,461 |
| Prepaid expenses | | 26,000 |
| Accounts receivable | | 10,971 |
| Harmonized sales tax recoverable | | 1,072 |
| | | <u>1,072</u> |
| | \$ | <u>504,278</u> |

LIABILITIES

| | | |
|--|----|---------------|
| Accounts payable and accrued liabilities | \$ | 26,185 |
| Unearned revenue | | 14,460 |
| | | <u>14,460</u> |
| | | 40,645 |

FUND BALANCE

| | | |
|-----------|----|----------------|
| OPERATING | | <u>463,633</u> |
| | \$ | <u>504,278</u> |

Approved by:

Director: _____

Director: _____

(see accompanying note to financial statements)

**CANADIAN INSTITUTE OF TRANSPORTATION ENGINEERS
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2018**

REVENUE

| | |
|----------------------------|------------|
| Annual conference | \$ 284,710 |
| Advertising | 89,612 |
| Membership dues | 74,346 |
| Training revenue | 68,729 |
| Section revenue | 22,240 |
| Product sales | 10,972 |
| Scholarships and donations | 6,837 |
| Interest income | 5,157 |
| | <hr/> |
| | 562,603 |

OPERATING EXPENSES

| | |
|---------------------------------------|------------|
| Annual conference | \$ 230,755 |
| Training | 67,475 |
| Administrator | 31,109 |
| Section rebates and dues distribution | 30,107 |
| Executive expenses | 24,250 |
| TLC Admin | 18,316 |
| Professional fees | 18,277 |
| Awards and scholarships | 17,944 |
| Director expenses | 15,613 |
| Project sponsorship | 14,642 |
| Communications coordinator | 13,202 |
| Traffic bowl | 10,508 |
| CITE Appointees | 7,765 |
| Bank charges | 7,153 |
| Telephone | 4,614 |
| Insurance | 4,385 |
| Membership support programs | 3,967 |
| Student presentation | 2,000 |
| Postage and mailing | 388 |
| | <hr/> |
| | 522,470 |

EXCESS OF REVENUE OVER EXPENDITURES 40,133

FUND BALANCE - Beginning -

Transfer in from Canadian Institute of Transportation Engineers member organization

423,500

FUND BALANCE - Ending

\$ 463,633

(see accompanying notes to financial statements)

'UNAUDITED'

CANADIAN INSTITUTE OF TRANSPORTATION ENGINEERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

OPERATING ACTIVITIES

| | |
|--|---------------|
| Revenue over expenditures | \$ 40,133 |
| Changes in non-cash working capital: | |
| Accounts receivable | (12,043) |
| Prepaid expenses | (26,000) |
| Accounts payable and accrued liabilities | 26,185 |
| Unearned revenue | 14,460 |
| | <u>42,735</u> |
| Cash flow from operating activities | <u>42,735</u> |

INVESTING ACTIVITIES

| | |
|-------------------------------------|------------------|
| Reinvested interest | (5,157) |
| Purchase of investments | <u>(143,184)</u> |
| Cash flow from investing activities | <u>(148,341)</u> |

NET DECREASE IN CASH DURING THE YEAR (105,606)

CASH - Beginning -

Transfer in from Canadian Institute of Transportation Engineers member organization 269,380

CASH - Ending \$ 163,774

(see accompanying notes to financial statements)

'UNAUDITED'

CANADIAN INSTITUTE OF TRANSPORTATION ENGINEERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

1. PURPOSE OF THE ORGANIZATION

The Canadian Institute of Transportation Engineers Inc./ Institut Canadien Des Ingenieurs En Transports (the "Institute") was incorporated under the Canada Not for Profit Corporation Act on October 31, 2017. Prior to incorporation, the Institute operated as an unincorporated member organization.

The Institute is composed of over 2,000 transportation engineers, planners, technologists and students across Canada. The Institute is a non-profit organized 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. The Institute is exempt from income tax under Section 149 of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Institute are 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.

CANADIAN INSTITUTE OF TRANSPORTATION ENGINEERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

e) Donated services

A large number of people have contributed a significant amount of time and services 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.

f) Financial instrument measurement

The organization initially measures financial assets and liabilities at fair value. The organization subsequently measures all of its financial assets and liabilities at amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets subsequently measured at amortized cost included cash, investments and accounts receivable. Financial liabilities measured at amortized cost are accounts payable.

3. INVESTMENTS

| | 2018 |
|--------------------------------------|-------------------|
| Guaranteed Investment Certificates | |
| 2.0% interest, due April 11, 2019 | \$ 58,627 |
| 2.20% interest, due October 11, 2019 | <u>243,834</u> |
| | <u>\$ 302,461</u> |

4. 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, 2018.

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.