

Good Roads

ImpactReport

Everything roads
since 1894.

2023 Edition

Building Tomorrow:
Investing in Municipal
Infrastructure



Good Roads

2023 ANNUAL REPORT

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22-1525 Cornwall Road
Oakville, ON L6J 0B2
289-291-6472

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Good Roads Growth and Investment

By: John Parsons
President - Good Roads

I've had the pleasure of serving on the Good Roads Board of Directors for several years and this past year as President was a monumental one for me, as I retired from the City of London. I've had a blessed municipal career and delighted to present our achievements and key initiatives over the past 12 months for Good Roads as part of our annual report. Our research department has been out in the community building partnerships. For instance, our partnership with the University of Waterloo investigating the use of reclaimed asphalt pavement (RAP) on gravel roads as an aggregate source to control dust, reduce aggregate loss, and improve performance. Similarly, our collaboration with Fanshawe College centered on utilizing unmanned aerial vehicles (UAVs) and remote sensing technologies to evaluate municipal pavement conditions took hold last year.

In addition, we've Good Roads has been hosting the 3rd 5-Year Review of the Minimum Maintenance Standards. The MMS Task Force is a cross-function panel of municipal experts looking to strengthen existing sections and introduce new sections to enhance Ontario municipalities' ability to defend legal action arising from non-repair of road claims.

Furthermore, our education department witnessed significant growth, expanding to a team of four dedicated individuals. This expansion was made possible through the generous funding from the Ministry of Labour, Immigration, Training, and Skills Development. Some of the key project highlights from the education department include Northern Road School (NRS) in Sault Ste Marie. NRS facilitated the delivery of five courses over two weeks with 350 learners in attendance.

We introduced our Road Safety Audit Program in collaboration with Safe System Solutions from Australia. So far 40 auditors have been trained, aligning our practices with international standards.

We also collaborated First Nation members for the First Nations Public Works Training Support in Heavy Equipment Operator (HEO) training for 50 individuals.

Our policy department brought forth rural road safety initiatives in creating safer roads in underserved communities. We also raised the issue of modernization and improvement of municipal asset management planning during our meetings.

If you want to make a change in your region and help reduce road trauma and improve quality of life in your community, consider joining the Good Roads Board of Directors. It's a unique opportunity to network and engage with a wide range of experts in the industry.

A handwritten signature in black ink, appearing to read 'John Parsons', written over a horizontal line.

John Parsons,
Good Roads President

Welcome To The First Good Roads Impact Report.

Unlike previous annual report, this document will capture our ambitions and point a way forward.

Moving towards producing an Environmental, Social, and Governance (ESG) report signifies a strategic shift for Good Roads. It is driven by a confluence of factors. One of the primary drivers is the mounting pressure from the public, members, employees and regulators all of whom are increasingly expecting organizations to demonstrate transparency and accountability regarding their ESG practices. By embracing ESG reporting, Good Roads acknowledges these expectations and commits to meeting them head-on.

Moreover, ESG factors present tangible risks to the organization. Recognizing this, the Association sees ESG reporting as a crucial tool for risk management. Through the identification and mitigation of these risks in the ESG report, the organization aims to safeguard its operations and reputation.

In today's competitive landscape, ESG considerations offer more than just risk mitigation—they provide a pathway to competitive advantage. By showcasing its sustainability initiatives, ethical practices, and commitment to social responsibility in the ESG report, Good Roads sets itself apart in the municipal sector. This not only enhances its reputation but also collaborators, industry players, and top talent who prioritize responsible and ethical business practices.

Furthermore, regulatory requirements play a significant role in the Association's decision to adopt ESG reporting. Governments and regulatory bodies worldwide are increasingly mandating ESG disclosures as part of corporate reporting frameworks. By proactively embracing ESG reporting, Good Roads hopes to stay ahead of the regulatory curve while also working with members and industry to realize compliance with existing and future regulations, while also mitigating risk.

Beyond compliance, ESG reporting is about long-term value creation. By integrating ESG factors into its strategic decision-making processes, Good Roads is positioning itself for resilience and growth in a rapidly evolving business landscape. This forward-thinking approach not only benefits the Association but also aligns with the increasingly high expectations of our members.

Similarly, ESG reporting enhances the Association's brand image and fosters trust among those we work with. By transparently communicating our ESG performance, values, and achievements, Good Roads builds credibility and loyalty with members, government, industry and academia.

Ultimately, moving towards ESG reporting is about embracing innovation, efficiency, and responsibility. By promoting resource conservation, waste reduction, and sustainable practices, Good Roads promises to not only drive positive change within its operations, but also with the sector. Through this report, we highlight where we are going to go. In 2024, everything will be about baseline setting. Our future will be about progress.

Preamble

In making this decision Good Roads needed a framework. The Board of Directors approved designing our ESG program around the UN Sustainable Development Goals.

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a “shared blueprint for peace and prosperity for people and the planet, now and into the future”.

At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

The goals are:

- Goal 1 – End poverty in all its forms everywhere
- Goal 2 – End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- Goal 3 – Ensure healthy lives and promote well-being for all at all ages
- Goal 4 – Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- Goal 5 – Achieve gender equality and empower all women and girls
- Goal 6 – Ensure availability and sustainable management of water and sanitation for all
- Goal 7 – Ensure access to affordable, reliable, sustainable and modern energy for all
- Goal 8 – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- Goal 9 – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- Goal 10 – Reduce inequality within and among countries
- Goal 11 – Make cities and human settlements inclusive, safe, resilient and sustainable



Figure 1: SDG Goal infographic



GLOBAL GOALS
Sustainable Development

- Goal 12 – Ensure sustainable consumption and production patterns
- Goal 13 – Take urgent action to combat climate change and its impacts
- Goal 14 – Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- Goal 15 – Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- Goal 16 – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- Goal 17 – Strengthen the means of implementation and revitalize the global partnership for sustainable development

For Good Roads, the goals that have the greatest alignment with our mandate are:

- Goal 9 – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- Goal 11 – Make cities and human settlements inclusive, safe, resilient and sustainable
- Goal 13 – Take urgent action to combat climate change and its impacts

What follows is the first of a great many steps towards building out this framework.

Goal 9 – Build Resilient Infrastructure, Promote Inclusive and Sustainable Industrialization and Foster Innovation

SDG Goal 9 aims to "Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation." Reporting on this goal requires measuring progress towards various targets related to infrastructure development, industrialization, and innovation.

Here are some reporting metrics that Good Roads will measure through 2024 relative to the SDG Goal 9:

1. **Investment in infrastructure:** Measure the amount of investment in infrastructure projects, including transportation, energy, water, and ICT (Information and Communication Technology). This could include both public and private investment.
2. **Access to basic infrastructure services:** Assess the availability and accessibility of basic infrastructure services such as electricity, clean water, sanitation, and transportation, particularly in underserved communities.
3. **Employment in manufacturing and industrial sectors:** Track the number of jobs created in manufacturing and industrial sectors, particularly those that provide decent work and economic opportunities for marginalized groups.
4. **Innovation and research expenditure:** Measure investment in research and development (R&D) activities, including both public and private spending on innovation. This could include funding for research institutions, universities, and technology startups.
5. **Adoption of sustainable technologies:** Assess the adoption of sustainable technologies and practices in industries such as energy, manufacturing, and agriculture. This could include measures to improve energy efficiency, reduce pollution, and promote resource conservation.
6. **Infrastructure resilience to disasters:** Evaluate the resilience of infrastructure systems to natural disasters and other external shocks. This could include mea-

asures to strengthen infrastructure against climate change impacts and enhance disaster preparedness and response.

7. **Partnerships for infrastructure development:** Measure collaboration and partnerships between governments, NGOs, businesses, and communities to promote infrastructure development, industrialization, and innovation. This could include public-private partnerships, knowledge sharing initiatives, and capacity-building efforts.

These metrics will help Good Roads track progress towards SDG Goal 9 and identify areas where additional efforts are needed to promote resilient infrastructure, sustainable industrialization, and innovation for inclusive development.

Already in 2023, we realized the following accomplishments relative to this goal.

University of Waterloo. Investigating the use of reclaimed asphalt pavement (RAP) on gravel roads as an aggregate source to control dust, reduce aggregate loss, and improve performance. Laboratory and field work will identify optimal RAP content for different gravel sources/quality, proper blending techniques, the impact of RAP performance graded asphalt cement (PGAC) and the required changes to winter maintenance techniques. The project was made possible through a financial award by the Circular Opportunity Innovation Launchpad (COIL).

Northern Road School: We successfully launched our inaugural Northern Road School in Sault Ste Marie, hosting five courses over two weeks. Thanks to the grant, we were able to subsidize registration fees and accommodation for 350 learners, making education more accessible and impactful.

Career Catalyst Fund: The launch of the Career Catalyst Fund offered subsidized access to nine courses for all

members, significantly supporting the training needs of 250 municipal workers. This initiative exemplifies our commitment to inclusivity and broadening access to educational opportunities.

Fanshawe College. Using unmanned aerial vehicle (UAV) and remote sensing to evaluate municipal pavement condition. Field testing of 130 lane kilometres was completed to showcase how aerial and stereo photogrammetry and mobile light detection and ranging (LiDAR) can be used to collect accurate and repeatable pavement condition data in less time while increasing safety and reducing cost.

eLearning Program Development: Building on the success of previous years, our eLearning program saw substantial growth in 2023. We added four new courses, with plans for three more in 2024. To date, our eLearning programs have reached over 400 learners, providing flexible and accessible learning options.

The Education Department maintained a robust offering of 70 in-person, online, and contract courses. We also expanded our pool of volunteer instructors to ensure we have experts in all areas of Public Works. In 2023, Good Roads provided training to over 2500 learners, demonstrating our commitment to providing diverse and accessible educational opportunities.

Goal 11 – Make Cities And Human Settlements Inclusive, Safe, Resilient and Sustainable

SDG Goal 11 aims to "Make cities and human settlements inclusive, safe, resilient, and sustainable." Reporting on this goal involves measuring progress towards various targets related to urbanization, sustainable development, and resilience. Here are some reporting metrics that Good Roads can use to report on SDG Goal 11:

- 1. Urban planning and land use:** Assess the effectiveness of urban planning policies and land use regulations in promoting sustainable and inclusive development. This could include measures of urban sprawl, land use efficiency, and the presence of green spaces and public amenities.
- 2. Access to safe and sustainable transportation:** Evaluate the availability and accessibility of safe, affordable, and sustainable transportation options, including public transit, cycling infrastructure, and pedestrian-friendly streets. This could include measures of transportation mode share, traffic congestion, and air quality.
- 3. Resilience to natural and man-made disasters:** Measure the resilience of cities and human settlements to natural disasters, such as floods, earthquakes, and wildfires, as well as man-made hazards, such as industrial accidents and terrorism. This could include indicators of disaster preparedness, emergency response capacity, and infrastructure resilience.
- 4. Environmental sustainability:** Assess the environmental sustainability of cities and human settlements, including measures of air and water quality, waste management, and greenhouse gas emissions. This could include indicators of energy efficiency, renewable energy adoption, and urban biodiversity.
- 5. Inclusive and participatory decision-making:** Evaluate the extent to which residents have access to meaningful participation in urban planning and decision-making processes. This could include measures of community engagement, public consultation processes, and the

representation of marginalized groups in decision-making bodies.

These metrics can help Good Roads track progress towards SDG Goal 11 and identify areas where additional efforts are needed to create inclusive, safe, resilient, and sustainable cities and human settlements.

Already in 2023, we realized the following accomplishments relative to this goal.

Road Safety Audit Program: In collaboration with Safe System Solutions, an Australian industry leader in road safety audits, we introduced Ontario's first Road Safety Audit program. This pioneering initiative included the development of a Road Safety Guide and an auditor training course. To date, we have trained 40 auditors in this international practice.

First Nations Public Works Training Support: Through this program, we collaborated with our First Nation members to identify training gaps and provided subsidized support to address these needs. Notably, we conducted Heavy Equipment Operator (HEO) training for 50 individuals, fostering transferable skills development within Indigenous communities.

Good Roads has continued to play an active role in influencing municipal best practices and policies in 2023 by providing municipalities with services, participating in provincial/national/international committees, stakeholder groups, and consultation/review panels, and investing in research at post-secondary institutions.

Minimum Maintenance Standards (MMS)

The 3rd 5-Year Review of the MMS, O.Reg. 239/02, began in March and is being led again by Good Roads with input from the MTO, municipalities, legal counsel, and insurance providers. The MMS Task Force is looking to strengthen

existing sections and introduce new sections to enhance Ontario municipalities' ability to defend legal action arising from non-repair of road claims. Key areas identified: revising the language in the ice prevention sections; expanding the significant weather events to cover more event types, incorporating active transportation/mobility considerations; creation of levels of service for bicycles in the boulevard and on multiuse paths; adding sections to address crosswalks and pedestrian crossovers; the inspection of traffic safety devices and pavement markings, along with the adding additional sidewalk deficiencies (gaps and missing sections) to inspections.

Goal 13 – Take Urgent Action To Combat Climate Change and Its Impacts

SDG Goal 13 aims to "Take urgent action to combat climate change and its impacts." Reporting on this goal involves measuring progress towards various targets related to mitigation, adaptation, and resilience-building efforts to address climate change. Here are some reporting metrics that an NGO in Canada can use to report on SDG Goal 13:

1. Greenhouse gas emissions: Measure and report on greenhouse gas emissions, including carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O), generated from organizational activities, projects, or interventions. This could include tracking emissions from energy consumption, transportation, waste management, and other sources.
2. Renewable energy adoption: Assess the adoption and use of renewable energy sources, such as solar, wind, hydroelectric, and geothermal energy, to reduce reliance on fossil fuels and mitigate greenhouse gas emissions. This could include measures of renewable energy capacity installed, energy generated, and energy savings achieved.
3. Energy efficiency improvements: Measure and report on efforts to improve energy efficiency and reduce energy consumption in buildings, transportation, and industrial processes. This could include indicators such as energy intensity, energy savings, and efficiency measures implemented.
4. Climate change adaptation: Evaluate measures and initiatives aimed at building resilience to the impacts of climate change, such as extreme weather events, sea-level rise, and temperature fluctuations. This could include indicators of vulnerability assessments, adaptation planning, and implementation of adaptation measures.
5. Ecosystem restoration and conservation: Measure efforts to restore and conserve ecosystems, such as forests, wetlands, and coastal areas, which play a critical role in carbon sequestration and climate regula-

tion. This could include indicators of land restoration, biodiversity conservation, and ecosystem services provided.

6. Community resilience and capacity-building: Assess efforts to strengthen the resilience of communities, particularly vulnerable populations, to the impacts of climate change. This could include measures of community-based adaptation projects, capacity-building initiatives, and the integration of climate resilience into development planning.
7. Awareness and education: Measure and report on efforts to raise awareness and educate stakeholders about climate change impacts, mitigation measures, and adaptation strategies. This could include indicators of public awareness campaigns, educational programs, and capacity-building workshops.
8. Policy advocacy and influence: Track engagement in policy advocacy and influence efforts aimed at promoting climate action, including lobbying for stronger environmental regulations, supporting climate-friendly policies and incentives, and participating in international climate negotiations.
9. Partnerships for climate action: Measure collaboration and partnerships with governments, businesses, civil society organizations, and communities to advance climate action and support the implementation of the Paris Agreement and other international climate commitments.

These metrics can help Good Roads track progress towards SDG Goal 13 and demonstrate their contribution to global efforts to combat climate change and its impacts.

Already in 2023, we realized the following accomplishments relative to this goal.

University of Guelph and Flodraulic. The expansion of the "Smart Salt Truck" project is to improve road safety and the

protection of salt vulnerable areas (SVAs). Use of a new sensor designed to measure additional surface characteristics and climate attributes in real-time to assist the salt truck operator in ensuring the proper amount of salt is applied to the roadway. The surface characteristics and climate attributes include grip, surface state (dry, moist, wet, slushy, snow, and ice), thickness, surface and air temperatures, relative humidity, and dew and frost points.

The Winter Web App (WWA)

The Winter Web App allows municipalities to create a customizable and comprehensive winter operations plan, track details of winter events, and monitor weather through customizable forecasts.

Audited Financial Statements

Independent Auditor's Report

To the Members of Ontario Good Roads Association

Opinion

We have audited the consolidated financial statements of Ontario Good Roads Association ("the Organization"), which comprise the consolidated balance sheet as at December 31, 2023, and the consolidated statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2023, 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.

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 Consolidated Financial Statements* section of our report. We are independent of the Organization 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.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements (continued)

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 consolidated 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 Organization'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 Organization'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 consolidated 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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 Professional Accountants, Licensed Public Accountants

Ontario Good Roads Association Consolidated Balance Sheet

December 31, 2023 2022

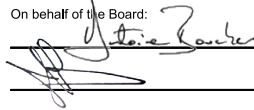
Assets

Current		
Cash	\$ 1,135,644	\$ 888,204
Short-term investments (Note 2)	871,231	669,815
Accounts receivable	130,890	244,624
Prepaid expenses	60,026	80,711
Inventories	10,343	7,516
	2,208,134	1,890,870
Long-term investments (Note 2)	1,555,559	1,469,403
Capital and intangible assets (Note 3)	1,453,331	1,356,967
	\$ 5,217,024	\$ 4,717,240

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities	\$ 500,962	\$ 176,802
Income taxes payable	(4,385)	13,203
Government remittances payable	18,967	39,611
Deferred revenue (Note 4)	1,013,857	947,550
	1,529,401	1,177,166
Net assets		
Unrestricted	1,409,591	1,378,406
Invested in capital assets	1,453,331	1,356,967
Board-designated funds (Note 7)		
Advocacy and special projects	139,632	139,632
Education development	303,461	303,461
Building reserve	161,608	161,608
Reserve for research	195,000	200,000
Legal defense reserve	25,000	-
	3,687,623	3,540,074
	\$ 5,217,024	\$ 4,717,240

On behalf of the Board:



Director



Director

Ontario Good Roads Association
Consolidated Statement of Changes in Net Assets

For the year ended December 31,

2023 2022

Board-Designated Funds

	Unrestricted Net Assets		Invested in Capital Assets		Advocacy	Education Development	Building Reserve	Research	Legal Defence Reserve	Total	Total
Balance, beginning of year	\$ 1,378,406	\$ 1,356,967	\$ 139,632	\$ 303,461	\$ 161,608	\$ 200,000	\$ -	\$ 3,540,074	\$ 3,191,378		
Excess of revenue over											
expenditures for the year	147,549	-	-	-	-	-	-	147,549	348,696		
Appropriations (Note 7)	(20,000)	-	-	-	-	(5,000)	25,000	-	-		
Amortization of capital											
and intangible assets	45,053	(45,053)	-	-	-	-	-	-	-		
Capital asset purchases	(141,417)	141,417	-	-	-	-	-	-	-		
Balance, end of year	\$ 1,409,591	\$ 1,453,331	\$ 139,632	\$ 303,461	\$ 161,608	\$ 195,000	\$ 25,000	\$ 3,687,623	\$ 3,540,074		

Ontario Good Roads Association
Consolidated Statement of Operations

For the year ended December 31, 2023 2022

Revenue		
Member services	\$ 1,258,058	\$ 1,194,358
Education	2,908,886	2,211,375
Conference	1,293,027	968,990
Administration (Note 2)	127,688	72,239
Skill Development Grant (Note 10)	1,478,772	998,505
Total revenue	7,066,431	5,445,467
Expenditures (Note 6)		
Education	2,080,690	1,606,886
Skill Development Grant (Note 10)	1,499,082	998,505
Member services	947,171	719,644
Conference	931,173	752,043
Administration	1,066,961	770,516
Advocacy	398,190	235,924
Total expenditures	6,923,267	5,083,518
Excess of revenue over expenditures before income taxes	143,164	361,949
Income taxes (Note 5)	(4,385)	13,253
Excess of revenue over expenditures	\$ 147,549	\$ 348,696

Ontario Good Roads Association
Consolidated Statement of Cash Flows

For the year ended December 31, 2023 2022

Cash was provided by (used in)		
Operating activities		
Excess of revenue over expenditures	\$ 147,549	\$ 348,696
Adjustments required to reconcile excess of revenue over expenditures with net cash provided by operating activities		
Amortization of capital and intangible assets	45,053	51,039
Changes in non-cash working capital balances		
Accounts receivables	113,734	(130,147)
Inventories	(2,827)	(984)
Prepaid expenses	20,685	(38,955)
Accounts payable and accrued liabilities	324,160	(43,762)
Income taxes payable	(17,588)	(2,551)
Government remittances payable	(20,644)	(45,681)
Deferred revenue	66,307	32,366
	676,429	170,021
Investing activities		
Purchase of capital and intangible assets	(141,417)	-
Net increase in investments	(287,572)	(260,956)
	(428,989)	(260,956)
Increase (decrease) in cash during the year	247,440	(90,935)
Cash, beginning of year	888,204	979,139
Cash, end of year	\$ 1,135,644	\$ 888,204

**Ontario Good Roads Association
Notes to Consolidated Financial Statements**

December 31, 2023

1. Significant Accounting Policies

Nature of Organization

The Ontario Good Roads Association (the "Organization") is one of Canada's largest municipal associations. The mandate of the Organization is to represent the infrastructure interests of municipalities through advocacy, consultation, training and the delivery of identified services. It represents the transportation and public works-related concerns of 444 municipalities and many First Nation communities of Ontario. Since 1984, the Organization has aided municipalities in their efforts to provide efficient and effective transportation systems.

The Organization is incorporated as a not-for-profit organization in Ontario, and is exempt from income tax in Canada under Section 149(1)(f) of the Income Tax Act (Canada).

Basis of Consolidation

The consolidated financial statements include the financial statements of Ontario Good Roads Association and those of its wholly-owned for-profit subsidiary, Ontario 1894 Inc., which was incorporated in 2017 under the Ontario Business Corporations Act. It was established to provide companies and municipalities with software and programs to help minimize the challenges and streamline outdated processes with innovative solutions to complicated problems. It provides products to create easy, cost effective and proactive solutions for municipalities and their interests in North America. All significant intercompany transactions and balances have been eliminated on consolidated.

Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions. 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. Externally restricted contributions, such as government grants, are deferred and recognized as revenue in the year in which the related expenses are recognized.

Conference and education revenue is recognized in the year in which the course or conference is presented. Membership revenue is recognized on a pro-rata basis over the membership year. The portion of membership dues received that relates to a subsequent year is recorded as deferred revenue.

Advertising revenue is recognized in the year in which the advertisement is published. Web App subscriptions, which are non-refundable, are recognized when invoiced.

Investment income, which includes interest, dividends and realized and unrealized gains and losses are recorded in the statement of operations as earned.

Contributions restricted for the purchase or development of capital or intangible assets are recognized on the same basis as the related assets.

**Ontario Good Roads Association
Notes to Consolidated Financial Statements**

December 31, 2023

1. Significant Accounting Policies (continued)

Contributed Services

A number of volunteers contribute their services to the Organization each year. Due to the difficulty in determining their fair value, these contributed services are not recognized or disclosed in the financial statements.

Sponsors also provide services at no charge to the Organization. The value of these contributions is not recognized in these financial statements.

Capital and Intangible Assets

Capital and intangible assets are stated at cost less accumulated amortization. Amortization is provided at the following rates:

Building	- 40 years straight-line basis
Furniture	- 5 years straight-line basis
Computer software - intangible asset	- 5 years straight-line basis

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments in preferred shares are reported at fair value, while all other 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 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.

Inventory

Inventory consists of supplies that are consumed in the delivery of the Organization's courses, workshops and operations. They are recorded at the lower of cost and replacement cost.

Income taxes

The Organization's for-profit subsidiary, Ontario 1894 Inc. follows the taxes payable method in which only current income tax assets and liabilities are recognized. Current income taxes, to the extent unpaid or recoverable, are recorded as a liability or asset. The benefit, if any related to a loss arising in the current period that will be carried back to recover income taxes of a previous period is recorded as a current asset.

**Ontario Good Roads Association
Notes to Consolidated Financial Statements**

December 31, 2023

1. Significant Accounting Policies (continued)

Expense allocation

The Organization allocates staff salaries, benefits and overhead costs to five cost centres based on the estimated percentage of staff time spent on each program area. Such allocations are reviewed annually, updated and applied on a prospective basis. Allocations are detailed in Note 6.

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 amounts of revenue and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Employee future benefits

The Organization contributes to a multi-employer pension plan, with the expense for this plan equal to the Organization's required contributions for the year.

The pension plan is a defined benefit plan to employees as retirement benefits are based on the employee's contributory service; however, the plan is considered to be a defined contribution plan to the Organization since contributions are limited to amounts contractually agreed upon, and the Organization is not required to fund actuarially determined funding deficiencies that may occur.

**Ontario Good Roads Association
Notes to Consolidated Financial Statements**

December 31, 2023

2. Investments

	2023	2022
Guaranteed investment certificates that earn interest between 1.00% to 4.95% (2021 - 1.00% to 3.29%) with maturity dates ranging from Jan 2024 to Mar 2027 (2022 - Feb 2023 to Mar 2027)	\$ 2,391,017	\$ 2,104,006
Preferred shares	35,773	35,212
	<u>2,426,790</u>	<u>2,139,218</u>
Less: short-term investments	871,231	669,815
	<u>\$ 1,555,559</u>	<u>\$ 1,469,403</u>

During the year, the Organization recognized investment income of \$87,712 (2022 - \$32,117).

Short-term investments are composed of guaranteed investment certificates which mature within one year.

3. Capital and Intangible Assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 360,000	\$ -	\$ 360,000	\$ -
Building	1,361,758	419,027	1,361,758	385,358
Furniture	-	-	67,942	67,942
Computer software - intangible asset	331,497	180,897	245,883	225,316
	<u>\$ 2,053,255</u>	<u>\$ 599,924</u>	<u>\$ 2,035,583</u>	<u>\$ 678,616</u>
Net book value	<u>\$ 1,453,331</u>		<u>\$ 1,356,967</u>	

Ontario Good Roads Association
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4. Deferred Revenue

Deferred revenue represents funds received in the current year for events or services to be provided in a subsequent year. The details of the balance at year end is as follows:

	2023	2022
Annual conference	\$ 407,635	\$ 404,150
Educational programs	320,807	309,458
Memberships	130,076	120,642
MMS litigation fund	113,300	113,300
Other deferred revenue	42,039	-
	<u>\$ 1,013,857</u>	<u>\$ 947,550</u>

The continuity of deferred revenue for the year is as follows:

Deferred revenue, beginning of year	\$ 947,550	\$ 915,184
Add: operating revenue received or receivable	7,132,738	5,477,833
Less: operating revenue recognized	<u>(7,066,431)</u>	<u>(5,445,467)</u>
Deferred revenue, end of year	<u>\$ 1,013,857</u>	<u>\$ 947,550</u>

5. Income Taxes

The difference between the Organization's income tax expense and the expense that would otherwise result from the application of the statutory rate of 12.2% (2022 - 12.2%) is as follows:

	2023	2022
Revenue over expenditures before income taxes	\$ 143,164	\$ 361,949
Statutory income tax rate	12.2 %	12.2 %
Computed income tax	17,466	44,158
Less: Computed income tax exempt under Section 149 (1)(f)	71	(28,280)
Temporary differences	294	294
Other	<u>(22,216)</u>	<u>(2,919)</u>
Income tax expense (recovery)	<u>\$ (4,385)</u>	<u>\$ 13,253</u>

Ontario Good Roads Association
Notes to Consolidated Financial Statements

December 31, 2023

6. Allocation of Expenses

The Organization engages in various programs. The expenses that are directly related to each program, such as catering costs for the courses or conference, are allocated to the particular program. The organization also incurs a number of general overhead expenses that are common to the administration of the Organization and each of its programs.

The Organization allocates the staff salaries, benefits and other overhead costs to the program areas based on the estimated percentage of staff time spent in each area, as determined during the Organization's budgeting process. The percentages applied are as follows:

	2023	2022
Education	40%	36%
Member services	20%	23%
Administration	17%	22%
Conference	12%	12%
Advocacy	11%	7%
	<u>100%</u>	<u>100%</u>

7. Board-Designated Funds

Board-designated funds are internally-restricted reserves for special projects, as approved by the Board of Directors. During 2023, the Board approved net appropriations to these funds of \$20,000 (2022 - \$17,647). The appropriations from the internally-restricted reserve funds to the unrestricted fund represent expenditures that have been funded by amounts previously set aside in the funds. The appropriations from the unrestricted fund to the internally-restricted funds represent amounts that have been set aside for future projects.

8. Commitments

As at December 31, 2023, the Organization was committed under project developments and operating leases for the use of various equipment.

The minimum annual payments for the next three years are as follows:

2024	\$ 47,919
2025	33,439
2026	15,419
Total	<u>\$ 96,777</u>

Ontario Good Roads Association
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9. Financial Instrument Risks

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 Organization is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income savings investments.

Credit Rate 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 Organization's credit risk is primarily attributable to its accounts receivable. The Organization manages this risk through proactive collection policies.

Liquidity Risk

Liquidity risk is the risk that the Organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Organization will not have sufficient funds to settle a transaction on the 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 asset. Liquidity risk arises mainly from accounts payable and accrued liabilities, government remittances payable and commitments.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk through its investment in preferred shares.

These risks have not changed from the prior year.

10. Skill Development Grant

In 2022 the Organization was approved for funding of up to \$1,340,579 to be used towards developing an e-Roads Advanced Training project plan. During the year, the Organization incurred \$342,074 (2022 - \$998,505) of costs related to this program. As such, revenue of \$342,074 (2022 - \$998,505) has been recognized. During the year, the Organization was approved for additional funding of \$1,850,728. During the year, the Organization has incurred \$1,179,837 of costs related to this program. As such, revenue of \$1,179,837 has been recognized.

Good Roads Awards 2023 Bursary

Good Roads has awarded its 2023 bursary to Cally Mann who is currently working on her Bachelor of Arts at Toronto Metropolitan University.

Good Roads asked students to submit a 500-word essay to this question:

"Identify a road safety issue in your municipality and how it should be addressed/mitigated?"

Cally identified an incomplete sidewalk to the new park in the Village of Tara and clearly identified the issue and the solution was well thought out, plus added the extra detail providing a budget solution, along with photos and Google maps.

She was awarded \$2,500 for her efforts and we wish her success in her municipal endeavours.



Robin Dunn, Volunteer of the Year Award Winner

Good Roads is honoured to award the Volunteer of the Year Award to Robin Dunn. With an illustrious career spanning over 30 years, Robin has conquered the realm of executive and management roles, earning him the prestigious title of Chief Administrative Officer (CAO) of the Township of Oro-Medonte since 2007. Armed with a Master of Arts in Leadership & Management, a bachelor's degree in business administration, and a Post Graduate Diploma in Strategy & Innovation, Robin is not just your average leader – he's a powerhouse of knowledge and innovation.

Robin isn't just content with conquering the corporate world; he's also a force to be reckoned with in the realm of volunteerism. From his active involvement with Good Roads since 2011, to his leadership roles in Scouts Canada, Robin's dedication to serving his community knows no bounds. He also previously held the position of President at Technology Professionals Canada (TPC) and the Ontario Association of Certified Engineering Technicians & Technologists (OACETT).

In addition, Robin is also a dedicated educator, serving as a Course Director of the C.S. Anderson Road School Effective Management course. His passion for imparting knowledge and molding future leaders is unparalleled, making him a beacon of inspiration for all who have the privilege of learning from him.

Congratulations.

Thank You to Our Volunteers

Thank you to our dedicated volunteers who passionately advocate for better roads, infrastructure and communities. Volunteers choose to impart their gift of knowledge unto others. Thank you for making a significant contribution through volunteerism. Good Roads has upwards of 200 instructors and teaches more than 50 courses each year. Over the past three years Good Roads has educated more than 4,000 professionals in the sector.

Joe Accardi	Savio DeSouza	Kerolus Khalil	Colin Van Niejenhuis	John Stephenson
Mohammed Ahmed	Scott Dodd	Arif Khan	Rory Nisan	Marit Stiles
Heba Ahmed	Alain Duclos	John King	Alexandre Nolet	Enrico Stradiotto
Chris Allen	Robin Dunn	Aleks Kivi	Derek Nunn	Ted Strazimiri
Dawit Amar	Ian Dunn	Melanie Knowles	Stephen O'Brien	Frank Suppa
Doubra Ambaoiwei	Mark Eby	Steven Kodama	Joe O'Donnell	Kinga Surma
Caroline Amyot	Jim Ellerman	Steven Kohler	Harry Oussoren	Mohsin Talpur
Dave Anderson	Rachel Ellerman	Sunil Kothari	Alper Ozer	Dr. Pejooohan
Gary Anderson	Kelly Elliott	Ted Koza	Charles Painter	Tavassoti
Brian Anderson	Mara Engel	Elizabeth Kroonen	Michael Papadacos	Jeremy Taylor
Tony Angelo	Mike Esenwa	Don Kudo	Domenic	Ken Thajer
Maria Apostolakis	Tracy Eso	Terry Kuipers	Passalacqua	Dave Thompson
Lawrence Arcand	Luca Fiore	Stephen Lalonde	Andrew Patricka	Trevor Tinney
Murray Armstrong	Sabrina Fischer-	Jonathan Lampman	Vince Pawis	Brent Toderian
Sheila Ashton	Patterson	James Lane	Christian Pelletier	Michael Touw
Veronica Ayetan	Steven Flisfeder	Tony Lata	Cesar Perez	Chris Traini
Arshad Azhar	Doug Ford	Mark Latyn	Josipa Petrunic	Chris Trombino
David Bangma	Keith Foster	Ken Lauppé	Dan Pickle	Jason Trotter
Dina Barazza	John Fraser	Selena Lavorato	Alex Piggot	Gord Troughton
Imran Bashir	David Fretz	Mike Lawson	Jerry Pinchak	Sina Varamini
Gagan Batra	David Gagné	Stephen Lee	Chris Pincombe	Gelu Vasiliu
Darren Bauman	Suliman Gargoum	Taylor Lefebvre	Mark Popik	Francis Veilleux
Dennis Baxter	Nahed Ghbn	Jean Lepine	Brad Porter	Paul Villard
Justin Baxter	Nick Gilbert	Ivan Levac	Mick Prieur	Tai Vo
Denis Beaulne	Rob Gilmour	Maggie Liu	Pierre Ranger	Amma Wakefield
Kenn Beer	Jordan Girard	Evan Locke	Joseph Reid	Jeramus Wakefield
Nigel Bellchamber	Meredith Goodwin	Donna Longlade	Tyler Renaud	Rob Walton
Jennifer Benedict	Steve Gostis	Li-Lian Lui	Marco Ricci	Clayton Watters
Donn Bernal	Joseph Gowrie	Carole Anne	Bob Richardson	Peter Weltman
Rick Bernard	David Grabel	MacDonald	John Rivers	Bill "William" White
Darnell Bernardo	Jake Gravelle	Mike MacKay	Fausto Robalino	Ray Wilcock
Chait Bhat	Michael Gregory	Emil Marion	Martin Roberts	Travis Wilson
Tracy Blanchard	Andrew Gurllesky	Kevin Martin	Andrea Roberts	Mark Wilson
Erin Bonokoski	Ken Hall	Dan McCarthy	Scott Robinson	Hong Ye
Antoine Boucher	Don Hamly	David McCollum	Lee Robinson	Jason Young
Anne Bourgeault	Peter Hamstra	Brian McEnhill	Cyril Rogers	Lauren Young
Cindy Boyd	Riaz Haq	Eden McKaigue	John Romano	Rizwan Younis
Allan Bradley	Cory Harris	Sean McKenna	Matt Ropp	Beatrice Yung
Peggy Brekveld	Mark Hartley	Simon McLinden	Hassan Rouhani	Salar Zulfiquar
Ashley Bridgeman	Mike Henderson	Christine McMillan	Doug Saccoccia	Steve Zurevinski
Lucas Bromerchenkel	Paul Hewgill	Monte McNaughton	Brian Salazar	
Bruce Brunsch	Will Heywood	Alexander	Alex Sandovski	
Finlay Buchanan	Schellely Hiebert	McPherson	Arti Sanichara	
Robert Burlie	Dave Hill	Paul McShane	Neetika Sathe	
Henry Bykerk	Scott Holmes	Ian McVey	Lori Schaus	
Jeff Celentano	Peter Holt	Erick Merlos	Ron Scheckenberger	
Adam Chaffey	Jesse Hopkins	Alyssa Mohino-Barrie	Mike Schreiner	
Winston Chand	Dave Huffman	Cam Monroe	James Scott	
Jon Clayton	Jason Hunt	Adam Mordaunt	Chris Sealy	
Jason Cole	Stuart Huxley	Patrick Moskwa	Johanne Senecal	
Crispin Colvin	Roberto Impero	Arup Mukherjee	Vince Sferazza	
Don Cooper	Jessica Jaremchuk	Caroline Mulrone	Les Shepherd	
Adam Cripps	Zhiyong Jiang	Andrei Muresan	Steve Shugg	
David Crowder	Sunil Johal	Karla Musso-Garcia	Fahad Shuja	
Doug Culbert	Don Johnson	Chris Myers	Micheal Simons	
Prabir Das	Andrew Jolliffe	Viktoriya Mykytyak	Jamie Simser	
Ben De Haan	Mate Jurkin	Reza Namjouy	Arthur Sinclair	
Ashley De Souza	Ram Kandel	Carla Nell	Liz Sisolak	
Fred Dean	Bart Kanters	Rick Newlove	Tim Smith	
Melanie Debassige	Mohammad Kashani	Ann Newman	Valerie Smith	
Adam Debevc	Mike Kelly	Kristen Newman	Kevin Snider	
Mike Deckert	Alen Kerl	Jessica Ngai	Jon Stadig	
Jeremy Demello	Khaleed Khalfan	Warren Nicholishen	Tara Stephens	

22-1525 Cornwall Rd,
Oakville, Ontario L6J0B2

+1 289 291 6472
info@goodroads.ca

GoodRoads.ca