

Good Roads

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2025 Edition

Building Tomorrow:
Investing in Municipal
Infrastructure



Good Roads

2025 IMPACT REPORT

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

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Message from the President

By: Cheryl Fort
President - Good Roads

When I took the gavel as Good Roads President in April 2025, I did so knowing that this Association has never been content to stand still. For more than 130 years, Good Roads has served as the voice of Ontario's municipalities on transportation and infrastructure, and the 2025–2026 term has been no exception. What follows in this report is a record of a year in which we pushed ourselves to be bolder in our advocacy, more creative in our education programs, and more deliberate in our commitment to inclusion.

We began the term with a choice that, in a small way, told the story of who we are. The Board travelled to Hornepayne, my hometown, a community of roughly 1,000 people in the northern Ontario. The Royal Canadian Legion Branch 194 served as our meeting hall. It was a reminder that Good Roads exists for every community in Ontario, not just the large ones, and that the roads connecting those communities are the arteries of our shared prosperity.

This year also saw us take decisive action on equity, diversity, and inclusion. We launched the Good Roads Women's Forum at the annual Conference, announced the creation of two First Nations seats on the Board of Directors, endorsed AMO's Indigenous Reconciliation Action Plan, and ensured that our own staff completed training in the 4 Seasons of Reconciliation. These are not gestures. They are structural changes that will shape the composition and character of this organization for years to come.

At Queen's Park, we engaged with a legislative session that moved at a remarkable pace. We analyzed and responded to bills on procurement reform, road safety, and construction standards. We pushed the province to design its new Pothole Prevention and Repair Program in ways that better serve small and rural communities. And we introduced a new strategic argument for one of our oldest priorities: the case that Highways 11 and 17 should be classified as national security infrastructure under Canada's NATO commitments. That argument changes the conversation from "is this worth funding?" to "can we afford not to?"

Our education programs reached over 2,100 learners. Municipal Infrastructure Training outperformed its budget by 15%. Our Education and Training team attended the Association for Talent Development Conference to bring back best practices in AI-assisted course development, universal design, and gamification. We launched a new Road Safety School that has quickly become the best training of its kind. And at Guelph Road School, trained more than 1000 students.

The broader sector took notice: Good Roads received a Gold Award in the Best Association Professional Development Program category at the 2025 Brandon Hall Group™ HCM Excellence Awards.

These are the details that make a program work, and our education team sweated every one of them. Behind all of this sits a financial picture that reflects careful management. We closed the year with \$5.69 million in revenue. Our investment portfolio grew to over \$2.5 million. And we invested in a new Association Management System that will modernize how we serve our members. We are not an organization that spends recklessly, but we are one that invests in our future.

I want to thank every Director, committee member, volunteer instructor, and staff member who made this year possible. Good Roads is well positioned for what comes next, and I look forward to seeing where the 2026–2027 Board takes us.

Cheryl Fort
Good Roads President

Governance and Leadership

The Ontario Good Roads Association (known as Good Roads) is a not-for-profit, tax-exempt association formed to represent the transportation and infrastructure interests of municipalities through advocacy, consultation, training, and the delivery of products and services. The Association has been doing this work since 1894.

The 2025–2026 Board of Directors was inaugurated on April 2, 2025, at the Fairmont Royal York in Toronto, following the conclusion of the annual Good Roads Conference. The Board draws its membership from elected municipal officials and senior public works professionals across the province. Its composition reflects the diversity of Ontario’s municipal landscape, from large urban centres like Toronto and the Regional Municipality of York to small townships like Hornepayne, Chatsworth, and Harley and Kerns.

Executive Committee

In accordance with the Good Roads Constitution, the following officers were elected or acclaimed to serve on the Executive Committee:

- **President:** Cheryl Fort, Mayor, Township of Hornepayne. Mayor Fort assumed the presidency having served as First Vice-President during the previous term, in accordance with the Constitution’s succession provisions.
- **First Vice-President:** Paul Ainslie, Councillor, Ward 24 (Scarborough-Guildwood), City of Toronto. Councillor Ainslie advanced from Second Vice-President.
- **Second Vice-President:** Aakash Desai, Treasurer, Township of Chatsworth. Mr. Desai advanced from Third Vice-President.
- **Third Vice-President:** Melissa Abercrombie, Director of Public Works, County of Oxford. Ms. Abercrombie was elected to this position by the Board at its inaugural meeting, having met the three-year minimum service requirement.
- **Immediate Past President:** Antoine Boucher, Director of Public Works and Engineering, Municipality of East Ferris.

The Executive Committee met four times during the term (April 16, June 19, September 11, and November 20) and held an additional meeting on February 4, 2026. Its work

included oversight of the Association’s finances, engagement with the Government of Ontario, the activation of the annual performance program, review of the draft and final 2026 budgets, and direction on the overhaul of the Association’s sponsorship program.

Standing Committees

Good Roads operates through four standing committees, each of which met four times during the 2025–2026 term. These committees do the detailed policy, program, and operational work that feeds into Board decisions:

- **Education and Training Committee**, chaired by Salim Alibhai (Director, Capital Planning and Delivery, Transportation Operations, Public Works, Regional Municipality of York). This committee oversees the Association’s extensive portfolio of education programs.
- **Public Affairs Committee**, chaired by Cathy Burghardt-Jesson (Warden, County of Middlesex). This committee directs Good Roads’ advocacy, government relations, and policy analysis.
- **Research and Product Development Committee**, chaired by Chris Angelo (Chief Administrative Officer, City of Quinte West). This committee manages the Association’s technical research agenda and product offerings.
- **Equity, Diversity and Inclusion Committee**, chaired by Kristin Murray (Councillor, City of Timmins). This committee leads Good Roads’ work on inclusion, reconciliation, and representation.

Meeting Cycle and Governance Actions

The Board and its committees met on four occasions during the 2025–2026 term. The June 2025 meetings were held in Hornepayne, Ontario, at the Royal Canadian Legion Branch 194, marking the first time the Board had convened in a small northern community. The September and November meetings took place at the Fairmont Royal York in Toronto, and the February 2026 cycle returned to the Royal York.

Among the governance actions taken during the term, the Board approved changes to its standing policies through an omnibus resolution, established a resolution tracking system to improve accountability for Board and committee decisions, directed that the Second Vice-President be invited to the 2026 Guelph Road School alongside the President, approved the 2024 Consolidated Audited Financial Statements, directed that the 2024 operating surplus of \$236,995 remain in the Unrestricted Reserve, approved the 2026 budget and all related fee schedules, increased the travel allowance to \$0.72 per kilometre to align with CRA-prescribed mileage rates, and removed an outdated clause regarding phone charges from the Board’s expense policy.

The Board also awarded the 2024 Elaine Robinson Volunteer of the Year Award to Chris Traini (County Engineer, County of Middlesex) and granted an Honorary Life Membership to Nazzareno Capano (Manager, Transportation Policy and Innovation, City of Toronto), recognizing their long and distinguished service to the Association.

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Equity, Diversity, and Inclusion

The Equity, Diversity and Inclusion Committee, chaired by Councillor Kristin Murray of the City of Timmins, with Councillor Alysson Storey of the Municipality of Chatham-Kent serving as Vice-Chair, oversaw several of the most consequential initiatives undertaken by Good Roads during the 2025–2026 term. The committee’s work touched governance, programming, policy analysis, and organizational culture.

Good Roads Women’s Forum

The creation of the Good Roads Women’s Forum (GRWF) was one of the signature accomplishments of the 2025–2026 term. The Forum was the product of extensive committee deliberation over multiple meetings about how to address the underrepresentation of women in municipal leadership and public works. Staff prepared modified Terms of Reference for the Forum, and the Board directed that the Forum be launched at the 2025 Good Roads Conference.

A Women’s Leadership Committee was established and tasked with two specific assignments: first, to gather baseline data on the current representation of women across Good Roads’ membership and programming; and second, to develop a plan that aligns the committee’s work with the Association’s strategic plan. A Women’s Leadership event was held at the Conference, and a dedicated Women in Municipal Leadership Mentorship Program moved forward as a core element of the Forum’s programming. At the September 2025 meeting, the committee recommended that the Board endorse the implementation budget for the mentorship program, a motion that was carried with support from Mahyor Burghardt-Jesson and Mayor Towndale.

First Nations Zone

The Board’s approval of two new First Nations seats on the Board of Directors represents a historic expansion of Good Roads’ governance structure. The creation of a dedicated First Nations Zone was announced at the 2025 Conference, and staff provided implementation progress reports to the





EDI Committee at each subsequent meeting throughout the term.

By the September 2025 meeting, Executive Director Scott Butler was able to report that Chiefs of Ontario had put forward two nominees for the seats, and that staff would be engaging those nominees ahead of the 2026–2027 term. This initiative reflects Good Roads’ commitment to ensuring that Indigenous communities, which manage significant road networks and face unique transportation challenges, have a formal and permanent voice in the Association’s governance.

Truth and Reconciliation

The committee advanced the Association’s response to the Truth and Reconciliation Commission’s Calls to Action on several fronts. A progress report on Good Roads’ TRC implementation was received by the committee. The Board directed that TRC-focused training be built into the schedule of future Board meetings. Staff were directed to bring forward options for completing the 4 Seasons of Reconciliation training before the end of the current term.

At the November 2025 meeting, the committee hosted Max FineDay, CEO of Warshield, to facilitate a TRC workshop for Board and committee members. The committee also recommended that staff prepare correspondence to the Association of Municipalities of Ontario congratulating AMO on the adoption of its Indigenous Reconciliation Action Plan, recognizing the importance of allied organizations moving in the same direction.

Paratransit, Pedestrian Safety, and Accessibility

The committee’s policy work extended to issues of equity in transportation services and infrastructure design. The committee received a report on paratransit reliability and a service measurement metric known as the Misery Index, examining how the quality of paratransit service affects the mobility and independence of persons with disabilities. The committee also examined non-traditional pedestrian cross-

ing markings in Ontario, exploring questions about their effect on lane-assist technology, liability, and deviation from Ontario Traffic Manuals. Staff were directed to report back with a refined framework to support municipal decision-making on these installations.

Municipal Accountability

The committee reviewed and analyzed Bill 9, the Municipal Accountability Act, 2025, which represents the most significant reform to municipal governance accountability in Ontario in decades. Good Roads’ analysis examined the bill’s centralization of authority from municipalities to the province, its two-tiered removal process, and its controversial requirement that councillor removal receive unanimous approval from all non-excluded council members. The analysis drew on perspectives from AMO, AMCTO, Ontario’s Big City Mayors, and the law firm Hicks Morley. The committee also monitored the Charter challenge to the Reducing Gridlock, Saving You Time Act.

Public Affairs and Advocacy

The Public Affairs Committee, chaired by Mayor Cathy Burghardt-Jesson of Township of Lucan-Biddulph, with Mayor Justin Towndale of the City of Cornwall serving as Vice-Chair, directed the most active advocacy program Good Roads has mounted in recent years. The Ontario Legislative Assembly moved at a rapid pace during its fall session, and the committee analyzed and responded to nearly a dozen pieces of legislation and policy proposals.

Legislative Analysis

The breadth of legislative activity affecting municipalities in 2025 was exceptional. The committee reviewed bills and regulatory proposals touching procurement, road safety, construction standards, municipal accountability, environmental assessment, and justice reform. Among the most consequential were:

- **Bill 72, Buy Ontario Act, 2025:** This legislation, which received Royal Assent in December, significantly expanded provincial authority over municipal procurement. The Act prescribes all 444 Ontario municipalities and their local boards as entities that must comply with provincial procurement directives. It mandates a tiered preference system for light-duty fleet vehicles (prioritizing vehicles manufactured in Ontario by Honda, Toyota, Stellantis, and GM), and extends Buy Ontario preferences to capital infrastructure and construction projects. Good Roads raised concerns about the impact on municipal autonomy, administrative burden (particularly for small and northern municipalities lacking procurement staff), fiscal risk from funding clawback provisions, and potential conflicts with Canada's international trade agreements including CETA and the CFTA. Good Roads communicated these concerns through a submission to the Ontario Regulatory Registry.
- **Updates to MPAP/MCEA:** The Ministry of Environment, Conservation and Parks proposed a new regulation under the Environmental Assessment Act to streamline

municipal EA requirements while maintaining environmental protections. A central change was the introduction of a new archaeological assessment process for road and road-related works, which drew both support and criticism from the sector.

- **Harmonization of Municipal Road Construction Standards:** The province's decision to harmonize municipal road construction standards has a profound impact on the work of our members. Good Roads has been providing advice to the Ministry of Transportation to ensure that these changes do not negatively impact municipalities.
- **Slow Down Move Over:** In late 2025, the province consulted on expanding the Slow Down, Move Over (SDMO) law, highlighting the urgent need to better protect municipal roadside workers. Between 2017 and 2023, vehicle strikes caused 232 critical injuries and 25 fatalities in construction workplaces, with municipal public works staff facing daily risks during tasks like pothole repair, winter maintenance, and infrastructure servicing.

In a submission to the province, Good Roads recommended including all "work-related vehicles" equipped with flashing amber lights under the law to create a clear, simple rule for drivers. This would improve public understanding, enforcement, and safety outcomes. Good Roads also stressed that a major gap remains, as many snowplows use blue flashing lights and would still be excluded despite operating in the most hazardous conditions. Expanding protections to cover these vehicles would align safety standards with real-world risks and help prevent injuries and fatalities while ensuring municipalities can continue delivering essential services safely.

Highways 11 and 17: A National Security Case

The committee endorsed what may be the most important strategic shift in Good Roads' advocacy on northern transportation in a generation. Rather than continuing to position improvements to Highways 11 and 17 as a conventional infrastructure priority, Good Roads now advocates for their formal reclassification as NATO-qualifying dual-use national security infrastructure.

The case rests on several pillars. In June 2025, the Prime Minister announced that Canada had committed to NATO's new Defence Investment Pledge of investing 5% of GDP by 2035, with 1.5% allocated to dual-use infrastructure (roughly \$34 billion annually). The Highway 17/11 corridor is Canada's sole east-west surface link connecting Eastern and Western Canada without routing through the United States, and it aligns with multiple NATO baseline requirements for national resilience, including resilient civil transportation systems, resilient food and water resources, and continuity of government and critical services.

The vulnerability of the corridor is well documented. In the three months before July 2025, Highway 17's Thessalon-Nipigon section experienced five closures lasting multiple days each. During closures, Northern

Ontario communities face food insecurity rates rising from 70% to 100% within 48 to 72 hours, as stores typically stock only two to three days of inventory. The 2016 Nipigon Bridge failure demonstrated that a single point of failure can sever the country in half. Canada remains the only G7 nation where this is possible.

The corridor also serves as the gateway to the Ring of Fire and provides access to 31 of 31 critical minerals on Canada's strategic list. The strategic reframing draws on international precedents including the U.S. Interstate Highway System (designed for military transport during the Cold War), and Nordic transportation models from Sweden and Finland (whose 2+1 highway configurations have reduced fatalities by 76% while maintaining military utility).

Government Engagement

Good Roads was engaged by the Ministry of Transportation during the development of the Pothole Prevention and Repair Program in summer 2025. The program, launched in November under the Reducing Gridlock and Saving You Time Act, provides municipalities with populations under 10,000 with up to \$38,000 for eligible pothole prevention and repair projects. During consultations, Good Roads argued that the traditional per-municipality allocation approach unfairly disadvantaged communities that maintain extensive road networks on limited tax bases. Good Roads proposed a funding formula that considered population, the extent of a municipality's road network, and condition data from asset management plans. The Ministry ultimately adopted a simpler equal-share approach.

The province also launched the \$210 million Road Safety Initiatives Fund in November 2025, providing funding for traffic-calming measures in school zones and community safety zones. The first phase directed \$42 million to municipalities that had previously operated speed cameras. An application-based process for the remaining \$168 million opened in early 2026.

A significant legal victory came when the Ontario Court of the Drainage Referee affirmed that national railways must follow Ontario's Drainage Act. The Municipality of

Chatham-Kent brought the case against Canadian Pacific Kansas City over unpaid drainage assessments, a problem faced by many rural communities. Research presented to the court showed more than \$500,000 in unpaid maintenance costs from railways, over \$1 million owing for capital projects, and an additional \$1.7 million in construction work delayed due to stalled cooperation.

Minimum Maintenance Standards Review

The third five-year review of Ontario's Minimum Maintenance Standards continued during 2025, following more than two years of research by the MMS Task Force. Good Roads submitted the draft amendments to the MTO Office of Legislative Counsel in March 2025, and in April the Ministry requested a summary document detailing the rationale for each proposed change.

The proposed amendments include new standards for boulevards, aprons, crosswalks, multi-use pathways, roads maintained in packed snow condition, windrows, and road sand and sidewalk sand. The review also proposes clearer standards for bicycle lanes and an expansion of Significant Weather Event declarations to cover non-winter events such as wind, flooding, and other severe weather. These amendments reflect the growing importance of active transportation, the particular needs of northern municipalities, and the evolution of transportation demands in Ontario.

Additional Advocacy Work

A comprehensive 2025 Good Roads Membership Survey was completed and presented to the committee. The committee also conducted a post-mortem review of the 2025 Advocacy Day at Queen's Park, resulting in a series of recommended improvements for the 2026 event. Staff reported significant progress in re-engaging with elected representatives at Queen's Park over the course of the year. The committee received a report on an infrastructure upload assessment framework, and directed staff to explore opportunities for engagement with the off-road vehicle sector.



Education and Training

Good Roads' education and training programs are the cornerstone of the Association's service to Ontario's municipalities. In 2025, the education portfolio generated \$3.06 million in revenue (99% of the \$3.1 million budget), serving more than 2,100 municipal professionals through a range of in-person, online, and contract delivery formats. The growth trajectory has been striking: from a pandemic low of 901 registrations in 2020, the program reached 2,324 in 2024 (a 158% recovery) and is projected at 2,115 for 2025.

Guelph Road School

Guelph Road School remains one of the largest and most recognized public works training programs in Canada. The 2025 iteration achieved 915 registrations against a target of 930 (98%), generating \$1,114,957 in revenue. While this was the first time GRS missed its target since the pandemic, the year brought several program improvements that position it well for future growth.

GRS 2025 introduced its first comprehensive meal plan, providing hot breakfast and lunch in the university cafeteria along with refreshment breaks near classrooms. This was well received, as it simplified expense management for municipal employers and ensured equity of access for all participants. Registration was moved from Peter Clark Hall to the bright, welcoming Rozanski Hall, creating a more professional and inviting first impression. Led by GRS School Director, Chris Traini, the team piloted a new volunteer recruitment approach, inviting potential volunteers to observe GRS operations followed by lunch discussions about opportunities with Good Roads. Every visitor expressed strong interest in volunteering.

The program featured roughly 60 volunteer instructors who demonstrated what staff described as "unprecedented enthusiasm for program development." Many approached education staff requesting opportunities to improve their courses, update materials, explore interactive teaching methods, and expand their involvement. That enthusiasm helped shape the development of GRIT, Good Roads' new Instructor Training program, described further below. Building on the previous year's successful revamp of TJ Mahony Construction, comprehensive improvements were applied to TJ Mahony Maintenance, including updated workbooks, daily quizzes replacing comprehensive exams, and enhanced visual presentations.

Municipal Infrastructure Training

Municipal Infrastructure Training was the year's standout performer. MIT generated \$815,755 in revenue, exceeding its \$706,755 budget target by 15%. The program delivered training to 414 participants against a target of 363 (114% achievement). Staff attributed the strong results in part to additional marketing efforts during the year. The MIT program's in-person sessions are supplemented by online delivery, which generated an additional \$115,112 in revenue (124% of budget).

Road Safety School

The launch of the Road Safety School was one of the most significant new education initiatives of the year. In its first year of operation, the program generated \$108,000 in revenue. The 2026 budget projects \$182,500, reflecting strong confidence in the program's growth trajectory. The School's inaugural curriculum included four courses: Road Safety Audit, Barriers, Design for Movement: Active Transportation, and Safe Intersection Design, with Traffic Safety Analytics scheduled to join the lineup in 2026. The Road Safety School complements Good Roads' broader research and advocacy work on road safety, including its rural road safety initiative and engagement with the Transportation Research Board's Low Volume Road Committee.

Virtual and Online Programs

Good Roads' virtual and online education offerings have grown into a major revenue stream since launching in fall 2022. In 2025, the virtual school and online programs generated \$596,251 (92% of the \$648,230 budget). Online GRS generated \$368,331, online MIT contributed \$115,112, and online Snow School reached \$100,800. The rapid capture of market share by the online channel (from zero in 2021 to 24% of total registrations by 2024) represents one of the most successful digital transformations in the municipal training sector. Informed by a thorough review of learner feedback, the education team is actively refining existing online courses and applying those insights to new development, ensuring that the quality of the learning experience keeps pace with the program's growth.

Contract Course Growth

Contract courses, which involve customized on-site training delivered directly to individual municipalities and organizations, were another notable success. Revenue reached \$191,060, well above the \$124,400 budget target (154% achievement). During the second quarter alone, Good Roads delivered contract courses to organizations including Oxford County, Ontario Clean Water Agency, Ontario Power Generation, the Municipality of Sioux Lookout in partnership with the City of Dryden, and Six Nations of the Grand River. Courses in progress included work for the Region of Waterloo, the City of Ottawa, the City of Calgary, and the City of Toronto.

Staff noted that this growth reflects a broad shift toward customized, location-specific training. The approach also creates meaningful opportunities for volunteer



instructors to contribute their expertise through contracted delivery, demonstrating appreciation for their skills while providing pathways for professional growth.

Course Development and Innovation

The Board approved \$79,976 from the Education Development Reserve for course development in 2025. Investments included the development of an Online Program Uplift through Artha Learning Inc., an Instructor Training Course through Hurix, and planning for a gravel roads best practices course. The committee also approved a \$2,500 enhancement to the Documentation Training Course.

The Instructor Training Course forms the foundation of a broader initiative called the Good Roads Instructor Training (GRIT) program. Designed to equip Good Roads' volunteer instructors with structured instructional skills, onboarding resources, and easy access to the documents and forms they need to succeed in the classroom, GRIT represents a significant investment in the people who make Good Roads' training programs possible. Following beta testing and a final round of revisions, the program is on track to launch in fall 2026.

Two instructional designers, Kyla Di Perna and Tracy Scott, attended the Association for Talent Development (ATD) Conference, bringing back insights in narrative course design and scenario development for more immersive courses, process documentation and AI integration, multimedia enhancement through AI tools for animated videos and VR experiences, universal design and accessibility (including effective alt text writing), automation and gamification strategies that enhance learning outcomes, and presentation design excellence. These insights are being applied to the Association's ongoing course development process. Di Perna and Scott also presented at the D2L Fusion Conference in June 2025. This was the third consec-

utive year Good Roads has been invited to present. Their session focused on integrating active learning exercises into online courses, sharing strategies for keeping online learners engaged through regular opportunities to think, click, and interact rather than passively consuming content.

Academic Integrity

The Education and Training Committee addressed an academic integrity case during the year, demonstrating the seriousness with which Good Roads treats the credentialing value of its programs. An instructor documented suspicious behaviour during a Soils Technology examination. The Appeal Committee conducted thorough interviews, reached unanimous decisions on both participants, and identified lessons about the challenges that modern technology (smartphones, AI tools) creates for maintaining integrity in testing environments. The Education Department is now evaluating enhanced proctoring protocols, alternative assessment methods, and updated examination procedures.

Market Position

Good Roads' education program has established a strong market leadership position. While the global corporate training market achieved 12% growth in 2024, Good Roads delivered 25% growth (from 1,866 to 2,324 registrations), placing the organization in the top 10% of training providers. Over the past decade, registrations have grown from 1,608 in 2015 to a projected 2,115 in 2025, with the portfolio transforming from a primarily GRS-dependent offering into a balanced mix of in-person, online, and contract delivery. That leadership was recognized on the international stage when Good Roads received a Gold Award in the Best Association Professional Development Program category at the 2025 Brandon Hall Group™ HCM Excellence Awards, one of the most prestigious recognition programs in the human capital management field.

Research and Product Development

The Research and Product Development Committee, chaired by Chris Angelo (Chief Administrative Officer, City of Quinte West) with Salim Alibhai (Director, Capital Planning and Delivery, Transportation Operations, Regional Municipality of York) as Vice-Chair, advanced Good Roads' technical research agenda across multiple fronts. The committee's work includes academic partnerships, product management, standards development, and international engagement.

AI-Based Pavement Deficiency Detection

The committee received a detailed technical report on AI-based pavement deficiency detection systems. The report explored how artificial intelligence and machine learning can improve the assessment of road surface conditions across Ontario's municipal networks. As municipalities manage nearly 299,000 lane kilometres of road and close to 20,000 structures, the potential for automated condition assessment to improve decision-making and reduce costs is substantial.

Environmental Research: Road Salt and Freshwater Ecosystems

A proposal was received for a whole-lake salt experiment at the IISD Experimental Lakes Area, a world-renowned research facility. The proposed study would examine the environmental impacts of road salt on freshwater ecosystems, a growing concern for municipalities that must balance winter road safety with environmental stewardship. This research would contribute to the evidence base that informs salt application practices across the province.

Smart Snowplow Technology

In partnership with the University of Guelph and Flodraulics, Good Roads continued research into smart salt truck technology for improved road safety and protection of salt-vulnerable areas. The project, which received \$639,000 from the Ontario Research Fund, investigates mapping of salt-vulnerable areas, modelling of micro-climates within urban environments, analyzing the relationship between road weather and salt application rates, optimizing salt usage, and evaluating new sensor technology. Good Roads has pledged \$40,000 over four years. The project had a suc-

cessful first winter season and plans to expand testing to more vehicles and a second municipality.

Gravel RAP Research

Good Roads has pledged \$125,000 over five years to the University of Waterloo for research on the use of reclaimed asphalt pavement (RAP) as an aggregate source to control dust, reduce aggregate loss, and improve performance on gravel roads. The research proposal was resubmitted to NSERC after an initial round of review, and while some delays occurred, the program is expected to proceed in 2026.

2025 Ontario Paving Report

Good Roads, in partnership with the Ontario Asphalt Pavement Council (OAPC), published the 2025 Ontario Paving Report, a comprehensive analysis of municipal paving practices, HMA production, and recycled asphalt pavement (RAP) quantities across the province. Based on survey responses from 77 municipalities, the report estimated that 2.05 million tonnes of hot mix asphalt would be used in municipal paving during the 2025 construction season. The report also documented 2.9 million tonnes of available RAP across 109 facilities, tracked RAP consumption trends, and presented best practices for RAP stockpiling, processing, and sampling. An estimated 529,496 potholes were reported fixed across Ontario in 2024.

Additional Research Activities

Good Roads' research footprint extends across a wide network of partnerships and committees. The Association is represented on the Transportation Association of Canada's committees for Asset Management, Climate Change, Pavements, Roadside Safety, Soils and Materials, and Small Municipalities. Good Roads also participates in the National Research Council's project to quantify RAP and recycled concrete aggregates across Canada, with the Ontario portion (109 facilities scanned) completed in March 2025.

Internationally, Good Roads presented on paved and unpaved road design, construction, maintenance and rehabilitation in Canada at the PIARC TC 2.2 meeting in Dakar, Senegal. James Smith, Manager of Technical Programs and Research, was appointed as the English-speaking secretary of the PIARC technical committee on Roads for Equity, Accessibility and Mobility in Rural and Interurban Areas.

The GR Product Guide web application was launched on March 10, 2025, with the Good Roads Conference serving as the key promotional venue. The Product Management Committee held its second meeting in May, reviewing 11 product applications and beginning work on a standardized product evaluation form. Cities of Ottawa, Winnipeg, Richmond Hill, and the Town of Aurora are on board with the platform.

Good Roads' infrastructure deficit tracking shows a growing challenge. Analysis of 385 revised asset management plans found a municipal roads and bridges deficit of \$44.43 billion in 2024, up from \$34.7 billion in 2019. The total replacement value of Ontario's municipal road and bridge infrastructure stands at \$182.6 billion.



2025 Good Roads Conference

The annual Good Roads Conference, held at the Fairmont Royal York in Toronto, continued its tradition as one of Ontario's largest and most important municipal infrastructure gatherings. The Conference served as the platform for several of the year's most significant announcements: the launch of the Women's Forum, the announcement of the First Nations Zone, and the debut of the GR Product Guide web application.

Financial Performance

The Conference produced strong financial results, with total revenue of \$1,435,236 (99% of the \$1,454,550 budget) and expenditures of \$1,139,539 (93% of the \$1,230,785 bud-

get), generating a net surplus of approximately \$295,700. Sponsorship revenue was the standout category, reaching \$165,750 against a budget of \$88,200, an 88% over-performance that reflects growing corporate engagement with the Association. Partial delegate registrations also exceeded target at 122% of budget. The Conference featured a full program of technical sessions, the XChange networking event, study tours, the Emerging Leaders Forum, a Women's Leadership event, a VIP dinner for the Board, past presidents, and staff, and the Presidents' Dinner.

Revenue Category	Budget	Actual	% of Budget
Full Delegate Registration	\$876,850	\$812,570	93%
Partial Delegate Registration	\$60,200	\$73,678	122%
Student Registration	\$2,000	\$2,037	102%
Exhibitor Booths	\$425,800	\$379,600	89%
Sponsorships	\$88,200	\$165,750	188%
Cancellation Fees	\$1,500	\$1,600	107%
Total Conference Revenue	\$1,454,550	\$1,435,236	99%



Financial Performance

Good Roads finished 2025 with total revenues of \$5,689,542 (99% of the \$5,759,360 budget) and total expenditures of \$5,982,536 (98% of the \$6,108,030 budget). The year produced an operating deficit of \$292,995 before reserve transfers, a result that was anticipated in the budget planning process. After approved reserve transfers totalling \$353,039, the adjusted net result was a surplus of \$60,044.

Revenue Performance

Revenue Area	Budget	Actual	% of Budget
Administration	\$158,000	\$190,849	121%
Conference	\$1,454,550	\$1,435,236	99%
Education	\$3,104,890	\$3,061,282	99%
Member Services	\$1,041,920	\$1,002,175	96%
Total Revenue	\$5,759,360	\$5,689,542	99%

Administration revenue exceeded budget at 121%, driven by strong interest income of \$115,516. Conference revenue landed at 99% of target, with sponsorships providing a major boost. Education revenue also reached 99%, anchored by MIT's 115% overperformance. Member services reached 96%, with municipal and First Nations membership revenue at \$585,303 (98% of the \$594,500 target).

Reserve Fund Management

Good Roads maintains six designated reserves that fund specific initiatives. The following transfers were approved for 2025:

- Advocacy and Special Projects (\$109,249 closing balance): \$15,383 transferred for Queen's Park Day expenses and \$15,000 for the Bond Initiative.
- Education Development (\$223,486 closing balance): \$79,976 transferred for course development, including the Online Program Uplift, Instructor Training Course, and related work.
- Research (\$185,000 closing balance): \$10,000 transferred for the Smart Snowplow research project.
- Building Reserve (\$161,608): No activity in 2025.
- MMS Litigation Fund (\$113,300): No activity in 2025.
- Legal Defense Fund (\$25,000): No activity in 2025.

Association Management System

The most significant infrastructure investment of the year was \$232,680 spent on the development and implementation of a new Association Management System. This project, funded from the Unrestricted Reserve, will modernize how Good Roads manages member data, event registration, education enrolment, communications, and internal operations. The investment exceeded the original \$178,800 budget, and the system was in active implementation throughout the year.

Membership

Municipal and First Nations membership revenue reached \$585,303, reflecting stable engagement across the province. Corporate membership contributed \$123,500. The 1894 Inc. subsidiary provided \$169,420 in support revenue to the Association. Career postings generated \$98,900, and the Good Roads Quarterly publication contributed \$15,550. Total member services revenue was \$1,002,175.



Looking Ahead: 2026

The 2026 budget projects total revenues of \$6,087,600 and total expenditures of \$6,355,500, with transfers from reserves expected to bring the adjusted result to a modest deficit of \$7,300. This represents an ambitious growth plan, with education revenue projected to climb from \$3.06 million to \$3.44 million and the Road Safety School expected to grow from \$108,000 to \$182,500.

The year ahead carries a full agenda. Good Roads will continue its advocacy on Highways 11 and 17, the Buy Ontario Act, the MMS Third Five-Year Review, and the new Road Safety Initiatives Fund. The Women's Forum will expand its programming and the Women in Municipal Leadership Mentorship Program will launch. The First Nations Zone will welcome its first representatives to the Board of Directors, supported by the nominations brought forward by Chiefs of Ontario.

On the education front, the Road Safety School will scale to its first full year of operation. Online and virtual programs will continue to expand, with 3 new courses coming by the end of 2026 and continued growth of online Snow School, online GRS, and online MIT. The new Association Management System will be fully operational and integrated with our Learning Management System, and the digital marketing strategy will shift budget toward Google Ads and away from underperforming platforms.

The 2026 Good Roads Conference will return to the Fairmont Royal York in Toronto, and the June committee and Board meetings are scheduled for Chatham, Ontario. The committee also directed staff to extend an invitation to the Chair of the Rural Ontario Municipal Association to address delegates at the Conference.

Good Roads enters 2026 with strong reserves, a growing portfolio of education and research programs, a clear advocacy agenda, and a Board committed to advancing the infrastructure interests of all Ontario municipalities. The organization that was founded in 1894 to get Ontario's farmers out of the mud has never stopped moving forward.





Audited Financial Statements



Durante Colasanti LLP
120 Jevlan Drive, Unit 2B
Woodbridge, ON, L4L 8G3
Canada

Tel: 416-964-8433
www.durcollp.com

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 which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of changes in net assets, operations, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Ontario Good Roads Association as at December 31, 2025 and the 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 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 of our opinion.

Other Matter - Predecessor Auditor

The consolidated financial statements of Ontario Good Roads Association as at and for the year ended December 31, 2024, were audited by another auditor who expressed an unmodified opinion on those statements dated March 11, 2025.

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

Management is responsible for the preparation and fair presentation of the 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 Ontario Good Roads 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 Ontario Good Roads Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Ontario Good Roads Association's financial reporting process.

Auditor's Responsibilities 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.

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 Ontario Good Roads 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 Ontario Good Roads Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw your 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 Ontario Good Roads Association 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.

Durante Colasanti LLP

**Chartered Professional Accountants
Licensed Public Accountants**

**Woodbridge, Ontario
March 20, 2026**

ONTARIO GOOD ROADS ASSOCIATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	2025	2024
ASSETS		
Current assets		
Cash - <i>Note 3</i>	\$ 777,106	\$ 1,281,743
Short-term investments - <i>Note 4</i>	331,605	619,907
Accounts receivable	154,894	199,617
Prepaid expenses	182,289	142,608
Inventories	24,110	2,263
Income taxes recoverable	<u>13,204</u>	<u>10,972</u>
	<u>1,483,208</u>	<u>2,257,110</u>
Long-term assets		
Investments - <i>Note 4</i>	2,175,372	2,165,768
Capital and intangible assets - <i>Note 5</i>	<u>1,489,084</u>	<u>1,580,441</u>
	<u>3,664,456</u>	<u>3,746,209</u>
	<u>\$ 5,147,664</u>	<u>\$ 6,003,319</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 207,974	\$ 263,265
Government remittances payable	124,967	172,801
Deferred revenue - <i>Note 7</i>	<u>1,307,286</u>	<u>1,623,263</u>
	<u>1,640,227</u>	<u>2,059,329</u>
Net assets		
Unrestricted	1,314,010	1,538,848
Invested in capital assets	1,489,084	1,580,441
Board-designated funds - <i>Note 11</i>		
Advocacy and special projects	109,249	139,632
Education development	223,486	303,461
Building reserve	161,608	161,608
Reserve for research	185,000	195,000
Legal defence reserve	<u>25,000</u>	<u>25,000</u>
	<u>3,507,437</u>	<u>3,943,990</u>
	<u>\$ 5,147,664</u>	<u>\$ 6,003,319</u>

Approved on behalf of the Board:

 Director

 Director

ONTARIO GOOD ROADS ASSOCIATION
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

2025 **2024**

		Board-Designated Funds						
	Unrestricted Net Assets	Invested in Capital Assets	Advocacy	Education Development	Building Reserve	Research	Legal Defence Reserve	Total
Balance, beginning of year	\$ 1,538,848	\$ 1,580,441	\$ 139,632	\$ 303,461	\$ 161,608	\$ 195,000	\$ 25,000	\$ 3,943,990
Excess (deficiency) of revenue over expenditures	(436,553)	-	-	-	-	-	-	(436,553)
Capital and intangible asset purchases	(5,610)	5,610	-	-	-	-	-	-
Amortization of capital and intangible assets	96,967	(96,967)	-	-	-	-	-	-
Appropriations - <i>Note 11</i>	<u>120,358</u>	<u>-</u>	<u>(30,383)</u>	<u>(79,975)</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 1,314,010</u>	<u>\$ 1,489,084</u>	<u>\$ 109,249</u>	<u>\$ 223,486</u>	<u>\$ 161,608</u>	<u>\$ 185,000</u>	<u>\$ 25,000</u>	<u>\$ 3,507,437</u>
								<u>\$ 3,943,990</u>

ONTARIO GOOD ROADS ASSOCIATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
REVENUE		
Education	\$ 3,061,282	\$ 3,123,230
Conference	1,435,236	1,341,959
Member services	1,052,950	1,176,887
Administration - <i>Note 4</i>	190,849	203,065
Skill Development Grant - <i>Note 12</i>	<u>-</u>	<u>706,643</u>
Total revenue	<u>5,740,317</u>	<u>6,551,784</u>
EXPENSES - <i>Note 10</i>		
Education	2,516,484	2,187,743
Administration	1,216,876	1,055,995
Conference	1,137,523	1,136,191
Member services	879,656	824,113
Advocacy	433,773	390,738
Skill Development Grant - <i>Note 12</i>	<u>-</u>	<u>711,609</u>
Total expenses	<u>6,184,312</u>	<u>6,306,389</u>
Excess (deficiency) of revenue over expenses before income taxes	(443,995)	245,395
Income tax recovery - <i>Note 8</i>	<u>7,442</u>	<u>10,972</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ (436,553)</u>	<u>\$ 256,367</u>

ONTARIO GOOD ROADS ASSOCIATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
CASH INFLOWS (OUTFLOWS)		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ (436,553)	\$ 256,367
Non-cash items		
Amortization of capital and intangible assets	96,967	42,852
Net change in non-cash working capital items (below)	<u>(438,139)</u>	<u>375,727</u>
Cash provided from (used in) operations	<u>(777,725)</u>	<u>674,946</u>
INVESTING ACTIVITIES		
Purchase of capital and intangible assets	(5,610)	(169,962)
Net decrease (increase) in investments	<u>278,698</u>	<u>(358,885)</u>
Cash provided from (used in) investing activities	<u>273,088</u>	<u>(528,847)</u>
NET CASH ACTIVITY FOR THE YEAR	(504,637)	146,099
CASH, BEGINNING OF YEAR	<u>1,281,743</u>	<u>1,135,644</u>
CASH, END OF YEAR	<u>\$ 777,106</u>	<u>\$ 1,281,743</u>
Net change in non-cash working capital items:		
Accounts receivable	\$ 44,723	\$ (68,727)
Inventories	(21,847)	8,080
Prepaid expenses	(39,681)	(82,582)
Accounts payable and accrued liabilities	(55,291)	(237,697)
Income taxes recoverable	(2,232)	(6,587)
Government remittances payable	(47,834)	153,834
Deferred revenue	<u>(315,977)</u>	<u>609,406</u>
	<u>\$ (438,139)</u>	<u>\$ 375,727</u>

ONTARIO GOOD ROADS ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

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).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Ontario 1894 Inc. was incorporated in 2017 under the Ontario Business Corporations Act and was formed to develop and provide software and related tools that assist municipalities and other organizations in simplifying complex processes and improving operational efficiency. The subsidiary offers cost-effective solutions intended to support municipal activities across North America. All significant intercompany transactions and balances have been eliminated on consolidation.

Basis of Accounting

These consolidated financial statements have been prepared using Canadian accounting standards for not-for-profit organizations. These standards are in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value. It subsequently measures all its financial assets and liabilities at amortized cost, except for investments in instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations. 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.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Prepaid Expenses

Prepaid expenses are recorded for goods and services being received in the next fiscal year but paid for in the current fiscal year. The balance at year end represents prepaid insurance and deposits for future events.

ONTARIO GOOD ROADS ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

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

Cloud Computing Arrangements

The Organization has elected to apply the simplification approach for accounting for cloud computing arrangements. Under this method, implementation and configuration costs are expensed as incurred, consistent with the accounting treatment of the related service fees. Payments made in advance are recorded as prepaid expenses and recognized in operations over the term of the arrangement. See Note 6.

Revenue Recognition

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

Conference and education revenue is recognized when the related conference or course occurs. Membership revenue is recognized on a straight-line basis over the membership period, and the portion of membership fees received in advance relating to future periods is recorded as deferred revenue.

Advertising revenue is recognized in the year when the advertisement is published. Non-refundable web application subscription revenue is recognized over the term of the subscription as the related services are provided.

Investment income, including interest, dividends, and realized and unrealized gains and losses, is recognized in the statement of operations as it is earned.

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

Inventory

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

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 10.

ONTARIO GOOD ROADS ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles 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 expenses during the reporting period. Estimates are used when accounting for certain items such as the allocation of expenses to different programs and accrued liabilities.

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

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.

Contributed Services

Volunteers contribute many hours per year and other service providers contribute services at no charge to assist the Organization in carrying out its objectives. While these services benefit the organization considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

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

Income Taxes

The Organization's for-profit subsidiary, Ontario 1894 Inc., accounts for income taxes using the taxes payable method, under which only current income tax assets and liabilities are recognized. Current income taxes payable or recoverable are recorded as a liability or asset, based on amounts owing or refundable. Any benefit related to a current-year loss that is expected to be carried back to recover taxes paid in prior years is recognized as a current asset.

ONTARIO GOOD ROADS ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

2. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure.

Liquidity Risk

Liquidity risk is the risk the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to liquidity risk arising from meeting its payments to creditors including accounts payables and accrued liabilities, government remittances payable, and commitments. The Organization expects to meet obligations as they come due primarily from cash flow from operations.

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 Organization has exposure to the credit risk arising from accounts receivable.

Periodically, the Organization assesses the collectibility of its accounts receivable and provides an allowance for doubtful accounts as appropriate. At December 31, 2025, the allowance for doubtful accounts was \$nil (\$nil in 2024). The Organization's losses due to credit have historically been minimal.

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.

Other Price Risk

Other price risk is the risk that the fair value of 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 trading in the market. The Organization is exposed to other price risk through its investments.

3. CASH

Cash is comprised of amounts on deposit with a Canadian bank.

ONTARIO GOOD ROADS ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

4. INVESTMENTS

Investments are composed of the following:

	<u>2025</u>	<u>2024</u>
Fixed income (short-term)	\$ 306,908	\$ 619,907
Fixed income (long-term)	2,128,603	2,124,297
Mutual funds (short-term)	24,697	-
Preferred shares (long-term)	<u>46,769</u>	<u>41,471</u>
	<u>\$ 2,506,977</u>	<u>\$ 2,785,675</u>

Investment income is composed of:

	<u>2025</u>	<u>2024</u>
Interest	\$ 80,719	\$ 136,303
Dividends	1,820	-
Realized and unrealized investment gains	<u>32,977</u>	<u>-</u>
	<u>\$ 115,516</u>	<u>\$ 136,303</u>

Fixed income investments consist of guaranteed investment certificates and bonds yielding interest between 2.20% to 4.43% (2.90% to 4.95% in 2024) with maturity dates ranging from March 2026 to June 2031 (February 2025 to February 2029 in 2024). Investments designated as short-term are anticipated to mature or be sold within the next 12 months.

5. CAPITAL AND INTANGIBLE ASSETS

Capital and intangible assets, recorded at cost, are as follows:

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2025 Net</u>	<u>2024 Net</u>
Land	\$ 360,000	\$ -	\$ 360,000	\$ 360,000
Building	1,361,758	486,365	875,393	909,062
Computer software - intangible asset	<u>507,069</u>	<u>253,378</u>	<u>253,691</u>	<u>311,379</u>
	<u>\$ 2,228,827</u>	<u>\$ 739,743</u>	<u>\$ 1,489,084</u>	<u>\$ 1,580,441</u>

6. CLOUD COMPUTING ARRANGEMENTS

During 2025, the Organization expensed cloud computing implementation and subscription costs of \$338,020 (\$nil in 2024). These costs were allocated among the five programs based on the approved allocation rate (Note 10).

ONTARIO GOOD ROADS ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

7. DEFERRED REVENUE

Deferred revenue represents amounts received prior to year end for which the related events or services have not yet been provided, and accordingly are recognized as revenue in the period in which they are earned. Most of this deferred revenue will be recognized as revenue in the next fiscal year. The balances as at year end consist of the following:

	<u>2025</u>	<u>2024</u>
Annual conference	\$ 448,020	\$ 686,848
Memberships	367,883	313,975
Educational programs	339,323	509,140
MMS litigation fund	113,300	113,300
Other deferred revenue	<u>38,760</u>	<u>-</u>
	<u>\$ 1,307,286</u>	<u>\$ 1,623,263</u>

The continuity of the deferred revenue is as follows:

Deferred revenue, beginning of year	\$ 1,623,263	\$ 1,013,857
Revenue received or receivable in the year	5,424,340	7,161,190
Less operating revenue recognized in the year	<u>(5,740,317)</u>	<u>(6,551,784)</u>
Deferred revenue, end of year	<u>\$ 1,307,286</u>	<u>\$ 1,623,263</u>

8. RECONCILIATION OF INCOME TAX PROVISION

The impact of the difference between the Organization's reported income tax expense and the expense that would otherwise result from the application of statutory rates is as follows:

	<u>2025</u>	<u>2024</u>
Income tax recovery (provision) at statutory rates on financial statement income at 12.20% (12.20% in 2024)	\$ 54,167	(29,938)
Income tax exempt under Section 149(1)(f)	(49,529)	11,931
Capital cost allowance in excess of amortization	25,446	-
Non-capital losses available for carryforward to future years	(39,441)	-
Other adjustments	<u>16,799</u>	<u>28,979</u>
Effective income tax recovery	<u>\$ 7,442</u>	<u>\$ 10,972</u>

The Organization has losses, for income tax purposes, of \$323,287 that are available to reduce future taxable income. These losses expire on December 31, 2045.

ONTARIO GOOD ROADS ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

9. COMMITMENTS

As at December 31, 2025, the Organization was committed under operating leases for the use of various equipment and under service contracts for cloud computing arrangements.

The minimum annual payments for the next five years and thereafter are as follows:

	<u>Total</u>
Year ended December 31, 2026	\$ 103,081
2027	106,026
2028	11,392
2029	11,392
2030 and thereafter	<u>8,544</u>
	<u>\$ 240,435</u>

10. 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:

	<u>2025</u>	<u>2024</u>
Education	41%	41%
Member services	16%	16%
Administration	19%	19%
Conference	14%	14%
Advocacy	<u>10%</u>	<u>10%</u>
	<u>100%</u>	<u>100%</u>

11. BOARD-DESIGNATED FUNDS

Board-designated funds are internally-restricted reserves for special projects, as approved by the Board of Directors. During 2025, the Board approved net appropriations to these funds of \$120,358 (\$nil in 2024). 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.

ONTARIO GOOD ROADS ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

12. SKILL DEVELOPMENT GRANT

In 2023, the Organization was approved for funding of \$1,850,728 from Ontario's Skills Development Fund program. The program was completed in 2024. Accordingly, in 2024 the Organization incurred program costs of \$711,609 and recognized related revenue of \$706,643. No program costs were incurred and no revenue was recognized in 2025.

13. COMPARATIVE FIGURES

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

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	Aakash Desai	Bart Kanters	Kristen Newman	Michael Simons
Amma Agbedor	Savio DeSouza	Jared Karr	Jessica Ngai	Arthur Sinclair
Heba Ahmed	Arjun Dogra	Jim Keech	Warren Nicholishen	Tim Smith
Mohammed Ahmed	Sean Donovan	Madison Keegans	Colin Van Niejenhuis	Valerie Smith
Ali Al-Abbasi	Ricardo Dos Reis	Amanda Kellett	Vladimir Nikolic	Alex Snell
Yashar Azimi	Hank Dube	Mike Kelly	Ian Nokes	Kevin Snider
Alamdary	Alain Duclos	Patrick Kelly	Derek Nunn	Ahmed Soliman
Chris Allen	Robin Dunn	Aidan Kennedy	Stephen O'Brien	Doug Spooner
Doubra Amajoiwei	Dave Eadie	Alen Keri	Joe O'Donnell	David Sproule
Wally Amaral	Mark Eby	Kal Khaleed	Ole Olade	Jon Stadig
Doubra Ambaiwei	Kristin Eklöf	Kerolus Khali	Nedim Oren	Ulf Stahmer
Brian Anderson	Jim Ellerman	Abigail Khan	Harry Oussoren	Tara Stephens
Dave Anderson	Rachel Ellerman	Arif Khan	Grace Oyeyi	John Stephenson
Dina Anderson	Mara Engel	Aleks Kivi	Charles Painter	Marit Stiles
Ryan Andre	Mike Esenwa	Joe Knight	Charles Painter	Alysson Storey
Sarah Andrew	Tracy Eso	Melanie Knowles	Jeff Pajot	Enrico Stradiotto
Tony Angelo	Mehran Farashah	Steven Kodama	Andrew Particka	Ian Strong
Justine Arbour	Kyla Farmer	Sunil Kothari	Domenic	Peter Suchardo
Lawrence Arcand	Luca Fiore	Mario Kotowski	Passalacqua	Frank Suppa
Parinaz Ataeian	Sabrina Fischer-	Ted Koza	Mike Pearsall	Adam Sweanor
Mike Aurilio	Patterson	Ken Krcel	Kelly Pender	Mohsin Talpur
Daniel Baggio	Steve Forester	Don Kudo	Cesar Perez	Nectar
Dina Barazza	David Gagne	Anita Lafferty	Rowan Peterson	Tampacopolous
Colleen Barfoot	Rushan Galgoda	Stephen Lalonde	Joseph Petrungaro	Gwen Tassone
Dina Barazza	Kate Geng	Robert Lambert	Dan Pickle	Steve Tavares
Imran Bashir	Ghassan Ghali	Natalie Langlois	Alex Piggot	Pejoohn Tavassoti-
Adrienne Batra	Bahram Gharabaghi	Tony Lata	Jerry Pinchak	Kheiry
Dennis Baxter	Kyle Gibson	Mark Latyn	Samantha Pinto	Bethany Taylor
Justin Baxter	Nick Gilbert	Ken Lauppe	Mark Popik	Jeremy Taylor
Denis Beaulne	Adam Gilmore	Selena Lavorato	Brad Porter	Adrian Tena-Russell
Amin Behrad	Rob Gilmour	Michael Lawson	Mick Prieur	Ken Thajer
Nigel Bellchamber	Jennifer Goddard	Stephen Lee	Charlie Rasmussen	Chris Thibert
Abram Benedict	Meredith Goodwin	Warren Lee	Mohammad Reghabi	Bill Thompson
Lanrick Bennett Jr.	Steve Gostis	Taylor Lefebvre	Joseph Reid	Dave Thompson
Donn Bernal	Katie Gotsman	Jean Lépine	Jeremy Reimer	Tim Tierney
Darnell Bernardo	David Grabel	Rene Leprade	Tyler Renaud	Trevor Tinney
Tracy Blanchard	Daniel Grant	Joshua Li	Marco Ricci	Stephanie Tino
Adam Boddy	Michael Gregory	Evan Locke	Leslie Rich	François Tomeo
Erin Bonokoski	Jannat Gulfam	Kees Longo	Bob Richardson	Michael Touw
Dhruvil Borada	Andrew Gurleskey	Selena Lovato	Fausto Robalino	Edgar Tovilla
Antoine Boucher	Brandon Hall	Prabdeep Lubana	Martin Roberts	Chris Traini
Katja Boutou	Ken Hall	Cathy Lunt	Tim Robertson	Hoang Tran
Cindy Boyd	Peter Hamstra	Carole Anne	Lee Robinson	Chris Trombino
Maria Bradley	Jamie Hanson	MacDonald	Scott Robinson	Gord Troughton
Zlatko Broic	Riaz Haq	John MacDonald	Chad Rogers	Muhammad Usama
David Briand	Matthew Harding	Fernando Magisano	Matt Ropp	Sina Varamini
Ashley Bridgeman	Cory Harris	Chris Maguire	Linda Rothman	Kyle Verway
Lucas Bromerchenkel	Tony Hart	Joel Mangan	Adel Roufail	Paul Villard
Russell Brownlee	Mark Hartley	Christopher Manning	Ross Ruscica	Tai Vo
Bruce Brunsch	Jacquelyn Hayward	Tim Marotta	Prasad Samarakoon	Derry Wallis
Rob Burlie	Shelley Hazen	Wes Marshall	Xiomara Sanchez-	Rob Walton
Peter Byer	Mike Henderson	Kevin Martin	Castillo	Clayton Watters
Raly Chakarova	Vimy Henderson	Nicole Martin	Alex Sandovski	Phil Weber
Winston Chand	Shane Henkel	Richard Martin	Arti Sanichara	Thomas Wehlend
Andre Charlebois	Will Heywood	Greg McMillan	Mark Scanlon	Christopher West
Olivia Chow	Schellely Hiebert	Alexander	Scott Schamehorn	Jamie Westacott
Jon Clayton	Bruce Hilborn	McPherson	Lori Schaus	Bill "William" White
Jack Cline	Jaden Hodgins	Paul McShane	Ron Scheckenberger	Kate Whitfield
Jason Cole	David Holliday	Mike McSweeney	Mike Schreiner	Ray Wilcock
Bonnie Crombie	Scott Holmes	Ben McWade	John Sciafe	Travis Wilson
Scott Crowley	Jesse Hopkins	Erick Merlos	Matthew Schmidt	Art Winslow
Doug Culbert	Chris Hummel	Mckenzie Miller	James Scott	Will Wuehr
Robert Cumming	Blake Hutcheson	Arup Mukherjee	Chris Sealy	Cangcan Yang
Ben De Haan	Paul Hutchison	Andrei Muresan	Johanne Senécal	Hong Ye
Sonya De Vellis	Stuart Huxley	Karla Musso-Garcia	Vincent Sferrazza	Jason Young
Fred Dean	Jolene Ingribelli	Viktoriya Mykytyak	Kenneth Shannon	David Zipper
Roy DeAngelis	Zhiyong Jiang	Mat Nagayam	Medhat Shehata	Steve Zurevinski
Michael Deckert	Don Johnson	Reza Namjou	Les Shepherd	
Luis Dejesus	Mate Jurkin	Yamini Nanagiri	Christine Shillinglaw	
Jeremy Demello	Ram Kandel	Corrine Nauta	Steve Shugg	



22-1525 Cornwall Rd,
Oakville, Ontario L6J0B2

+1 289 291 6472
info@goodroads.ca

GoodRoads.ca