Ontario Motor Coach Association
Financial Statements
For the year ended December 31, 2023

Independent Practitioner's Review Engagement Report

MNP LLP

To the Members of the Ontario Motor Coach Association:

We have reviewed the accompanying financial statements of the Ontario Motor Coach Association which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

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

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the Ontario Motor Coach Association 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.

St. Catharines, Ontario

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Licensed Public Accountants

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Ontario Motor Coach Association
Statement of Financial Position
As at December 31, 2023

	2023	2022
Assets		
Current		
Cash	**748,076**	427,713
Short-term investments *(Note 3)*	**912,972**	889,820
Government remittances receivable	**28,957**	15,072
Accounts receivable *(Note 4)*	**61,950**	132,273
Prepaid expenses and deposits	**7,954**	10,728
	1,759,909	1,475,606
Capital assets *(Note 5)*	**-**	5,003
Due from Motor Coach Canada Inc. *(Note 6)*	**19,881**	27,514
Interests in joint arrangements *(Note 7)*	**-**	53,881
Investment in significantly influenced entities *(Note 8)*	**45,564**	-
Trust assets *(Note 9)*	**-**	183,498
	1,825,354	1,745,502
Liabilities		
Current		
Accounts payable and accruals	**246,411**	87,136
	-	-
Trust liabilities *(Note 9)*	**-**	183,498
	246,411	270,634
Net Assets		
Education development fund	**177,101**	168,568
Unrestricted	**1,401,842**	1,306,300
	1,578,943	1,474,868
	1,825,354	1,745,502

Approved on behalf of the Board

Director **Director**

The accompanying notes are an integral part of these financial statements

Ontario Motor Coach Association
Statement of Operations
For the year ended December 31, 2023

	2023	*2022*
Revenue		
Conference	**349,443**	243,124
Member services	**641,539**	564,769
Development fund	**19,562**	12,731
Management fees *(Note 6), (Note 7), (Note 8)*	**65,000**	57,000
Golf tournament	**44,128**	29,968
Membership fees	**250,442**	138,956
Royalties from publications	**67,917**	68,290
Share of income from OTE and PRIDE *(Note 7)*	**-**	55,636
Share of income from OBC *(Note 8)*	**26,683**	-
Marketing *(Note 8)*	**19,463**	-
	1,484,177	1,170,474
Expenses		
Conference	**246,196**	257,526
Member services	**328,414**	188,834
Development fund	**11,079**	4,076
Golf tournament	**18,555**	12,677
Membership fees *(Note 6)*	**30,000**	30,000
General and administrative	**120,384**	160,540
Industry and government relations	**12,545**	17,704
Occupancy costs	**7,672**	7,958
Salaries and benefits	**618,322**	546,988
Foreign exchange loss (gain)	**5,930**	(6,668)
	1,399,097	1,219,635
Excess (deficiency) of revenue over expenses from operations	**85,080**	(49,161)
Other income (expenses)		
Unrealized loss on short-term investments	**(11,254)**	(100,761)
Gain (loss) on sale of investments	**26,564**	(31)
Investment income realized, net of management fees	**8,688**	1,445
Amortization	**(5,003)**	(4,002)
Government assistance *(Note 10)*	**-**	54,187
Government grants *(Note 10)*	**-**	65,000
	18,995	15,838
Excess (deficiency) of revenue over expenses	**104,075**	(33,323)

The accompanying notes are an integral part of these financial statements

Ontario Motor Coach Association
Statement of Changes in Net Assets
For the year ended December 31, 2023

	Educational Development Fund	*Unrestricted*	*2023*	*2022*
Net assets, beginning of year	**168,618**	**1,306,250**	**1,474,868**	1,508,191
Excess (deficiency) of revenue over expenses	**8,483**	**95,592**	**104,075**	(33,323)
Net assets, end of year	**177,101**	**1,401,842**	**1,578,943**	1,474,868

The accompanying notes are an integral part of these financial statements

	2023	2022
Cash provided by (used for) the following activities		
Operating activities		
Excess (deficiency) of revenue over expenses	**104,075**	(33,323)
Amortization	**5,003**	4,002
(Gain) loss on sale of investments	**(26,564)**	31
Unrealized loss on short-term investments	**11,254**	100,761
Share of income from PRIDE, net of distributions	**-**	3,505
Share of income from OTE, net of distributions	**-**	(19,491)
Share of income from OBC, net of distributions	**8,317**	-
	102,085	55,485
Changes in working capital accounts		
Government remittances receivable	**(13,885)**	(10,561)
Accounts receivable	**70,323**	(18,598)
Prepaid expenses and deposits	**2,774**	28,950
Accounts payable and accruals	**159,275**	45,769
	320,572	101,045
Investing activities		
Purchase of short-term investments	**(824,833)**	(3,960)
Proceeds on disposal of short-term investments	**816,991**	3,170
Advances to Motor Coach Canada Inc.	**(32,531)**	(30,789)
Repayments from Motor Coach Canada Inc.	**40,164**	38,027
	(209)	6,448
Increase in cash	**320,363**	107,493
Cash, beginning of year	**427,713**	320,220
Cash, end of year	**748,076**	427,713

1. Incorporation and nature of the association

The Ontario Motor Coach Association ("OMCA" or the "Association") was incorporated on January 17, 1975 under the laws of the Province of Ontario as a not-for-profit association without share capital. The purpose of the Association is to promote and further the interests of the inter-city bus industry in Ontario.

The Association is a not-for-profit association registered under the Income Tax Act of Canada (the "Tax Act") and, as such, is exempt from income taxes. To maintain its status as a not-for-profit association registered under the Tax Act, the Association must meet certain requirements within the Tax Act.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Fund accounting

The Association has established the following funds to account for and to report on separate activities or objectives of the Association:

The unrestricted net assets account for the day-to-day operations of the Association.

The educational development fund is a Board designated fund for the purpose to champion the development of students pursuing a career in the motor coach and tour/travel industry, employees of OMCA member organizations and awareness of the motor coach and tour/travel industry as a whole.

Net assets invested in capital assets comprises the book value of capital assets.

Cash

Cash includes cash on deposit with banks.

Short-term investments

Short-term investments with prices quoted in an active market are measured at fair value. Changes in fair value are recorded immediately in the excess (deficiency) of revenues over expenses.

Capital assets

Capital assets are recorded at cost and amortized on a straight-line basis over its estimated useful life as follows:

	Method	Rate
Computer equipment	straight-line	5 years

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Association determines that a long-lived asset no longer has any long-term service potential to the Association, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Interests in joint arrangements

The Association accounts for its 33% interests in the Ontario Transportation Expo ("OTE") and Professional Instructor in Driver Education ("P.R.I.D.E") Program using the equity method. Accordingly, the interests in joint arrangements are recorded at acquisition cost and are increased for the Association's proportionate share of post-acquisition earnings and decreased by post-acquisition losses and distributions received.

All transactions with the joint arrangements are disclosed as related party transactions.

2. Significant accounting policies *(Continued from previous page)*

Investment in a significantly influenced entity

The Association accounts for its 33% interests in the Ontario Bus Consortium ("OBC") using the equity method. Accordingly, the interests in the significantly influenced entity are recorded at acquisition cost and are increased for the Association's proportionate share of post-acquisition earnings and decreased by post-acquisition losses and distributions received.

All transactions with the significantly influenced entity are disclosed as related party transactions (refer to Note 8).

Revenue recognition

Membership fees are recognized as revenue on a calendar year basis. Membership fees received in the current year, but which are applicable to the subsequent year, are recorded as deferred revenue and will be recognized for as income in the year to which they pertain.

Revenue from member services and management fees are recognized when the services are performed.

Revenue from conferences, fundraising and special events are recognized when the meeting or event takes place.

All other income is recognized when services are performed, or goods have been delivered.

Investment income is comprised of interest, dividends and realized and unrealized gains and losses. Interest income is recognized on the accrual basis, dividends are recognized when declared, and realized gains and losses are recognized when the transactions occur. Unrealized gains and losses which reflect the changes in fair value during the year are recognized at each reporting date and included in current year income.

Foreign currency translation

Current monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing at the balance sheet date. Revenues and expenses are translated from foreign currencies at the exchange rates prevailing on the transaction date. Any resulting realized and unrealized gains or losses are included in income for the year.

Revenues and expenses of the Association's foreign related company are translated into Canadian dollars using the average rate of exchange for the year.

Financial instruments

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value. Subsequently, all financial instruments are measured at amortized cost.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Association has not made such an election during the year.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

2. Significant accounting policies *(Continued from previous page)*

Related party financial instruments

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to Note 6 and 8).

The Company subsequently measures the related party financial instruments at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess (deficiency) of revenue over expenses.

Use of estimates

The preparation of financial statements in conformity 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 and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful life of capital assets. Accruals are made for expenses that have occurred, but have not yet been billed.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in (deficiency) excess of revenue over expenses in the year which they become known.

Contributed goods and services

Contributed goods and services are not recorded in the accounts of the Association, except when fair value of such goods and services can reasonably be estimated and when the goods and services are normally purchased by the Association and would be paid for if not contributed.

3. Short-term investments

	2023	*2022*
Cash	**1,450**	666
Thornmark Alpha Fund O-Class	**-**	67,288
Thornmark Dividend & Income Fund O-Class	**90,725**	88,877
Thornmark Enhanced Equity Fund O-Class	**320,809**	388,029
NBI Altamira High-Interest Cash Performer	**122,075**	229,445
iShares Canadian Short Term Bond Index	**-**	115,515
RP Global Alternative Bond Fund Class F	**377,913**	-
	912,972	889,820

4. Accounts receivable

	2023	*2022*
Accounts receivable	**61,950**	84,773
Government grants receivable *(Note 10)*	**-**	47,500
	61,950	132,273

5. Capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	**78,982**	**78,982**	**-**	5,003

6. Due from Motor Coach Canada Inc.

Motor Coach Canada Inc. ("MCC") utilizes the resources of the Association for administrative services. The balance due from MCC represents the amount of fees that OMCA has collected on behalf of MCC less any amounts charged by OMCA for the administrative services. During the year, membership fees of $30,000 (2022 - $30,000) were collected by OMCA on behalf of MCC and administration fees of $30,000 (2022 - $30,000) were charged to MCC. The balance is non-interest bearing and is due on demand. The amounts are reflected as long-term as the Association has waived its right to demand repayment within the year.

The transactions noted above are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by related parties.

7. Interests in joint arrangements

Interest in joint arrangements accounted for using the equity method

The Association is a limited partner of the Ontario Bus Consortium ("OBC") which operate the P.R.I.D.E Program and the OTE which, along with two other Associations, oversee these programs. Details of the Association's 33.33% interest in these joint arrangements are as follows:

	% Ownership	2023	2022
P.R.I.D.E	**33.3 %**	**-**	15,050
OTE	**33.3 %**	**-**	38,831
		-	53,881

	2023	2022
Share of income (loss) in joint arrangements		
P.R.I.D.E	**-**	(3,505)
OTE	**-**	59,141
	-	55,636

On November 1, 2022, the Association, the Ontario Public Transit Association ("OPTA") and the School Bus Association of Ontario ("SBO") formed a limited liability partnership and continued operations under the same name, Ontario Bus Consortium ("OBC"), as noted in Note 8.

In 2022, management fees of $27,000 were charged to OTE. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. Investment in significantly influenced entity

Significantly influenced not-for-profit organization

Ontario Bus Consortium ("OBC") was formed under the Law of Ontario, which operate P.R.I.D.E Program and the OTE. The Association owns one-third of the entity, along with OPTA and SBO.

	% Ownership	***2023***	*2022*
Ontario Bus Consortium	33.3%	45,564	-

	2023	*2022*
Share of income (loss) in significantly influenced entity - Ontario Bus Consortium		
P.R.I.D.E	**(11,307)**	-
OTE	**37,990**	-
	26,683	-

During the year, management fees of $35,000 (2022 - $nil) and marketing fees of $19,463 (2022 - $nil) were charged to OBC. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. Trust assets and liabilities

The Association provides accounting and administrative services to P.R.I.D.E Consortium and the Ontario Transportation Expo, including the management of all banking transactions. The trust assets and liabilities represent the funds held on behalf of P.R.I.D.E Consortium and the Ontario Transportation Expo. During the year, Ontario Bus Consortium ("OBC") limited liability partnership was formed therefore no trust assets and liabilities at December 31, 2023.

	2023	*2022*
P.R.I.D.E	**-**	67,005
OTE	**-**	116,493
	-	183,498

10. Government assistance and grants

In 2022, the Association earned $54,187 Canada Emergency Wage Subsidy (CEWS) and was approved to receive grants from the Ministry of Tourism, Culture and Sport and the Niagara Tourism Relief Fund up to a maximum of $25,000 and $40,000, respectively. The grants were provided in order to assist with the OMCA Marketplace event held for members during the year by covering the cost of certain eligible expenses.

11. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. A portion of the Association’s membership fees and meetings revenue are in foreign currencies. Consequently, cash is exposed to foreign currency fluctuations. At December 31, 2023, cash of $26,824 (2022 - $31,941) is denominated in foreign currency and converted into Canadian dollars. The Association’s policy is to monitor the foreign currency content of their net assets.

Credit concentration

As at December 31, 2023, one customer (2022 - nil) accounted for 33% (2022 - nil) of the accounts receivable.

The Association believes that there is no unusual exposure associated with the collection of these receivables. The Association performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income investments held by the Association. The value of fixed income investments will generally rise if interest rates fall and decrease if interest rates rise.

Liquidity risk

The Association’s objective is to have sufficient liquidity to meet its liabilities when due. The Association monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2023 the most significant financial liabilities are accounts payable and accruals.