

**ONTARIO MOTOR COACH ASSOCIATION**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**  
**(Unaudited)**

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## REVIEW ENGAGEMENT REPORT

TO THE MEMBERS OF ONTARIO MOTOR COACH ASSOCIATION

We have reviewed the balance sheet of Ontario Motor Coach Association as at December 31, 2014 and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Association.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

*Clarke Henning LLP*

Toronto, Ontario  
April 16, 2015

CHARTERED ACCOUNTANTS  
Licensed Public Accountants

# ONTARIO MOTOR COACH ASSOCIATION

## BALANCE SHEET

AS AT DECEMBER 31, 2014

(Unaudited)

	2014	2013
<b>ASSETS</b>		
Current assets		
Cash	\$ 136,165	\$ 79,856
Investments (note 2)	834,705	805,889
Accounts receivable (note 3)	86,914	162,338
Prepaid expenses	48,387	26,053
	<u>1,106,171</u>	<u>1,074,136</u>
Investment in Joint Ventures (note 4)	25,402	32,308
Investment in and advances to GroupConnect Management Inc. (note 5)	-	3,879
Furniture and equipment (note 6)	16,217	19,019
Trust assets (note 8)	87,410	86,155
	<u>1,235,200</u>	<u>1,215,497</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	63,510	109,315
Income taxes payable	-	6,910
Deficiency in GroupConnect Management Inc. (note 5)	29,016	-
	<u>92,526</u>	<u>116,225</u>
Trust liabilities (note 8)	87,410	86,155
	<u>179,936</u>	<u>202,380</u>
<b>NET ASSETS</b>		
Invested in furniture and equipment	16,217	19,019
Educational Development Fund	153,849	149,837
Unrestricted net assets	885,198	844,261
	<u>1,055,264</u>	<u>1,013,117</u>
	<u>\$ 1,235,200</u>	<u>\$ 1,215,497</u>

Approved on behalf of the Board:

\_\_\_\_\_, Director      \_\_\_\_\_, Director

# ONTARIO MOTOR COACH ASSOCIATION

## STATEMENT OF REVENUES AND EXPENSES

YEAR ENDED DECEMBER 31, 2014

(Unaudited)

	2014	2013
Revenues		
Membership fees	\$ 381,669	\$ 379,575
Services	702,625	720,105
Meetings	532,928	620,887
Other	67,940	52,605
	<b>1,685,162</b>	<b>1,773,172</b>
Expenses		
Administration	762,687	761,722
Services	416,971	415,160
Meetings and travel	466,883	540,956
Other/industry	49,207	50,369
	<b>1,695,748</b>	<b>1,768,207</b>
Excess (deficiency) of revenues over expenses before the following	<b>(10,586)</b>	4,965
Depreciation	<b>(10,129)</b>	(13,482)
Investment income (note 10)	<b>31,687</b>	33,539
Share of income from Joint Ventures (note 4)	<b>46,094</b>	56,625
Excess of revenues over expenses from operations before income taxes and share of income (loss) of significantly influenced company	<b>57,066</b>	81,647
Provision for income taxes	-	(6,910)
Excess of revenues over expenses before share of income (loss) of significantly influenced company	<b>57,066</b>	74,737
Share of income (loss) of GroupConnect Management Inc. (note 5)	<b>(14,919)</b>	6,539
Excess of revenues over expenses for the year	<b>\$ 42,147</b>	<b>\$ 81,276</b>

# ONTARIO MOTOR COACH ASSOCIATION

## STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2014

(Unaudited)

	Invested In Furniture & Equipment	Educational Development Fund	Unrestricted	Total	
				2014	2013
Balance - at beginning of year	\$ 19,019	\$ 149,837	\$ 844,261	\$ 1,013,117	\$ 931,841
Excess of revenues over expenses for the year	-	4,012	38,135	42,147	81,276
Interfund transfer representing					
Depreciation	(10,129)	-	10,129	-	-
Purchase of furniture and equipment	7,327	-	(7,327)	-	-
Balance - at end of year	\$ 16,217	\$ 153,849	\$ 885,198	\$ 1,055,264	\$ 1,013,117

# ONTARIO MOTOR COACH ASSOCIATION

## STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2014

(Unaudited)

	2014	2013
Cash flows from operating activities		
Cash received from members	\$ 457,093	\$ 354,378
Cash received from services	702,625	720,105
Cash received from meetings and conferences	532,928	620,887
Cash received from other activities	67,940	52,605
Interest and investment trust fund distributions received	12,169	11,048
Cash paid to employees and suppliers	(1,745,910)	(1,710,508)
Income taxes paid	(6,910)	(7,195)
	<u>19,935</u>	<u>41,320</u>
Cash flows from investing activities		
Purchase of furniture and equipment	(7,327)	(22,397)
Proceeds from sale of investments	689,825	-
Purchase of investments	(699,124)	(11,004)
Distributions from PRIDE Consortium (note 4)	10,000	12,000
Distributions from Ontario Transportation Expo (note 4)	43,000	47,000
	<u>36,374</u>	<u>25,599</u>
Change in cash during the year	<u>56,309</u>	<u>66,919</u>
Cash - at beginning of year	79,856	12,937
Cash - at end of year	<u>\$ 136,165</u>	<u>\$ 79,856</u>

# ONTARIO MOTOR COACH ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

(Unaudited)

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The objective of the Ontario Motor Coach Association ("OMCA" or the "Association") is to promote and further the interests of the inter-city bus industry in Ontario.

The Association is incorporated under the Corporations Act (Ontario) as a non-profit organization without share capital and, as such, is generally exempt from income taxes except for its wholly-owned subsidiary, Member Services Ltd., which is subject to income taxes up to the date of dissolution (see note 12).

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### *Basis of Presentation*

These financial statements do not include the assets, liabilities and operations of OMCA's foreign related company, GroupConnect Management Inc., in which the Association has 50% interest and the investment in Joint Ventures in which it has a 33% interest.. The Association's investment in its related company and its investment in Joint Ventures (PRIDE Consortium and Ontario Transportation Expo) is accounted for on the equity basis. Under the equity basis, the investment is initially recorded at cost and adjustments are made to include the Association's share of the related company's and Joint Ventures net income (loss) for the period. These adjustments are included in the Association's net income. The amount of investment is reduced by any dividend received or receivable from the related company or distributions received from the Joint Ventures. The pertinent information of GroupConnect Inc. for the year then ended is disclosed in note 5 and for PRIDE Consortium and Ontario Transportation Expo in note 4 to these financial statements.

The Association has presented the operations of its divisions, Ontario Motor Coach and Motor Coach Canada, in the supplementary information.

#### *Financial Assets and Liabilities*

The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for its investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets and liabilities measured at amortized cost include cash, advances (deficiency in) to GroupConnect Inc., accounts receivable and accounts payable and accrued liabilities.

# ONTARIO MOTOR COACH ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

(Unaudited)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Furniture, Equipment and Depreciation*

Furniture and equipment is recorded at cost and depreciated on a straight line basis over its estimated useful life using the following annual terms:

Office furniture	- 10 years
Office and display equipment	- 5 years
Computer equipment	- 3 years
Computer software	- 3 years

The above rates are reviewed annually to ensure they are appropriate. Any changes are adjusted for on a prospective basis. If there is an indication that the assets may be impaired, an impairment test is performed that compares carrying amount to net recoverable amount. There were no impairment indicators in 2014.

#### *Foreign Currency Translation*

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.

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

#### *Revenue Recognition*

Membership fees are recognized as revenue on a calendar year basis. Deferred revenue represents membership fees received that relate to the following fiscal year.

Revenue from services is recognized when services are performed.

Revenue from meetings is recognized when the event takes place.

Revenues and expenses from special and fund-raising events (included in other revenue) are recorded in the period in which the event takes place.

Magazine and resource guide royalties (included in other revenue) are recognized as revenue as earned.

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



# ONTARIO MOTOR COACH ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

(Unaudited)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Revenue Recognition (continued)*

Investment income is comprised of interest, distributions, and realized and unrealized gains and losses from investment transactions. Interest income is recorded when earned. Distributions are recorded as revenue when declared. Realized gains and losses are recognized when the transactions occur. Unrealized gains and losses which reflect the changes in fair value during the period are recognized at each reporting date and included in current period income.

#### *Income Taxes*

The Association's former subsidiary company, Member Services Ltd., used the future income taxes method of accounting for income taxes, whereby temporary differences arising from the differences between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. Future income tax liabilities or assets are measured using the income tax rates that, at the balance sheet date, are expected to apply when the differences reverse. The amount recognized for future income tax assets is limited to the amount that is more likely than not to be realized.

#### *Allocation of Expenses*

Salaries and benefits are allocated based on time spent by staff members on different activities (see note 11).

#### *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 established and when the goods and services are normally purchased by the Association and would be paid for if not contributed.

Contributed goods and services are recorded in the financial statements at their estimated fair value of \$NIL (\$8,500 in 2013) and consist of event reception, in exchange to be named as sponsors at the annual general meeting.

#### *Use of Estimates and Judgments*

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Areas subject to assumptions and estimates uncertainties that have significant risk of resulting in a material misstatement in future periods include those relating to allowance for doubtful accounts receivable, useful lives of capital assets for depreciation and other assets and liabilities valuation.

# ONTARIO MOTOR COACH ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

(Unaudited)

### 2. INVESTMENTS

Details of investments are as follows:

<i>Quantity</i>			<i>2014</i>	<i>2013</i>
<i>2014</i>	<i>2013</i>			
<b>2,683</b>	-	Thornmark Alpha Funds Class O	<b>\$ 46,751</b>	\$ -
<b>10,060</b>	-	Thornmark Dividend & Income Fund O Class	<b>191,211</b>	-
<b>14,500</b>	-	Ishares Canadian Universe bond index	<b>456,170</b>	-
<b>10,341</b>	10,341	Thornmark Enhanced Equity Fund Class P	<b>140,573</b>	127,304
-	3,608	Thornmark Alpha Funds Class P	-	42,595
-	14,727	Thornmark Dividend & Income Fund Class P	-	175,946
-	437	Thornmark Private Equity Fund Class A	-	4,365
-	46,207	Thornmark Fixed Income Fund Class O	-	455,679
			<b>\$ 834,705</b>	<b>\$ 805,889</b>

#### *Investment Risk Management*

Risk management relates to the understanding and active management of risks associated with all areas of the Association's activities and operations. Investments are primarily exposed to interest rate and price risks. The Association has formal policies and procedures for investment transactions and the majority of investments are made on the advice of the portfolio manager.

#### *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 falls and decrease if interest rates rise.

#### *Price Risk*

The Association is exposed to price risk, which is the potential loss that the Association may incur with respect to the changes in fair value of investments. The fair value of investments will fluctuate because of changes in market price whether those changes are caused by factors specific to the individual investments, or its issuers or factors affecting all investments traded in the market.

### 3. ACCOUNTS RECEIVABLE

As at December 31, 2014 the carrying amount of impaired receivables totalled \$NIL (\$7,270 in 2013). These receivables are presented net of an allowance for doubtful accounts of \$NIL (\$7,270 in 2013).

# ONTARIO MOTOR COACH ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

(Unaudited)

### 4. INVESTMENT IN JOINT VENTURES

The Association is a member of PRIDE Consortium ("PRIDE") and Ontario Transportation Expo ("OTE") which, along with two other associations, oversee these programs. Details of the Association's 33% interest in these Joint Ventures is as follows:

	2014	2013
PRIDE	\$ 17,342	\$ 22,170
OTE	8,060	10,138
	<b>25,402</b>	<b>32,308</b>
<b>Share of Income from Joint Ventures</b>		
PRIDE	5,172	10,144
OTE	40,922	46,481
	<b>\$ 46,094</b>	<b>\$ 56,625</b>

Assets, liabilities, revenues and expenses and cash flows of PRIDE and OTE as at December 31 and for the year then ended are as follows:

	2014	2014	2013
<b>PRIDE Consortium</b>			
<b>Financial Position</b>	<b>33 %</b>	<b>100 %</b>	<b>100 %</b>
Assets			
Cash	\$ 19,608	\$ 58,823	\$ 43,372
Other assets	11,014	33,043	39,651
Liabilities	(13,280)	(39,839)	(16,511)
Total net assets	<b>17,342</b>	<b>52,027</b>	<b>66,512</b>
<b>Revenues and Expenses</b>			
Total revenues	60,130	180,389	188,043
Total expenses	54,958	164,874	157,610
Excess of revenues over expenses for the year	<b>5,172</b>	<b>15,515</b>	<b>30,433</b>
<b>Statement of Cash Flows</b>			
Cash flows from operating activities			
Cash received from registration fees	65,742	197,226	163,964
Cash paid to suppliers	(49,317)	(147,950)	(164,112)
	<b>16,425</b>	<b>49,276</b>	<b>(148)</b>
Cash flows from financing and investing activities			
Distribution to participants	(10,000)	(30,000)	(36,000)
Purchase of capital assets	(1,275)	(3,825)	(2,888)
	<b>(11,275)</b>	<b>(33,825)</b>	<b>(38,888)</b>
Change in cash during the year	<b>\$ 5,150</b>	<b>\$ 15,451</b>	<b>\$ (39,036)</b>

# ONTARIO MOTOR COACH ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

(Unaudited)

### 4. INVESTMENT IN JOINT VENTURES (continued)

	2014	2014	2013
<b>Ontario Transportation Expo</b>			
<b>Financial Position</b>	<b>33 %</b>	<b>100 %</b>	<b>100 %</b>
Assets			
Cash	\$ 9,530	\$ 28,586	\$ 42,783
Other current assets	8,606	25,820	24,496
Liabilities	(10,076)	(30,229)	(36,866)
<b>Total net assets</b>	<b>8,060</b>	<b>24,177</b>	<b>30,413</b>
<b>Revenue and Expenses</b>			
Revenue	96,732	290,196	298,860
Expenses	55,810	167,431	159,417
<b>Excess of revenue over expenses for the year</b>	<b>40,922</b>	<b>122,765</b>	<b>139,443</b>
<b>Statement of Cash Flows</b>			
Cash flows from operating activities			
Cash received from the Expo	93,399	280,196	298,860
Cash paid to suppliers	(55,131)	(165,393)	(135,810)
	38,268	114,803	163,050
Cash flows from investing activity			
Distributions to participants	(43,000)	(129,000)	(141,000)
<b>Change in cash during the year</b>	<b>\$ (4,732)</b>	<b>\$ (14,197)</b>	<b>\$ 22,050</b>

### 5. INVESTMENT IN AND ADVANCES TO GROUPCONNECT MANAGEMENT INC.

*GroupConnect Management Inc.*

The details of the investment is as follows:

	2014	2013
50 Common shares @ \$0.01 par value per share	\$ 1	\$ 1
Advances to GroupConnect Management Inc.	579,316	547,240
	579,317	547,241
Share of shareholder's deficiency	(608,332)	(543,362)
	\$ (29,015)	\$ 3,879

GroupConnect Management Inc. ("GroupConnect") was incorporated on May 19, 2009 with the Secretary of State of Delaware (the "Secretary of State") in the United States. The voting shares of the corporation are 50% owned by the Association and 50% owned by the American Bus Association ("ABA").

# ONTARIO MOTOR COACH ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

(Unaudited)

### 5. INVESTMENT IN AND ADVANCES TO GROUPCONNECT MANAGEMENT INC. (continued)

GroupConnect operates a premier on-line real time internet application system for the searching and booking of hotels, attractions, food services, transportation and related components of packaged travel by tour operators. Under a signed letter of intent between ABA and the Association, when the GroupConnect begins generating profits, the advances made by each association will be repaid.

The summarized financial information of GroupConnect as at December 31, 2014 and for the year then ended are as follows:

	2014		2013
	50%	100%	100%
<b>FINANCIAL POSITION</b>			
Total assets	\$ 8,769	\$ 17,538	\$ 35,868
Total liabilities	617,101	617,101	1,122,592
Shareholders' deficiency			
Balance at beginning of year	(543,362)	(543,362)	(1,034,440)
Net income (loss) for the year	(14,919)	(14,919)	13,078
Foreign exchange	(50,051)	(50,051)	(65,362)
Balance at end of year	(608,332)	(1,086,724)	-
	8,769	35,868	-
<b>RESULTS OF OPERATIONS</b>			
Total revenues	95,107	190,213	181,232
Total expenses	110,026	220,052	168,154
Net income (loss) for the year	(14,919)	(29,839)	13,078
<b>CASH FLOWS</b>			
Cash flows from operating activities			
Cash received from members	95,107	190,213	173,728
Cash paid to suppliers	(111,995)	(223,991)	(151,186)
	(16,888)	(33,778)	22,542
Cash flows from investing and financing activities			
Purchase of capital assets	(5,522)	(11,045)	-
Advances from shareholders ("OMCA" and "ABA")	14,501	29,003	-
	8,979	17,958	-
Increase (decrease) in cash for the year	\$ (7,909)	\$ (15,820)	\$ 22,542

Included in the total liabilities is \$579,316 (\$547,241 in 2013) payable to the Association. The deficiency in GroupConnect is shown as a liability as the Association has an obligation to cover its share of the deficit of GroupConnect.

# ONTARIO MOTOR COACH ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

(Unaudited)

### 6. FURNITURE AND EQUIPMENT

Details of furniture and equipment is as follows:

	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>	
			<i>2014</i>	<i>2013</i>
Office furniture	\$ 12,447	\$ 5,444	\$ 7,003	\$ 2,898
Office and display equipment	3,455	2,737	718	604
Computer equipment	31,116	28,995	2,121	2,766
Computer software	171,934	165,559	6,375	12,751
	<b>\$ 218,952</b>	<b>\$ 202,735</b>	<b>\$ 16,217</b>	<b>\$ 19,019</b>

### 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities include government remittances totalling \$18,230 at December 31, 2014 (\$10,095 in 2013).

### 8. TRUST ASSETS AND LIABILITIES

Effective September 2013 the Association began to provide accounting and administration services to PRIDE Consortium and Ontario Transportation Expo, including the management of all banking transactions. The trust assets and liabilities represent the net assets held on behalf of PRIDE Consortium and Ontario Transportation Expo.

	<i>2014</i>	<i>2013</i>
Nets assets held in trust at December 31, 2014		
PRIDE Consortium	\$ 58,824	\$ 43,372
Ontario Transportation Expo	28,586	42,783
	<b>\$ 87,410</b>	<b>\$ 86,155</b>

### 9. LEASE COMMITMENTS

The Association has entered into a new lease for office premises which expires on February 28, 2017. The Association has also entered into leases for equipment which expires August 31, 2017, and December 31, 2017. The aggregate annual lease payments are as follows:

Fiscal year	2015	\$ 18,500
	2016	18,500
	2017	7,263

In addition to the rental of the premises, the Association is liable for its proportionate share of operating costs, which amounted to \$27,121 (\$26,866 in 2013).

# ONTARIO MOTOR COACH ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

(Unaudited)

### 10. INVESTMENT INCOME

Details of investment income are as follows:

	2014	2013
Interest and investment trust funds distributions	\$ 12,169	\$ 11,048
Realized gains on sale of investments	11,240	-
Unrealized gains on investments	8,278	22,491
	<u>\$ 31,687</u>	<u>\$ 33,539</u>

### 11. ALLOCATED EXPENSES

The expenses reported in the statement of revenues and expenses include an allocation of subcontractors and salaries and benefits expenses as follows::

	2014	2013
Subcontractors		
Administration	\$ 134,910	\$ 133,686
Meetings and travel	9,061	12,641
Other/Industry	5,000	4,770
	<u>148,971</u>	<u>151,097</u>
Salaries and benefits		
Administration	392,117	382,248
Services	5,000	5,000
Meetings and travel	89,300	133,000
	<u>486,417</u>	<u>520,248</u>
Total allocated expenses	<u>\$ 635,388</u>	<u>\$ 671,345</u>

### 12. MEMBER SERVICES LTD.

On April 22, 2014 the Association caused its subsidiary company to dissolve. All assets and liabilities were assumed by the Association.

### 13. GUARANTEES AND INDEMNITIES

The Association has indemnified its past, present and future directors, officers and volunteers against expenses (including legal expenses), judgments and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding, subject to certain restrictions. The Association has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits and actions, but there is no guarantee that the coverage will be sufficient should any action arise.

# ONTARIO MOTOR COACH ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

(Unaudited)

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### 13. GUARANTEES AND INDEMNITIES (continued)

In the normal course of business, the Association has entered into agreements that include indemnities in favour of third parties, either express or implied, such as in service contracts, lease agreements or sales and purchase contracts. In these agreements, the Association agrees to indemnify the counterparties in certain circumstances against losses or liabilities arising from the acts or omissions of the Association. The maximum amount of any potential liability cannot be reasonably estimated.

### 14. FINANCIAL INSTRUMENTS AND RISK EXPOSURE

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure at the balance sheet date.

#### *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 Association's main credit risks relate to accounts receivable and advances to GroupConnect Inc. (see note 5). The Association mitigates credit risk by performing credit checks and imposing credit limits. Management has included adequate provision for doubtful accounts receivable in these financial statements.

#### *Liquidity Risk*

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its current liabilities and commitments. The Association expects to meet these obligations as they come due by generating sufficient cash flow from operations.

#### *Market Risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Interest rate and other price risks are disclosed in note 2.

#### *Currency Risk*

Currency risk is the risk that the 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 advances to GroupConnect were made in US dollars. Consequently, the advances to GroupConnect are exposed to foreign currency fluctuations. At December 31, 2014, \$332,385 (\$332,385 in 2013) are denominated in US dollars and converted into Canadian dollars.

### 15. COMPARATIVE FIGURES

The 2013 comparative figures include the accounts of the Association's former subsidiary company, Member Services Ltd..



# ONTARIO MOTOR COACH ASSOCIATION

## SCHEDULE OF REVENUES AND EXPENSES - ONTARIO MOTOR COACH

YEAR ENDED DECEMBER 31, 2014

(Unaudited)

	2014	2013
<b>Revenues</b>		
Fees and dues		
Suppliers	\$ 240,764	\$ 248,537
Tour operators	23,250	27,350
Coach operators	59,262	51,035
Products and services	16,776	19,840
Initiation	11,080	11,200
Administration charge - Member Services	-	57,500
Administration charge - Motor Coach Canada	60,000	55,095
Services		
Members	489,474	483,332
Royalties	63,531	69,420
Golf tournament	54,760	54,315
Sale of publication materials	3,182	16,676
Meetings		
Conference	532,928	605,421
Other		
Development fund	29,805	24,730
Sundry	41,748	22,112
	<b>1,626,560</b>	<b>1,746,563</b>
<b>Expenses</b>		
Administration	671,534	685,723
Services		
Golf	32,573	30,234
Members	401,353	438,745
Regional meetings	-	799
Meetings and travel		
Conference	461,809	513,382
Board of Directors	2,098	1,247
Other industry		
Industry and government relations	23,257	27,617
Development fund	25,793	17,496
Fee paid to Motor Coach Canada	30,000	30,000
	<b>1,648,417</b>	<b>1,745,243</b>
Excess (deficiency) of revenues over expenses from operations	<b>(21,857)</b>	1,320
Depreciation	<b>(10,129)</b>	(13,482)
Investment income	<b>31,687</b>	33,539
Share of income from Joint Ventures (note 4)	<b>46,094</b>	56,625
Provision for income taxes	-	(6,910)
<b>Excess of revenues over expenses for the year</b>	<b>\$ 45,795</b>	<b>\$ 71,092</b>

# ONTARIO MOTOR COACH ASSOCIATION

## SCHEDULE OF REVENUES AND EXPENSES - MOTOR COACH CANADA

YEAR ENDED DECEMBER 31, 2014

(Unaudited)

	2014	2013
<b>Revenues</b>		
Fees and dues		
Coach operators	\$ 6,033	\$ 6,510
Products and services	-	700
Administration charge - Ontario Motor Coach Association	30,000	30,000
Fees - British Columbia trucking Association	5,500	5,500
Services		
Publications	91,678	96,362
Conference	-	15,466
Other		
Advertising	9,813	9,866
Sundry	5,576	4,800
	<b>148,600</b>	<b>169,204</b>
<b>Expenses</b>		
Administration		
Management fee to Ontario Motor Coach Association	60,000	55,095
Other Administration	28,405	29,855
Services		
Publications	45,792	49,026
Meetings and travel		
Conference	-	18,846
Board of Directors	2,976	7,481
Other industry		
Industry and government relations	157	5,256
	<b>137,330</b>	<b>165,559</b>
Excess of revenues over expenses for the year	<b>\$ 11,270</b>	<b>\$ 3,645</b>