

Intelligent Transportation Systems
Society of Canada (ITS Canada)

ANNUAL FINANCIAL STATEMENTS

March 31, 2024



CHARTERED
PROFESSIONAL
ACCOUNTANTS LLP

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INDEPENDENT AUDITOR'S REPORT

To the members of
Intelligent Transportation Systems Society of Canada (ITS Canada)

Opinion

We have audited the financial statements of Intelligent Transportation Systems Society of Canada (ITS Canada), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2024, 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 corporations.

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 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 responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization, or to cease operations, or has no realistic alternative but to do so.

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.

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.

CS Chartered Professional Accountants LLP

Licensed Public Accountants

Toronto, Ontario
August 28, 2024

Intelligent Transportation Systems Society of Canada (ITS Canada)

STATEMENT OF FINANCIAL POSITION


March 31, 2024

Statement 1

	2024	2023
ASSETS		
Current		
Cash	\$619,929	\$673,629
Short-term investments (note 2)	10,000	10,000
Accounts receivable (note 3)	11,843	16,356
Deposits and prepaid expenses	32,120	32,989
	<u>\$673,892</u>	<u>\$732,974</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$29,969	\$37,367
Deferred revenue (note 4)	110,103	147,138
	<u>140,072</u>	<u>184,505</u>
NET ASSETS (Statement 2)	<u>533,820</u>	<u>548,469</u>
	<u>\$673,892</u>	<u>\$732,974</u>

APPROVED ON BEHALF OF THE BOARD:


_____, DIRECTOR


_____, DIRECTOR

See accompanying notes.

Intelligent Transportation Systems Society of Canada (ITS Canada)

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31, 2024

Statement 2

	2024	2023
Net assets, beginning of year	\$548,469	\$643,618
Excess of expenses over revenues for the year (Statement 3)	(14,649)	(95,149)
Net assets, end of year	\$533,820	\$548,469

See accompanying notes.

Intelligent Transportation Systems Society of Canada (ITS Canada)

STATEMENT OF OPERATIONS

Year ended March 31, 2024

Statement 3

	2024	2023
Revenues		
Annual conferences and general meetings	\$219,789	\$ -
Workshop and course registration	215,898	197,307
Membership fees	86,753	89,378
Sponsorships for conferences and trade missions, including government contributions (note 5)	26,918	52,660
Investment income (note 2)	189	114
	549,547	339,459
Expenses		
Regional workshop expenses	168,700	163,698
Annual conferences and general meetings	155,600	17,693
Secretariat personnel and support services	133,370	115,026
Conferences, trade missions and program meetings	37,741	85,236
Professional services	25,212	18,431
Travel for program work and administration	15,279	13,223
Communications, office and general	14,180	18,359
Credit card processing and bank charges	10,269	6,992
Insurance	3,504	3,377
Scholarships and awards	-	3,356
Foreign exchange loss (gain)	341	(10,783)
	564,196	434,608
Excess of expenses over revenues for the year	(\$14,649)	(\$95,149)

See accompanying notes.

Intelligent Transportation Systems Society of Canada (ITS Canada)

STATEMENT OF CASH FLOWS

Year ended March 31, 2024

Statement 4

	2024	2023
Cash provided by (used for):		
Operating activities		
Receipts on account of revenues from members, sponsors, participants and contributors	\$516,836	\$401,139
Payments on account of expenses	(571,066)	(425,182)
Investment income receipts	189	114
	(54,041)	(23,929)
Investment activities		
Investments (purchased) redeemed	-	-
Effect of currency exchange rate changes on cash	341	10,783
Net decrease in cash for the year	(53,700)	(13,146)
Cash, beginning of year	673,629	686,775
Cash, end of year	\$619,929	\$673,629

See accompanying notes.

Intelligent Transportation Systems Society of Canada (ITS Canada)

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

Nature and Purpose of Organization

Intelligent Transportation Systems Society of Canada (ITS Canada) ("ITS Canada" or "the Society") is a not-for-profit organization without share capital incorporated under the Canada Not-for-Profit Corporations Act. As a not-for-profit organization, the Society is exempt from income tax under section 149 of the Income Tax Act (Canada).

The purpose of the Society is to facilitate cooperative activities related to intelligent transportation systems ("ITS") among various stakeholders in Canada, exchange information related to ITS technologies, provide a neutral forum to discuss issues related to innovation, standardization, inter-operability and harmonization of ITS technologies, sponsor and/or co-sponsor conferences, workshops, seminars, exhibitions and training courses related to ITS, and to facilitate Canadian participation in international ITS activities.

1 / Significant Accounting Policies

These financial statements have been prepared based on the following accounting policies, in accordance with Canadian accounting standards for not-for-profit organizations.

a. Revenue recognition

ITS Canada follows the deferral method of accounting for grants and contributions. This method recognizes restricted contributions in the period in which corresponding qualifying expenses are incurred or corresponding events have occurred.

Membership fees, conferences, general meetings, and sponsorship revenue are recognized in the period when they are earned or to which they relate, and when collection is reasonably assured. Until they are recognized as revenue, amounts collected are recorded as deferred revenue, a current liability on the balance sheet.

b. Financial instruments

Investments quoted in an active market are stated at fair value. Unrealized changes in fair values of such investments are recognized as gains and losses in the statement of operations. All other financial instruments are measured at amortized cost less a reduction for any assessed impairment in value.

c. Contributed services

Volunteers contribute their time to assist ITS Canada in carrying out its objectives. Due to the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

d. Related party transactions

The Society considers direct expense reimbursements to related parties to be transactions with the suppliers that actually provided the goods or services as listed in expense claims and supported by invoices of those suppliers. Unless the source supplier was a related party, direct expense reimbursements are not considered to be related party transactions.

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Intelligent Transportation Systems Society of Canada (ITS Canada)

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

1 / Significant Accounting Policies (continued)

e. Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make reasonable estimates and assumptions that affect the recognition, measurement and disclosure of amounts reported in the financial statements and accompanying notes. The reported amounts and note disclosures are determined using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results could differ from such estimates.

2 / Short-Term Investments and Investment Income

	2024	2023
Interest earned	\$189	\$114
Change in fair values of investments during the year	-	-
	<u>\$189</u>	<u>\$114</u>

Short-term investments in the year consist of a bank guaranteed investment certificates (GIC), bearing interest at 2.25%, maturing in January 2025. This GIC serves as collateral for the credit card used by the Society.

3 / Accounts Receivable

Accounts receivable ordinarily comprises government contributions under project agreements, sundry recoveries from members and sales tax rebates, if any.

4 / Deferred Revenue

	2024	2023
Balance, beginning of year	\$147,138	\$81,339
Add: amounts received in the year for subsequent year AGCM	109,059	81,768
Less: refunded to customers/members	-	(7,214)
Less: recognized as revenue for current year AGCM	(143,823)	-
Less: recognized as revenue for other ITS activities	(2,271)	(8,755)
	<u>\$110,103</u>	<u>\$147,138</u>

Deferred revenue consists of amounts received in advance from members and customers for conferences occurring in a subsequent period.

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Intelligent Transportation Systems Society of Canada (ITS Canada)

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

5 / Sponsorships for Conferences and Trade Missions

	2024	2023
Government of Canada contributions for international trade development activities	\$26,918	\$36,716
Sponsorships from members for ITS Canada exhibits at international events and trade missions	-	15,944
	\$26,918	\$52,660

6 / Commitments

During the year, the Society entered into a contract with a venue to host its Annual Conference and Expo (AGCM) in the subsequent year. As at year end, minimum future payments remaining under this contract are \$119,430.

7 / Financial Instrument Risks

Cash and accounts receivable are the significant financial assets. Accounts payable are the significant financial liabilities. All financial instruments are measured at amortized cost. The financial assets are subject to:

- a. credit risk, which is the possibility of a debtor's failure to repay debt instruments and related income when due;
- b. interest rate risk, which can affect the value of bonds and debt-based funds with future changes in interest rates; and
- c. market risk, which is the risk that future fair values or cash flows will fluctuate because of changes in market prices. Market prices can be affected by currency fluctuations and other economic factors.

Liquidity risk, that financial obligations may not be met, exists as is does for all entities. The risk exposures are consistent with those of the preceding year.