F I N A N C I A L   S T A T E M E N T S

For

TRANSPORTATION ASSOCIATION OF CANADA

For year ended

MARCH 31, 2026

TRANSPORTATION ASSOCIATION OF CANADA

INDEX

YEAR ENDED MARCH 31, 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of

TRANSPORTATION ASSOCIATION OF CANADA

Opinion

We have audited the financial statements of Transportation Association of Canada (the "Association"), which comprise the statement of financial position as at March 31, 2026, 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 Association as at March 31, 2026 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other *Matter*

These financial statements of the Association for the year ended March 31, 2025 were audited by another auditor who expressed an unmodified opinion of those financial statements on August 8, 2025.

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

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

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

Welch LLP - Chartered Professional Accountants
350 Albert Street, Suite 700, Ottawa, Ontario K1R 1A4
T: 613-236-9191 F: 613-236-8258 W: welchllp.com
An Independent Member of BKR International

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 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 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 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 the Association'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 Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Welch LLP

Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
July 29, 2026.

TRANSPORTATION ASSOCIATION OF CANADA

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2026

	2026	2025
ASSETS		
CURRENT ASSETS		
Cash	$ 714,591	$ 760,319
Trade and other receivables (note 3)	49,312	126,582
Grant receivable (note 4)	184,234	172,947
Prepaid expenses	269,451	217,555
Due from related parties (note 14)	44,451	-
	1,262,039	1,277,403
INVESTMENTS (note 5)	9,275,652	8,808,560
TANGIBLE CAPITAL ASSETS (note 6)	110,773	190,623
EMPLOYEE FUTURE BENEFITS (note 7)	2,286,675	2,278,140
	$ 12,935,139	$ 12,554,726
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (note 8)	$ 602,656	$ 448,162
Due to related parties (note 14)	-	12,939
Deferred revenues (note 9)	791,251	781,947
	1,393,907	1,243,048
LEASE INDUCEMENTS	37,411	74,821
RETIREMENT ACCRUAL (note 10)	296,093	290,567
DEFERRED CONTRIBUTIONS (note 11)	1,659,367	1,906,822
	3,386,778	3,515,258
NET ASSETS		
Unrestricted	3,782,439	3,485,072
Invested in tangible capital assets	110,773	190,623
Internally restricted		
Defined benefit pension plan	627,000	738,068
Projects (note 12)	5,028,149	4,625,705
	9,548,361	9,039,468
	$ 12,935,139	$ 12,554,726

Approved on behalf of the Board:

Kelly Cain
.... Director

Paul C Smith
.... Director

(See accompanying notes)

TRANSPORTATION ASSOCIATION OF CANADA

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2026

	2026	2025
Revenue		
General		
Government membership fees	$ 673,538	$ 660,329
Other membership fees	656,749	633,102
Program		
Project contributions (note 13)	1,014,891	1,070,839
Conference and seminars	2,310,219	2,221,512
Publication sales	189,110	196,066
Services (note 14)	526,879	580,843
Net investment income	365,663	455,169
	5,737,049	5,817,860
Expenses		
Salaries and employee benefits (note 7)	1,987,447	2,059,363
Program		
Telecommunications	88,221	84,618
Conference and meetings	1,213,802	1,133,617
Consulting	713,197	890,158
Information dissemination	276,459	331,329
Other program costs	38,135	43,965
Translation	110,282	82,306
Travel	75,231	71,071
Overhead		
Equipment rental	6,377	4,317
Office	279,045	282,344
Professional fees	113,035	98,578
Software	114,127	100,234
Donations	1,000	1,000
Contribution to Transportation Association of Canada Foundation	10,000	10,000
Amortization of tangible capital assets	90,730	90,382
	5,117,088	5,283,282
Excess of revenue over expenses	$ 619,961	$ 534,578

(See accompanying notes)

TRANSPORTATION ASSOCIATION OF CANADA

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2026

	2026					2025
			Internally restricted			
	Unrestricted	Invested in Tangible Capital Assets	Defined Benefit Pension Plan	Projects	Total	Total
Balance, beginning of year	$ 3,485,072	$ 190,623	$ 738,068	$ 4,625,705	$ 9,039,468	$ 8,374,173
Excess of revenue over expenses	710,691	(90,730)	-	-	619,961	534,578
Remeasurement of defined benefit asset	-	-	(111,068)	-	(111,068)	130,717
Acquisition of tangible capital assets	(10,880)	10,880	-	-	-	-
Internal restrictions (note 12)	(558,372)	-	-	558,372	-	-
Use of project net assets (note 12)	155,928	-	-	(155,928)	-	-
Balance, end of year	$ 3,782,439	$ 110,773	$ 627,000	$ 5,028,149	$ 9,548,361	$ 9,039,468

(See accompanying notes)

TRANSPORTATION ASSOCIATION OF CANADA

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2026

	2026	2025
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Excess of revenue over expenses	$ 619,961	$ 534,578
Non-cash items:		
Amortization of tangible capital assets	90,730	90,382
Amortization of lease inducement	(37,410)	(37,411)
Retirement accrual	5,526	18,400
Deferred contributions recognized as revenue	(1,433,821)	(1,397,750)
Pension income	(119,603)	-
	(874,617)	(791,801)
Changes in non-cash working capital items:		
Trade and other receivables	77,270	282,546
Grant receivable	(11,287)	152,808
Prepaid expenses	(51,896)	3,121
Accounts payable and accrued liabilities	154,494	25,061
Deferred revenues	9,304	(216,390)
Due to/from related parties	(57,390)	(2,061)
	(754,122)	(546,716)
INVESTING ACTIVITIES		
Purchase of investments	(5,994,944)	(3,907,367)
Proceeds on disposal of investments	5,527,852	3,151,320
Acquisition of tangible capital assets	(10,880)	(41,563)
	(477,972)	(797,610)
FINANCING ACTIVITIES		
Project grants received	1,186,366	970,463
DECREASE IN CASH	(45,728)	(373,863)
CASH, BEGINNING OF YEAR	760,319	1,134,182
CASH, END OF YEAR	$ 714,591	$ 760,319

(See accompanying notes)

1. NATURE OF OPERATIONS

Transportation Association of Canada (the "Association") is a not-for-profit organization incorporated without share capital under the Canada Not-for-profit Corporations Act. The Association's mission is to work together to share ideas, build knowledge, promote best practices, foster leadership, and encourage bold transportation solutions. The Association is a non-profit organization under the Income Tax Act and, as such, is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The Association's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

Management makes accounting estimates when determining the allowance for doubtful accounts, in determining the useful lives of tangible capital assets, pension assumptions, and in determining certain accrued liabilities. Actual results could differ from these estimates.

Financial assets and liabilities

Initial measurement

The Association's financial assets and liabilities from transactions not concluded with related parties are initially measured at fair value. The Association's financial assets and liabilities from related party transactions are initially measured at cost.

Subsequent measurement

At each reporting date, the Association measures its financial assets and liabilities from transactions not concluded with related parties at amortized cost, whereas those from related party transactions are measured using the cost method.

With respect to financial assets measured at amortized cost or using the cost method, the Association assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Association determines that during the year there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost or using the cost method is recognized in operations in the year the reversal occurs.

Transaction costs on financial assets and liabilities measured at amortized cost are adjusted against the carrying value of the financial assets or liability and then recognized over the expected life of the instrument.

2. **SIGNIFICANT ACCOUNTING POLICIES** - Cont'd.

Tangible capital assets

Tangible capital assets are initially recorded at cost and are then amortized on a straight-line basis over their estimated useful lives at the following annual rates:

Computer equipment	3 years
Furniture and equipment	5 to 10 years
Leasehold improvements	Term of the lease
Software	5 years

Contributed assets are recorded at their fair value. When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset is written down to the tangible capital asset's fair value or replacement cost. The write-down is accounted for in the statement of operations and cannot be reversed.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Government and other membership fees received in advance are deferred and recorded as revenue in the membership period to which they relate.

Conference and seminars revenues are recognized as revenue in the year in which the conference or seminar event takes place.

Publication sales are recognized when delivery has occurred.

Service revenues are recognized when services are rendered, in accordance with the agreement between the parties.

Net investment income is recognized when earned.

Contributed supplies and services

Members contribute many hours per year to assist the Association in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Employee future benefits

The Association is a member of the Transportation Association of Canada ("TAC") Pension Plan. The assets and liabilities of the TAC Pension Plan have been allocated by TAC management between the Association and the Canadian Council of Motor Transport Administrators (CCMTA) based on the number of participating employees of each of the respective organizations. The plan comprises both defined benefit and defined contribution components.

The Association recognizes the defined benefit obligation and the cost for employee future benefits as the employees render services necessary to earn the pension benefits. The defined benefit obligation at the date of statement of financial position is determined using the most recent actuarial valuation report prepared for funding purposes. The date of the most recent actuarial valuation prepared for funding purposes is January 1, 2023, which is extrapolated to the Association's year end.

2. **SIGNIFICANT ACCOUNTING POLICIES** - Cont'd.

Employee future benefits - Cont'd.

The amount reported in the statement of financial position is the difference between the accrued benefit obligation and the fair value of plan assets adjusted for any valuation allowance. The current service cost and finance cost of the plan is recognized in the statement of operations. Remeasurements are recognized separately on the statement of changes in net assets.

Remeasurements comprise the aggregate of the following: the difference between the actual return on plan assets and interest income deducted from the finance cost; actuarial gains and losses relating to the obligation; the effect of any valuation allowance; past service costs.

The cost of the defined contribution pension plan is recognized based on contributions required to be made during the year.

Retirement plan

The Association also sponsors a defined benefit retirement plan. The related expense is recognized in the statement of operations during the year services are provided by employees.

3. **TRADE AND OTHER RECEIVABLES**

	2026	2025
Trade accounts receivable	$ 49,312	$ 129,582
Allowance for doubtful accounts	-	(3,000)
	$ 49,312	$ 126,582

4. **GRANT RECEIVABLE**

The Association has entered into a five year agreement ending in March 2027 with Transport Canada to deliver specific projects specified within the signed agreement. The grant receivable represents project contributions revenue earned on eligible expenditures incurred but not yet received as of March 31, 2026.

5. **INVESTMENTS**

	2026	2025
Cash	$ 379,509	$ 387,404
Accrued interest	176,633	223,570
Guaranteed investment certificates, bearing interest at a weighted average rate of 3.31% (2025 - 4.39%), maturing between April 2026 and February 2028 (2025 - June 2024 and March 2026)	8,719,510	8,197,586
	$ 9,275,652	$ 8,808,560

The fair value of the investments at March 31, 2026 was $8,719,510 (2025 - $8,197,586).

6. TANGIBLE CAPITAL ASSETS

	2026			2025
	Cost	Accumulated amortization	Net carrying amount	Net carrying amount
Computer equipment	$ 159,841	$ 144,884	$ 14,957	$ 18,198
Furniture and fixtures	163,265	161,767	1,498	3,358
Leasehold improvements	492,333	445,392	46,941	97,991
Software	106,375	58,998	47,377	71,076
	$ 921,814	$ 811,041	$ 110,773	$ 190,623

Cost and accumulated amortization as at March 31, 2025, amounted to $910,934 and $720,311, respectively.

7. EMPLOYEE FUTURE BENEFITS

The Association has a defined contribution plan providing pension benefits to employees hired after December 31, 2000 and employees hired prior to January 1, 2001 that have switched to this plan. The plan is based on the contributions made by employees which are matched by the employer. The pension expense for the year was $nil (2025 - $nil) as excess funding contributions from the defined benefit plan are being used to match employee contributions. During the year, $191,271 (2025 - $179,826) was transferred from the defined benefit plan to the defined contribution plan and is included as remeasurements in the statement of changes in net assets.

The Association has a defined benefit plan providing pension benefits to employees hired prior to January 1, 2001. The benefits are based on the highest annual average of any five-year period.

The most recent actuarial valuation of the pension plans for funding purposes was as of January 1, 2023.

The funded status of the pension is as follows:

	2026	2025
Fair value of plan assets	$ 6,124,395	$ 6,210,924
Defined benefit obligation	(3,837,720)	(3,932,784)
	$ 2,286,675	$ 2,278,140

The amount of pension income included with salaries and benefits is $119,603 (2025 - $nil).

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2026	2025
Accounts payable	$ 270,005	$ 215,375
Salaries payable	237,792	210,939
Indirect taxes	94,859	21,848
	$ 602,656	$ 448,162

9. DEFERRED REVENUES

	2026	2025
Membership fees	$ 476,242	$ 317,698
Conference and seminars	315,009	464,249
	$ 791,251	$ 781,947

10. RETIREMENT ACCRUAL

The retirement accrual is a benefit paid to employees upon retirement. To be eligible for the benefit, the employee must be at least 55 and hired prior to August 2017, and the benefit is equal to one week for each year of employment, up to a maximum of 25 weeks multiplied by the current salary at retirement. The present value of the retirement accrual is based on the likelihood of the employee reaching eligibility, the estimated retirement date and the salary at time of retirement. If the likelihood of eligibility is not readily determinable, the employee retirement benefit was not included in the accrual.

11. DEFERRED CONTRIBUTIONS

Deferred contributions consist of unspent project grants received for expenses in a future year. The Association receives the contributions from governments and other funding agencies and they are externally restricted to specific projects.

	2026	2025
Balance, beginning of year	$ 1,906,822	$ 2,334,109
Amount received during the year	1,186,366	970,463
Amount recognized in statement of operations during the year	(1,433,821)	(1,397,750)
Balance, end of year	$ 1,659,367	$ 1,906,822

12. PROJECTS

	Balance, beginning of year	Internal restrictions the Board of Directors	Use of internally restricted and assets	2026 Total	2025 Total
Geometric Design Guide	$ 617,905	$ 15,660	$ -	$ 633,565	$ 617,905
Guide for the Design of Roadway Lighting	50,500	1,400	-	51,900	50,500
Manual of Uniform Traffic Control Devices for Canada	121,400	14,600	-	136,000	121,400
Foundational Guidelines	1,203,469	26,712	-	1,230,181	1,203,469
Online training program	76,233	-	(76,233)	-	76,233
Professional Editing of Publication	42,588	-	-	42,588	42,588
Provision for Emergency Reserve	1,800,000	-	-	1,800,000	1,800,000
TAC Foundation Contributions	20,000	-	(10,000)	10,000	20,000
COVID-19 Subsidy	156,110	-	(23,000)	133,110	156,110
Develop Road Safety Guide	200,000	-	-	200,000	200,000
Develop the Cross Section Elements Project	40,000	-	(10,395)	29,605	40,000
Emerging Issue Reserve	197,500	-	(36,300)	161,200	197,500
Digital Delivery Scoping Study	100,000	-	-	100,000	100,000
Supplementing Pooled-Fund Projects Reserve	-	500,000	-	500,000	-
	$ 4,625,705	$ 558,372	$ (155,928)	$ 5,028,149	$ 4,625,705

Internally restricted amounts are not available for other purposes without approval from the Board of Directors.

13. PROJECT CONTRIBUTIONS

	2026	2025
Technical projects	$ 534,782	$ 600,891
COMT and interjurisdictional programs	452,252	452,335
Other	27,857	17,613
	$ 1,014,891	$ 1,070,839

14. RELATED PARTY BALANCES AND TRANSACTIONS

Canadian Council of Motor Transport Administrators

The Association and Canadian Council of Motor Transport Administrators ("the Council") are related due to the service agreement that is binding on both parties. The Association received $416,908 (2025 - $408,734) from the Council for administrative services provided.

Transportation Association of Canada Foundation

The Transportation Association of Canada Foundation ("the Foundation") was incorporated in 2003 under Part II of the Canada Corporations Act as a not-for-profit organization without share capital. It also received its certificate of continuance issued December 21, 2012 under the Canada Not-for-Profit Corporations Act as well as confirmation of its registered charitable status from the Canada Revenue Agency on January 14, 2013. This is a separate and distinct legal entity.

The Foundation's mandate is to support the educational and research needs of the Canadian transportation industry by providing scholarships to individuals attending universities, colleges and trade schools, supporting academic chairs in Canadian educational institutions, providing funding for transportation research and development at Canadian academic institutions and by establishing a program of internships.

The Association and the Foundation are related by virtue of the Association's significant influence over the Foundation due to having common board members.

The Association provided administrative services to Transportation Association of Canada Foundation for which it received $12,000 (2025 - $12,000), which is included in services. The Association also donated $10,000 (2025 - $10,000) to the Foundation.

Due to (from) related parties consists of:

	2026	2025
Due to the Foundation	$ (4,143)	$ (14,968)
Due from the Council	48,594	2,029
	$ 44,451	$ (12,939)

These transactions have been recorded at the exchange amount, which is the amount agreed to between the parties, excluding the resulting financial instruments. Due to (from) related party balances are non-interest bearing and have no specified terms of repayment.

15. COMMITMENTS

The Association leases its premises under a lease expiring February 2027. Subsequent to year-end, the Association extended the lease until February 2032. The future minimum lease payments total $793,046 and include the following payments: $132,317 in 2027, $119,923 in 2028, $127,337 in 2029, $134,752 in 2030, $142,167 in 2031, and $136,550 in 2032.

The Association has entered into rental and catering agreements for their Conference 2026, Conference 2027, and Conference 2028 events occurring in fiscal years 2027, 2028, and 2029, respectively. Future minimum payments total $4,121,551 and include the following payments over the next three years: $1,378,131 in 2027, $1,167,710 in 2028, and $1,575,380 in 2029.

16. FINANCIAL INSTRUMENTS

The Association is subject to the following risks from its financial instruments:

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. Financial instruments that potentially subject the Association to credit risk consist of cash, trade, other and grant accounts receivables, and investments. Cash and investments are held with major financial institutions. Accounts receivable are routinely reviewed. The allowance for doubtful accounts is $nil (2025 - $3,000).

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. The Association is not exposed to significant currency risk or other price risk.

i) *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 Association is exposed to interest rate risk with respect to its fixed rate guaranteed investment certificates, as disclosed in note 5. Fixed rate instruments subject the Association to fair value risk since fair value fluctuates inversely to changes in market interest rates.

Liquidity risk

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association is exposed to liquidity risk mainly in respect of its accounts payable and accrued liabilities. The Association manages liquidity risk by monitoring its cash flow requirements.

Changes in risk

There were no significant changes to the Association's risk exposure from the prior year.

17. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.