

**FINANCIAL STATEMENTS**  
**For**  
**TRANSPORTATION ASSOCIATION OF CANADA FOUNDATION**  
**For year ended**  
**DECEMBER 31, 2025**

**INDEPENDENT AUDITOR'S REPORT**

To the directors of

**TRANSPORTATION ASSOCIATION OF CANADA FOUNDATION***Qualified Opinion*

We have audited the financial statements of Transportation Association of Canada Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2025, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2025 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 Qualified Opinion*

In common with many not-for-profit organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of donation revenue was limited to the amounts recorded in the records of the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to revenues from donations, excess of revenues over expenses and cash flows from operating activities for the year ended December 31, 2025, current assets as at December 31, 2025, and net assets as at January 1 and December 31 for 2025. The predecessor auditor's opinion on the financial statements for the year ended December 31, 2024, was modified accordingly because of the possible effects of this limitation.

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 Foundation 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 qualified audit opinion.

*Other Matter*

The financial statements of the Foundation for the year ended December 31, 2024 were audited by another auditor who expressed a qualified opinion on those financial statements on June 20, 2025 for reasons described in the *Basis for Qualified Opinion* section.

*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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

### *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 Foundation'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 Foundation'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 Foundation 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  
June 4, 2026.

**TRANSPORTATION ASSOCIATION OF CANADA FOUNDATION**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2025**

	<u>2025</u>	<u>2024</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 14,764	\$ 11,265
Investments (note 4)	159,868	120,396
Accounts receivable (note 5)	2,491	13,133
Due from Transportation Association of Canada (note 8)	<u>-</u>	<u>1,695</u>
	177,123	146,489
<b>INVESTMENTS (note 4)</b>	<u>135,476</u>	<u>160,635</u>
	<u>\$ 312,599</u>	<u>\$ 307,124</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities (note 6)	\$ 6,280	\$ 8,092
Deferred contributions (note 7)	27,500	27,500
Due to Transportation Association of Canada (note 8)	<u>3,037</u>	<u>-</u>
	<u>36,817</u>	<u>35,592</u>
<b>NET ASSETS</b>		
Unrestricted - General fund	58,915	61,814
Externally restricted - Endowment fund	102,845	102,845
Internally restricted - Long-term capital fund	101,082	96,090
- Mentoring fund	12,940	12,940
- STEM fund	<u>-</u>	<u>(2,157)</u>
	<u>275,782</u>	<u>271,532</u>
	<u>\$ 312,599</u>	<u>\$ 307,124</u>

Approved on behalf of the Board:



..... Director



..... Director

(See accompanying notes)

**TRANSPORTATION ASSOCIATION OF CANADA FOUNDATION**

**STATEMENT OF OPERATIONS**

**YEAR ENDED DECEMBER 31, 2025**

	<u>Unrestricted</u>	<u>Internally restricted</u>			<u>Externally restricted</u>		<u>2025 Total</u>	<u>2024 Total</u>
	<u>General Fund</u>	<u>Long-term Capital Fund</u>	<u>Mentoring Capital Fund</u>	<u>STEM Fund</u>	<u>Scholarship Fund</u>	<u>Endowment Fund</u>		
<b>Revenues</b>								
Donations (note 3)	\$ 43,800	\$ -	\$ -	\$ 13,500	\$ 66,950	\$ -	\$ 124,250	\$ 105,627
Transportation Association of Canada (note 8)	10,000	-	-	-	-	-	10,000	10,000
Transport Canada	15,000	-	-	-	-	-	15,000	22,000
Investment income	<u>5,917</u>	<u>4,992</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,909</u>	<u>13,098</u>
	<u>74,717</u>	<u>4,992</u>	<u>-</u>	<u>13,500</u>	<u>66,950</u>	<u>-</u>	<u>160,159</u>	<u>150,725</u>
<b>Expenses</b>								
Administrative services (note 8)	12,473	-	-	-	-	-	12,473	12,473
Honorarium	-	-	-	-	-	-	-	23,075
Insurance	2,044	-	-	-	-	-	2,044	1,946
Meetings	1,055	-	-	-	-	-	1,055	2,546
Other program expenses	-	-	-	15,082	-	-	15,082	11,444
Office supplies and expenses	654	-	-	-	-	-	654	739
Professional fees	6,280	-	-	-	-	-	6,280	6,003
Consulting	44,045	-	-	-	-	-	44,045	31,052
Scholarships	5,000	-	-	-	66,950	-	71,950	83,225
Travel	<u>2,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,326</u>	<u>4,452</u>
	<u>73,877</u>	<u>-</u>	<u>-</u>	<u>15,082</u>	<u>66,950</u>	<u>-</u>	<u>155,909</u>	<u>176,955</u>
<b>Excess of revenue over expenses (expenses over revenue)</b>	<u>\$ 840</u>	<u>\$ 4,992</u>	<u>\$ -</u>	<u>\$ (1,582)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,250</u>	<u>\$ (26,230)</u>

(See accompanying notes)

**TRANSPORTATION ASSOCIATION OF CANADA FOUNDATION**

**STATEMENT OF CHANGES IN NET ASSETS**

**YEAR ENDED DECEMBER 31, 2025**

	<u>Unrestricted</u>	<u>Internally restricted</u>			<u>Externally</u>		
	<u>General</u>	<u>Long-term</u>	<u>Mentoring</u>	<u>STEM</u>	<u>restricted</u>	<u>2025</u>	<u>2024</u>
	<u>Fund</u>	<u>Capital Fund</u>	<u>Capital Fund</u>	<u>Fund</u>	<u>Endowment</u>	<u>Total</u>	<u>Total</u>
					<u>Fund</u>		
Balance, beginning of year	\$ 61,814	\$ 96,090	\$ 12,940	\$ (2,157)	\$ 102,845	\$ 271,532	\$ 297,762
Excess of revenue over expenses (expenses over revenue)	840	4,992	-	(1,582)	-	4,250	(26,230)
Interfund transfer	<u>(3,739)</u>	<u>-</u>	<u>-</u>	<u>3,739</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 58,915</u>	<u>\$ 101,082</u>	<u>\$ 12,940</u>	<u>\$ -</u>	<u>\$ 102,845</u>	<u>\$ 275,782</u>	<u>\$ 271,532</u>

(See accompanying notes)

**TRANSPORTATION ASSOCIATION OF CANADA FOUNDATION**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2025**

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses (expenses over revenue)	\$ 4,250	\$ (26,230)
Changes in non-cash working capital items:		
Accounts receivable	10,642	(2,858)
Accounts payable and accrued liabilities	(1,812)	3,052
Due to/from Transportation Association of Canada	<u>4,732</u>	<u>-</u>
	<u>17,812</u>	<u>(26,036)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(133,883)	(207,171)
Proceeds on disposal of investments	<u>119,570</u>	<u>219,607</u>
	<u>(14,313)</u>	<u>12,436</u>
<b>INCREASE (DECREASE) IN CASH</b>	3,499	(13,600)
<b>CASH, BEGINNING OF YEAR</b>	<u>11,265</u>	<u>24,865</u>
<b>CASH, END OF YEAR</b>	<u>\$ 14,764</u>	<u>\$ 11,265</u>

(See accompanying notes)

# TRANSPORTATION ASSOCIATION OF CANADA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

### 1. NATURE OF OPERATIONS

The Foundation was incorporated in 2003 under Part II of the Canada Corporations Act as a not-for-profit organization without share capital. It received its certificate of continuance, 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. The Foundation is exempt from income tax.

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.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The 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 or assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense 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 and in determining certain accrued liabilities. These estimates are subject to measurement uncertainty and the effect on the financial statements for changes in such estimates in future periods could be material.

#### *Fund Accounting*

The Foundation uses fund accounting to account for various activities of the Foundation.

- General Fund

The general fund is used for the day to day activities of the Foundation.

- Endowment Fund

Donations to the Endowment Fund are externally restricted and are to be held permanently for the purpose of generating investment income to support the Foundation's programs.

- Scholarship Fund

The Scholarship Fund is mainly externally restricted. It is used for scholarships to students in transportation programs.

- Long-Term Capital Fund

The Foundation internally restricts amounts to accumulate capital to support future programs and operations.

- Mentoring Fund

The Mentoring Fund is internally restricted. It is to be used to encourage young students to enter the science and engineering fields and ultimately into the transportation domain.

**TRANSPORTATION ASSOCIATION OF CANADA FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**

**YEAR ENDED DECEMBER 31, 2025**

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

*Fund Accounting - Cont'd.*

- Science, Technology, Engineering and Math ("STEM") Fund

The STEM Fund (previously the Transportation and Civil Engineering ("TRAC") Fund) is to be used for a program to promote and raise awareness about the transportation industry via a number of modules developed by AASHTO in the United States which were adapted for use in Canada by science teachers in the public school system.

*Financial assets and liabilities*

The Foundation's financial assets and liabilities are initially measured at fair value and subsequently at amortized cost.

With respect to financial assets measured at amortized cost, the Foundation assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Foundation 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 earnings. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost or using the cost method is recognized in earnings in the year the reversal occurs.

*Revenue recognition*

The Foundation follows the restricted fund method of accounting for donations and contributions.

Restricted contributions for which the Foundation does not have a related restricted fund are recognized in the General Fund using the deferral method. All other restricted donations and contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized when earned.

**3. DONATIONS**

	<u>2025</u>	<u>2024</u>
Named scholarships donations		
Individuals	\$ 2,725	\$ -
Businesses	43,225	43,725
Not-for-profit organizations	26,500	14,500
Provincial governments	<u>8,000</u>	<u>-</u>
	<u>80,450</u>	<u>58,225</u>
General donations		
Individuals	275	777
Businesses	3,775	6,875
Not-for-profit organizations	2,650	1,450
Provincial governments	<u>37,100</u>	<u>38,300</u>
	<u>43,800</u>	<u>47,402</u>
	<u>\$ 124,250</u>	<u>\$ 105,627</u>

**TRANSPORTATION ASSOCIATION OF CANADA FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**

**YEAR ENDED DECEMBER 31, 2025**

**4. INVESTMENTS**

	<u>2025</u>	<u>2024</u>
Bank of Montreal GIC, bearing interest at 5%, maturing May 22, 2026	\$ 43,044	\$ 42,993
BMO Trust Company GIC, bearing interest at 4.05%, maturing September 4, 2026	70,093	70,036
RFA Bank of Canada GIC, bearing interest at 3.69%, maturing November 6, 2026	46,730	47,606
Home Trust Company GIC, bearing interest at 3.54%, maturing May 31, 2027	53,883	-
Concentra Bank GIC, bearing interest at 3.15%, maturing October 4, 2027	41,442	-
Equitable Trust GIC, bearing interest at 3.16%, maturing November 18, 2027	40,151	-
RFA Bank of Canada GIC, bearing interest at 4.65%, matured May 16, 2025	-	35,152
Bank of Montreal GIC, bearing interest at 5.55%, matured September 15, 2025	-	36,966
Haventree Bank GIC, bearing interest at 3.84%, matured November 6, 2025	-	48,278
	295,343	281,031
 Short-term investments	 159,868	 120,396
	 <u>\$ 135,476</u>	 <u>\$ 160,635</u>

**5. ACCOUNTS RECEIVABLE**

	<u>2025</u>	<u>2024</u>
Trade accounts receivable	\$ -	\$ 6,600
Indirect taxes receivable	2,491	6,533
	<u>\$ 2,491</u>	<u>\$ 13,133</u>

**6. GOVERNMENT REMITTANCES**

Government remittances of \$nil (2024 - \$nil) are included in accounts payable and accrued liabilities.

**7. DEFERRED CONTRIBUTIONS**

	<u>2025</u>	<u>2024</u>
Scholarship funds	\$ 27,500	\$ 27,500

Deferred scholarship funds represent a donation received in 2020 for future scholarships.

**TRANSPORTATION ASSOCIATION OF CANADA FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**

**YEAR ENDED DECEMBER 31, 2025**

**8. RELATED PARTY TRANSACTIONS AND BALANCES**

The Foundation and Transportation Association of Canada ("TAC") are organizations under common control. The Foundation contracts with TAC for certain administrative support services. TAC charged \$12,000 during the year (2024 - \$12,000) to the Foundation for the services. TAC made a contribution of \$10,000 (2024 - \$10,000).

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

**9. FINANCIAL INSTRUMENTS**

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

*Credit risk*

Credit risk is the risk 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 Foundation to credit risk consist principally of cash, accounts receivable, and investments. Cash and investments are held with major financial institutions. Credit risk relating to accounts receivable is generally diversified since the Foundation negotiates with a large number of establishments. The Foundation undertakes credit investigations of its customers' financial situation and generally does not obtain guarantees from them.

*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 Foundation 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 Foundation is exposed to interest rate risk with respect to its guaranteed investment certificates, as disclosed in note 4.

*Liquidity risk*

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

**10. COMPARATIVE FIGURES**

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