

Financial Statements of

**TRI-BOARD STUDENT
TRANSPORTATION
SERVICES**

And Independent Auditor's Report thereon

Year ended August 31, 2025



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Members of Tri-Board Student Transportation Services

Opinion

We have audited the financial statements of Tri-Board Student Transportation Services (the Entity), which comprise:

- the statement of financial position as at August 31, 2025
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at end of August 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.



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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 public sector accounting standards 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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.



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- 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 Entity'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 Entity'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 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

November 21, 2025

TRI-BOARD STUDENT TRANSPORTATION SERVICES

Statement of Financial Position

August 31, 2025, with comparative information for 2024

	2025	2024
Financial assets:		
Cash	\$ 3,951,722	\$ 2,183,116
Accounts receivable	425,568	167,657
	<u>4,377,290</u>	<u>2,350,773</u>
Financial liabilities:		
Accounts payable	40,580	77,515
Accrued liabilities	2,452,515	435,755
Employee future benefits (note 3(b))	58,591	53,678
Vacation accrual (note 3(d))	50,376	18,908
Deferred revenue (note 5)	1,709,215	1,686,175
	<u>4,311,277</u>	<u>2,272,031</u>
Net financial assets	66,013	78,742
Non-financial assets:		
Prepaid expenses	32,777	23,137
Contingencies (note 7)		
Economic dependence (note 8)		
Accumulated surplus	<u>\$ 98,790</u>	<u>\$ 101,879</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

TRI-BOARD STUDENT TRANSPORTATION SERVICES

Statement of Operations and Accumulated Surplus

Year ended August 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
	(Note 1(i))		
Revenue:			
Transportation fees	\$ 50,228,400	\$ 48,688,971	\$ 48,992,480
Tri-Board administrative fees	2,540,350	1,933,016	1,923,307
Other revenue - Ministry of Government and Consumer Services supplies	-	-	9,207
Other revenue - driver retention	1,578,500	1,530,870	1,512,260
Interest income	-	127,859	132,951
Children and Youth in Care funding	-	18,554	7,965
	54,347,250	52,299,270	52,578,170
Expenses (note 6):			
Salaries and benefits	1,535,350	1,515,490	1,509,790
Administrative expenses:			
Technology	345,000	282,681	280,151
Professional fees	375,000	71,149	47,971
Safety supplies and services	189,000	131,212	158,396
Telephone	21,000	13,247	13,372
Maintenance	9,000	5,870	4,835
Office supplies	21,000	18,968	14,374
Travel and meetings	18,000	19,106	21,352
Staff professional development	27,000	6,240	3,044
	2,540,350	2,063,963	2,053,285
Transportation expenses:			
Monthly bus contracts	40,011,000	38,827,646	38,958,275
Special education transportation	6,493,000	6,314,230	6,388,804
Bus monitor	1,317,000	1,290,181	1,281,420
Wheelchair transportation	700,000	744,477	677,584
Provincial day (deaf and blind)	441,000	395,816	390,509
Section 23 transportation	656,000	493,614	631,942
Bus driver training	174,000	301,826	235,388
Driver retention program	1,578,500	1,530,870	1,512,261
COVID Ministry of Government and Consumer Services supplies	-	-	9,207
Vehicle maintenance and supplies	139,000	143,691	145,446
Provincial residential	203,800	127,070	199,395
Late busing	93,600	50,421	83,714
Children and Youth in Care students	-	18,554	7,965
	51,806,900	50,238,396	50,521,910
	54,347,250	52,302,359	52,575,195
Annual (deficit) surplus	-	(3,089)	2,975
Accumulated surplus, beginning of year	-	101,879	98,904
Accumulated surplus, end of year	\$ -	\$ 98,790	\$ 101,879

See accompanying notes to financial statements.

TRI-BOARD STUDENT TRANSPORTATION SERVICES

Statement of Change in Net Financial Assets

Year ended August 31, 2025, with comparative information for 2024

	2025 Budget (Note 1(i))	2025 Actual	2024 Actual
Annual (deficit) surplus	\$ —	\$ (3,089)	\$ 2,975
Change in prepaid expenses	—	(9,640)	14,802
Increase (decrease) in net financial assets	—	(12,729)	17,777
Net financial assets, beginning of year	—	78,742	60,965
Net financial assets, end of year	\$ —	\$ 66,013	\$ 78,742

See accompanying notes to financial statements.

TRI-BOARD STUDENT TRANSPORTATION SERVICES

Statement of Cash Flows

Year ended August 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Annual (deficit) surplus	\$ (3,089)	\$ 2,975
Items not involving cash:		
Increase in employee future benefits	4,913	5,481
Changes in non-cash operating working capital:		
Increase in accounts receivable	(257,911)	(21,128)
Decrease (increase) in prepaid expenses	(9,640)	14,802
Increase (decrease) in accounts payable	(36,935)	33,042
Increase in accrued liabilities	2,016,760	347,815
Increase in vacation accrual	31,468	4,946
Increase in deferred revenue	23,040	1,686,175
Cash provided by operating activities	1,768,606	2,074,108
Increase in cash	1,768,606	2,074,108
Cash, beginning of year	2,183,116	109,008
Cash, end of year	\$ 3,951,722	\$ 2,183,116

See accompanying notes to financial statements.

TRI-BOARD STUDENT TRANSPORTATION SERVICES

Notes to Financial Statements

Year ended August 31, 2025

Tri-Board Student Transportation Services (“Tri-Board”) is a not-for-profit organization incorporated September 12, 2006 as a corporation without share capital under the Corporations Act of Ontario and, accordingly, is exempt from the payment of income taxes under the Income Tax Act (Canada). Tri-Board provides safe, secure, on-time transportation and related services to students of Algonquin and Lakeshore Catholic District School Board, the Hastings and Prince Edward District School Board and the Limestone District School Board.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

(a) Reporting entity:

These financial statements reflect the assets, liabilities, revenue and expenses of Tri-Board.

(b) Basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as they are earned and measurable; expenses are the cost of goods and services acquired in the period whether or not payment has been made or invoices received.

(c) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(d) Tangible capital assets:

Tangible capital assets are recorded at historical cost less accumulated amortization. Historical cost includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset, as well as interest related to financing during construction.

Tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

	Rate
Computer software	5 years

TRI-BOARD STUDENT TRANSPORTATION SERVICES

Notes to Financial Statements (continued)

Year ended August 31, 2025

1. Significant accounting policies (continued):

(d) Tangible capital assets (continued):

When conditions indicate that a tangible capital asset no longer contributes to Tri-Board's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the Statement of Operations and Accumulated Surplus.

(e) Government transfers:

Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events are giving rise to the transfer occur, provided the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

Government transfers for capital that meet the definition of a liability are referred to as deferred capital contributions. Amounts are deferred and recognized into revenue on the same basis as the related tangible capital asset.

(f) Revenue recognition:

Revenue from fees is recognized when the services are provided.

(g) Use of estimates:

The preparation of the financial statements 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 year. Items subject to such estimates and assumptions include accrued liabilities and obligations related to employee future benefits. Actual results could differ from those estimates.

(h) Retirement and other employee future benefits:

Tri-Board provides defined retirement and other future benefits to their employees. These benefits include retirement gratuity and accumulated sick leave benefits. Tri-Board has adopted the following policies with respect to accounting for these employee benefits:

(i) The costs of self-insured retirement and other employee future benefit plans are actuarially determined using administration's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care costs trends, disability recovery rates, long-term inflation rates and discount rates.

TRI-BOARD STUDENT TRANSPORTATION SERVICES

Notes to Financial Statements (continued)

Year ended August 31, 2025

1. Significant accounting policies (continued):

(h) Retirement and other employee future benefits (continued):

(i) (continued):

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as retirement gratuities and life insurance and health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

(ii) The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System (“OMERS”) pensions, are the employer’s contributions due to the plan in the period.

(i) Budget figures:

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Board of Directors of Tri-Board Student Transportation Services.

Tri-Board approves its budget annually. The approved operating budget for 2024-2025 is reflected on the Statement of Operations and Accumulated Surplus. The budget was approved on June 4, 2024.

Budgets established for capital purposes are based on a project-oriented basis, the costs of which may be carried out over one or more years. Capitalization of assets, amortization and disposals were not contemplated in the development of the budget.

TRI-BOARD STUDENT TRANSPORTATION SERVICES

Notes to Financial Statements (continued)

Year ended August 31, 2025

2. Related party transactions:

Tri-Board Student Transportation Services provides transportation and related services to students of Algonquin and Lakeshore Catholic District School Board, the Hastings and Prince Edward District School Board and the Limestone District School Board.

Tri-Board recovered transportation and administration fees for providing these services from the respective school board as follows:

	2025	2024
Limestone District School Board	\$ 19,488,458	\$ 19,774,454
Hastings and Prince Edward District School Board	18,367,377	18,320,228
Algonquin and Lakeshore Catholic District School Board	14,365,792	14,380,133

3. Retirement gratuities and accumulated sick leave benefits:

(a) Retirement gratuities:

Tri-Board provides retirement gratuities to their employees. The amount of the gratuities paid to eligible employees at retirement is based on their salary, accumulated sick days, and years of service at retirement. Tri-Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in Tri-Board's financial statements.

TRI-BOARD STUDENT TRANSPORTATION SERVICES

Notes to Financial Statements (continued)

Year ended August 31, 2025

3. Retirement gratuities and accumulated sick leave benefits (continued):

(b) Accumulated sick leave benefits:

Tri-Board provides accumulated sick leave benefits to their employees. Under the plan employees can accumulate unused sick leave days available for use in future years. Tri-Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in Tri-Board's financial statements.

			2025	2024
	Retirement gratuity benefit	Non-vesting accumulated sick leave benefit	Total retirement and other benefits	Total retirement and other benefits
Accrued benefit liability, opening balance	\$ 23,602	\$ 30,076	\$ 53,678	\$ 48,197
Current year benefit cost	1,381	3,891	5,272	3,946
Interest accrued	944	1,559	2,503	1,283
Amortized gain (loss)	(10)	2,484	2,474	3,222
Total current year expense	2,315	7,934	10,249	8,451
Benefit payments	–	(5,336)	(5,336)	(2,970)
Accrued benefit liability, closing balance	\$ 25,917	\$ 32,674	\$ 58,591	\$ 53,678
Accrued benefit obligation	\$ 25,795	\$ 39,910	\$ 65,705	\$ 63,266
Unamortized actuarial gain (loss)	122	(7,236)	(7,114)	(9,588)
Accrued benefit liability, closing balance	\$ 25,917	\$ 32,674	\$ 58,591	\$ 53,678

TRI-BOARD STUDENT TRANSPORTATION SERVICES

Notes to Financial Statements (continued)

Year ended August 31, 2025

3. Retirement gratuities and accumulated sick leave benefits (continued):

- (c) The accrued benefit obligations for employee future benefit plans as at August 31, 2025 are based on actuarial valuations for accounting purposes. The most recent valuation of the employee future benefits was completed as at August 31, 2024 and projected to August 31, 2027.

Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the related employees, which is estimated to be 16 and 10 years for retirement gratuities and accumulated sick leave benefits, respectively. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are Tri-Board's best estimates of expected rates of:

	2025	2024
Wage and salary escalation	2.00%	2.00%
	per annum	per annum
Discount on accrued benefit obligations	3.80%	3.80%
Inflation rate	2.00%	2.00%

Retirement rates:

The retirement rates used vary based on the ages at which the employee was projected to be eligible for a reduced or unreduced OMERS pension. An age plus service factor of 90 was used to determine the eligibility dates for unreduced pensions. The retirement rates used are as follows:

Attained Age	2025 Retirement Rate	2024 Retirement Rate
Under age 55	0.00%	0.00%
Age 55 to age at unreduced pension eligibility	4.00%	4.00%
Age at unreduced pension eligibility to age 65	30.00%	30.00%
Age 65 and over	100.00%	100.00%

Normal retirement age: 61

Mortality is assumed to be in accordance with the 2014 CPM-Public Trade [2014 Canadian Pensioner Mortality (Public Sector) Table] with Improvement Scale CPM-B.

- (d) Other employee future benefits:

The value of unused vacation days accrued as of August 31, 2025 is \$50,376 (2024 - \$18,908).

TRI-BOARD STUDENT TRANSPORTATION SERVICES

Notes to Financial Statements (continued)

Year ended August 31, 2025

4. Pension plan costs:

Employees of Tri-Board are eligible to be members of the OMERS, a multi-employer pension plan. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employers and employees contribute to the plan. Since any surpluses or deficits are a joint responsibility of all members of the plan, Tri-Board does not recognize any share of the OMERS pension surplus or deficit in these financial statements.

The last available report for the OMERS plan was at December 31, 2024, and at that time, the plan reported a \$2.9 billion actuarial deficit (2023 - \$4.2 billion actuarial deficit).

The amount contributed to OMERS was \$112,769 (2024 - \$117,380) for current services and is included in salaries and benefits on the Statement of Operations and Accumulated Surplus.

5. Deferred revenue:

Deferred revenue consists of fees received in advance by Tri-Board Student Transportation Services from Algonquin & Lakeshore Catholic District School Board for the 2025-26 year amounting to \$1,698,537 (2024 - \$1,686,175) and from Renfrew amounting to \$10,678 (2024 - \$Nil).

TRI-BOARD STUDENT TRANSPORTATION SERVICES

Notes to Financial Statements (continued)

Year ended August 31, 2025

6. Schedule of allocated expenses:

Tri-Board provides transportation and related services mainly to students of Algonquin and Lakeshore Catholic District School Board, Hastings and Prince Edward District School Board and Limestone District School Board. Some of these services are provided to other school boards and all of the school board cost allocations are reported as follows:

	Algonquin and Lakeshore Catholic District School Board	Hastings and Prince Edward District School Board	Limestone District School Board	Renfrew County District School Board	2025 Total	2024 Total
Transportation expenses:						
Monthly bus contracts	\$ 11,016,884	\$ 13,562,142	\$ 14,167,890	\$ 80,730	\$ 38,827,646	\$ 38,958,275
Special education transportation	1,431,938	2,104,548	2,777,744	–	6,314,230	6,388,804
Wheelchair transportation	231,798	248,325	264,354	–	744,477	677,584
Section 23 transportation	54,406	172,051	267,157	–	493,614	631,942
Bus monitor	306,764	620,201	363,216	–	1,290,181	1,281,420
Late busing	42,501	4,440	3,480	–	50,421	83,714
Provincial day (deaf and blind)	19,555	211,521	164,740	–	395,816	390,509
Provincial residential	34,440	45,162	47,468	–	127,070	199,395
Bus driver training	82,143	106,448	113,235	–	301,826	235,388
COVID-19 Ministry of Government and Consumer Services supplies	–	–	–	–	–	9,207
Driver retention program	416,397	540,397	574,076	–	1,530,870	1,512,261
Children and Youth in Care students	–	18,554	–	–	18,554	7,965
Vehicle maintenance and supplies	47,897	47,897	47,897	–	143,691	145,446
	13,684,723	17,681,686	18,791,257	80,730	50,238,396	50,521,910
Administrative expenses	681,069	685,691	697,203	–	2,063,963	2,053,285
	\$ 14,365,792	\$ 18,367,377	\$ 19,488,460	\$ 80,730	\$ 52,302,359	\$ 52,575,195

TRI-BOARD STUDENT TRANSPORTATION SERVICES

Notes to Financial Statements (continued)

Year ended August 31, 2025

7. Contingencies:

The nature of the Tri-Board's activities is such that there may be the litigation pending or in prospect at any time. With respect to claims at August 31, 2025, management believes that Tri-Board has valid defenses and appropriate insurance coverages in place. In the event any claims are successful, the amount of any potential liability is not determined; therefore, no amount has been accrued in the financial statements.

8. Economic dependence:

Tri-Board's operations consist exclusively of supplying services to the Limestone District School Board, Hastings and Prince Edward District School Board, and Algonquin and Lakeshore Catholic District School Board. Tri-Board Student Transportation Services is economically dependent on these school boards for its revenue.

9. Credit facility:

Tri-Board has a revolving demand facility in the amount of \$2,000,000 with its financial institution. Interest is to be paid at a rate of the bank's prime rate plus 1.25% per annum. The amount drawn on this facility at August 31, 2025 was \$Nil (2024 - \$Nil). Security of this facility includes a collective guarantee of \$2,000,000 by the Algonquin and Lakeshore Catholic District School Board, the Limestone District School Board and the Hastings and Prince Edward District School Board.

10. Future accounting standard adoptions:

Tri-Board is in the process of assessing the impact of the upcoming new standards and the extent of the impact of their adoption on its financial statements.

Applicable for fiscal years beginning on or after April 1, 2026 (in effect for the Tri-Board as of September 1, 2026 for the year ending August 31, 2027). Standards must be implemented at the same time.

New Public Sector Accounting Standards (PSAS) Conceptual Framework:

This new model is a comprehensive set of concepts that underlie and support financial reporting. It is the foundation that assists:

- preparers to account for items, transactions and other events not covered by standards
- auditors to form opinions regarding compliance with accounting standards
- users in interpreting information in financial statements
- Public Sector Accounting Board (PSAB) to develop standards grounded in the public sector environment

TRI-BOARD STUDENT TRANSPORTATION SERVICES

Notes to Financial Statements (continued)

Year ended August 31, 2025

10. Future accounting standard adoptions (continued):

New Public Sector Accounting Standards (PSAS) Conceptual Framework (continued):

The main changes are:

- Additional guidance to improve understanding and clarity
- Non-substantive changes to terminology/definitions
- Financial statement objectives foreshadow changes in the Reporting Model
- Relocation of recognition exclusions to the Reporting Model
- Consequential amendments throughout the Public Sector Accounting Handbook

The framework is expected to be implemented prospectively.

Reporting Model- PS 1202 *Financial Statement Presentation*:

This reporting model provides guidance on how information should be presented in the financial statements and will replace PS 1201 *Financial Statement Presentation*. The model is expected to be implemented retroactively with restatement of prior year amounts.

The main changes are:

- Restructured Statement of Financial Position
- Introduction of financial and non-financial liabilities
- Amended non-financial asset definition
- New components of net assets- accumulated other and issued share capital
- Increased clarity regarding presentation of budget comparatives on the Statement of Operations
- Relocated net debt to its own statement
- Renamed the net debt indicator
- Revised the net debt calculation
- Removed the Statement of Change in Net Debt
- New Statement of Net Financial Assets/Liabilities
- New Statement of Changes in Net Assets/Liabilities
- Financing transactions presented separately from operating, capital and investing transactions on the Statement of Cash Flows