



**CANADORE COLLEGE
OF APPLIED ARTS AND TECHNOLOGY**

Financial Statements
For the year ended March 31, 2026

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Financial Statements

For the year ended March 31, 2026

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Management's Responsibility for Financial Reporting

The financial statements of Canadore College of Applied Arts and Technology (the "College") are the responsibility of management and have been approved by the Board of Governors.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPOs"). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. The financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

The College maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the College's assets are appropriately accounted for and adequately safeguarded.

The College's liabilities have been reviewed by management. There are no material liabilities in either fact or contingency as at the date of this report that have been omitted from these financial statements.

The Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board of Governors and meets regularly with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the financial statements and the external auditor's report. The Committee reports its findings to the Board for consideration when approving the financial statements. The Committee also considers, for review and approval by the Board, the engagement or re-appointment of the external auditors.

The financial statements have been audited by BDO Canada LLP, the external auditors, in accordance with Canadian generally accepted auditing standards. BDO Canada LLP has full and free access to the Audit Committee.



President and CEO

Sarah Moore

Chief Financial Officer

June 11, 2026

Independent Auditor's Report

To the Board of Governors of Canadore College of Applied Arts and Technology

Opinion

We have audited the financial statements of Canadore College of Applied Arts and Technology (the College), which comprise the statement of financial position as at March 31, 2026, the statements of changes in net assets, remeasurement gains and losses, operations 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 College as at March 31, 2026, and its results of operations and 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 report. We are independent of the College 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.

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

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

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario
June 11, 2026

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Financial Position

| March 31 | 2026 | 2025 |
|--|-----------------------|-----------------------|
| Assets | | |
| Current | | |
| Cash and cash equivalents | \$ 60,191,422 | \$ 69,250,313 |
| Accounts receivable (note 4) | 2,088,317 | 11,524,146 |
| Grants receivable | 3,619,544 | 7,216,169 |
| Prepaid expenses | 2,236,974 | 2,403,271 |
| | 68,136,257 | 90,393,899 |
| Internally restricted cash and investments (notes 2 and 15) | 61,134,962 | 61,134,962 |
| Restricted cash and investments (note 2) | 6,281,377 | 6,217,666 |
| Other receivables (note 5) | 488,065 | 488,599 |
| Capital assets (note 6) | 93,291,147 | 97,327,518 |
| Infrastructure assets (note 7) | 34,404,760 | 34,776,189 |
| | \$ 263,736,568 | \$ 290,338,833 |
| Liabilities | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 25,236,467 | \$ 32,090,606 |
| Deferred revenue (note 8) | 9,745,441 | 26,713,506 |
| Deferred contributions (note 11) | 577,214 | 582,007 |
| Current portion of long-term debt (note 9) | 1,115,941 | 1,080,539 |
| | 36,675,063 | 60,466,658 |
| Long-term debt (note 9) | 12,550,570 | 13,667,043 |
| Post-employment benefits and compensated absences (note 10) | 2,930,382 | 2,594,200 |
| Asset retirement obligation (note 22) | 1,806,231 | 1,824,162 |
| Infrastructure liabilities (note 7) | 32,128,200 | 32,730,801 |
| Deferred capital contributions (note 12) | 49,984,553 | 51,499,813 |
| | 99,399,936 | 102,316,019 |
| Net Assets | | |
| Unrestricted | 29,719,473 | 28,356,737 |
| Invested in capital assets (note 14) | 30,131,071 | 31,568,722 |
| Internally restricted (note 15) | 61,134,962 | 61,134,962 |
| Externally restricted (note 13) | 6,281,377 | 6,217,666 |
| | 127,266,883 | 127,278,087 |
| Accumulated rereasurement gains | 394,686 | 278,069 |
| | 127,661,569 | 127,556,156 |
| | \$ 263,736,568 | \$ 290,338,833 |

Contingencies (note 16)

Commitments (note 20)

On behalf of the Board:

_____ Chair

_____ President

The accompanying notes are an integral part of these financial statements.

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Changes in Net Assets

| | March 31, 2026 | | | | |
|---|----------------------|-------------------------------|--------------------------|--------------------------|-----------------------|
| | Unrestricted | Invested in Capital Assets | Internally Restricted | Externally Restricted | Total |
| Net assets, beginning of year | \$ 28,356,737 | \$ 31,568,722 | \$ 61,134,962 | \$ 6,217,666 | \$ 127,278,087 |
| Endowments received during the year | - | - | - | 63,711 | 63,711 |
| Excess (deficiency) of revenues over expenses for the year | 4,109,459 | (4,184,374) | - | - | (74,915) |
| Inter fund transfer (note 14) | (2,746,723) | 2,746,723 | - | - | - |
| Transfer to internally restricted (note 15) | - | - | - | - | - |
| Net assets, end of year | \$ 29,719,473 | \$ 30,131,071 | \$ 61,134,962 | \$ 6,281,377 | \$ 127,266,883 |

| | March 31, 2025 | | | | |
|---|----------------------|-------------------------------|--------------------------|--------------------------|-----------------------|
| | Unrestricted | Invested in Capital Assets | Internally Restricted | Externally Restricted | Total |
| Net assets, beginning of year | \$ 11,250,953 | \$ 25,499,714 | \$ 52,699,110 | \$ 6,072,981 | \$ 95,522,758 |
| Endowments received during the year | - | - | - | 144,685 | 144,685 |
| Excess (deficiency) of revenues over expenses for the year | 35,404,845 | (3,794,201) | - | - | 31,610,644 |
| Inter fund transfer (note 14) | (9,863,209) | 9,863,209 | - | - | - |
| Transfer to internally restricted (note 15) | (8,435,852) | - | 8,435,852 | - | - |
| Net assets, end of year | \$ 28,356,737 | \$ 31,568,722 | \$ 61,134,962 | \$ 6,217,666 | \$ 127,278,087 |

The accompanying notes are an integral part of these financial statements.

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Statement of Remeasurement Gains and Losses

| For the year ended March 31 | 2026 | 2025 |
|--|-------------------|-------------------|
| Accumulated remeasurement (losses), beginning of year | \$ 278,069 | \$ (116,731) |
| Unrealized gains attributable to: | | |
| Equity instruments | 116,617 | 394,800 |
| | 116,617 | 394,800 |
| Realized losses attributable to: | | |
| Equity instruments | - | - |
| | - | - |
| Net remeasurement gains for the year | 116,617 | 394,800 |
| Accumulated remeasurement gains, end of year | \$ 394,686 | \$ 278,069 |

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Operations

| For the year ended March 31 | 2026 | 2025 |
|--|--------------------|----------------------|
| Revenues | | |
| Grants and reimbursements | \$ 37,403,421 | \$ 40,198,825 |
| Student fees - domestic | 14,721,296 | 17,445,252 |
| Student fees - international (note 19) | 57,394,959 | 171,047,146 |
| Ancillary | 3,688,392 | 3,645,670 |
| Investment income | 4,830,161 | 7,800,631 |
| Other | 9,493,366 | 8,980,216 |
| Gain on disposal of capital assets | 12,462 | - |
| Amortization of deferred capital contributions | 4,539,251 | 4,513,329 |
| | 132,083,308 | 253,631,069 |
| Expenses | | |
| Salaries and benefits | 58,053,795 | 60,535,274 |
| Instructional supplies and field work | 1,964,809 | 2,017,697 |
| Utilities and plant services | 9,353,750 | 11,813,045 |
| Contracted and professional services | 10,679,070 | 13,006,924 |
| International activities (note 19) | 26,661,525 | 104,587,185 |
| General expenditures and supplies | 5,749,478 | 7,640,948 |
| Information technology, furniture and equipment, purchases and rentals | 4,424,889 | 5,212,380 |
| Scholarships, bursaries and awards | 2,058,911 | 2,402,287 |
| Ancillary | 3,486,961 | 5,140,722 |
| Interest on long-term debt | 554,824 | 618,087 |
| Loss on disposal of capital assets | - | 58,819 |
| Accretion expense | 8,413 | 366,917 |
| Amortization of capital assets | 9,161,798 | 8,620,140 |
| | 132,158,223 | 222,020,425 |
| (Deficiency) excess of revenues over expenses for the year | \$ (74,915) | \$ 31,610,644 |

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Cash Flows

| For the year ended March 31 | 2026 | 2025 |
|---|---------------|---------------|
| Net inflow (outflow) of cash related to the following activities | | |
| Operating | | |
| (Deficiency) excess of revenues over expenses | \$ (74,915) | \$ 31,610,644 |
| Items not involving cash: | | |
| Amortization of capital assets | 9,161,798 | 8,620,140 |
| Amortization of deferred capital contributions | (4,539,251) | (4,513,329) |
| Recognition of infrastructure assets performance obligation | (511,470) | (539,478) |
| Accretion expense | 8,413 | 366,917 |
| (Gain) loss on disposal of capital assets | (12,462) | 58,819 |
| Accrual for post-employment benefits and compensated absences | 470,000 | 530,000 |
| Unrealized gain on externally restricted cash and investments | 116,617 | 394,800 |
| | 4,618,730 | 36,528,513 |
| Change in non-cash operating working capital: | | |
| Accounts receivable | 9,435,829 | 3,545,034 |
| Grants receivable | 3,596,625 | (2,899,263) |
| Prepaid expenses | 166,297 | 79,676 |
| Accounts payable and accrued liabilities | (6,854,139) | (1,327,551) |
| Deferred revenue | (16,968,065) | (82,200,952) |
| Deferred contributions | (4,793) | 323,425 |
| | (6,009,516) | (45,951,118) |
| Investing | | |
| Increase in internally restricted cash and investments | - | (8,435,852) |
| Financing | | |
| Repayment of long-term debt | (1,080,538) | (823,342) |
| Repayment of infrastructure liability | (142,490) | (125,724) |
| Advances of long-term debt | - | 500,000 |
| Cash outlays for post employment benefits | (133,818) | (200,504) |
| Cash outlays for asset retirement obligation | (26,344) | (973,414) |
| | (1,383,190) | (1,622,984) |
| Capital | | |
| Purchase of capital assets | (4,702,638) | (16,740,746) |
| Proceeds on disposal of capital assets | 12,462 | - |
| Contributions received for capital purposes | 3,023,991 | 7,246,995 |
| | (1,666,185) | (9,493,751) |
| Decrease in cash and cash equivalents | (9,058,891) | (65,503,705) |
| Cash and cash equivalents, beginning of year | 69,250,313 | 134,754,018 |
| Cash and cash equivalents, end of year | \$ 60,191,422 | \$ 69,250,313 |

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

1. SIGNIFICANT ACCOUNTING POLICIES

| | |
|------------------------------------|---|
| Description of Organization | <p>Canadore College of Applied Arts and Technology ("Canadore" or the "College"), established in 1967, is an Ontario College of applied arts and technology duly established pursuant to Ontario Regulation 34/03 made under the Ontario Colleges of Applied Arts and Technology Act, 2002. The College is an agency of the Crown and provides postsecondary education to full-time and part-time students.</p> <p>The College is a not-for-profit organization and, as such, is exempt from income taxes under the Income Tax Act (Canada).</p> |
| Basis of Presentation | <p>The financial statements of the College have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards as issued by the Public Sector Accounting Board ("PSAB for Government NPOs").</p> |
| Controlled Entities | <p>Controlled not-for-profit organizations are not consolidated in the College's financial statements. Disclosure is provided instead.</p> <p>These financial statements do not reflect the accounts of First Peoples Circle on Education, a not-for-profit corporation that carries on activities in furtherance of Indigenous culture, of which the College is the sole member.</p> |
| Cash and Cash Equivalents | <p>Cash and cash equivalents include cash on hand, balances with banks and short-term deposits with maturities of three months or less. Bank borrowings are considered financing activities.</p> |
| Revenue Recognition | <p>The College follows the deferral method of accounting for contributions, which include donations and government grants. Tuition fees and contract training revenues are recognized as income to the extent that the related courses and services are provided within the fiscal year of the College.</p> <p>Ancillary revenues including parking, residence and other sundry revenues are recognized when products are delivered or services are provided to the student or client, the sales price is fixed and determinable, and collection is reasonably assured.</p> <p>Unrestricted contributions are recognized as revenue when received or receivable.</p> <p>Externally restricted contributions and restricted investment income are recognized as revenue in the year in which the related expenses are incurred.</p> <p>Restricted contributions for the purchase of capital assets are deferred and amortized to revenue at a rate corresponding with the amortization rate for the related capital assets.</p> <p>Endowment contributions are recognized as direct increases in externally restricted net assets.</p> <p>Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Restricted investment income that must be maintained as an endowment is credited to net assets. Unrestricted investment income is recognized as revenue when earned.</p> |

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expenses. Betterments that extend the estimated useful life of an asset are capitalized.

When a capital asset no longer contributes to the College's ability to provide services or the value of the future economic benefits associated with the capital asset is less than its net book value, the carrying value of the capital asset is reduced to reflect the decline in the asset's value.

Construction in progress costs are capitalized as incurred and transferred to applicable capital asset categories and amortized once the assets are placed in service.

Capital assets are capitalized on acquisition and amortized on a straight-line basis over their useful lives, which has been estimated to be as follows:

| | |
|-------------------------------------|-----------------|
| Land | No amortization |
| Buildings and building improvements | 25-40 years |
| Site improvements | 10 years |
| Furniture and equipment | 5 years |
| Computer equipment | 3-5 years |
| Equipment | 5-10 years |

Retirement and Post-Employment Benefits and Compensated Absences The College provides defined retirement and post-employment benefits and compensated absences to certain employee groups. These benefits include pension, health and dental, vested sick leave and non-vested sick leave. The College has adopted the following policies with respect to accounting for these employee benefits:

- (i) The costs of post-employment future benefits are actuarially determined using management's best estimates of health care costs, disability recovery rates and discount rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight-line basis.
- (ii) The costs of the multi-employer defined pension and the employer's contributions due to the plan in the period.
- (iii) The cost of vesting and non-vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, employees' use of entitlement and discount rates. Adjustments to these costs arising from changes in actuarial assumption and/or experience are recognized over the estimated average remaining service life of the employees.
- (iv) The discount rate used in the determination of the above-mentioned liabilities is equal to the College's internal rate of borrowing.

Vacation Pay The College recognizes vacation pay as an expense on an accrual basis.

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

The College classifies its financial instruments as either fair value or amortized cost. The College's accounting policy for each category is as follows:

Fair Value

The College has designated its bond portfolio that would otherwise be classified into the amortized cost category as fair value as the College manages and reports performance on a fair value basis.

Amortized Cost

This category includes accounts receivable, other receivables, accounts payable and accrued liabilities, operating loan and long-term debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

Liability for Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related capital asset if it is still in productive use. This cost is amortized over the useful life of the capital asset. If the related capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

Public Private Partnership

The College initially recognizes infrastructure, or a betterment to infrastructure, procured through a public private partnership arrangement as an asset at cost where, through the terms and economic substance of the public private partnership the College controls the purpose and use of the infrastructure, access to the future economic benefits and exposure to risks of the infrastructure asset, and any significant residual interest in the infrastructure at the end of the public private partnership's term. Where cost of the infrastructure asset is neither determinable nor verifiable from the public private partnership process and agreement, cost is determined to be the estimated fair value of the asset at the transaction date.

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Public Private Partnership (continued)

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

| | |
|---------------------------------------|-----------|
| Student Residence at 17 College Drive | 105 years |
| Student Residence at 19 College Drive | 105 years |

When the College recognizes an infrastructure asset in relation to a public private partnership and has an obligation to provide consideration to the private sector partner, it recognizes a liability that is initially measured at the same amount as the related infrastructure asset, reduced by any consideration previously provided to the private sector partner. When the liability results from a combination of the financial liability model and the user pay model, the liability is separated into a financial liability and a performance obligation.

The financial liability is subsequently measured at amortized cost using the effective interest method. For the financial liability for each student residence, the College was unable to determine the implicit contract rate, the weighted average cost of capital specific to the public private partnership arrangement or the private sector partner's cost of capital. As a result, the discount rate used to determine the financing charge embedded in the financial liability was 3.48% for 17 College Drive and 3.22% for 19 College Drive, which represents the College's cost of borrowing for an obligation of a similar amount and risk profile upon of initial recognition.

When the College has granted the private sector partner the right to earn revenue from third party users or from another revenue generating asset as compensation, revenue is recognized and the liability is subsequently reduced as the performance obligation(s) are satisfied. For the student residence public private partnership arrangements, the College has granted the private sector partner the right to charge tenants rent over the term of the arrangement. The College reduces the related performance obligation and recognizes revenue on a straight line basis over the term of the arrangement.

Management Estimates

The preparation of financial statements in conformity with PSAB for Government NPOs requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from these results. Areas of key estimation include determination of fair value for the allowance for doubtful accounts, useful lives of capital assets, actuarial estimation of post-employment benefits and compensated absences liabilities and inputs for asset retirement obligations and infrastructure liabilities.

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

2. FINANCIAL INSTRUMENT CLASSIFICATION

The following table provides costs and fair value information for financial instruments by category. The maximum exposure to credit risk would be the carrying value as shown below:

| | 2026 | | |
|---|-----------------------|----------------------|-----------------------|
| | Fair Value | Amortized Cost | Total |
| Cash and cash equivalents | \$ 60,191,422 | \$ - | \$ 60,191,422 |
| Accounts receivable | - | 2,088,317 | 2,088,317 |
| Grants receivable | - | 3,619,544 | 3,619,544 |
| Internally restricted cash and investments ⁽ⁱ⁾ | 61,134,962 | - | 61,134,962 |
| Restricted cash and investments ⁽ⁱⁱ⁾ | 6,281,377 | - | 6,281,377 |
| Other receivables | - | 488,065 | 488,065 |
| Accounts payable and accrued liabilities | - | 25,236,467 | 25,236,467 |
| Infrastructure liability | - | 1,473,021 | 1,473,021 |
| Long-term debt | - | 13,666,511 | 13,666,511 |
| | \$ 127,607,761 | \$ 46,571,925 | \$ 174,179,686 |

| | 2025 | | |
|---|-----------------------|----------------------|-----------------------|
| | Fair Value | Amortized Cost | Total |
| Cash and cash equivalents | \$ 69,250,313 | \$ - | \$ 69,250,313 |
| Accounts receivable | - | 11,524,146 | 11,524,146 |
| Grants receivable | - | 7,216,169 | 7,216,169 |
| Internally restricted cash and investments ⁽ⁱ⁾ | 61,134,962 | - | 61,134,962 |
| Restricted cash and investments ⁽ⁱⁱ⁾ | 6,217,666 | - | 6,217,666 |
| Other receivables | - | 488,599 | 488,599 |
| Accounts payable and accrued liabilities | - | 32,090,606 | 32,090,606 |
| Infrastructure liability | - | 1,615,511 | 1,615,511 |
| Long-term debt | - | 14,747,582 | 14,747,582 |
| | \$ 136,602,941 | \$ 67,682,613 | \$ 204,285,554 |

- (i) Included in internally restricted cash and investments is cash of \$4,416,136 (2025 - \$15,041,952), bonds and equities of \$2,886,664 (2025 - \$2,586,834) and \$53,832,162 (2025 - \$43,506,176) in interest bearing accounts with interest rates ranging from 2.95% to 4.95% (2025 - 3.35% to 5.30%) with maturities as follows:

| | 2026 | | | | |
|------------------|---------------|--------------|---------------|---------------|--------------|
| | Within 1 year | 2 to 5 years | 6 to 10 years | Over 10 Years | Total |
| Carrying value | \$ 8,107,288 | \$20,900,000 | \$ - | \$24,824,874 | \$53,832,162 |
| Percent of total | 15% | 39% | 0% | 46% | |

| | 2025 | | | | |
|------------------|---------------|--------------|---------------|---------------|--------------|
| | Within 1 year | 2 to 5 years | 6 to 10 years | Over 10 Years | Total |
| Carrying value | \$23,595,475 | \$ 4,400,000 | \$ - | \$15,510,701 | \$43,506,176 |
| Percent of total | 54% | 10% | 0% | 36% | |

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Notes to Financial Statements
For the year ended March 31, 2026

2. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

- (ii) Included in restricted cash and investments is cash of \$351,431 (2025 - \$539,834), \$1,729,818 (\$1,562,364) in bonds and equities and \$4,200,128 (2025 - \$4,115,468) in interest bearing accounts with interest rates ranging from 1.48% to 11.35% (2025 – 0.85% to 11.35%) with maturities as follows:

| | | 2026 | | | |
|------------------|--|-----------------|---------------------|----------------|----------------|
| | | Within 1 | 2 to 5 years | 6 to 10 | Over 10 |
| | | year | years | years | Years |
| | | Total | | | |
| Carrying value | | \$ 655,789 | \$ 693,135 | \$ 2,679,740 | \$ 171,464 |
| Percent of total | | 16% | 17% | 64% | 3% |

| | | 2025 | | | |
|------------------|--|-----------------|---------------------|----------------|----------------|
| | | Within 1 | 2 to 5 years | 6 to 10 | Over 10 |
| | | year | years | years | Years |
| | | Total | | | |
| Carrying value | | \$ 1,018,993 | \$ 334,941 | \$ 2,585,316 | \$ 176,218 |
| Percent of total | | 25% | 8% | 63% | 3% |

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- ❖ Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- ❖ Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- ❖ Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| | | 2026 | | | |
|--|--|-----------------------|----------------|----------------|-----------------------|
| | | Level 1 | Level 2 | Level 3 | Total |
| Cash and cash equivalents | | \$ 60,191,422 | \$ - | \$ - | \$ 60,191,422 |
| Internally restricted cash and investments | | 61,134,962 | - | - | 61,134,962 |
| Restricted cash and investments | | 6,281,377 | - | - | 6,281,377 |
| | | \$ 127,607,761 | \$ - | \$ - | \$ 127,607,761 |

| | | 2025 | | | |
|--|--|-----------------------|----------------|----------------|-----------------------|
| | | Level 1 | Level 2 | Level 3 | Total |
| Cash and cash equivalents | | \$ 69,250,313 | \$ - | \$ - | \$ 69,250,313 |
| Internally restricted cash and investments | | 61,134,962 | - | - | 61,134,962 |
| Restricted cash and investments | | 6,217,666 | - | - | 6,217,666 |
| | | \$ 136,602,941 | \$ - | \$ - | \$ 136,602,941 |

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2026 and 2025. There were also no transfers in or out of Level 3.

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

3. CREDIT FACILITY AGREEMENT

The College has an operating loan under a credit facility agreement with a Canadian chartered bank. The maximum draw permitted under this agreement is \$8,000,000 with an interest rate of prime less 0.75%. At March 31, 2026, the outstanding balance under this credit facility was \$Nil (2025 - \$Nil).

4. ACCOUNTS RECEIVABLE

| | <u>2026</u> | <u>2025</u> |
|--|---------------------|----------------------|
| Trade receivables (net of \$45,000 (2025 - \$Nil) allowance) | \$ 1,574,227 | \$ 9,130,752 |
| Student receivable (net of \$37,000 (2025 - \$80,000) allowance) | 34,484 | 135,393 |
| Harmonized Sales Tax receivable | 323,229 | 1,431,177 |
| Accrued interest receivable | 156,377 | 826,824 |
| | <u>\$ 2,088,317</u> | <u>\$ 11,524,146</u> |

5. OTHER RECEIVABLES

The College, in conjunction with Nipissing University, entered into an agreement with the Corporation of the City of North Bay whereby the City would construct sewer and water services on behalf of the Education Centre. Project funding was provided by the Northern Ontario Heritage Fund Corporation and is repayable when the funds are received from the City of North Bay (see note 9).

As at March 31, the following amounts remain outstanding:

| | <u>2026</u> | <u>2025</u> |
|--|-------------|-------------|
| Accounts receivable from City of North Bay repayable from future lot levies for water and sewer connections | \$ 488,065 | \$ 488,599 |

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

6. CAPITAL ASSETS

| | 2026 | | |
|-------------------------------------|-----------------------|-------------------------------------|-----------------------|
| | Cost | Accumulated Amortization | Net Book Value |
| | Land | \$ 3,972,225 | \$ - |
| Site improvements | 8,353,367 | 2,582,384 | 5,770,983 |
| Buildings and building improvements | 129,929,892 | 64,555,384 | 65,374,508 |
| Furniture and equipment | 39,394,845 | 34,136,341 | 5,258,504 |
| Computer equipment | 10,550,020 | 10,085,181 | 464,839 |
| Equipment | 34,184,751 | 21,734,663 | 12,450,088 |
| | \$ 226,385,100 | \$ 133,093,953 | \$ 93,291,147 |

| | 2025 | | |
|-------------------------------------|-----------------------|-------------------------------------|-----------------------|
| | Cost | Accumulated Amortization | Net Book Value |
| | Land | \$ 3,832,791 | \$ - |
| Site improvements | 8,353,367 | 1,747,048 | 6,606,319 |
| Buildings and building improvements | 129,929,892 | 61,574,044 | 68,355,848 |
| Furniture and equipment | 38,473,540 | 32,009,936 | 6,463,604 |
| Computer equipment | 10,455,043 | 9,614,410 | 840,633 |
| Computers under capital lease | 1,628,391 | 1,628,391 | - |
| Equipment | 31,385,878 | 20,157,555 | 11,228,323 |
| | \$ 224,058,902 | \$ 126,731,384 | \$ 97,327,518 |

7. INFRASTRUCTURE ASSETS AND LIABILITIES

In 2011, the College entered into a public private partnership arrangement with Campus Development Corp. (the "Partner") for the design, construction, financing, operation and maintenance of a student residence on land owned by the College, 17 College Drive, that has been leased to the Partner. The effective date of completion of the building was September 1, 2012. In 2013, the College entered into another public private partnership arrangement with the Partner for the design, construction, financing, operation and maintenance of a student residence on land owned by the College, 19 College Drive, that has been leased to the Partner. The effective date of completion of the building was September 1, 2014. Under the terms of each of these arrangements, the Partner is responsible for constructing, financing, operating and maintaining the student residence for a period of 80 years in exchange for the right to charge tenants rent over that period and the right to compensation if rental income falls below a certain level for the first 20 years of the arrangement.

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

7. INFRASTRUCTURE ASSETS AND LIABILITIES (continued)

As of September 1, 2012, the residence building at 17 College Drive was recorded as a capital asset at a cost of \$17,000,000. The related liability was split between a performance obligation of \$15,889,405 and a financial liability of \$1,110,595 as described below. As of September 1, 2014, the residence building at 19 College Drive was recorded as a capital asset at a cost of \$22,000,000. The related liability was split between a performance obligation of \$20,459,310 and a financial liability of \$1,540,690 as described below. If an event of default as defined in the arrangement occurs, the College can terminate the arrangements and repossess the land and student residence buildings and replace the Partner as the operator of the student residences. Upon expiry or other termination of the arrangement, the Partner must surrender each student residence building to the College in good condition. Under the terms of the arrangements, the College is obligated to provide the Partner with access to 17 College Drive and 19 College Drive and the exclusive right to charge rents to tenants. The College recognizes revenue and reduces its liability on a straight-line basis as the performance obligations are satisfied over the 80 year term of each of the arrangements. During the current year, the College recognized \$201,132 (2025 - \$201,132) related to 17 College Drive and \$258,979 (2025 - \$258,979) related to 19 College Drive included in other revenue representing the revenue recognized and the related reduction of the performance obligation for each arrangement.

The infrastructure assets are comprised of the following:

| | | 2026 | | |
|------------------|--|----------------------|---------------------------------|-----------------------|
| | | Cost | Accumulated Amortization | Net Book Value |
| 17 College Drive | | \$ 17,000,000 | \$ 2,023,810 | \$ 14,976,190 |
| 19 College Drive | | 22,000,000 | 2,571,430 | 19,428,570 |
| | | \$ 39,000,000 | \$ 4,595,240 | \$ 34,404,760 |

| | | 2025 | | |
|------------------|--|----------------------|---------------------------------|-----------------------|
| | | Cost | Accumulated Amortization | Net Book Value |
| 17 College Drive | | \$ 17,000,000 | \$ 2,023,810 | \$ 14,976,190 |
| 19 College Drive | | 22,000,000 | 2,200,001 | 19,799,999 |
| | | \$ 39,000,000 | \$ 4,223,811 | \$ 34,776,189 |

Additionally, for the first 20 years of the arrangement, the College has a financial liability to compensate the Partner on an annual basis if the gross rental income for each student residence falls below a certain level in certain circumstances. During the current year, the College recognized \$62,003 (2025 - \$58,302) related to 17 College Drive and \$80,487 (2025 - \$67,422) related to 19 College Drive related to this requirement. Furthermore, during this same twenty-year period of the arrangement, if the Partner is able to generate additional revenue during the summer months above a certain level for each student residence, the College has a contractual right to receive 50% of the additional net profits generated.

The infrastructure liabilities are comprised of the following:

| | 2026 | 2025 |
|------------------------|----------------------|----------------------|
| Financial liability | \$ 1,473,021 | \$ 1,615,511 |
| Performance obligation | 30,655,179 | 31,115,290 |
| | \$ 32,128,200 | \$ 32,730,801 |

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Notes to Financial Statements
For the year ended March 31, 2026

8. DEFERRED REVENUE

| | 2026 | 2025 |
|-----------------------|---------------------|----------------------|
| Advanced tuition fees | \$ 8,055,645 | \$ 23,348,981 |
| Alumni Association | 491,000 | 570,931 |
| Student Athletics | 215,090 | 363,954 |
| Grants and other | 983,706 | 2,429,640 |
| | \$ 9,745,441 | \$ 26,713,506 |

9. LONG-TERM DEBT

| | 2026 | 2025 |
|---|----------------------|----------------------|
| Student Residence | | |
| 4.67% Mortgage, commencing April 2025 payable in semi-annual instalments of \$290,579 including principal and interest, maturing October 3, 2044 | \$ 7,266,547 | \$ 7,500,000 |
| 2.14% Mortgage, payable in monthly installments of \$35,394, including principal and interest, maturing October 27, 2029 | 1,436,866 | 1,826,415 |
| 3.477% Mortgage payable in semi-annual installments of \$116,263 including principal and interest, maturing November 10, 2026 | 226,601 | 445,523 |
| 3.222% Mortgage payable in semi-annual installments of \$63,446 including principal and interest, maturing July 1, 2027 | 184,366 | 302,456 |
| Capital Financing | | |
| 3.95% Fixed rate term loan, payable in semi-annual installments of \$114,404 including principal and interest, maturing March 5, 2049 | 3,436,001 | 3,526,332 |
| 3.2% Fixed rate term loan, payable in monthly installments of \$4,235 including principal and interest, maturing December 20, 2041 | 628,065 | 658,257 |
| Infrastructure Upgrades | | |
| Interest free incentive term-loan payable to Northern Ontario Heritage Fund Corporation to be repaid from proceeds received from the City of North Bay for future lot levies for water and sewer connections (see note 5) | 488,065 | 488,599 |
| | 13,666,511 | 14,747,582 |
| Current portion of long-term debt | 1,115,941 | 1,080,539 |
| | \$ 12,550,570 | \$ 13,667,043 |

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Notes to Financial Statements
For the year ended March 31, 2026

9. LONG-TERM DEBT (continued)

Principal due within each of the next five years and thereafter on long-term debt is as follows:

| | |
|------------|----------------------|
| 2027 | \$ 1,115,941 |
| 2028 | 854,802 |
| 2029 | 818,175 |
| 2030 | 638,095 |
| 2031 | 439,368 |
| Thereafter | <u>9,800,130</u> |
| | <u>\$ 13,666,511</u> |

10. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES LIABILITY

Post-Employment Benefits

The College extends post-employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The College recognizes these benefits as they are earned during the employees' tenure of service. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

The following table outlines the components of the College's post-employment benefits and compensated absences liabilities and related expenses:

| | 2026 | | | | |
|---|---------------------------------|------------------------------|--------------------------|-----------------------|------------------------|
| | Post-employment benefits | Non-vested sick leave | Vested sick leave | Parental leave | Total liability |
| Accrued employee future benefits obligation | \$ 745,000 | \$ 2,277,000 | \$ - | \$ 152,382 | \$ 3,174,382 |
| Value of plan assets | (155,000) | - | - | - | (155,000) |
| Unamortized actuarial gains (losses) | 84,000 | (173,000) | - | - | (89,000) |
| Total liability | <u>\$ 674,000</u> | <u>\$ 2,104,000</u> | <u>\$ -</u> | <u>\$ 152,382</u> | <u>\$ 2,930,382</u> |
| | 2025 | | | | |
| | Post-employment benefits | Non-vested sick leave | Vested sick leave | Parental leave | Total liability |
| Accrued employee future benefits obligation | \$ 680,000 | \$ 2,277,000 | \$ - | \$ 85,200 | \$ 3,042,200 |
| Value of plan assets | (138,000) | - | - | - | (138,000) |
| Unamortized actuarial gains (losses) | 94,000 | (404,000) | - | - | (310,000) |
| Total liability | <u>\$ 636,000</u> | <u>\$ 1,873,000</u> | <u>\$ -</u> | <u>\$ 85,200</u> | <u>\$ 2,594,200</u> |

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Notes to Financial Statements
For the year ended March 31, 2026

10. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES LIABILITY (continued)

| | 2026 | | | | |
|--|--|----------------------------------|------------------------------|---------------------------|----------------------|
| | Post- employment benefits | Non-vested sick leave | Vested sick leave | Parental leave | Total expense |
| Current year benefit costs | \$ 62,000 | \$ 232,000 | \$ - | \$ - | \$ 294,000 |
| Interest on accrued benefit obligation | 1,000 | 77,000 | - | - | 78,000 |
| Amortized actuarial losses (gains) | (23,000) | 121,000 | - | - | 98,000 |
| Total expense | \$ 40,000 | \$ 430,000 | \$ - | \$ - | \$ 470,000 |

| | 2025 | | | | |
|--|--|----------------------------------|------------------------------|---------------------------|----------------------|
| | Post- employment benefits | Non-vested sick leave | Vested sick leave | Parental leave | Total expense |
| Current year benefit costs | \$ 129,000 | \$ 218,000 | \$ - | \$ - | \$ 347,000 |
| Interest on accrued benefit obligation | 1,000 | 79,000 | - | - | 80,000 |
| Amortized actuarial losses (gains) | (13,000) | 116,000 | - | - | 103,000 |
| Total expense | \$ 117,000 | \$ 413,000 | \$ - | \$ - | \$ 530,000 |

The total expense for post-employment benefits and compensated absences is included in salaries and benefits on the Statement of Operations. The total amount paid during the year for post-employment benefits and compensated absences was \$133,818 (2025 - \$200,504).

The above amounts exclude pension contributions to the College of Applied Arts and Technology pension plan, a multi-employer plan, described below.

The major actuarial assumptions employed for the valuation are as follows:

a) Discount rate

The present value as at March 31, 2026 of the future benefits was determined using a discount rate of 3.5% (2025 – 3.2%).

b) Hospital and other medical

Medical premium increases were assumed to increase at 5.91% per annum in 2026 (2025 – 6.04%), grading down to 4.0% per annum in 2040.

c) Dental costs

Dental costs were assumed to increase at 4.0% per annum in 2026 (2025 – 4.0%).

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Notes to Financial Statements
For the year ended March 31, 2026

10. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES LIABILITY (continued)

Compensated Absences

Non-Vested Sick Leave

The College allocates to certain employees groups a specified number of days each year to use as paid absences in the event of illness or injury. These days do not vest and are available immediately. Employees are permitted to accumulate their unused allocation each year, up to the allowable maximum provide in their employment agreements. Accumulated days may be used in future years to the extent that the employees' illness or injury exceeds the current year's allocation of sick days. Sick days are paid out at the salary in effect at the time of usage. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

The assumptions used in the valuation of vesting and non-vesting sick leave are the College's best estimates of expected rates of:

| | 2026 | 2025 |
|-------------------------------------|-----------------------------|-----------------------------|
| Wage and salary escalation | | |
| Academic full-time and partial load | 2.0% in 2026 and thereafter | 2.5% in 2025 and thereafter |
| Support staff full-time | 2.0% in 2026 and thereafter | 2.5% in 2025 and thereafter |

The probability that the employee will use more sick days than the annual entitlement and the excess number of sick days used are within ranges of 0% to 8.3% (2025 – 0% to 9.7%) and 0% to 26.2% (2025 - 0% to 23.5%) respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

Retirement Benefits

CAAT Pension Plan

All full-time employees of the College, and any part time employees who opt to participate, are members of the Colleges of Applied Arts and Technology Pension Plan (the "Plan"), a multi-employer jointly-sponsored defined benefit plan for eligible employees of public colleges and other employers in Ontario. The College makes contributions to the Plan equal to those of the employees. Contribution rates are set by the Plan's governors to ensure long-term viability of the Plan. Since the Plan is a multi-employer plan, the College's contributions are accounted for as if the Plan were a defined contribution plan with the College's contributions being expensed in the period they come due.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates. The College does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify the College's share of the underlying pension assets and liabilities. As of January 1, 2026, the CAAT Pension Plan had increased its funding reserve to \$6.7 billion and is currently 124% funded on a going-concern basis. This means CAAT has \$1.24 set aside for the value of every dollar of pension benefit promised today and in the future. The College made contributions to the Plan and its associated retirement compensation arrangement in the amount of \$4,424,649 in 2026 (2025 - \$4,905,824), which has been included in salaries and benefits on the Statement of Operations.

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

11. DEFERRED CONTRIBUTIONS

| | 2026 | 2025 |
|--|-------------------|-------------------|
| Balance, beginning of year | \$ 582,007 | \$ 258,582 |
| Contributions received | 156,746 | 104,728 |
| Interest earned on contributions during the year | 179,199 | 231,138 |
| Unrealized gains on investments | 75,549 | 203,595 |
| Amounts recognized to revenue | (416,287) | (216,036) |
| Balance, end of year | \$ 577,214 | \$ 582,007 |

Deferred contributions are comprised of:

| | 2026 | 2025 |
|--|-------------------|-------------------|
| Scholarships, bursaries and awards | \$ 129,603 | \$ 151,996 |
| Endowment fund interest and unrealized gains | 196,936 | 190,421 |
| Joint employment stability reserve | 250,675 | 239,590 |
| Balance, end of year | \$ 577,214 | \$ 582,007 |

12. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount and unspent amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations. The changes in deferred capital contribution balances are as follows:

| | 2026 | 2025 |
|--|----------------------|----------------------|
| Balance, beginning of year | \$ 51,499,813 | \$ 48,766,147 |
| Contributions received for capital purposes | 3,023,991 | 7,246,995 |
| Amortization of deferred capital contributions | (4,539,251) | (4,513,329) |
| Balance, end of year | \$ 49,984,553 | \$ 51,499,813 |

13. EXTERNALLY RESTRICTED NET ASSETS

Externally restricted net assets include restricted donations received by the College where the endowment principal is required to be maintained intact. The investment income generated from these endowments must be used in accordance with the various purposes established by the donors. The College ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose in which they were provided.

Investment income on externally restricted endowments that was disbursed during the year has been recorded in the statement of operations since this income is available for disbursement as scholarships and bursaries and the donors' conditions have been met. The unspent portion of investment income is recorded in deferred contributions. Investment income on endowed assets recognized and deferred was \$174,882 and \$184,402 respectively (2025 - \$124,340 and \$211,180).

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

13. EXTERNALLY RESTRICTED NET ASSETS (continued)

Externally restricted endowment funds include grants provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund ("OSOTF") and the Ontario Trust for Student Support ("OTSS"). Under these programs, the government matched funds raised by the College. The purpose of the program is to assist academically qualified individuals who, for financial reasons, would not otherwise be able to attend College.

Schedule of changes in endowment fund balances:

| | OSOTF I | OSOTF II | OTSS | Other | 2026 Total | 2025 Total |
|------------------------------------|----------------|-----------------|-------------|--------------|-----------------------|-----------------------|
| Fund balance, beginning of year | \$1,713,852 | \$ 275,744 | \$2,308,446 | \$1,919,624 | \$6,217,666 | \$6,072,981 |
| Cash donations received | - | - | - | 63,711 | 63,711 | 144,685 |
| Fund balance, end of year | \$1,713,852 | \$ 275,744 | \$2,308,446 | \$1,983,335 | \$6,281,377 | \$6,217,666 |

Schedule of changes in expendable funds available for awards:

| | OSOTF I | OSOTF II | OTSS | Other | 2026 Total | 2025 Total |
|--|----------------|-----------------|-------------|--------------|-----------------------|-----------------------|
| Balance, beginning of year | \$ 188,229 | \$ (10,190) | \$ 91,643 | \$ (58,502) | \$ 211,180 | \$ 149,457 |
| Accumulated investment income, net of direct investment related expenses | 43,174 | 6,553 | 54,860 | 43,517 | 148,104 | 186,063 |
| Bursaries awarded | (44,110) | (12,260) | (75,959) | (42,553) | (174,882) | (124,340) |
| Balance, end of year | \$ 187,293 | \$ (15,897) | \$ 70,544 | \$ (57,538) | \$ 184,402 | \$ 211,180 |

14. INVESTMENT IN CAPITAL ASSETS

Investment in capital assets represents the following:

| | 2026 | 2025 |
|---|----------------------|----------------------|
| Capital assets | \$ 93,291,147 | \$ 97,327,518 |
| Less amounts financed by: | | |
| Deferred capital contributions | (49,984,553) | (51,499,813) |
| Long-term debt relating to capital assets | (13,175,523) | (14,258,983) |
| | \$ 30,131,071 | \$ 31,568,722 |

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Notes to Financial Statements
For the year ended March 31, 2026

14. INVESTMENT IN CAPITAL ASSETS (continued)

Changes in net assets invested in capital assets is calculated as follows:

| | 2026 | 2025 |
|--|---------------------|---------------------|
| Purchase of capital assets | \$ 4,702,638 | \$ 16,740,746 |
| Principal payment of long-term debt | 1,080,538 | 823,342 |
| Less: advances of long-term debt | - | (500,000) |
| Less: proceeds on disposal of fixed assets | (12,462) | - |
| Less: amounts financed by deferred capital contributions | (3,023,991) | (7,246,995) |
| Add: impact of additional ARO | - | 46,116 |
| | \$ 2,746,723 | \$ 9,863,209 |

15. INTERNALLY RESTRICTED FUNDS

The College restricts amounts from the net asset balance, as approved by the Board of Governors. Internally restricted net assets consists of the following:

| | 2026 | 2025 |
|-----------------------------------|----------------------|----------------------|
| International Studies Programming | \$ 2,000,000 | \$ 2,000,000 |
| Domestic Studies Programming | 3,350,000 | 3,350,000 |
| Strategic Initiatives | 25,650,000 | 25,650,000 |
| Capital Infrastructure | 19,600,000 | 19,600,000 |
| Resourcing Requirements | 3,500,000 | 3,500,000 |
| Scholarships and Bursaries | 7,034,962 | 7,034,962 |
| | \$ 61,134,962 | \$ 61,134,962 |

16. CONTINGENCIES

In the normal course of operations, the College is in the process of dealing with a number of grievances that may go to arbitration. As of the date of financial statement preparation, the likelihood and impact of these grievances on the College's financial statements is unknown. Should any costs be incurred as a result of the arbitration process, such costs will be expensed in the year of settlement.

In the normal course of operations, the College is involved in certain legal matters and litigations, the outcome of which is not presently determinable. The loss, if any, from these contingencies will be accounted for in the periods in which the matters are resolved.

17. CANADORE STUDENTS' COUNCIL

Included in assets and liabilities at year end is \$4,131,199 (2025 - \$4,129,699) in student fees collected on behalf of Canadore Students' Council (the "CSC") and not disbursed during the year. On behalf of CSC the College disbursed funds in the amount of \$1,452,467 (2025 - \$1,553,814) for expenses incurred during the year on behalf of the College's students. These expenses and the associated fees collected have not been recognized in the College's statement of operations. In 2018, funds held in trust under the previous student council body representing Canadore College students in the amount of \$1,885,529 were disbursed to a newly appointed trustee, external to and independent of the College, representing CSC and the College. The assets held in trust are intended to be used for expenditures of a capital nature to enhance the educational experience of members of the Canadore community. These funds were disbursed to the College in support of the College's Sports Dome located at the Commerce Court Campus. As at March 31, 2026 these funds had a market value of \$Nil (2025 - \$215,897).

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

18. THE CANADORE COLLEGE FOUNDATION

The Canadore College Foundation (the "Foundation") was created for the purpose of raising funds for capital and other purposes to assist the College in continuing to provide outstanding applied education. Funds received from the Foundation during the year totaled \$724,406 (2025 - \$1,155,001). The College has an outstanding receivable from the Foundation as at March 31, 2026 in the amount of \$Nil (2025 – \$1,013,996). The College provides support when required, office space, basic infrastructure and associated services, computer and other equipment, services of certain College departments in return for a management fee that is calculated on a quarterly basis in the amount of \$34,630 (2025 - \$37,648). The Foundation is not controlled by the College and therefore is not consolidated in these financial statements.

19. FINANCIAL SUSTAINABILITY

The College, as a public sector post-secondary educational institution, derives revenue from provincial grants and reimbursements and domestic student fees to deliver programs, courses and apprenticeships. In recent years grants and reimbursements have not increased at rates reflective of increased expenses to deliver these programs, while increases to student fees are subject to provincial approvals. Since 2015 the College has offered international student programs and courses and therefore been able to generate additional revenues in the form of international student fees. Together with this, and its private sector partnerships, the College has delivered academic student programming to international students that has resulted in favorable financial contributions to its overall operations. In fiscal 2024, Immigration, Refugees and Citizenship Canada announced restrictions on international student permits impacting the College's student allocation numbers and programs eligible for post graduate work permits. As a consequence of this decision by the federal government the College has realized a significant reduction in international student enrolment, and therefore international students fees, and has ended its private sector partnership.

The College has relied upon these revenues to maintain positive operating results and invest in facilities and equipment. This is likely to have impacts on the College's ability to deliver timely and relevant post-secondary educational programming.

In order to address these financial sustainability concerns the Ministry of Colleges, Universities, Research Excellence and Security ("MCURES") has revised funding allocations for fiscal 2027 and beyond and is permitting a two percent increase in domestic student fees commencing in the fall of 2026 to help offset the impacts of these changes.

Based on current forecasts and cash flow projections, together with existing cash balances, internally restricted reserves and anticipated funding support from MCURES, management believes the College will have sufficient liquidity and financial resources to continue operations for the foreseeable future and to meet its obligations as they become due. Accordingly, management has concluded that there are no material uncertainties that cast significant doubt on the College's ability to continue as a going concern.

The College receives approximately 28% (2025 – 16%) of its revenues from the MCURES.

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For the year ended March 31, 2026

20. COMMITMENTS

On May 30, 2016, the College entered into a fifteen year agreement with a private sector entity to deliver some of the College's international academic student programming. Included in expenses is \$23,498,853 (2025 - \$81,550,963) relating to this contract. The terms of this contract expired as at December 31, 2025.

The College is committed to minimum annual lease payments over the next five years for premises, equipment and vehicles as follows:

| | |
|------|---------------------|
| 2027 | \$ 1,462,911 |
| 2028 | 1,070,274 |
| 2029 | 782,014 |
| 2030 | 847,694 |
| 2031 | 922,428 |
| | <u>\$ 5,085,321</u> |

21. FINANCIAL INSTRUMENT RISK MANAGEMENT

Credit Risk

Credit risk is the risk of financial loss to the College if a debtor fails to make payments of interest and principal when due. The College is exposed to this risk related to its cash, debt holdings in its investment portfolio, other receivables and accounts receivable. The College holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the College's cash accounts are insured up to \$200,000 (2025 - \$300,000).

The College's investment policy operates within the constraints of the investment guidelines issued by the MCURES and puts limits on the bond portfolio including portfolio composition limits, issuer type limits, bond quality limits, aggregate issuer limits, corporate sector limits and general guidelines for geographic exposure. All fixed income portfolios are measured for performance on a quarterly basis and monitored by management on a monthly basis. The guidelines permit the College's funds to be invested in bonds issued by the Government of Canada, a Canadian province or a Canadian municipality having a rating of A or better, or corporate investments having a rating of A (R-1) or better. The maximum exposure to investment credit risk is outlined in note 2.

Accounts receivable are ultimately due from students. Credit risk is mitigated by financial approval processes before a student is enrolled and the highly diversified nature of the student population. The College measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the College's historical experience regarding collections. The amounts outstanding at year end were as follows:

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21. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

| | 2026 | | | | |
|-----------------------------|--------------|------------------|-------------------|-------------------|--------------------|
| | Total | 1-30 days | 31-60 days | 61-90 days | 91-120 days |
| Government receivables | \$ 3,942,773 | \$ 3,942,773 | \$ - | \$ - | \$ - |
| Student receivables | 116,484 | 3,018 | 10,965 | 40,054 | 62,447 |
| Other receivables | 1,730,604 | 1,094,480 | 342,491 | 26,738 | 266,895 |
| Gross receivables | 5,789,861 | 5,040,271 | 353,456 | 66,792 | 329,342 |
| Less: impairment allowances | (82,000) | - | - | - | (82,000) |
| Net receivables | \$ 5,707,861 | \$ 5,040,271 | \$ 353,456 | \$ 66,792 | \$ 247,342 |

| | 2025 | | | | |
|-----------------------------|---------------|------------------|-------------------|-------------------|--------------------|
| | Total | 1-30 days | 31-60 days | 61-90 days | 91-120 days |
| Government receivables | \$ 8,647,346 | \$ 8,647,346 | \$ - | \$ - | \$ - |
| Student receivables | 215,393 | 12,704 | 18,895 | 64,659 | 119,135 |
| Other receivables | 9,957,576 | 7,929,878 | 1,367,784 | 71,585 | 588,329 |
| Gross receivables | 18,820,315 | 16,589,928 | 1,386,679 | 136,244 | 707,464 |
| Less: impairment allowances | (80,000) | - | - | - | (80,000) |
| Net receivables | \$ 18,740,315 | \$16,589,928 | \$1,386,679 | \$ 136,244 | \$ 627,464 |

Student receivables not impaired are considered collectible based on the College's assessment and experience regarding collections rates.

There have been no significant changes from the previous year in the exposure risk or policies, procedures and methods used to measure the risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

The College operates within the constraints of the investment guidelines issued by the MCURES. The policy's application is monitored by management, the investment managers and the Board of Governors. Diversification techniques are utilized to minimize risk.

There have been no significant changes from the prior year in the exposure to risk or policies, procedures and methods used to measure risk.

Currency Risk

Currency risk relates to the College operating in difference currencies and converting non-Canadian earnings at different points in time at different foreign levels when adverse changes in foreign currency rates occur. The College does not have any material transaction or financial instruments denominated in foreign currencies.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value of future cash flows of financial instruments because of changes in market interest rates. The College is exposed to this risk through its interest bearing investments, bank loans and long-term debt.

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

For the year ended March 31, 2026

21. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

The College's guaranteed investment and bond portfolio has interest rates ranging from 1.48% to 11.35% (2025 – 0.85% to 11.35%) with maturities ranging from April 1, 2026 to April 23, 2046 (2025 – May 26, 2025 to April 23, 2046).

At March 31, 2026, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of guaranteed investment certificates and bonds of \$57,392 (2025 - \$55,868). A 1% fluctuation in interest rates would have an estimated impact on interest expense related to the College's bank loans of \$280,229 (2025 - \$282,660) and no impact on interest income related to the College's other long-term receivable.

There have been no significant changes from the previous year in the exposure or risk or policies, procedures and methods used to measure risk.

Equity Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The College is exposed to this risk through its equity holdings within its investment portfolio. At March 31, 2026, a 5% movement in the stock markets with all other variables held constant would have an estimated effect on the fair value of the College's investments of \$213,110 (2025 - \$88,590).

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure risk.

Liquidity Risk

Liquidity risk is the risk that the College will not be able to meet all cash outflow obligations as they come due. The College mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows of financial liabilities):

| | 2026 | | | |
|---------------------|----------------------------|-------------------------------|---------------------|----------------------|
| | Within 6 months | 6 months to 1 year | 1 to 5 years | over 5 years |
| Accounts payable | \$ 25,236,467 | \$ - | \$ - | \$ - |
| Long-term debt | 557,970 | 557,971 | 2,750,440 | 9,800,130 |
| Financial liability | - | 146,724 | 679,736 | 646,561 |
| | \$ 25,794,437 | \$ 704,695 | \$ 3,430,176 | \$ 10,446,691 |

| | 2025 | | | |
|---------------------|----------------------------|-------------------------------|---------------------|----------------------|
| | Within 6 months | 6 months to 1 year | 1 to 5 years | over 5 years |
| Accounts payable | \$ 32,090,606 | \$ - | \$ - | \$ - |
| Long-term debt | 540,270 | 540,269 | 3,427,015 | 10,240,028 |
| Financial liability | - | 142,490 | 641,813 | 831,208 |
| | \$ 32,630,876 | \$ 682,759 | \$ 4,068,828 | \$ 11,071,236 |

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

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22. ASSET RETIREMENT OBLIGATION

The College's financial statements include an asset retirement obligation related to the remediation required for asbestos present in the building and townhouses located at the College Drive campus and the building located at Commerce Court and underground tanks located at the Commerce Court campus. The related asset retirement costs are being amortized on a straight line basis. This amount was determined based on total undiscounted expenditures of \$4,112,998 present valued at a discount rate of 3.95% over a period of fifteen years for the buildings that contain asbestos and four years for the underground tanks. Payment to settle the asset retirement obligations will occur at the end of their life in full. The other adjustments below represent an asset retirement obligation related to remediation required for asbestos present in two new buildings that were purchased by the College in this fiscal year. The obligation was determined based on total undiscounted expenditures of \$102,262 present valued at a discount rate of 3.95% over a period of three years for one building and five years for the other.

The carrying amount of the liability is as follows:

| | <u>2026</u> | <u>2025</u> |
|----------------------------|---------------------|---------------------|
| Balance, beginning of year | \$ 1,824,162 | \$ 2,463,910 |
| Less: cash outlays | (26,344) | (973,414) |
| Add: accretion expense | 8,413 | 366,917 |
| Add: other adjustments | - | (33,251) |
| Balance, end of year | <u>\$ 1,806,231</u> | <u>\$ 1,824,162</u> |

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23. CONTROLLED NOT-FOR-PROFIT ORGANIZATION

The College controls First Peoples Circle on Education (the "Organization"). The Organization carries on activities in furtherance of Indigenous culture. First Peoples Circle on Education is incorporated under the Not-for-Profit Corporations Act, 2010. The College appoints the majority of the Organization's Board of Directors and funds earned by the Organization will be provided to the College for Indigenous scholarships and bursaries.

Financial summaries of the Organization as at March 31 are as follows:

| | <u>2026</u> | <u>2025</u> |
|----------------------------------|--------------------|-------------------|
| Financial position | | |
| Total assets | \$ 104,082 | \$ 200,211 |
| Total liabilities | \$ 272,120 | \$ 339,669 |
| Total net assets | (168,038) | (139,458) |
| | <u>\$ 104,082</u> | <u>\$ 200,211</u> |
| Results of operations | | |
| Total revenues | \$ 451 | \$ 1,793,460 |
| Total expenses | 35,111 | 1,844,172 |
| Excess of expenses over revenues | \$ (34,660) | \$ (50,712) |
| Cash flows | | |
| Cash from operations | \$ (44,975) | \$ 14,053 |
| (decrease) increase in cash | <u>\$ (44,975)</u> | <u>\$ 14,053</u> |

There are no significant differences between the accounting policies followed by the College and the Organization.

24. COMPARATIVE FIGURES

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