



## Financial Statements

The Confederation College of Applied  
Arts and Technology

March 31, 2026

# Independent Auditor's Report

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**Doane Grant Thornton LLP**

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To the Board of Governors of  
The Confederation College of Applied Arts and Technology

**Opinion**

We have audited the financial statements of The Confederation College of Applied Arts & Technology ("the College"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Confederation College of Applied Arts & Technology as at March 31, 2026, 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 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 these 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 a 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.

*Doane Grant Thornton LLP*

Thunder Bay, Canada  
June 4, 2026

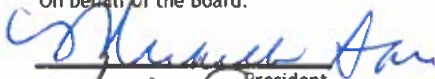
Chartered Professional Accountants  
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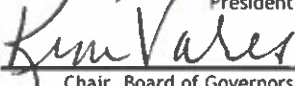
The Confederation College of Applied  
Arts and Technology

Statement of Financial Position

As at	March 31, 2026	March 31, 2025
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 44,212,195	\$ 56,406,352
Current Portion of GIC Investments (Note 3)	5,763,035	19,776,219
Accounts receivable (Note 4)	3,842,998	3,988,976
Inventory	862,275	789,500
Current portion of notes and long-term receivable (Note 5)	278,863	273,565
Grants receivable	1,369,707	5,948,003
Prepaid expenses	1,860,895	1,759,567
	<u>58,189,968</u>	<u>88,942,182</u>
Investment portfolio - endowments restricted (Note 6)	15,789,309	14,011,716
GIC Investments (Note 3)	36,399,671	16,185,193
Notes and long-term receivable (Note 5)	5,583,526	5,876,227
Construction in progress (Note 7)	8,127,129	3,766,605
Capital assets (Note 7)	73,845,099	77,974,557
	<u>\$ 197,934,702</u>	<u>\$ 206,756,480</u>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 9)	\$ 19,311,287	\$ 23,202,346
Deferred revenue (Note 10)	8,372,879	9,363,458
Vacation payable	3,180,248	3,188,622
Current portion of long-term debt (Note 12)	370,069	359,973
	<u>31,234,483</u>	<u>36,114,399</u>
Post-employment benefits and compensated absences (Note 13)	2,560,000	2,450,000
Deferred capital contributions (Note 14)	53,152,432	55,882,859
Deferred capital contributions - construction in progress (Note 14)	364,042	931,702
Asset Retirement Obligation (Note 11)	3,793,707	3,652,748
Public Private Partnership Obligations (Note 8)	12,970,787	13,137,079
Long-term debt (Note 12)	7,677,369	8,047,438
	<u>111,752,820</u>	<u>120,216,225</u>
<b>Net Assets</b>		
<b>Unrestricted</b>		
Operating	\$ 11,025,252	\$ 12,181,893
Post-employment benefits and compensated absences	(2,560,000)	(2,450,000)
Vacation Pay	(3,180,248)	(3,188,622)
	<u>5,285,004</u>	<u>6,543,271</u>
Invested in capital assets (Note 15)	9,803,040	6,149,598
Internally and externally restricted (Note 16)	55,730,326	60,037,073
Endowments restricted (Note 17)	15,363,512	13,810,313
	<u>80,896,878</u>	<u>79,996,984</u>
	<u>86,181,882</u>	<u>86,540,255</u>
	<u>\$ 197,934,702</u>	<u>\$ 206,756,480</u>

On behalf of the Board:

  
President

  
Chair, Board of Governors

The Confederation College of Applied  
Arts and Technology

Statement of Operations

For the year ended March 31	2026	2025
<b>Revenue</b>		
MCURES Post Secondary Grant	\$ 5,845,934	\$ 6,210,592
MCURES Performance Funding	14,312,547	13,913,100
MCURES Northern & Rural	12,750,764	12,750,764
Other MCURES Grant	4,702,540	4,749,116
Other Provincial Revenue	4,077,640	4,246,889
Tuition - Domestic	7,819,836	6,933,592
Tuition - International	14,655,274	28,943,136
Tuition - International Recovery Fee	700,666	1,286,245
Student Fees Revenue	3,155,408	4,571,781
Contract Training	3,056,294	3,744,704
Special Programs	5,555,114	5,210,439
Ancillary Operations	3,511,751	3,421,040
Facilities Renewal Fund (FRP)	2,680,600	2,313,574
Investment Income	3,004,209	4,568,911
Other Revenue	6,195,201	4,828,465
Amortization of Deferred Capital Contributions	3,887,787	3,856,826
	<b>95,911,565</b>	<b>111,549,174</b>
<b>Expenses</b>		
Full Time Salaries & Benefits	\$ 49,537,410	\$ 51,113,870
Part Time Salaries & Benefits	13,318,127	14,038,939
Plant and Property Maintenance	856,920	893,374
Utilities	1,748,444	1,476,458
Contract Services	13,113,616	12,653,426
Furniture & Equipment	922,071	683,032
Office and Instructional Supplies	4,162,779	3,955,306
Insurance	892,155	1,434,056
Professional Dues & Audit Fees	1,113,584	3,688,274
Bank and Other Charges	296,690	401,590
Scholarships and Tuition Set-Aside	954,064	524,418
Travel and Professional Development	1,083,265	1,011,172
Rental of Facilities	520,933	618,376
Miscellaneous	1,641,791	1,453,766
Telecommunications & Software	2,393,084	2,066,383
Depreciation	5,370,791	5,420,838
Accretion	93,039	124,320
	<b>98,018,763</b>	<b>101,557,598</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (2,107,198)</b>	<b>\$ 9,991,576</b>

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

**The Confederation College of Applied Arts  
and Technology**

**Statement of Changes in Net Assets**

For the year ended March 31

2026

2025

	Unrestricted	Capital (Note 15)	Internally and Externally Restricted	Endowments Restricted	Total	Total
Balance, beginning of year	\$ 6,543,271	\$ 6,149,598	\$ 60,037,073	\$ 13,810,313	\$ 86,540,255	\$ 75,016,781
Change in endowments during the year (Note 17)	-	-	-	1,553,199	1,553,199	1,560,054
Change in internally and externally restricted net assets (Note 16)	4,502,373	-	(4,306,747)	-	195,626	(28,156)
Excess (deficiency) of revenue over expenses	(2,107,198)	-	-	-	(2,107,198)	9,991,576
Investment in capital assets (Note 15)	(3,653,442)	3,653,442	-	-	-	-
Balance, end of year	\$ 5,285,004	\$ 9,803,040	\$ 55,730,326	\$ 15,363,512	\$ 86,181,882	\$ 86,540,255

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

**The Confederation College of Applied  
Arts and Technology**

**Statement of Cash Flows**

For the year ended March 31	2026	2025
<b>Net inflow (outflow) of cash related to the following</b>		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	\$ (2,107,198)	\$ 9,991,576
Items not involving cash:		
Amortization of deferred capital contributions	(3,887,787)	(3,856,826)
Depreciation of capital assets	5,370,791	5,420,838
Accretion of ARO Liability	93,039	124,320
ARO liability remeasurement	47,920	-
Public Private Partnership liability	(166,292)	(166,292)
Change in post-employment benefits	60,000	127,000
Change in accrued sick leave liability	50,000	94,000
	<b>(539,527)</b>	<b>11,734,616</b>
<b>Change in non-cash working capital balances (Note 20)</b>	<b>(339,841)</b>	<b>(7,206,162)</b>
	<b>(879,368)</b>	<b>4,528,454</b>
<b>Financing</b>		
Capital lease payments	-	(8,368)
Repayment of long-term debt	(359,973)	(348,124)
	<b>(359,973)</b>	<b>(356,492)</b>
<b>Capital</b>		
Deferred capital contributions	589,700	3,210,795
Construction in progress	(4,360,524)	(2,311,584)
Purchase of capital assets	(1,241,333)	(5,316,663)
	<b>(5,012,157)</b>	<b>(4,417,452)</b>
<b>Investing</b>		
Decrease in notes and long-term loans receivable	287,403	222,576
(Increase) in investment portfolio - endowments	(1,777,593)	(1,311,917)
Increase (Decrease) in externally restricted assets	195,626	(28,156)
Decrease (Increase) in GIC investments	(6,201,294)	32,329,699
Increase in endowments, net awards	1,553,199	1,560,054
	<b>(5,942,659)</b>	<b>32,772,256</b>
<b>Net inflow (outflow) for the year</b>	<b>(12,194,157)</b>	<b>32,526,766</b>
<b>Cash, beginning of year</b>	<b>56,406,352</b>	<b>23,879,586</b>
<b>Cash, end of year</b>	<b>44,212,195</b>	<b>56,406,352</b>

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

**The Confederation College of Applied  
Arts and Technology  
Notes to Financial Statements**

March 31, 2026

<b>Description of Organization</b>	<p>The Confederation College of Applied Arts and Technology (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 offers a full range of programs and educational services including full-time post-secondary programs, part-time credit and non-credit courses, specialty programs for business and industry, pre-employment and skills training programs, apprenticeship and cooperative/workplace training programs.</p> <p>The College is a not-for-profit organization and, as such, is exempt from income taxes under Section 149 of the Income Tax Act (Canada).</p>
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**1. Significant Accounting Policies**

<b>Basis of Presentation</b>	<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>
<b>Revenue Recognition</b>	<p>The College follows the deferral method of accounting for contributions, which include donations and government grants.</p> <p>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>Operating grants from the Ministry of Colleges, Universities, Research Excellence and Security and other government agencies are recorded as revenue in the year to which they relate. Grants approved but not received at the end of the fiscal year are accrued. Where a portion of a grant relates to a future year it is deferred and recognized in the subsequent year.</p> <p>Ancillary revenues including parking, bookstore, residence and other sundry revenue 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 if the amount to be received can be reasonably estimated and collection is reasonably assured.</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>Capital grants and restricted contributions for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.</p>
<b>Cash and Cash Equivalents</b>	<p>Cash is defined as cash and short-term investments with maturity dates of less than 90 days.</p>
<b>Inventory</b>	<p>Inventory is valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.</p>

**The Confederation College of Applied  
Arts and Technology  
Notes to Financial Statements**

March 31, 2026

**1. Significant Accounting Policies (cont'd)**

**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 expense. Betterments that extend the estimated 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 future economic benefits associated with the capital asset is less than book value, the carrying value of the capital asset is reduced to reflect the decline in the asset's value.

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

Aircraft	-	10 years
Buildings	-	40 years
Outdoor Classroom	-	20 years
Major equipment	-	10 years
Leasehold improvements	-	10 years
Site improvements	-	5 years
Furniture and equipment	-	5 years
Library books	-	5 years

Construction in progress relates to capital projects that are incomplete and not in service as at March 31, 2026. Amortization will commence upon substantial completion at the applicable rates noted above.

**Retirement and  
Post-Employment  
Benefits and  
Compensated  
Benefits**

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

- (i) The cost of post-employment future benefits are actuarially determined using management's best estimate 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 benefit pension are 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.

**The Confederation College of Applied  
Arts and Technology**  
**Notes to Financial Statements**

March 31, 2026

**1. Significant Accounting Policies (cont'd)**

**Financial  
Instruments**

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

**Fair Value**

This category includes cash and equity instruments quoted in an active market. The College has designated its bond portfolio, which would otherwise be classified in the amortized cost category, at fair value, as the College manages and reports performance on a fair value basis.

Equity instruments and bonds are initially recognized at fair value and subsequently carried at fair value. Unrealized changes in fair value for unrestricted investments are recognized in the statement of remeasurement gains and losses until they are realized, at which time they are transferred to the statement of operations. Changes in fair value on restricted investments are recognized as increases/decreases in the endowments restricted fund.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

**Amortized Cost**

This category includes accounts receivable, guaranteed investment certificates (GICs) and notes and long-term receivable, grants receivable, accounts payable and accrued liabilities, long-term debt and vacation pay. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate 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.

Writedowns 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 writedown being recognized in the statement of operations.

**Liability for  
Contaminated  
Sites**

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the College is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.

**The Confederation College of Applied  
Arts and Technology  
Notes to Financial Statements**

March 31, 2026

**1. Significant Accounting Policies (cont'd)**

**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 estimates. Areas of key estimation include determination of fair value for long-term investments, allowance for doubtful accounts, amortization of capital assets and actuarial estimation of post-employment benefits, compensated absences liabilities and asset retirement obligations.

There is a measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations. These estimates are subject to uncertainty because of several factors including, but not limited to estimated settlement dates, estimated costs and change in the discount rate. These estimates are reviewed annually and, as adjustments become necessary, they are recorded in the period in which they become known.

**Asset Retirement  
Obligations**

An asset retirement obligation is recognized when, as at the financial reporting date, all the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible 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 tangible capital asset at the financial statement date. This liability is subsequently reviewed at each reporting date and adjusted for the passage of time and for any revisions to the timing or amount required to settle obligation or the discount rate. As all asset retirement obligations are estimated to be settled by the end of 2071, the College used an inflation rate of 2% to determine the future value of the estimated obligation. This inflation rate is in line with the Bank of Canada's inflation-control target.

Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed. The discount rate used to determine the asset retirement cost was determined using a weighted average reflecting the Government's cost of borrowing on initial recognition and on subsequent changes to expected cash flows, which is most closely associated with the period to settlement of the obligation.

**The Confederation College of Applied  
Arts and Technology**  
**Notes to Financial Statements**

March 31, 2026

**2. Financial Instrument Classification**

The following table provides cost and fair value information of 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	\$ 44,212,195	\$ -	\$ 44,212,195
Accounts receivable	-	3,842,998	3,842,998
GIC Investments	-	42,162,706	42,162,706
Investment portfolio	15,789,309	-	15,789,309
Notes and long-term receivable	-	5,862,389	5,862,389
Accounts payable and accrued liabilities	-	19,311,287	19,311,287
Long-term debt	-	8,047,438	8,047,438
	<b>\$ 60,001,504</b>	<b>\$ 79,226,818</b>	<b>\$ 139,228,322</b>

	2025		
	Fair Value	Amortized Cost	Total
Cash	\$ 56,406,352	\$ -	\$ 56,406,352
Accounts receivable	-	3,988,976	3,988,976
GIC Investments	-	35,961,412	35,961,412
Investment portfolio	14,011,716	-	14,011,716
Notes and long-term receivable	-	6,149,792	6,149,792
Accounts payable and accrued liabilities	-	23,202,346	23,202,346
Long-term debt	-	8,407,411	8,407,411
	<b>\$ 70,418,068</b>	<b>\$ 77,709,937</b>	<b>\$ 148,128,005</b>

The College's bank accounts are held at one chartered bank and as a result are exposed to the credit risk arising from this concentration to the extent that the account balances exceed the federally insured limits. The bank accounts earn interest at prime less 1.75% (2.8% at March 31, 2026).

The College's credit facilities include an approved operating line of credit with the Royal Bank of \$1,500,000 with interest at bank prime less 0.6% (3.9% at March 31, 2026). At year end the outstanding balance under this credit facility agreement was \$nil (2025 - \$nil).

In addition, the College, has an approved revolving credit facility with the Royal Bank in the amount of \$1,650,000. Of this amount, \$nil (2025 - \$nil) was outstanding at March 31, 2026.

The College also has total approved financing with the Ontario Financing Authority in the amount of \$13,335,844. Of this amount, \$8,047,438 (2025 - \$8,407,411) was outstanding at year end as described in Note 12. Of the approved amount, \$5,845,598 (2025 - \$6,106,615) is repayable by SUCCI (Student Union of Confederation College Inc.).

**The Confederation College of Applied  
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Notes to Financial Statements**

March 31, 2026

**2. Financial Instrument Classification ( cont'd)**

Included in the investment portfolio are Canadian Bonds with a maturity profile as indicated below.

		2026				
		Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	Total
Carrying Value: Bonds	\$	806,745	\$ 2,562,712	\$ 2,216,569	\$ 1,085,672	\$ 6,671,698
Total	\$	806,745	\$ 2,562,712	\$ 2,216,569	\$ 1,085,672	\$ 6,671,698
Percent of total		12%	39%	33%	16%	
		2025				
		Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	Total
Carrying Value: Bonds	\$	667,988	\$ 1,978,361	\$ 1,838,204	\$ 1,019,773	\$ 5,504,326
Total	\$	667,988	\$ 1,978,361	\$ 1,838,204	\$ 1,019,773	\$ 5,504,326
Percent of total		12%	36%	33%	19%	

The following table provides an analysis of financial instruments that are measured at fair value subsequent to initial recognition, 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).

**The Confederation College of Applied  
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Notes to Financial Statements**

March 31, 2026

**2. Financial Instrument Classification ( cont'd)**

		2026			
		Level 1	Level 2	Level 3	Total
Cash		\$ 44,212,195	\$ -	\$ -	\$ 44,212,195
Investment portfolio		4,169,907	10,396,036	-	14,565,943
Private Asset Fund		-	-	1,223,366	1,223,366
		\$ 48,382,102	\$ 10,396,036	\$ 1,223,366	\$ 60,001,504
		2025			
		Level 1	Level 2	Level 3	Total
Cash		\$ 56,406,352	\$ -	\$ -	\$ 56,406,352
Investment portfolio		3,283,929	9,498,205	-	12,782,134
Private Asset Fund		-	-	1,229,582	1,229,582
		\$ 59,690,281	\$ 9,498,205	\$ 1,229,582	\$ 70,418,068

There were transfers of \$nil between Level 1 and Level 2 for the years ended March 31, 2026 and transfers of \$93,312 for 2025.

There were transfers of \$nil between Level 2 and Level 3 for the years ended March 31, 2026 and transfers of \$1,229,582 for 2025.

**3. GIC Investments**

Investments consist of Guaranteed Investment Certificates of \$42,162,706 (2025 - \$35,961,412) maturing dates ranging from July 2026 to January 2029 yielding interest rates of 3.19% to 5.3%.

**4. Accounts Receivable**

Accounts receivable are comprised of balances receivable from students, Sponsoring agencies and Corporate clients for contract training. Credit risk is mitigated to some extent by requiring that payment be received before a student is allowed to register, unless they have certain pre-qualified conditions, such as funding through the Ontario Student Assistance Program, sponsorship funding, or split-fee tuition fee option.

		2026	2025
Students and sponsors		\$ 241,502	\$ 310,623
General		3,817,195	3,893,615
Allowance for doubtful accounts		(215,699)	(215,262)
		\$ 3,842,998	\$ 3,988,976

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**5. Notes and Long-term Receivable**

In April 2016, the Student Union of Confederation College Inc. (SUCCI) entered into a funding and contribution agreement with the College to finance a contribution towards the new Wellness Centre. Amounts are to be paid to the College until the SUCCI contribution of \$8.5 million, together with the deemed Ontario Financing Authority (OFA) interest rate thereon per annum, is paid in full. The OFA debt is repayable over the next 20 years, and bears a fixed interest rate of 2.969% (Note 12). The current portion of the long-term receivable represents the principal loan payments due within one year.

	2026		2025
General	\$ 16,791	\$	43,177
SUCCI Student Levy Receivable	5,845,598		6,106,615
<b>Total</b>	<b>5,862,389</b>		<b>6,149,792</b>
Current Portion	278,863		273,565
	<b>\$ 5,583,526</b>	\$	<b>5,876,227</b>

**6. Investment Portfolio - Endowments Restricted**

The College's investment portfolio is comprised of a number of different securities carrying a variety of terms and conditions. Investments consist of the following:

	2026		2025	
	Market	Cost	Market	Cost
Endowed				
Canadian equities	\$ 3,949,938	\$ 2,769,419	\$ 3,066,702	\$ 2,681,040
Canadian fixed income	6,671,698	6,863,928	5,504,326	5,620,631
Foreign equities	3,724,338	3,663,889	3,993,879	4,122,157
Cash and equivalents account	219,969	161,724	217,227	195,287
Private asset fund	1,223,366	1,222,513	1,229,582	1,222,513
	<b>\$ 15,789,309</b>	<b>\$ 14,681,473</b>	<b>\$ 14,011,716</b>	<b>\$ 13,841,628</b>

The cash and equivalents account does not earn interest. Canadian and foreign bonds are comprised of a number of different bonds held within pooled funds, with maturity dates ranging from 2026 to 2082, and yield an average of 3.98% (2025 - 3.88%) over the term of the investments.

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**7. Capital Assets**

	2026		2025	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 295,057	\$ -	\$ 295,057	\$ -
Site improvements	3,305,185	2,553,514	3,305,185	2,295,475
Buildings	111,245,293	61,487,872	111,245,293	59,256,000
Bridge	2,910,386	894,335	2,910,386	777,920
Leasehold improvements	333,188	333,188	333,188	333,188
Furniture and equipment	102,793,440	98,766,526	101,600,023	96,624,903
Library books	20,000	20,000	20,000	20,000
Major equipment	2,763,715	2,699,742	2,763,715	2,689,097
Airplanes	4,808,457	2,412,729	4,808,457	2,070,482
ARO - Building	1,054,469	759,145	1,006,586	702,757
ARO - Equipment	73,336	58,233	73,299	57,770
Public private partnership	14,800,000	1,672,000	14,800,000	1,520,000
Outdoor structures	1,222,063	122,206	1,222,063	61,103
Construction in progress	8,127,129	-	3,766,605	-
	<b>\$ 253,751,718</b>	<b>\$ 171,779,490</b>	<b>\$ 248,149,857</b>	<b>\$ 166,408,695</b>
Capital Assets Net book value		<b>\$ 81,972,228</b>		<b>\$ 81,741,162</b>

**8. Public Private Partnership Asset and Deferred Revenue**

The College has alternative financing arrangements with Campus Development Corp (the "Partner") for the construction and operation of student residence buildings, Spruce and Cedar, on its Thunder Bay campus. Under the terms of these agreements, the Partner is responsible for constructing, maintaining and operating the student residences in exchange for the right to collect student residence fees over the period of 89 years. At the end of the period, the legal title of the buildings will transfer to the College. The College has recorded these buildings as Public Private Partnership Assets which are being amortized over 30 years to their estimated residual values of \$10,240,000, where the College will have the first right to purchase the asset. The related deferred revenue, which is also being amortized over the Public Private Partnership period of 89 years, represents the College granting the Partner the right to provide residence services to students of the College and receive rental fees in exchange for the Partner's capital investment.

At year-end, these buildings have a net book value of \$13,128,000 (2025 - \$13,280,000) and corresponding liability of \$12,970,787 (2025 - \$13,137,079).

Included in other revenue is \$166,292 representing the amortization of the Public Private Partnership deferred revenue and included in other expenses is \$152,000 representing the amortization of the Public Private Partnership assets.

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**9. Accounts Payable and Accrued Liabilities**

	2026		2025
Trade	\$ 13,367,684	\$	17,284,988
Accrued liabilities	703,635		670,294
Accrued holdbacks	1,075,481		0
Government remittances	841,315		1,028,097
Accrued salaries	3,323,172		4,218,967
	\$ 19,311,287	\$	23,202,346

**10. Deferred Revenue**

	2026		2025
Ontario Ministry of Colleges, Universities, Research Excellence and Security			
Collaborative nursing	\$ 214,925	\$	214,925
Nursing clinical education	634,818		0
Nursing enrolment expansion	443,193		276,693
Better Jobs Ontario - College Tuition Differential	503,412		574,737
Dual Credit Programming	883,848		253,818
College service fee	936,090		774,930
Contract training	1,069,869		714,870
Miscellaneous contracts and projects	1,647,480		2,360,042
Post-secondary tuition	1,646,453		3,843,929
Student IT fee	203,604		226,369
Student tech fee	189,187		123,145
	\$ 8,372,879	\$	9,363,458

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**11. Asset Retirement Obligation**

The College's financial statements include an asset retirement obligation for the removal of asbestos in several buildings owned by the College as well as a liability for the removal of hazardous materials in equipment. The related asset retirement costs are being amortized on a straight-line basis. The liability has been estimated using a net present value technique with a discount rate of 4.19% (2025: 3.29%) where the majority will be incurred over the next 35 years. The liability for all retirement obligations is expected to be settled by the end of 2071.

**Asbestos Obligation:**

The College owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building, resulting in a legal obligation to remove it. Following the adoption of PS 3280 - Asset Retirement Obligations, Confederation College recognized an obligation related to the removal and post-removal care of the asbestos in these buildings as of April 1, 2022. These buildings have a revised useful life of 80 years from the date they were constructed with the recent rehabilitation and enhancements to extend the useful life of the buildings.

	2026		2025	
	Building	Equipment	Building	Equipment
Balance at Beg. Of Year	\$ 3,537,812	\$ 114,936	\$ 3,414,755	\$ 113,673
Accretion	92,307	732	123,057	1,263
ARO Liability Remeasurement	47,883	37	-	-
	\$ 3,678,002	\$ 115,705	\$ 3,537,812	\$ 114,936
Total ARO Liability	\$ 3,793,707		\$ 3,652,748	

**12. Long-term Debt**

	2026	2025
Ontario Financing Authority loan for Wellness Centre repayable at \$303,132 semi-annually including interest at 2.969% due 2042	\$ 8,047,438	8,407,411
Current portion	370,069	359,973
Total	7,677,369	8,047,438

The scheduled principal amounts repayable within the next five years and thereafter are as follows:

Date	OFA
1	370,069
2	381,130
3	392,530
4	403,165
5	416,848
Thereafter	6,083,696
	\$ 8,047,438

Of the approved amount of the OFA loan for the Wellness Centre, \$5.8 million is repayable by SUCCI (Student Union of Confederation College Inc.) (Note 5).

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**13. Post-employment Benefits and Compensated Absences Liability**

The following tables outline the components of the College's post-employment benefits and compensated absences liabilities and the related expenses.

	2026			
	Post-employee Benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	\$ 816,000	\$ 2,107,000	\$ -	\$ 2,923,000
Value of plan assets	(167,000)	-	-	(167,000)
Unamortized actuarial gains (losses)	19,000	(215,000)	-	(196,000)
	<u>\$ 668,000</u>	<u>\$ 1,892,000</u>	<u>\$ -</u>	<u>\$ 2,560,000</u>

	2025			
	Post-employee Benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	\$ 742,000	\$ 2,149,000	\$ 53,000	\$ 2,944,000
Value of plan assets	(147,000)	-	-	(147,000)
Unamortized actuarial gains (losses)	13,000	(358,000)	(2,000)	(347,000)
	<u>\$ 608,000</u>	<u>\$ 1,791,000</u>	<u>\$ 51,000</u>	<u>\$ 2,450,000</u>

	2026			
	Post-employee Benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost	\$ 72,000	\$ 102,000	\$ 1,000	\$ 175,000
Interest on accrued benefit obligation	2,000	69,000	2,000	73,000
Amortized actuarial losses	(9,000)	112,000	(54,000)	49,000
	<u>\$ 65,000</u>	<u>\$ 283,000</u>	<u>\$ (51,000)</u>	<u>\$ 297,000</u>

	2025			
	Post-employee Benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost	\$ 151,000	\$ 95,000	\$ 1,000	\$ 247,000
Interest on accrued benefit obligation	2,000	74,000	2,000	78,000
Amortized actuarial losses	(21,000)	109,000	-	88,000
	<u>\$ 132,000</u>	<u>\$ 278,000</u>	<u>\$ 3,000</u>	<u>\$ 413,000</u>

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

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**13. Post-Employment Benefits and Compensated Absences Liability (cont'd.)**

Retirement Benefits

CAAT Pension Plan

All full-time employees of the College, and any part-time employees of the College who opt to participate, are members of the Colleges of Applied Arts and Technology Pension Plan (the "Plan"), which is 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 the long-term viability of the Plan.

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. The most recent actuarial valuation filed with pension regulators as at January 1, 2026 indicated an actuarial surplus of \$6.749 billion and a funded status of 124.0% (January 1, 2025 - \$6.141 billion and 123.6% funded). In 2025, the College made contributions to the Plan and its associated retirement compensation arrangement of \$4,877,832 (2025 - \$5,148,551) which has been included in salaries and benefits in the statement of operations.

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 major actuarial assumptions employed for the valuations 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 2025 and decrease proportionately thereafter to an ultimate rate of 4.0% in 2040 (2025 - 4.0% in 2040).

Post-Employment Benefits (Cont'd)

c) Dental costs

Dental costs were assumed to remain flat at 4.0% per annum (2025 - 4.0%).

Compensated Absences

Vesting Sick Leave

The College has provided for vesting sick leave benefits during the year. Eligible employees, after 10 years of service, are entitled to receive payment for their accumulated sick days at 50% of their accumulated sick leave credit on termination or retirement to a maximum of 6 months' salary. The program to accumulate sick leave credits ceased for employees hired after March 31, 1991. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

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**13. Post-Employment Benefits and Compensated Absences Liability (Cont'd.)**

Non-Vesting Sick Leave

The College allocates to certain employee groups a specified number of days each year for 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 provided 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 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	2.50%	3.00%
Support	2.50%	3.00%
Discount rate	3.50%	3.50%

The probability that the employee will use more sick days than the annual accrual and the excess number of sick days used are within ranges of 0% to 26.2% and 0 to 51 days respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

**14. 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 and is calculated on the same basis as the amortization expense related to the acquired/constructed capital assets. The changes in the deferred capital contributions balances are as follows:

	2026	2025
Balance, beginning of year	\$ 56,814,561	\$ 57,460,592
Add contributions for capital purposes	589,700	3,210,795
Less amortization of deferred capital contributions	(3,887,787)	(3,856,826)
Balance, end of year	53,516,474	56,814,561
Deferred capital contributions relating to construction in progress, end of year	364,042	931,702
Deferred capital contributions balance, end of year	\$ 53,152,432	\$ 55,882,859

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**15. Net Assets - Investment in Capital Assets**

	2026	2025
Capital assets, net book value	\$ 81,972,228	\$ 81,741,162
Less amounts financed by:		
Working capital	313,620	313,620
SUCCI Student Levy receivable (Note 5)	5,845,598	6,106,615
Long-term debt (Note 12)	(8,047,438)	(8,407,411)
Asset Retirement Obligation (Note 11)	(3,793,707)	(3,652,748)
Public Private Partnership liability (Note 8)	(12,970,787)	(13,137,079)
Deferred capital contributions (Note 14)	(53,516,474)	(56,814,561)
Invested in capital assets, end of year	\$ 9,803,040	\$ 6,149,598

**16. Net Assets - Internally and Externally Restricted**

Internally restricted net assets represents money set aside by College senior management for various strategic initiatives and committed for specific purposes as identified below.

	2026	2025
<b>Externally Restricted Net Assets</b>		
Tuition set aside for student assistance	\$ 1,614,709	\$ 1,491,270
Scholarships and bursaries	659,336	639,483
Contributions for capital expenditures	282,923	275,044
Donations	1,428,760	1,384,305
Children and Family Centre accumulated surplus	196,019	196,019
Total Externally Restricted Net Assets	4,181,747	3,986,121
<b>Internally Restricted Net Assets</b>		
Special projects	33,552,874	34,699,432
Parking lot development	2,171,291	2,171,291
Critical IT infrastructure	10,386,662	10,386,662
Long-term sustainability	4,937,752	8,293,567
Environmental sustainability	500,000	500,000
Total Internally Restricted Net Assets	51,548,579	56,050,952
Total Externally and Internally Restricted Net Assets	\$ 55,730,326	\$ 60,037,073

The Ministry of Colleges, Universities, Research Excellence and Security requires a certain portion of the additional tuition fee revenue generated by announced fee increases to be set aside for student assistance.

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**17. Net Assets - Endowments Restricted**

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 donors. The College ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

Externally restricted endowment funds include grants provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund ("OSOTF") Phase I and II, and the Ontario Trust for Student Support ("OTSS") programs and other such restricted contributions that were not matched. Under these government programs, the government matches funds raised by the College. The purpose of the programs is to assist academically qualified individuals who, for financial reasons, would not otherwise be able to attend College. The investment income generated from endowments must be used in accordance with the OSOTF and the OTSS guidelines.

The College has recorded the following amounts under the programs:

**OSOTF I**

	2026	2025
<b>Schedule of changes in Endowment Fund Balance</b>		
Fund balance, beginning of year	\$ 3,698,410	\$ 3,623,715
Cash donations received	7,019	74,695
Fund balance, end of year	3,705,429	3,698,410
<b>Schedule of changes in Expendable Funds Available for Awards</b>		
Fund balance, beginning of year	2,300,988	1,878,528
Corrections to Endowed/Realized Gain Amounts ( Rate Stabilization)	(494,056)	447,127
Unrealized investment gain (loss) net of direct investment-related expenses and preservation of capital contributions	1,245,172	131,103
Bursaries awarded (2026 = 170, 2025 = 188)	(147,900)	(155,770)
Expendable fund balance, end of year	2,904,204	2,300,988
Total endowment fund balance, end of year	\$ 6,609,633	\$ 5,999,398
Market value of fund, end of year	\$ 6,609,633	\$ 5,999,398

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**17. Net Assets - Endowments Restricted (Cont'd)**

**OSOTF II Second Phase**

	2026		2025
<b>Schedule of changes in Endowment Fund Balance</b>			
Fund balance, beginning of year	\$ 252,078	\$	252,078
	<b>252,078</b>		<b>252,078</b>
<b>Schedule of changes in Expendable Funds Available for Awards</b>			
Fund balance, beginning of year	317,392		263,573
Corrections to Endowed/Realized Gain Amounts ( Rate Stabilization)	(74,976)		42,390
Unrealized investment gain (loss) net of direct investment-related expenses and preservation of capital contributions	147,323		12,429
Bursaries awarded (2026 = 8, 2025 = 2)	(4,000)		(1,000)
Expendable fund balance, end of year	<b>385,739</b>		<b>317,392</b>
Total endowment fund balance, end of year	\$ 637,817	\$	623,289
Market value of fund, end of year	\$ 637,817	\$	623,289

**OTSS**

	2026		2025
<b>Schedule of changes in Endowment Fund Balance</b>			
Fund balance, beginning of year	\$ 4,993,247	\$	4,538,335
Eligible cash donations received	116,687		454,912
	<b>5,109,934</b>		<b>4,993,247</b>
<b>Schedule of changes in Expendable Funds Available for Awards</b>			
Fund balance, beginning of year	2,248,198		1,694,030
Corrections to Endowed/Realized Gain Amounts ( Rate Stabilization)	(627,592)		524,947
Unrealized investment gain (loss) net of direct investment-related expenses and preservation of capital contributions	1,581,722		153,921
Bursaries awarded (2026 = 175, 2025 = 122)	(196,200)		(124,700)
Expendable fund balance, end of year	<b>3,006,128</b>		<b>2,248,198</b>
Total endowment fund balance, end of year	\$ 8,116,062	\$	7,241,445
Market value of fund, end of year	\$ 8,116,062	\$	7,241,445

Reports of OTSS awards issued for the period of April 1, 2025 to March 31, 2026:

Status of Recipients	OSAP Number	Recipients Amount	Non-OSAP Number	Recipients Amount	Number	Total Amount
Full-time	105	\$ 145,376	70	\$ 50,824	175	\$ 196,200
Part-time	n/a	n/a	n/a	n/a	n/a	n/a
Total	<b>105</b>	<b>\$ 145,376</b>	<b>70</b>	<b>\$ 50,824</b>	<b>175</b>	<b>\$ 196,200</b>

	2026		2025
Grand total of endowment funds, end of year	\$ 15,363,512	\$	13,810,313

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**18. Commitments**

The College has leased realty for the Aviation Centre of Excellence at an annual rental of approximately \$94,245, with annual increases of 2.5%, and an expiry date of 2053.

**19. Contingencies**

In the normal course of operations, the College is involved in a number of grievances and disputes. As of the date of this financial statement preparation, the likelihood and impact of these matters on the College's financial statements is unknown. Should any costs be incurred as a result of these matters, they will be expensed in the year of settlement.

**20. Statement of Cash Flows**

The change in non-cash working capital balances consists of the following:

	2026	2025
Grants receivable	\$ 4,578,296	\$ (4,124,269)
Accounts receivable	145,978	535,969
Inventory	(72,775)	(58,084)
Prepaid expenses	(101,328)	(887,842)
Accounts payable and accrued liabilities	(3,891,059)	(3,900,290)
Vacation payable	(8,374)	144,196
Deferred revenue	(990,579)	1,084,157
	<u>\$ (339,841)</u>	<u>\$ (7,206,163)</u>

**21. Capital Disclosures**

The College considers its capital to be the balance retained in net assets, which is generally the difference between its assets and liabilities as reported on the statement of financial position and includes unrestricted net assets, internally restricted net assets, investment in capital assets and restricted endowment net assets. The College receives funding from the provincial government for the delivery of its programs. These funds are maintained and disbursed under the terms of the funding agreements and management is responsible for adhering to the provisions of these agreements.

The College's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide delivery of its programs to the public. Colleges are required, under the current Ministry guidelines, to balance their budgets each year through a combination of managing expenses and utilizing reserves. Any in-year deficit not covered by reserves (accumulated deficits) must be recovered within two successive years under the Ministry's deficit recovery procedures.

Management maintains its capital by ensuring that annual operating and capital budgets are developed and approved by the Board of Governors based on both known and estimated sources of funding and financing available each year. These budgets are shared with all management to ensure that the capital of the College is maintained and are also published on the College's website or distributed to the public in hard copy upon request.

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**22. 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 relating to its cash, debt holdings in its investment portfolio, notes and long-term receivable 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 \$300,000 (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 6.

Accounts receivable are ultimately due from students, sponsors or corporate agencies. An amount of \$215,262 (2025 - \$205,847) has been set up as an allowance for doubtful accounts. Credit risk is mitigated by financial approval processes before a student is enrolled and the highly diversified nature of the student population, and other internal controls built into the registration process.

The receivable amounts outstanding at year end were as follows:

	2026				
	Current	31 - 60 days	61- 90 days	Over 90 Days	Total
Accounts receivable	2,129,421	356,407	147,842	1,425,027	\$ 4,058,697
Grants receivable	858,689	-	-	511,018	\$ 1,369,707
	2,988,110	356,407	147,842	1,936,045	\$ 5,428,404
Less: Allowance for doubtful accounts	-	-	-	(215,699)	\$ (215,699)
<b>Total</b>	<b>2,988,110</b>	<b>356,407</b>	<b>147,842</b>	<b>1,720,346</b>	<b>\$ 5,212,705</b>
	2025				
	Current	31 - 60 days	61- 90 days	Over 90 Days	Total
Accounts receivable	1,967,280	379,451	263,141	1,594,367	\$ 4,204,239
Grants receivable	5,711,862	3,329	-	232,812	\$ 5,948,003
	7,679,142	382,780	263,141	1,827,179	\$ 10,152,242
Less: Allowance for doubtful accounts	-	-	-	(215,262)	\$ (215,262)
<b>Total</b>	<b>7,679,142</b>	<b>382,780</b>	<b>263,141</b>	<b>1,611,917</b>	<b>\$ 9,936,980</b>

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**22. Financial Instrument Risk Management (Cont'd)**

**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.

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.

Amounts owing at year end were as follows:

	2026				
	Current	31 - 60 days	61- 90 days	Over 90 Days	Total
Accounts payable and accrued liabilities	15,029,373	278,870	1,109,344	2,893,700	\$ 19,311,287
Vacation payable	3,180,248	-	-	-	\$ 3,180,248
<b>Total</b>	<b>18,209,621</b>	<b>278,870</b>	<b>1,109,344</b>	<b>2,893,700</b>	<b>\$ 22,491,535</b>
	2025				
	Current	31 - 60 days	61- 90 days	Over 90 Days	Total
Accounts payable and accrued liabilities	18,520,500	608,248	223,214	3,850,384	\$ 23,202,346
Vacation payable	3,188,622	-	-	-	\$ 3,188,622
<b>Total</b>	<b>21,709,122</b>	<b>608,248</b>	<b>223,214</b>	<b>3,850,384</b>	<b>\$ 26,390,968</b>

**Market Risk**

Market risk is the risk that the fair value or 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's investment policy 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. The Policy limits the investment in any one corporate issuer to a maximum of 10% of the College's total fixed income bonds.

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.

**Currency Risk**

Currency risk relates to the College operating in different currencies and converting non-Canadian earnings at different points in time at different foreign College levels when adverse changes in foreign currency College rates occur.

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.

As at March 31, 2026, the total amount of cash, securities and other non-current assets denominated in a foreign currency was \$ 4,947,704 (2025 - \$5,223,461). The College's estimate of the effect on net assets as at March 31, 2026 due to a 1.00% increase or decrease in the exchange rates, with all other variables held constant, would approximately amount to an increase or decrease of \$49,477 (2025 - \$52,235).

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**22. Financial Instrument Risk Management (Cont'd)**

**Interest Rate Risk**

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or 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 (Note 3 and Note 6) and long-term debt (Note 12).

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

**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, total equity in the portfolio was \$7,674,276, a 10% movement in the stock markets with all other variables held constant would have an estimated effect on the fair values of the College's equities of \$767,428. Equities represent approximately 51% of the fair value of the College's endowed investments, which is held for long-term investment gains, which mitigates the impact to market fluctuations on the value of the equities.

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.

**23. Impact of International Tariffs**

In response to the imposition of new international tariffs and with changes in the global economic environment, the Government of Ontario has implemented restrictions that are applicable to all broader public sector procurement practices. The College has updated its procurement practices to comply with the new restrictions.

The College continues to monitor the effects of tariffs and market volatility on its operations and believes there are no significant financial issues that will compromise its ongoing operations. It is not possible to reliably estimate the duration and severity of consequences from the introduction of international tariffs, as well as the impact on the College's financial position and its results for future periods.