

Consolidated Financial Statements

**THE ST. CLAIR COLLEGE OF APPLIED  
ARTS AND TECHNOLOGY**

Year ended March 31, 2026

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The consolidated 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. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated 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.

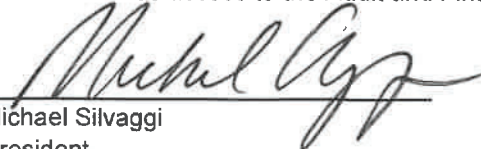
The College's insurance liabilities have been reviewed by management in consultation with its broker. There are no material liabilities in either fact or contingency as at the date of this report.

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

The Audit and Finance Committee is appointed by the Board 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 consolidated financial statements and the external auditors' report.

The Audit and Finance Committee reports its findings to the Board for consideration when approving the consolidated financial statements. The Audit and Finance Committee also considers, for review and approval by the Board, the engagement or reappointment of the external auditors.

The consolidated financial statements have been audited by KPMG LLP, the external auditors, in accordance with Canadian generally accepted auditing standards, on behalf of the Board. KPMG LLP has full and free access to the Audit and Finance Committee.

  
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Michael Silvaggi  
President

  
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Marc Jones  
Senior Vice President, Finance, Administration &  
Chief Financial Officer

May 26, 2026



**KPMG LLP**

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Telephone 519 251 3500  
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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Governors of The St. Clair College of Applied Arts and Technology

***Opinion***

We have audited the consolidated financial statements of The St. Clair College of Applied Arts and Technology (the College), which comprise:

- the consolidated statement of financial position as at March 31, 2026
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the financial statements and schedules, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College 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 auditor's 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada  
May 26, 2026

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Financial Position

March 31, 2026, with comparative information for 2025

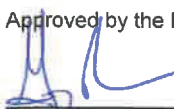
	2026	2025
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 28,149,851	\$ 57,771,016
Accounts receivable (note 17)	8,022,539	10,285,731
Temporary investments (note 2)	206,724,010	172,473,772
Prepaid expenses	3,097,852	9,773,045
	<u>245,994,252</u>	<u>250,303,564</u>
Long-term investments (note 2)	27,619,122	51,692,864
Construction in progress (note 3)	550,659	634,450
Capital assets (note 4)	257,723,539	258,048,190
	<u>\$ 531,887,572</u>	<u>\$ 560,679,068</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 33,005,923	\$ 37,797,510
Deferred revenue (note 6)	20,949,203	42,756,484
Vacation pay	5,265,421	5,679,109
Current portion of long-term debt (note 7)	1,982,088	2,064,908
	<u>61,202,635</u>	<u>88,298,011</u>
Long-term debt (note 7)	15,189,382	17,171,470
Post-employment benefits and compensated absences (note 8)	4,621,000	4,193,999
Deferred contributions (note 9)	13,001,926	14,612,106
Deferred capital contributions (note 10)	128,710,014	129,392,841
Asset retirement obligations (note 5)	9,098,971	787,876
	<u>231,823,928</u>	<u>254,456,303</u>
Net assets:		
Unrestricted:		
Operating	38,067,966	42,385,242
Post-employment benefits and compensated absences	(4,621,000)	(4,193,999)
Vacation pay	(5,265,421)	(5,679,109)
	<u>28,181,545</u>	<u>32,512,134</u>
Invested in capital assets (note 12)	112,392,714	110,053,421
Externally restricted (note 13)	23,847,649	23,799,904
Internally restricted (note 14)	135,641,736	139,857,306
	<u>300,063,644</u>	<u>306,222,765</u>
Commitments (note 15)		
Contingent liabilities (note 16)		
	<u>\$ 531,887,572</u>	<u>\$ 560,679,068</u>

See accompanying notes to consolidated financial statements.

Approved by the Board of Governors



Director



Director

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Consolidated Statement of Operations

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Revenue:		
Grants and reimbursements	\$ 45,015,843	\$ 41,993,968
Capital support grants	199,267	148,538
Tuition revenue	67,171,771	115,022,250
Public college private partnership (note 19)	13,244,922	96,838,064
Contract training	17,503,003	15,585,471
Amortization of deferred capital contributions	6,712,296	6,568,325
Other income	19,915,086	29,427,060
Donations	981,633	797,509
Foundation	3,500,519	3,948,600
Ancillary operations	13,889,263	14,515,021
Gain (loss) on disposal of capital assets	1,047,634	(3,717)
	<u>189,181,237</u>	<u>324,841,089</u>
Expenses:		
Salaries and benefits	96,225,236	108,807,160
Operating expenditures	49,656,819	68,451,964
Public college private partnership (note 19)	11,364,757	76,828,545
Post-employment benefits and compensated absences	427,000	501,000
Foundation	3,500,519	3,948,600
Bursaries and scholarships	981,633	793,054
Amortization of capital assets	17,158,408	15,076,411
Other expenditures out of capital support grants	199,267	141,027
Ancillary operations	15,874,464	17,381,153
	<u>195,388,103</u>	<u>291,928,914</u>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (6,206,866)</b>	<b>\$ 32,912,175</b>

See accompanying notes to consolidated financial statements.

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Consolidated Statement of Changes in Net Assets

Year ended March 31, 2026, with comparative information for 2025

	Unrestricted	Invested in capital assets (note 12)	Externally restricted (note 13)	Internally restricted (note 14)	2026 Total	2025 Total
Balance, beginning of year	\$ 32,512,134	110,053,421	23,799,904	139,857,306	\$ 306,222,765	\$ 272,298,730
Endowment and annual funds received during the year	-	-	47,745	-	47,745	1,011,860
Excess (deficiency) of revenue over expenses	3,191,612	(9,398,478)	-	-	(6,206,866)	32,912,175
Transfer of internally restricted to unrestricted	4,215,570	-	-	(4,215,570)	-	-
Net change in investment in capital assets (note 12b)	(11,737,771)	11,737,771	-	-	-	-
<b>Balance, end of year</b>	<b>\$ 28,181,545</b>	<b>\$ 112,392,714</b>	<b>\$ 23,847,649</b>	<b>\$ 135,641,736</b>	<b>\$ 300,063,644</b>	<b>\$ 306,222,765</b>

See accompanying notes to consolidated financial statements.

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Consolidated Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ (6,206,866)	\$ 32,912,175
Items not involving cash:		
Amortization of capital assets	17,158,408	15,076,411
Amortization of deferred capital contributions	(6,712,296)	(6,568,325)
Accrual for post-employment benefits and compensated absences	427,000	500,999
Deferred contributions recognized as revenue in the year	(3,500,519)	(3,948,600)
Unrealized loss on long-term investments	73,407	1,255,354
(Gain) loss on disposal of capital assets	(1,047,634)	3,717
	<u>191,500</u>	<u>39,231,731</u>
Changes in non-cash operating working capital:		
Accounts receivable	2,263,192	401,157
Prepaid expenses	6,675,193	3,709,405
Accounts payable and accrued liabilities	(4,791,587)	(13,894,301)
Accrual for vacation pay	(413,688)	(668,220)
Deferred revenue	(21,807,281)	(61,997,821)
	<u>(17,882,671)</u>	<u>(33,218,049)</u>
Financing activities:		
Deferred contributions	1,890,334	2,737,785
Repayment of long-term debt	(2,064,908)	(2,148,344)
Endowment and annual contributions (transfers), net	47,745	1,011,860
	<u>(126,829)</u>	<u>1,601,301</u>
Capital activities:		
Contributions received for capital purposes	6,029,469	6,872,495
Contributions paid for construction in progress	-	(500,000)
Proceeds on disposal of capital assets	2,341,548	-
Purchase of capital assets and construction in progress	(18,043,880)	(34,075,103)
Asset retirement obligations settlement and revaluation	8,311,095	(56,200)
	<u>(1,361,768)</u>	<u>(27,758,808)</u>
Investing activities:		
Redemption (purchase) of long-term investments	24,000,341	(27,616,678)
Redemption (purchase) of temporary investments	(34,250,238)	75,509,335
	<u>(10,249,897)</u>	<u>47,892,657</u>
Decrease in cash	(29,621,165)	(11,482,899)
Cash, beginning of year	57,771,016	69,253,915
Cash, end of year	<u>\$ 28,149,851</u>	<u>\$ 57,771,016</u>

See accompanying notes to financial statements.

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2026

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The St. Clair College of Applied Arts and Technology (the “College”), was incorporated in 1965 under the laws of the Province of Ontario, and 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, vocationally oriented education in the areas of applied arts, business, health sciences and technology.

The College is a not-for-profit organization and, as such, is exempt from income taxes under the Income Tax Act (Canada).

## 1. Significant accounting policies:

### (a) Basis of presentation:

These consolidated 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”).

The consolidated financial statements include the accounts of the College and its wholly controlled entity, St. Clair College Foundation. All significant inter-organization balances and transactions have been eliminated on consolidation.

These consolidated financial statements do not reflect the assets, liabilities and results of operations of the various student organizations.

### (b) Revenue recognition:

Revenue is recognized when the College has the ability to claim or retain an inflow of economic resources and a past transaction or event giving rise to the asset has occurred.

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.

Gifts in-kind are recorded at fair value in the year of receipt.

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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## 1. Significant accounting policies (continued):

### (b) Revenue recognition (continued):

Ancillary revenues including parking, bookstore, residence, St. Clair College Centre for the Arts 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.

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

Externally restricted contributions and restricted investment income are recognized as revenue in the year in which the related expenses are incurred.

Restricted contributions for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis corresponding with the amortization rate for the related capital assets.

Endowment contributions, having externally imposed restrictions requiring that the principal be maintained intact, are recognized as direct increases in endowed net assets.

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.

Pledges are recorded as revenue when management can make a reasonable estimate of the amount and collection is reasonably assured. The College received pledges in the amount of \$150,000 (2025 - \$290,000) which have not been recorded in the accompanying financial statements.

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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## 1. Significant accounting policies (continued):

### (c) Cash and cash equivalents:

Cash and cash equivalents include highly liquid investments with maturities of 30 days or less when purchased.

### (d) Short-term investments:

Short-term investments are recorded at fair value. Subsequent changes in the fair value of short-term investments are adjusted through the statement of financial position.

### (e) Long-term investments:

Long-term investments are recorded at fair value. Subsequent changes in the fair value of restricted long-term investments are adjusted through the statement of financial position.

### (f) Investment income:

Realized gains and losses on the sale of investments are determined using the average cost of securities sold. Interest and dividend income is recorded on the accrual basis.

### (g) Endowment funds:

Endowed funds consist of external contributions that the donor has designated as a permanent endowment. The endowed funds cannot be expended by the Foundation. The annual income earned on the endowed funds may be expended only for the externally restricted purposes specified by the donor.

### (h) 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 its net book value, the carrying value of the capital asset is reduced to reflect the decline in the asset's value.

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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## 1. Significant accounting policies (continued):

### (h) Capital assets (continued):

Construction in progress is not recorded as a capital asset or amortized until it is put into 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:

Asset	Basis
Buildings	40 years
Site improvements	10 years
Furniture & equipment	5 years
Leasehold improvements	5 years
Computer equipment	3 years

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### (i) Vacation pay:

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

### (j) Non-pension post-retirement, post-employment, non-vesting sick leave, and defined retirement benefits:

The College provides non-pension post-retirement, post-employment, non-vesting sick leave and defined retirement benefits to certain employee groups. These benefits include subsidized basic life insurance for retirees, continuation of medical, dental and waiver of life insurance premium for employees on long-term disability, non-vesting sick leave and defined benefit pension. The College has adopted the following policies with respect to accounting for these employee benefits:

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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(i) The costs of the non-pension post-retirement benefits are actuarially determined using the actuaries' best estimate of mortality, life insurance premiums, and discount rates. Adjustments to these costs arising from changes in actuarial estimates and experienced 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 post-employment benefits which includes continuation of medical, dental, and waiver of life insurance premium during long-term disability are actuarially determined using the actuaries' best estimate of health care and insurance premium costs, disability recovery, mortality and discount rates. Liabilities are recognized when a long-term disability claim occurs, is expensed in year, and accounted for on a terminal accounting basis.

(iii) The costs of non-vesting sick leave benefits are actuarially determined using the actuaries' best estimate of salary escalation, employees use of entitlement and discount rates. Adjustments to these costs arising from changes in actuarial estimates and experienced gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight-line basis.

(iv) The discount rate used in the determination of the above-mentioned liabilities is determined by the College Employer Council.

(v) The costs of the multi-employer defined benefit pension are the employer's contributions due to the plan in the period.

(k) 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:

(i) Fair value:

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

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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## 1. Significant accounting policies (continued):

### (k) Financial instruments (continued):

#### (i) Fair value (continued):

These financial instruments are initially recognized at cost and subsequently carried at fair value. Changes in fair value on restricted assets are recognized as a deferred contribution until the criterion attached to the restrictions has been met.

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

As the College has no financial instruments recognized at fair value which are not deferred, the College does not have a statement of remeasurement gains and losses.

#### (ii) Amortized cost:

This category includes accounts receivable, accounts payable, accrued liabilities and other liabilities. 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.

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.

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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## 1. Significant accounting policies (continued):

### (l) Asset retirement obligations:

An asset retirement obligation (“ARO”) is recognized when, as at the financial reporting date, all of 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.

A liability for the removal of asbestos in several buildings owned by the College has been recognized based on estimated remediation costs of asbestos removal upon repair of affected areas or upon sale or closure of the building.

Actual remediation costs incurred are charged against the ARO to the extent of the liability recorded. Differences between the actual remediation costs incurred and the associated liability recorded within the consolidation financial statements is recognized in the consolidated statement of operations at the time of remediation.

The estimated undiscounted fair value of the ARO liability resulted in an accompanying increase to Building Capital Asset. The increase to the tangible capital asset is amortized in accordance with the amortization accounting policy for the College as outlined in (h).

### (m) Use of 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 the determination of fair value for long-term investments, allowance for doubtful accounts, the carrying amount of capital assets, the valuation and estimated timing of asset retirement obligations, and actuarial estimation of post-retirement and employment benefits as well as non-vesting sick leave liabilities.

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended 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	Amortization at cost	Total
Cash and cash equivalents	\$ 28,149,851	\$ -	\$ 28,149,851
Accounts receivable	-	8,022,539	8,022,539
Temporary investments	206,724,010	-	206,724,010
Long-term investments	27,619,122	-	27,619,122
Accounts payable and accrued liabilities	-	33,005,923	33,005,923
Long-term debt	-	17,171,470	17,171,470
	<b>\$262,492,983</b>	<b>\$ 58,199,932</b>	<b>\$320,692,915</b>

2025	Fair value	Amortization at cost	Total
Cash and cash equivalents	\$ 57,771,016	\$ -	\$57,771,016
Accounts receivable	-	10,285,731	10,285,731
Temporary investments	172,473,772	-	172,473,772
Long-term investments	51,692,864	-	51,692,864
Accounts payable and accrued liabilities	-	37,797,510	37,797,510
Long-term debt	-	19,236,378	19,236,378
	<b>\$281,937,652</b>	<b>\$ 67,319,619</b>	<b>\$349,257,271</b>

Temporary investments consist of highly liquid investments, including guaranteed investment certificates with maturities of less than one year. Long-term investments consist of equity instruments in public companies, bonds, and term deposits. Long-term investments include \$27,619,122 (2025 - \$26,016,220) of investments externally restricted for endowment purposes (see Note 13).

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

## 2. Financial instrument classification (continued):

Long-term investments consist of the following:

	2026	2025
Fair value:		
Term deposits	\$ -	\$ 25,676,644
Corporate and government bonds	12,509,219	12,994,935
Shares in public companies and mutual funds	15,109,903	13,021,285
	<u>\$ 27,619,122</u>	<u>\$ 51,692,864</u>

	2026	2025
Cost:		
Term deposits	\$ -	\$ 25,676,644
Corporate and government bonds	12,425,181	12,727,974
Shares in public companies and mutual funds	14,387,363	12,408,267
	<u>\$ 26,812,544</u>	<u>\$ 50,812,885</u>

Maturity profile of bonds held is as follows:

2026	Within 1 year	1 to 5 years	6 to 10 years	Over 10 years	No specific maturity	Total
Carrying value	\$ 1,207,064	\$ 4,144,435	\$ 2,156,888	\$ 188,559	\$ 4,812,273	\$ 12,509,219
Percent of total	3%	41%	14%	4%	38%	100%
						<u>\$12,509,219</u>

2025	Within 1 year	1 to 5 years	6 to 10 years	Over 10 years	No specific maturity	Total
Carrying value	\$ 347,326	\$ 5,467,851	\$ 1,828,064	\$ 471,718	\$ 4,879,976	\$ 12,994,935
Percent of total	3%	41%	14%	4%	38%	100%
						<u>\$12,994,935</u>

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

## 2. Financial instrument classification (continued):

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	\$ 28,149,851	\$ -	\$ -	\$ 28,149,851
Temporary investments	206,724,010	-	-	206,724,010
Long-term investments	27,619,122	-	-	27,619,122
<b>Total</b>	<b>\$262,492,983</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$262,492,983</b>

2025	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 57,771,016	\$ -	\$ -	\$ 57,771,016
Temporary investments	172,473,772	-	-	172,473,772
Long-term investments	51,692,864	-	-	51,692,864
<b>Total</b>	<b>\$281,937,652</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$281,937,652</b>

There was no movement between Levels 2 and 3 during the year.

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

### 3. Construction in progress:

Construction in progress represents costs incurred on certain building and equipment which was not available for use. Once the building and equipment is put in service, the total costs will be reclassified to capital assets and amortization will commence. As at March 31, 2026, construction in progress amounted to \$550,659 (2025 - \$634,450).

### 4. Capital assets:

2026	Cost	Accumulated amortization	Net book value
Land	\$ 6,036,323	\$ -	\$ 6,036,323
Buildings, including asset retirement costs	333,682,588	113,978,388	219,704,200
Site improvements	34,888,536	18,138,534	16,750,002
Furniture & equipment	96,560,401	81,706,228	14,854,173
Computer equipment	3,640,970	3,262,129	378,841
Leasehold improvements	4,748,700	4,748,700	-
	<b>\$ 479,557,518</b>	<b>\$ 221,833,979</b>	<b>\$ 257,723,539</b>

2025	Cost	Accumulated amortization	Net book value
Land	\$ 6,036,323	\$ -	\$ 6,036,323
Buildings, including asset retirement costs	321,467,836	105,318,635	216,149,201
Site improvements	34,163,318	15,674,351	18,488,967
Furniture & equipment	95,758,346	78,859,664	16,898,682
Computer equipment	3,284,624	2,975,882	308,742
Leasehold improvements	4,748,700	4,582,425	166,275
	<b>\$ 465,459,147</b>	<b>\$ 207,410,957</b>	<b>\$ 258,048,190</b>

Amortization expense for the year is \$17,158,408 (2025 - \$15,076,411).

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

## 5. Asset retirement obligations:

The College owns and operates several buildings that are known to have asbestos and there is a legal obligation to remove it upon repair of the affected areas or upon sale or closure of the building. Following the adoption of PS 3280 – Asset Retirement Obligations, the College recognized an obligation related to the remediation of asbestos in these buildings as estimated at April 1, 2021. The College must assess the Asset Retirement Obligation every 3 years or as new legislation, contracts or legal obligations come into effect. The Asset Retirement Obligation was reassessed at April 1, 2025 as adjusted below. The buildings had an estimated useful life of 40 years when they were acquired between 1970-2012.

	2026	2025
Balance, beginning of year	\$ 787,876	\$ 844,076
Adjustment per revaluation	8,332,376	-
Less: obligations settled during the year	(21,281)	(56,200)
Balance, end of year	\$ 9,098,971	\$ 787,876

## 6. Deferred revenue:

	2026	2025
Advanced tuition fees	\$ 16,534,970	\$ 33,888,109
Unearned grants	2,166,709	6,164,778
Unearned rent	398,925	395,298
Other	1,848,599	2,308,299
	\$ 20,949,203	\$ 42,756,484

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

## 7. Long-term debt:

Long-term debt outstanding at year-end consists of:

	2026	2025
6.63% debt, payable \$128,585 monthly including interest, due March 28, 2028	\$ 2,882,740	\$ 4,187,304
2.147% debt, payable \$200,975 semi-annually including interest, repaid during the year	-	198,840
4.730% debt, payable \$628,383 semi-annually including interest, due September 2, 2042	14,288,730	14,850,234
	17,171,470	19,236,378
Current portion of long-term debt	(1,982,088)	(2,064,908)
	\$ 15,189,382	\$ 17,171,470

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

2027	\$ 1,982,088
2028	2,105,487
2029	645,964
2030	676,853
2031	709,219
Thereafter	11,051,859
	\$ 17,171,470

Security on the 6.63% long-term debt consists of a general assignment of the rents associated with the College's Windsor residence and a continuing interest in any and all monies deposited into an escrow account.

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

## 7. Long term debt (continued):

Security on the 4.730% long-term debt consists of entitlement to the Minister of Finance to deduct from monies appropriated by the Ontario Legislature for payment to the College, amounts equal to any amounts that the College fails to pay under these long-term debt arrangements.

## 8. Non-pension post-retirement and post-employment benefits and non-vesting sick leave liability:

The following tables outline the components of the College's non-pension post-retirement and post-employment benefits and non-vesting sick leave liabilities and related expenses.

2026	Non-pension Post-retirement and Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	\$ 1,060,000	\$ 3,994,000	\$ -	\$ 5,054,000
Value of plan assets	(217,000)	-	-	(217,000)
Unamortized actuarial gains (losses)	114,000	(330,000)	-	(216,000)
<b>Total liability</b>	<b>\$ 957,000</b>	<b>\$ 3,664,000</b>	<b>\$ -</b>	<b>\$ 4,621,000</b>

2025	Non-pension Post-retirement and Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	\$ 1,066,000	\$ 4,477,000	\$ -	\$ 5,543,000
Value of plan assets	(210,000)	-	-	(210,000)
Unamortized actuarial gains (losses)	91,000	(1,230,000)	-	(1,139,000)
<b>Total liability</b>	<b>\$ 947,000</b>	<b>\$ 3,247,000</b>	<b>\$ -</b>	<b>\$ 4,194,000</b>

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

**8. Non-pension post-retirement and post-employment benefits and non-vesting sick leave liability (continued):**

2026	Non-pension Post-retirement and Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost	\$ 28,000	\$ 412,000	\$ -	\$ 440,000
Interest on accrued benefit obligation	3,000	151,000	-	154,000
Amortized actuarial (losses) gains	(16,000)	213,000	-	197,000
<b>Total expense</b>	<b>\$ 15,000</b>	<b>\$ 776,000</b>	<b>\$ -</b>	<b>\$ 791,000</b>

2025	Non-pension Post-retirement and Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost	\$ 195,000	\$ 391,000	\$ 1,000	\$ 587,000
Interest on accrued benefit obligation	3,000	155,000	1,000	159,000
Amortized actuarial (losses) gains	(32,000)	228,000	61,000	257,000
<b>Total expense</b>	<b>\$ 166,000</b>	<b>\$ 774,000</b>	<b>\$ 63,000</b>	<b>\$ 1,003,000</b>

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

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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## 8. Non-pension post-retirement and post-employment benefits and non-vesting sick leave liability (continued):

### (a) Retirement benefits:

#### CAAT Pension Plan:

A majority of the College's employees 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 related employers in Ontario. The College makes contributions to the Plan equal to those of employees. Contribution rates are set by the Plan's governors to ensure the 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. The most recent actuarial valuation filed with pension regulators as at January 1, 2026, indicated an actuarial surplus of \$6.7 billion (2025 - \$6.1 billion). The College made contributions to the Plan and its associated retirement compensation arrangement of \$7,502,855 (2025 - \$8,420,280), which has been included in the statement of operations.

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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## 8. Non-pension post-retirement and post-employment benefits and non-vesting sick leave liability (continued):

### (b) Non-pension post-retirement and post-employment benefits:

The College extends non-pension post-retirement and post-employment benefits to certain employee groups. Benefits include subsidized basic life insurance for retirees, and continuation of medical, dental, and waiver of life insurance premiums for employees on long-term disability. Non-pension post-retirement benefits are recognized on a straight-line basis over the remaining service life of the employee groups. Post-employment benefits are recognized on a terminal accounting basis when a long-term disability occurs in year. The related benefit liabilities were determined by an actuarial valuation study commissioned by the College Employer Council.

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

#### (i) Discount rate:

The present value as at March 31, 2026 of the future benefits was determined using a discount rate of 3.50% (2025 – 3.20%).

#### (ii) Medical premium:

Medical premium increases were assumed to increase at 5.91% per annum in 2026 (2025 – 6.04%) and decrease proportionately thereafter to an ultimate rate of 4.0% in 2040.

#### (iii) Dental costs:

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

#### (iv) Life insurance premiums:

Life insurance premiums for retirees were valued at \$0.17 per \$1,000 of basic life insurance in 2026 (2025- \$0.16 per \$1,000).

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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(c) Non-vesting sick leave liability:

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 valuations of non-vesting sick leave are the College Employer Council's best estimates of expected rates of:

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	2026	2025
Wage and salary escalation:		
Academic	2.0%	2.5%
Support	2.0%	2.5%
Discount rate	3.5%	3.2%

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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 55.2 respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

## 9. Deferred contributions:

Deferred contributions represent unspent externally restricted funding that has been received and relates to a subsequent year. Changes in the contributions deferred to future periods are as follows:

	2026	2025
Balance, beginning of year	\$ 14,612,106	\$ 15,822,921
Less: bursaries awarded in the year	(3,500,519)	(3,948,600)
Add: amounts received in the year	595,985	983,884
Add: unrealized loss on long-term investments	(73,407)	(1,255,354)
Add: investment income received in the year	1,367,761	3,009,255
<b>Balance, end of year</b>	<b>\$ 13,001,926</b>	<b>\$ 14,612,106</b>

Deferred contributions are comprised of:

	2026	2025
Scholarships and bursaries	\$ 12,850,426	\$ 14,460,606
Joint employment stability reserve	151,500	151,500
	<b>\$ 13,001,926</b>	<b>\$ 14,612,106</b>

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

## 10. 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 the deferred capital contributions balances are as follows:

	2026	2025
Balance, beginning of year	\$129,392,841	\$ 129,088,671
Less: amortization of deferred capital contributions	(6,712,296)	(6,568,325)
Add: contributions received for capital purposes	6,029,469	6,872,495
<b>Balance, end of year</b>	<b>\$128,710,014</b>	<b>\$ 129,392,841</b>

As at March 31, 2026 there were \$nil (2025 - \$nil) of deferred capital contributions received which were not spent.

## 11. Deferred capital contributions relating to construction in progress:

Deferred capital contributions relating to construction in progress represents the amount of grants and other restricted funding received primarily for construction of building and equipment in progress.

	2026	2025
Balance, beginning of year	\$ -	\$ 500,000
Less: amounts transferred to assets in the year	-	(500,000)
Add: contributions received for capital purposes	-	-
<b>Balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

## 12. Investment in capital assets:

(a) Investment in capital assets represents the following:

	2026	2025
Capital assets	\$257,723,539	\$ 258,048,190
Construction in progress	550,659	634,450
Less amounts financed by:		
Long-term debt	(17,171,470)	(19,236,378)
Deferred capital contributions	(128,710,014)	(129,392,841)
<b>Balance, end of year</b>	<b>\$112,392,714</b>	<b>\$110,053,421</b>

(b) Change in net assets invested in capital assets is calculated as follows:

	2026	2025
Deficiency of revenues over expenditures:		
Amortization of deferred capital contributions related to capital assets	\$ 6,712,296	\$ 6,568,325
Amortization of capital assets	(17,158,408)	(15,076,411)
Gain (loss) on disposal of assets	1,047,634	(3,717)
	<b>\$ (9,398,478)</b>	<b>\$ (8,511,803)</b>

Net change in investment in capital assets:		
Purchase and contribution of capital assets and transfers from construction in progress	\$ 18,043,880	\$ 34,075,103
Disposal of capital assets	(1,293,914)	(3,717)
Amounts funded by deferred capital contributions	(6,029,469)	(6,872,495)
Amounts funded by deferred capital contributions – construction	-	500,000
(Gain) loss on disposal of capital assets, net of expenses	(1,047,634)	3,717
Repayment of long-term debt	2,064,908	2,148,344
	<b>\$ 11,737,771</b>	<b>\$ 29,850,952</b>

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

## 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 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.

Investment income on externally restricted endowments that was disbursed during the year has been recorded in the Statement of Operations as this income was 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 \$946,049 and \$3,195,969 respectively (2025 - \$856,650 and \$2,774,264).

Externally restricted endowment funds include grants provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund and Ontario Trust for Student Support. Under these programs, the government matches funds raised by the College. The purpose of the programs are to assist academically qualified individuals who, for financial reasons, would not otherwise be able to attend College. The programs have been discontinued.

## 14. Internally restricted net assets:

Internally restricted net assets are funds restricted by the College Board of Governors for future expenses. The balance for future expenses relate to the following:

2026	Financial Sustainability	Deferred Maintenance	Strategic Capital Project	Risk Management	Total
Balance, beginning of year	\$ 73,920,568	\$ 35,886,738	\$ 20,050,000	\$ 10,000,000	\$139,857,306
Add: contributions	-	20,050,000	-	-	20,050,000
Less: transfer for spend	-	(4,215,570)	(20,050,000)	-	(24,265,570)
Balance, end of year	\$ 73,920,568	\$ 51,721,168	\$ -	\$ 10,000,000	\$135,641,736

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

## 14. Internally restricted net assets (continued):

2025	Financial Sustainability	Deferred Maintenance	Strategic Capital Project	Risk Management	Total
Balance, beginning of year	\$ 73,920,568	\$ 36,756,589	\$ 25,444,615	\$ 10,000,000	\$146,121,772
Add: contributions	-	15,076,412	20,000,000	-	35,076,412
Less: transfer for spend	-	(15,946,263)	(25,394,615)	-	(41,340,878)
Balance, end of year	\$ 73,920,568	\$ 35,886,738	\$ 20,050,000	\$ 10,000,000	\$139,857,306

## 15. Commitments:

The College is committed to estimated minimum annual payments under operating lease agreements over the next five years as follows:

2027	\$ 4,362,928
2028	2,933,238
2029	1,157,064
2030	155,637
2031	6,155

## 16. Contingent liabilities:

The College has been named as defendant or co-defendant in several actions for damages. The outcome and the amount of the losses, if any, are not determinable at this time and accordingly, no provision for losses has been made in these financial statements. The amount will be accounted for in the period when and if such losses are determined.

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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## 17. Risk management:

### (a) 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, and accounts receivable. The College holds its term deposits with a provincially regulated credit union that is protected by the Financial Services Regulatory Authority of Ontario (FSRA) and with Canadian banking institutions that are protected by the Canadian Deposit Insurance Corporation (CDIC). In the event of default, the College's term deposits are insured up to \$1,989,000 (2025 - \$101,740,000). In addition, the College holds part of its equity investments with an investment firm that is protected by the Canadian Investor Protection Fund (CIPF). In the event of CIPF member default, the College's equity investments are insured up to \$1,000,000 (2025 - \$1,000,000).

The investment policy sets issuer type limits on the bond portfolio and operates in accordance with the Ontario Financial Administration Act by placing a composition limit on the bond portfolio. All fixed income portfolios are measured for performance on a monthly basis and monitored by management on a monthly basis. The policy limits the funds to be invested in bonds of a single issuer to a maximum of 10% of the market value of the bond portfolio, except for bonds issued by the Government of Canada and Canadian provinces. The maximum exposure to investment credit risk is outlined in Note 2.

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:

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

## 17. Risk management (continued):

(a) Credit risk (continued):

	Total	Current	Past due			
			1 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days
Government receivables	\$ 4,019,226	\$ 4,019,226	\$ -	\$ -	\$ -	\$ -
Student receivables	2,136,120	23,145	-	(2,079)	(697)	2,115,751
Other receivables	2,665,150	1,202,536	1,134,970	213,275	3,179	111,190
Gross receivables	8,820,496	5,244,907	1,134,970	211,196	2,482	2,226,941
Less: impairment allowance	(797,957)	-	-	-	-	(797,957)
Net receivables	\$ 8,022,539	\$ 5,244,907	\$ 1,134,970	\$ 211,196	\$ 2,482	\$ 1,428,984

The amount of other receivables aged greater than 90 days relates to banquet and general receivables for College services. Student receivables not impaired are collectible based on the College's assessment and past experience regarding collection rates.

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.

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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## 17. Risk management (continued):

### (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 investment policy's application is monitored by the Foundation Board, management, and the investment managers. Diversification techniques are utilized to minimize risk. The policy limits the investment in any single issuer to a maximum of 10% of the market value of the bond portfolio and 10% (2025 - 10%) of the market value of the equity portfolio. An exception exists for bonds issued by the Government of Canada and Canadian provinces.

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.

### (c) 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 levels when adverse changes in foreign currency rates occur. The College is exposed to this risk through its equity holdings within its investment portfolio.

At March 31, 2026, a 1% fluctuation in foreign exchange rates, with all other variables held constant, would have an estimated impact on the fair values of the College's non-Canadian holdings of \$46,417 (2025 - \$38,698).

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.

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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## 17. Risk management (continued):

### (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 mitigates interest rate risk on its bank loans (see Note 7) and investments through fixed rates. Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the bank loans or investments.

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.

### (e) 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 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 \$1,304,410 (2025 - \$1,184,077).

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.

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

## 17. Risk management (continued):

### (f) 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 – 5 years	> 5 years
Accounts payable	\$ 29,073,471	\$ 3,370,673	\$ 561,779	\$ -
Long-term debt	976,091	1,005,997	4,137,524	11,051,858
	\$ 30,049,562	\$ 4,376,670	\$ 4,699,303	\$ 11,051,858

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.

### (g) Other risk:

Since January 22, 2024, the Government of Canada has introduced several changes to the international student program, including annual intake caps on international student permit applications, new work permit eligibility rules aligned with labour market needs, and a requirement for provincial attestation letters. These measures have significantly reduced international student applications and enrolment.

On February 12, 2026, the Ontario government took decisive action to protect postsecondary students' access to the education they need to launch successful careers and build long-term sustainability in the postsecondary sector, while ensuring education remains accessible for future generations by including \$6.4 billion in new funding for the postsecondary sector and an updated tuition framework.

# THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2026

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## **18. Related parties:**

St. Clair College Foundation:

The St. Clair College Foundation (the "Foundation") which is consolidated within these financial statements, was established to raise funds for the use of the College. The Foundation is a registered charity and is classified as a public Foundation under the Income Tax Act and, as such, is exempt from tax. Resources of the Foundation are for the benefit of the College and are to be used for purposes agreed upon by the College and the Foundation. During the year, an amount of \$2,554,470 (2025 - \$3,091,950), including \$nil of in-kind donations (2025 - \$nil) were received from the Foundation.

The College administers the receipt and disbursement of funds on behalf of the St. Clair College Foundation at no charge.

## **19. Public college private partnership:**

In 2014, the College began a public college-private partnership with a private career college for some post-secondary program delivery to international students. The College assesses and collects the gross student tuition and fees from the students and remits the applicable funds to the private partner. In return, the College receives a fee-for-service payment from the private partner. The partnership was fully wound down in fiscal 2026.