



ANNUAL REPORT 2025-2026



SAULT
COLLEGE

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LAND ACKNOWLEDGEMENT

Located in the Robinson Huron Treaty territory, we are grateful to Mother Earth for providing us the land, water, air, and food needed to sustain all life and we acknowledge Indigenous Peoples as the original stewards of this land who have lived in harmony and in respect with all Creation. As we are all relations, it is important to recognize this interconnected relationship with one another and our obligation to respect the land that has nourished, healed, protected, and embraced us. We honour Batchewana First Nation and Garden River First Nation as the original caretakers of the land that Sault College is situated on and acknowledge the contributions of the historical Métis Nation of Sault Ste. Marie in the stewardship of this territory.

MESSAGE FROM THE **BOARD CHAIR**

As Chair of the Board of Governors, I am pleased to present Sault College's 2025-2026 Annual Report. This past year was one of transition and realignment. While the College experienced changes in leadership, the Board remained firmly committed to stability, accountability, and ensuring the institution continued to deliver for its students, partners, and community.

What stands out most is that progress did not pause. Across the College, teams remained focused on what matters: delivering high-quality programs, strengthening partnerships, and supporting student success. Measurable outcomes, particularly in graduate employment, experiential learning, and new and relevant programming, demonstrate that Sault College continues to produce results that matter to students and to the regional economy.

The Board has maintained a clear expectation that decisions are grounded in evidence, aligned with labour market demand, and focused on long-term sustainability. This is reflected in the College's growing emphasis on data-informed decision-making, operational efficiency, and strategic partnerships that expand opportunity and impact. Investments in skilled trades, system efficiency and applied programming position the College to respond to both current needs and future growth.

Looking ahead, the completion of the 2026-2031 Strategic Plan marks an important step forward. The Board is confident that the College is well-positioned to build on its strengths, act decisively, and pursue opportunities that support innovation, enrolment growth, and financial sustainability. Sault College plays a critical role in the economic and social future of this region, and we remain focused on ensuring it continues to do so with clarity, discipline, and purpose.

On behalf of the Board of Governors, I would like to thank our students, employees, partners, and community for their continued commitment to the College.



Tom Katagis
Chair, Sault College Board of Governors

MESSAGE FROM THE **PRESIDENT**

It is an honour to serve as President of Sault College and to share this year's Annual Report with our community.

The 2025-2026 year was one of significant transition for the College and for the broader postsecondary sector. Throughout this period, what stood out most was the strength of our people. Across the institution, employees, students, and partners came together with a shared commitment to stability, to one another, and to the success of our learners. The year was met with both grace and grit; a balance that reflects the very best of who we are as a College.

Because of that collective effort, the College not only maintained momentum but continued to deliver meaningful results. From strong student outcomes and program innovation to expanded partnerships and community impact, these achievements are a direct reflection of the dedication and resilience of our entire College community. I want to sincerely thank everyone who contributed to navigating this period with professionalism, care, and determination.

As we look ahead, we do so with confidence and a clear sense of purpose. The development of our 2026-2031 Strategic Plan provides an important foundation for the future - one that is grounded in our values, responsive to the needs of our students and communities, and aligned with a rapidly evolving sector. While the postsecondary landscape continues to change, Sault College is well-positioned to adapt, lead, and grow.

There is a strong future ahead for our sector, and an even brighter one for Sault College. By continuing to work together, to support one another, and to stay focused on what matters most, our students and our communities, I am confident that the best is yet to come.



Sherri Smith
President, Sault College



OUR MISSION, VISION AND VALUES

The Vision of Sault College is to make our society a better place by providing a transformative life experience through empowering those who study with us to think and learn in progressive, innovative ways, including those we have not yet imagined.

Our Mission is to continue to be recognized as the pre-eminent student-centred postsecondary institution in the province. The College's unyielding dedication to empowering students with real-world experiences and the tools to reach their goals will result in meaningful employment. In doing so, will be a cornerstone of the communities we serve.

With this impressive mission and vision, we are driven to provide an increasing number of relevant and impactful learning opportunities that lead to strong career paths. This goal not only supports our learners and their education but also an economy in need of highly skilled and trained workers.

Sault College transforms the lives of students by providing innovative postsecondary education and training, granting Ontario College certificates, diplomas, advanced diplomas, graduate certificates, and degrees to those who study here.

Sault College is pleased to report that it continues to be a leader in delivering a postsecondary education of the highest academic quality, so that students, their families, our partners, employers, and the community know that the people, programs, value and overall experience of Sault College are exemplary. Overall, this leads to a continuing cycle of positive transformation, both of individual lives and the larger society as a whole.

A photograph of a man and a woman sitting at a white table, looking at a large sheet of paper. The man, on the left, is wearing a black polo shirt with a 'SAULT COLLEGE COUGARS' logo and glasses. The woman, on the right, is wearing a red and black plaid shirt over a grey hoodie. They are in a modern, brightly lit room with large windows in the background. A tablet is visible on the table to the left.

REPORT FROM **PREVIOUS YEAR'S GOALS**

During the 2025–2026 fiscal year, Sault College operated within a period of significant transition, both internally and across the broader postsecondary sector. Changes in senior leadership, alongside evolving provincial direction and ministry priorities, required the institution to remain agile and responsive in a shifting environment.

In this context, the College prioritized operational continuity, student success, and support for employees, while continuing to respond to emerging opportunities and external pressures. Rather than advancing a formal Business Plan, efforts were focused on maintaining stability, strengthening core functions, and ensuring the College remained well-positioned for future planning.

Despite this, meaningful progress continued across key areas of the institution. Initiatives supporting academic quality, student experience, community partnerships, operational effectiveness, and Indigenous education advanced throughout the year. This Annual Report reflects those efforts and outcomes, demonstrating the College's ongoing commitment to its mission and to the communities it serves, even during a period of change.

OPERATIONAL ACHIEVEMENTS AND **STRATEGIC IMPACTS** FROM 2025-2026



Operational Achievements and Strategic Impacts

At Sault College, our overarching goal is to deliver a transformative educational experience that is responsive to the needs of our students, our community, and the evolving workforce. Guided by our Strategic Plan, we are committed to strengthening our people, advancing high-quality programs, building meaningful partnerships, enhancing our physical and digital environments, ensuring strong institutional performance, and advancing Indigenous education and reconciliation.

Together, these priorities position the College as a leader in student-centred learning and community impact. By aligning our initiatives with these objectives, we are not only meeting provincial expectations but also reinforcing our role as a driver of opportunity, innovation, and economic development in the region.

People

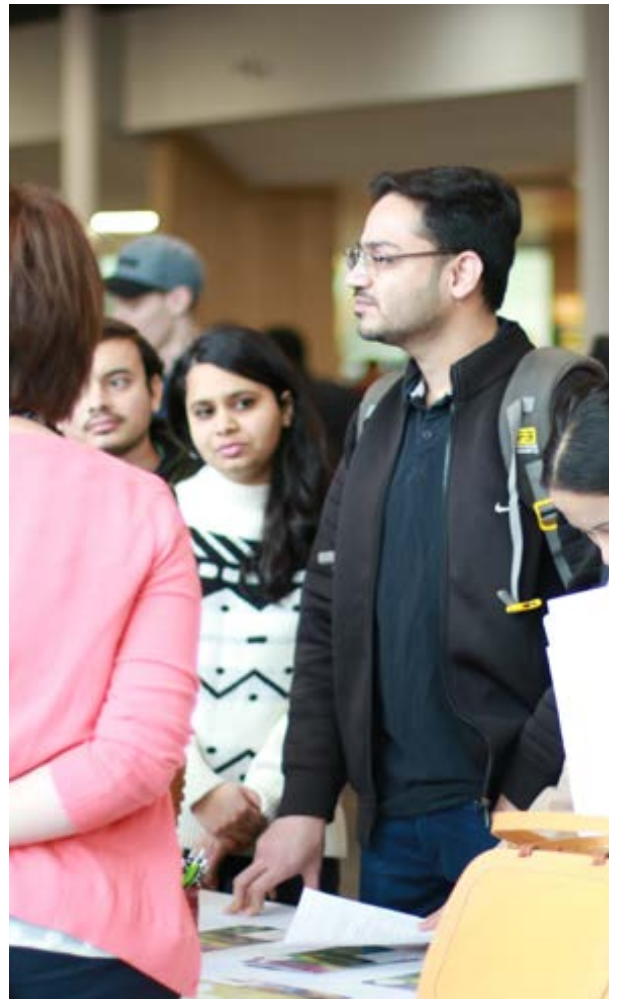
Overarching Goal: Create a supportive, inclusive environment that promotes student and employee success.

The College made significant investments in student wellbeing, employee supports, and career readiness. These efforts strengthened student engagement, improved access to services, and enhanced the overall campus experience.

Focus Area	Initiative	Achievement and Impact	Status
Employee Recognition	Service and Northern Lights Awards	Celebrated employee excellence, innovation, and commitment to student success through annual staff recognition programs.	Completed
Employee Engagement	Annual Staff Golf Tournament	Sault College hosted its annual Staff Golf Tournament, bringing employees together from across the organization for a day of networking, team building, and camaraderie. The event strengthened workplace relationships, enhanced employee engagement, and contributed to a positive and connected organizational culture.	Completed
Equity, Diversity and Inclusion	Built to Lead: Women in Skilled Trades	Sault College was proudly represented at the Built to Lead: Women in Skilled Trades awards, with individuals connected to its postsecondary and apprenticeship programs receiving recognition in the Rising Star, EmpowerMentor, and Outstanding Apprentice categories. These accolades demonstrate the College's continued leadership in supporting women in skilled trades and creating inclusive pathways to rewarding careers.	Completed
Recruitment and Student Engagement	Open Houses and Destination Sault College	Hosted multiple recruitment experiences including Fall and Spring Open Houses, Aviation Day, Environment Day and Destination Sault College which welcomed hundreds of students and families and six out of town guidance counsellors showcasing campus life and support future enrolment growth.	Completed

Student Awards and Recognition	53rd Scholarships, Bursaries and Awards Evening	Distributed \$400,000 in student financial support through the annual event and more than \$2 million in awards throughout the academic year, reducing financial barriers and celebrating student achievement.	Completed
Student Career Readiness	Annual Career Fair	Connected more than 3,000 students, graduates, and community members with over 100 employers. The event strengthened relationships with industry partners, created networking opportunities, and supported students in exploring career pathways and employment opportunities.	Completed
Student Leadership	Student Leadership Engagement	Student Services recognized and engaged student leaders through a series of leadership discussions, transition planning, and relationship-building opportunities.	Completed
Student Success and Athletic Excellence	Sault College Women Cougars win Fourth National Hockey Championship	The Sault College Cougars Women's Hockey Team captured its fourth National Championship title. The achievement highlights the strength of the College's athletic programs while fostering student success, leadership development, and school pride.	Completed
Student Success and Athletic Excellence	Sault College Men's Curling wins OCAA Gold Medal	Sault College Cougars captured their first OCAA Men's Curling title and advanced to the National Championship in Regina, Saskatchewan.	Completed
Student Wellness and Success	GetReadyWithUs Pre-Orientation	Delivered pre-orientation programming that increased student preparedness, strengthened awareness of services, and supported the transition into college life.	Completed



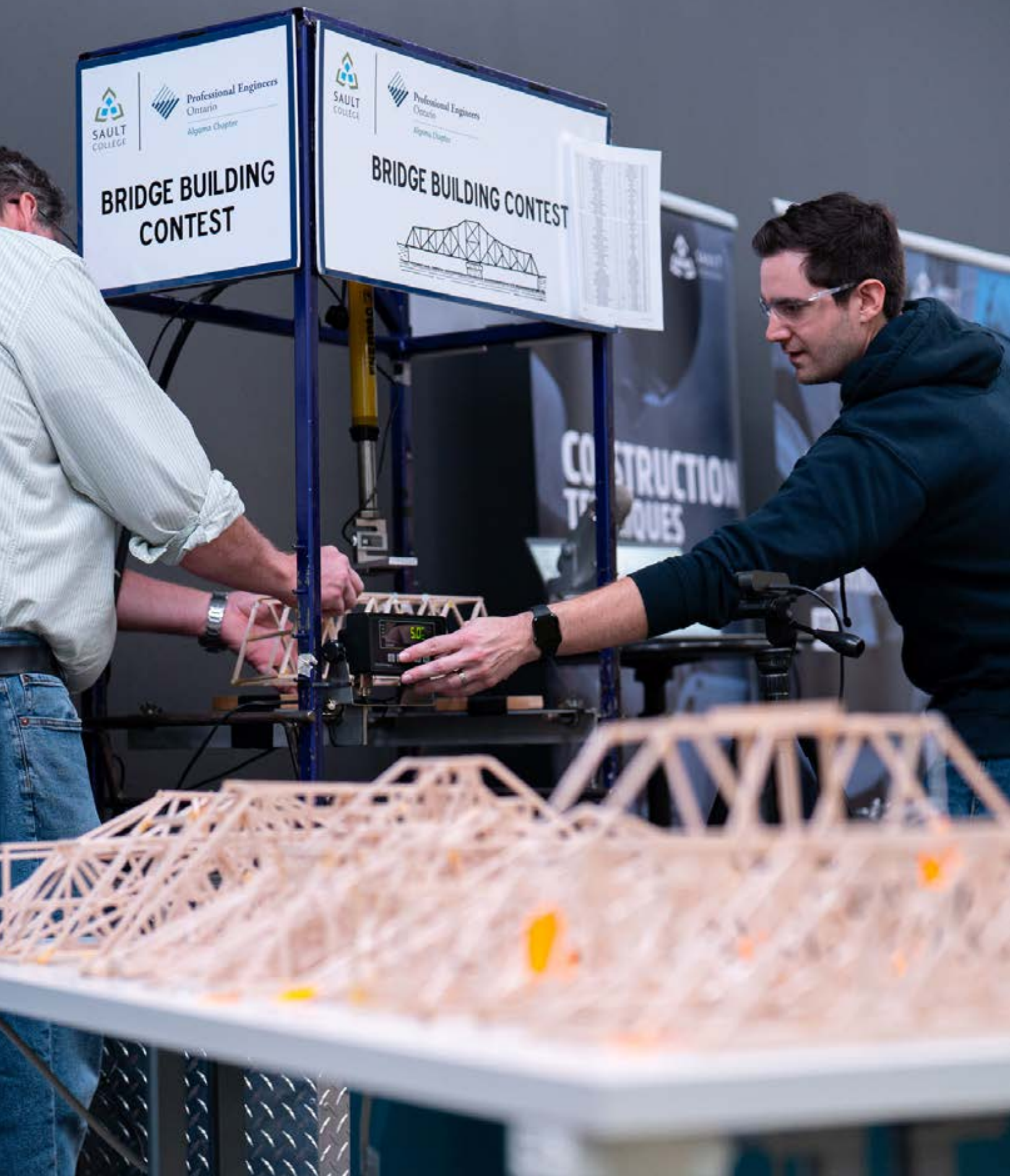


Programs and Pedagogy

Overarching Goal: Deliver innovative and high-quality programming aligned to labour market needs.

Program development, curriculum renewal, and expanded use of technology significantly improved learning experiences and aligned programming with workforce demand.

Focus Area	Initiative	Achievement and Impact	Status
Community Engagement and Student Learning	Wigs and Wit Fundraiser	The Hairstyling Class of 2025 hosted its annual Wigs and Wit fundraiser in support of Hair's to You Wig Clinic. Through event planning, community outreach, and fundraising activities, students gained valuable hands-on experience while raising funds to support individuals experiencing hair loss due to medical conditions.	Completed
Digital Learning	OPS Digital Learning Proposal	Advanced development of digital learning products and e-learning solutions supporting new opportunities for revenue generation and learning innovation.	Ongoing
Experiential Learning	Human Populations Community Projects	Nursing students completed community action projects focused on food security, youth wellness, literacy, and homelessness supports.	Completed
Indigenous Programming	Biidaaban Indigenous Foundations	Launched the Biidaaban Indigenous Foundations program to support Indigenous learners and strengthen educational pathways.	Completed
Program Innovation	Dental Assistant Partnership	Expanding access to education through an innovative partnership delivery model with Cambrian College.	Ongoing
STEM Outreach	Bridge Building Competition	Hosted a large-scale STEM outreach initiative engaging hundreds of elementary and secondary school students through a bridge-building competition that promoted innovation, teamwork and problem-solving skills.	Completed
Student Leadership and Community Impact	Child and Youth Care W.A.L.K	Students in the Child and Youth Care program organized the annual W.A.L.K. (We All Love Kids) fundraiser in support of Big Brothers Big Sisters. The initiative provided students with practical experience in event planning and community engagement while raising awareness and support for programs that positively impact local children and families.	Completed
Sector Excellence	Aviation Gala	Celebrated aviation student achievement while strengthening connections with employers and industry leaders.	Completed
Quality and Relevance	Program Advisory Committees	Expanded recruitment efforts for Program Advisory Committee members, increasing engagement with industry and community partners to ensure programs remain relevant, responsible and aligned with current and emerging labour market requirements.	Ongoing



Professional Engineers
Ontario
Algoma Chapter

BRIDGE BUILDING CONTEST



Professional Engineers
Ontario
Algoma Chapter

BRIDGE BUILDING CONTEST



CONSTRUCTION
TECHNIQUES

Partnerships

Overarching Goal: Strengthen collaboration with industry, community, and educational partners.

Strategic partnerships supported economic development, expanded training opportunities, and enhanced pathways for students into employment and further education.

Focus Area	Initiative	Achievement and Impact	Status
Community Leadership	Regional Community Initiatives	Participated in community wellness, healthcare, inclusion, and economic development initiatives across the region.	Ongoing
Community Partnerships	YMCA and District of Sault Ste. Marie Social Services Administration Board	Advanced an on-campus childcare partnership supporting students, employees, and community families.	Completed
Community Partnerships	Algoma Steel Workforce Transition	Supported regional workforce transition and retraining efforts through employer and community collaboration.	Ongoing
Community Partnerships	Community Iftar Dinner Celebration	The International Department sponsored and hosted a community Iftar dinner to commemorate Ramadan and promote equity, diversity, inclusion, and intercultural understanding. Planned and delivered by international students, Peer Ambassadors, and International Services staff, the event welcomed more than 170 attendees from Sault College, Algoma University, the Islamic Association of Sault Ste. Marie, and the broader community. The gathering strengthened community connections, fostered a sense of belonging for Muslim students and residents, celebrated cultural diversity, and reinforced Sault College's commitment to creating an inclusive and welcoming environment for all.	Completed
Dual Credit and Pathway Partnerships	Culinary Dual Credit Pathway	In partnership with the Algoma District School Board and Huron-Superior Catholic District School Board, Sault College delivered a Culinary Dual Credit course that enabled Grade 11 and 12 students to earn both a high school and college credit. The initiative provided learners with hands-on culinary training, exposure to college-level education, and an opportunity to explore future educational and career pathways in the skilled trades and hospitality sectors.	Completed
Government Relations	Provincial and Federal Advocacy	Advanced institutional priorities through active engagement with government, sector associations, and funding partners.	Ongoing

Industry and Community Partnerships	BeFitNow Donation	Sault College received a generous donation of commercial-grade fitness equipment from BeFitNow, significantly enhancing training opportunities for student-athletes. The contribution ensured access to fitness resources comparable to those found in elite training facilities and demonstrated the value of strong community and industry partnerships in supporting student achievement.	Completed
Industry Partnerships	Canadian Armed Forces	Advanced partnership development supporting workforce training and educational pathways for military personnel.	Ongoing
Industry Partnerships	Tenaris	Strengthened collaboration supporting apprenticeships, co-op opportunities, workforce development, and the proposed Trades and Technology Facility.	Ongoing
K-12 Pathways & Community Engagement	Grade 8 Tour Days	Sault College welcomed approximately 1,100 Grade 8 students and educators from the Algoma District School Board and Huron-Superior Catholic District School Board for interactive campus tours, workshops, and hands-on activities led by faculty. The initiative provided early exposure to postsecondary education, helped students explore career opportunities, and strengthened relationships with regional education partners.	Completed
Postsecondary Partnerships	University and College Collaborations	Expanded pathways and collaborative opportunities with Algoma University, University of Waterloo, Lake Superior State University, International Business University, triOS, CIGan and Cambrian College.	Completed/ Ongoing
Strategic Partnerships	Ontario Police College	Explored opportunities to establish a Northern Ontario training presence on campus.	Ongoing
Student Recruitment and Experiential Learning	The Big Case Competition	Sault College's School of Business launched its inaugural High School Business Case Competition, welcoming Grade 11 and 12 students from local high schools to participate in real-world business challenges and simulations. The event provided experiential learning opportunities, showcased Sault College programs, strengthened relationships with local secondary schools, and connected students with business professionals, alumni, and faculty members.	Completed



Place

Overarching Goal: Enhance campus infrastructure and learning spaces.

Investments in infrastructure, technology, and campus planning improved the quality of learning environments and strengthened the College's role as a community hub.

Focus Area	Initiative	Achievement and Impact	Status
Campus Planning	Campus Master Plan	Completed a comprehensive planning exercise that established a roadmap for future campus development and space utilization.	Completed/ Ongoing
Learning Environments	Learning Space Modernization	Upgraded classrooms, laboratories, and equipment to support modern learning experiences.	Completed/ Ongoing
Technology Infrastructure	IT Infrastructure Enhancements	Enhanced network reliability, digital services, and cybersecurity resilience.	Completed/ Ongoing
Learning Resources	Library Enhancements	Improved library spaces and digital resources to support teaching, learning, and research.	Completed
Inclusive Spaces	Wellness and Reconciliation Spaces	Developed wellness and Truth and Reconciliation spaces that promote inclusion and belonging.	Ongoing
Athletics Facilities	Facility Improvements	Completed athletics facility improvements to enhance the experience, accessibility and use of facilities by students and community members.	Completed/ Ongoing



Performance

Overarching Goal: Strengthen operational effectiveness and financial sustainability.

Operational improvements focused on efficiency, accountability, and financial stewardship, supporting long-term sustainability.

Focus Area	Initiative	Achievement and Impact	Status
Financial Sustainability	Cashflow Forecasting	Enhanced financial forecasting and monitoring to support long-term sustainability.	Ongoing
Enrolment Sustainability	Integrated Recruitment Campaign	Developed institution-wide enrolment strategies and marketing campaigns.	Ongoing
Accountability	Procurement and Compliance	Strengthened procurement practices to improve transparency, accountability, and compliance.	Completed/ Ongoing
Operational Excellence	Information Technology Process Automation	The Information Technology department implemented automated processes that reduced administrative burden and improved service delivery.	Completed/ Ongoing
Operational Excellence	Policy and Process Improvement	Continue to review and enhance institutional policies, procedures and operational processes to improve efficiency, strengthen accountability and support consistent service delivery across the college	Ongoing
Data-Informed Decisions	Data and Reporting	Expanded reporting capabilities and analytics to support evidence-based decision making.	Ongoing
Risk Management	Cybersecurity and Backup	Implemented cybersecurity and backup enhancements to strengthen institutional resilience and business continuity.	Completed
Strategic Planning	2026-2031 Strategic Plan	Completed the 2026-2031 Strategic Plan supporting the College's future direction and priorities.	Completed
Funding Success	Skilled Trades Expansion Funding	Secured funding support to expand seat capacity in skilled trades programs, helping to address regional workforce demands and increase training opportunities for learners.	Completed/ Ongoing

Indigenous Education

Overarching Goal: Advance Indigenous learner success and reconciliation.

Commitments to Indigenous education were strengthened through programming, partnerships, and dedicated supports.

Focus Area	Initiative	Achievement and Impact	Status
Student Success	Indigenous Student Supports	Maintained and expanded Indigenous-focused supports to enhance student success and wellbeing.	Completed
Programming	Indigenous Program Development	Advanced Indigenous-informed programming in collaboration with Indigenous communities and partners.	Ongoing
Curriculum	Indigenous Knowledge Learning Outcomes	Continued implementation of Indigenous Knowledge Learning Outcomes across academic programs.	Ongoing
Relationships	Community Engagement	Strengthened relationships through collaborative initiatives, events, and partnerships.	Ongoing
Community Partnerships	Nogdawindamin Partnership	Strengthened relationships through formal partnership agreements and collaborative planning.	Completed
Culture and Community	Annual Powwow	Hosted an annual Powwow celebrating Indigenous culture, language, ceremony, and community connection.	Completed
Leadership Development	Indigenous Leadership Training	Supported leadership participation in Indigenous learning and reconciliation-focused professional development.	Completed
Reconciliation	Truth and Reconciliation Spaces	Developed dedicated learning spaces grounded in Indigenous ways of knowing and learning.	Completed
Student Success	Certified Aboriginal Financial Manager Program Pathway	Established a pathway with Aboriginal Financial Officers Association of Canada Canada supporting Indigenous learners pursuing professional financial management credentials.	Completed
Research and Innovation	NSERC Indigenous Research Opportunities	Explored Indigenous-focused research partnerships and future funding opportunities.	Ongoing



APPENDIX A:

Strategic Mandate Agreement Report Back

Strategic Mandate Agreements (SMA) are bilateral agreements between the ministry and the province's publicly assisted colleges and universities. SMAs are a key component of the Ontario government's accountability framework for the postsecondary education system. This agreement is between the Ministry of Colleges, Universities, Research Excellence and Security and Sault College.

SMA4 will run through the fiscal period from April 1, 2025 to March 31, 2030 and has been designed to advance three strategic objectives:

- 1) Improve education and economic outcomes of students,
- 2) Improve outcomes for communities, and
- 3) Support sector stability and accountability.

Strategic Mandate Agreement (SMA) Annual Evaluation 2025-2026 (Year 1 of 5)

Sault College	SMA4 Year 1 Performance		
Metric	Approved performance target	Actual	Achievement
Graduate Employment Rate in a Related Field	75.89%	80.68%	106.31%
Graduation Rate	78.00%	82.46%	105.72%
Graduate Employment Earnings	\$35,767	\$44,308	124.19%
Experiential Learning	70.55%	75.32%	106.77%
Percent of our graduates with workplace experience			
Community/Local Impact	3.43%	3.59%	104.71%
Sault College enrolment as a representation of Sault Ste. Marie population			
Institutional Strength/Focus	23.03%	24.55%	106.60%
Share of total enrolment that is in the identified areas of strength and focus			
Investment and Innovation	\$237,360	\$682,336	287.47%
Institution Specific	93.88%	98.7%	105.14%
Apprentice Completion Rates			

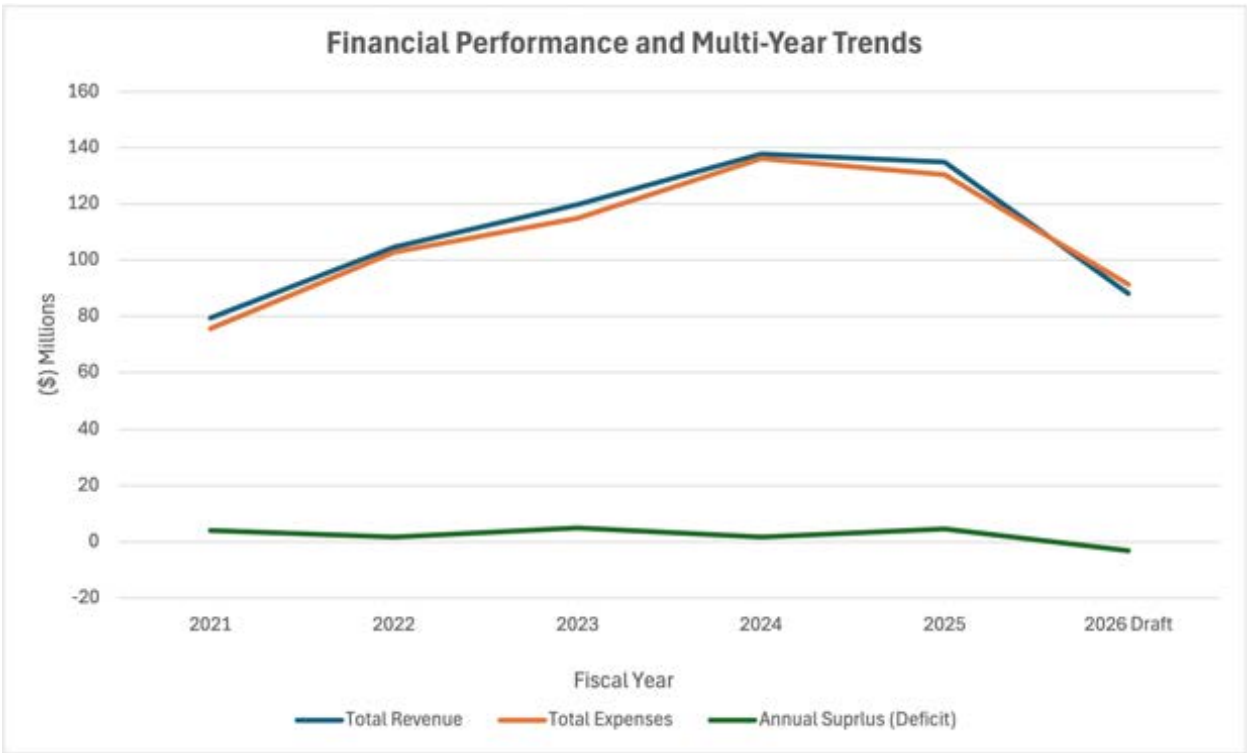
APPENDIX B:

Financial Health and Trends

Analysis of the College's Financial Performance

	CFIS FINAL 2021	CFIS FINAL 2022	CFIS FINAL 2023	CFIS FINAL 2024	CFIS FINAL 2025	CFIS DRAFT 2026
REVENUES						
Grants	43,010,997	44,551,499	41,884,533	38,342,773	42,110,369	41,113,164
Tuition	19,516,399	22,272,106	23,635,332	26,072,523	25,940,432	19,242,645
Educational and Other Fee-for-Services	9,973,190	27,139,340	41,767,937	57,388,536	52,682,989	16,670,154
Ancillary Revenue	1,228,745	2,402,311	1,989,788	2,198,389	2,196,955	2,318,310
Other Revenue	5,670,342	8,115,011	10,470,303	13,745,638	12,003,228	8,591,406
Total Revenue	79,399,673	104,480,267	119,747,893	137,747,859	134,933,973	87,935,679
EXPENDITURES						
Salaries and Wages	35,695,400	38,126,253	39,152,931	44,689,465	43,019,773	38,950,147
Employee Benefits	7,847,800	8,877,340	9,305,520	10,631,556	10,390,106	10,502,998
Transportation and Communication	330,173	568,154	1,134,677	473,558	276,323	201,162
Services	16,679,980	38,098,161	47,156,958	64,718,164	60,060,516	25,141,126
Supplies and Minor Equipment	1,876,177	2,625,184	2,941,760	2,804,802	3,812,895	4,010,109
Ancillary Services - Expenditures	502,700	979,411	1,440,133	1,636,080	1,703,115	1,692,216
Amortization Expense	8,253,817	8,350,142	8,113,660	7,853,163	8,582,336	8,751,231
Other Expenditures	4,344,615	5,125,913	5,652,941	3,252,554	2,550,136	1,945,151
Total Expenses	75,530,662	102,750,558	114,898,580	136,059,342	130,395,200	91,194,140
SURPLUS (DEFICIT)	3,869,011.00	1,729,709.00	4,849,313.00	1,688,517.00	4,538,773.00	(3,258,461.00)

Figure 1: Multi-Year Trends



Financial Statements of

**THE SAULT COLLEGE OF APPLIED
ARTS AND TECHNOLOGY**

Year ended March 31, 2026

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Index to Financial Statements

Year ended March 31, 2026

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Management's Responsibility for the Financial Statements

The financial statements of The Sault 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 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. 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 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.

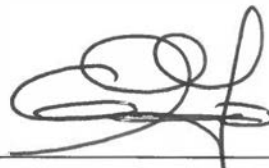
The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets regularly with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the financial statements and the external auditor's report. The Audit Committee reports its findings to the Board for consideration when approving the financial statements. The Audit Committee also considers, for review and approval by the Board, the engagement or reappointment of the external auditors.

The financial statements have been audited by KPMG LLP, the external auditors, in accordance with Canadian generally accepted auditing standards, on behalf of the Board. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the College's financial statements.



President

June 12, 2026



VP Finance and Corporate Services

June 12, 2026



KPMG LLP
Commerce Place
21 King Street West, Suite 700
Hamilton, ON L8P 4W7
Canada
Telephone 905 523 8200
Fax 905 523 2222

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of The Sault College of Applied Arts and Technology (the College), which comprise:

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

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2026, and its results of operations, its remeasurement of gains 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.



Page 3

- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Canada

June 12, 2026

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Financial Position

March 31, 2026, with comparative information for 2025

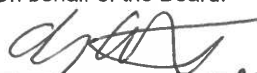
	2026	2025
Assets		
Current assets:		
Cash	\$ 15,051,937	\$ 16,653,854
Temporary investments (note 2)	39,468,423	46,522,860
Accounts receivable (note 3)	1,377,520	2,056,242
Grants and reimbursements receivable	686,780	2,998,997
Current portion of loan receivable (note 4)	225,998	218,639
Prepays and other assets	956,892	3,217,578
	57,767,550	71,668,170
Loan receivable (note 4)	724,669	950,667
Capital assets (note 5)	61,771,266	66,068,191
	\$ 120,263,485	\$ 138,687,028

Liabilities, Deferred Contributions and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,572,219	\$ 6,942,123
Accrued vacation pay	4,608,532	4,319,124
Deferred contributions (note 6)	7,605,300	17,842,453
Payable to government agency	402,553	292,725
Current portion of long-term debt (note 7)	527,876	510,466
	18,716,480	29,906,891
Long-term debt (note 7)	2,957,095	3,484,970
Deferred capital contributions (note 8)	48,054,700	51,466,783
Asset retirement obligations (note 9)	840,814	824,327
Post-employment benefits and compensated absences (note 10)	2,243,000	2,074,000
	72,812,089	87,756,971
Net assets:		
Unrestricted	9,852,135	10,797,251
Invested in capital assets (note 12)	14,500,794	15,239,166
Internally restricted (note 13)	16,431,827	18,005,287
Restricted for student purposes and endowments	6,149,903	6,151,416
	46,934,659	50,193,120
Accumulated remeasurement gains (losses)	516,737	736,937
	47,451,396	50,930,057
Commitments and contingencies (note 15)		
	\$ 120,263,485	\$ 138,687,028

See accompanying notes to financial statements.

On behalf of the Board:

 Chair

 Treasurer

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOG

Statement of Operations

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

	2026	2025
Revenue (Schedule):		
Grants and reimbursements	\$ 34,700,480	\$ 35,529,310
Tuition fees	33,152,192	75,288,579
Ancillary operations	3,112,739	3,787,512
Other	9,419,090	12,461,144
Restricted for student purposes	1,266,867	1,736,453
Amortization of deferred capital contributions (note 8)	6,284,311	6,437,758
	87,935,679	135,240,756
Expenses:		
Salaries and benefits	49,032,637	52,923,865
Instructional supplies	2,052,073	2,033,793
Contracted services	19,099,487	52,530,596
Utilities, maintenance and taxes	4,258,924	4,547,365
Interest and bank charges	570,557	859,966
Travel and professional development	684,958	1,077,775
Training subsidies and allowances	437,150	702,079
Supplies and other expenses	3,090,585	3,510,769
Restricted for student purposes	185,861	316,831
Scholarships and bursaries	3,030,677	3,616,608
Amortization of capital assets	8,751,231	8,582,336
	91,194,140	130,701,983
Excess (deficiency) of revenue over expenses	\$ (3,258,461)	\$ 4,538,773

See accompanying notes to financial statements.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Changes in Net Assets

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

	Unrestricted	Capital Assets (note 12)	Internally Restricted	Restricted for Student Purposes and Endowments	2026 Total
Balance, beginning of year	\$ 10,797,251	15,239,166	18,005,287	6,151,416	\$ 50,193,120
Excess (deficiency) of revenue over expenses	(794,400)	(2,466,920)	2,274	585	(3,258,461)
Invested in capital assets	(150,716)	1,728,548	(1,575,734)	(2,098)	-
Balance, end of year	\$ 9,852,135	14,500,794	16,431,827	6,149,903	\$ 46,934,659

	Unrestricted	Capital Assets (note 12)	Internally Restricted	Restricted for Student Purposes and Endowments	2025 Total
Balance, beginning of year	\$ 4,702,971	14,674,196	20,381,091	5,896,089	\$ 45,654,347
Excess (deficiency) of revenue over expenses	6,420,440	(2,144,578)	(3,415)	266,326	4,538,773
Invested in capital assets	(326,160)	2,709,548	(2,372,389)	(10,999)	-
Balance, end of year	\$ 10,797,251	15,239,166	18,005,287	6,151,416	\$ 50,193,120

See accompanying notes to financial statements.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

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	\$ (3,258,461)	\$ 4,538,773
Adjustments for:		
Amortization of deferred capital contributions	(6,284,311)	(6,437,758)
Amortization of capital assets	8,751,231	8,582,336
Asset retirement obligation	16,487	20,105
Loss on disposal of capital assets	-	1,458
Accrual for employee future benefits	169,000	207,000
	(606,054)	6,911,914
Changes in non-cash working capital:		
Accounts receivable	678,722	(50,416)
Grants and reimbursement receivable	2,312,217	(949,188)
Prepays and other assets	2,260,686	750,940
Accounts payable and accrued liabilities	(1,369,903)	(3,027,935)
Accrual for vacation pay	289,408	(98,778)
Payable to government agency	109,828	(87,099)
Deferred contributions	(10,237,153)	(28,638,415)
	(6,562,249)	(25,188,977)
Investing activities:		
Increase in investments	(2,182,470)	(2,191,364)
Proceeds on redemption of investments	9,016,707	17,410,000
	6,834,237	15,218,636
Financing activities:		
Receipt of loan receivable	218,639	211,520
Repayment of long-term debt	(510,466)	(493,630)
	(291,827)	(282,110)
Capital activities:		
Purchase of capital assets	(4,454,306)	(5,480,184)
Receipt of deferred capital contributions	2,872,228	2,988,406
	(1,582,078)	(2,491,778)
Net decrease in cash	(1,601,917)	(12,744,229)
Cash, beginning of year	16,653,854	29,398,083
Cash, end of year	\$ 15,051,937	\$ 16,653,854

See accompanying notes to financial statements.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Remeasurement Gains

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

	2026	2025
Accumulated remeasurement gains (losses), beginning of year	\$ 736,937	\$ (822,963)
Unrealized gains (losses) attributable to:		
Temporary investments	(222,483)	1,693,372
Realized gain (loss) reclassified to the statement of operations:		
Temporary investments	2,283	(133,472)
Net remeasurement (losses) gains for the year	(220,200)	1,559,900
Accumulated remeasurement gains, end of year	\$ 516,737	\$ 736,937

See accompanying notes to financial statements.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2026

The Sault College of Applied Arts and Technology (the "College") is a provincial community college offering educational programs and upgrading to the accessing communities. The College is considered a Non-profit Schedule III Agency of the Ontario provincial government. 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:

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations.

(a) Revenue recognition:

The College follows the deferral method of accounting for contributions which include donations and government grants.

Operating grants are recorded as revenue in the period to which they relate. Grant amounts relating to future periods are deferred and recognized in the subsequent period when the related activity occurs. Grants approved but not received at the end of an accounting period are accrued.

Tuition fees and contract training revenues is recognized on the basis of teaching days incurred during the fiscal year.

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

Externally restricted contributions are recognized as revenue in the period in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at rates corresponding to those of the related capital assets.

Contributions for student purposes and the interest thereon are recognized as direct increases in net assets restricted for student purposes.

Sales and services revenue is recognized at the point of sale.

(b) Inventory:

Inventory is valued at the lower of cost and net realizable value.

(c) Vacation pay:

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

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2026

1. Significant accounting policies (continued):

(d) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized.

Construction in progress is recorded as a capital asset but not amortized until construction 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	Years
Buildings	40
Site improvements	10
Equipment	5-10
Vehicles	5
Furniture and fixtures	5
Computer equipment	5
Aircraft	10

(e) Retirement and post-employment benefits and compensated absences:

The College is a member of the Colleges of Applied Arts and Technology Pension Plan, which is a multi-employer, defined benefit plan.

The College also provides defined retirement and other post-employment benefits and compensated absences to certain employee groups. These benefits include health and dental, vesting sick leave and non-vesting sick leave. The actuarial determination of the accrued benefit obligations for pensions and other retirement benefits uses the projected benefit method pro-rated on service. The most recent actuarial valuation of the benefit plans for funding purposes was as of February 28, 2026 for the health and dental, August 31, 2025 for the non-vesting sick leave and March 31, 2026 for vesting sick leave. The College has adopted the following policies with respect to accounting for these employee benefits:

- (i) The costs of post-employment future benefits are actuarially determined using management's best estimate of health care costs, disability recovery rates and discounts 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.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2026

1. Significant accounting policies (continued):

(e) Retirement and post-employment benefits and compensated absences (continued):

- (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 used in the determinations of the above-mentioned liabilities is equal to the College's internal rate of borrowing.

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has elected to record all investments at fair value as they are managed and evaluated on a fair value basis.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain or loss is adjusted through the statement of remeasurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

Long-term debt is recorded at amortized cost.

The standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 – Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2026

1. Significant accounting policies (continued):

(g) Use of estimates:

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards, including the 4200 standards for government not-for-profit organizations, 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 temporary investments, allowance for doubtful accounts, amortization of capital assets and deferred capital contributions, estimated costs and timing of asset retirement obligations and actuarial estimation of employee future benefits and sick leave benefit entitlement liabilities.

(h) Private career colleges:

The College had previously entered into a contractual agreement (the “partnership”) that enabled international students of the College to pursue a recognized Sault College program at a private career college. As part of the terms of the partnership, the College received payment of tuition and fees directly from the enrolled students, and the College then allocated a portion of the tuition and fees to the private career college in return for providing agreed-upon materials and services as per the terms of the partnership. The College had determined that it is acting as a principal in the provision of academic delivery to international students enrolled with the private career college, and accordingly the College recognized revenue from the private career college agreement on gross basis in accordance with Canadian Public Sector Accounting Standards. The amount of tuition and fees received by the College for the students enrolled in these programs is recorded within Tuition revenue in the Statement of Operations. Expenses incurred by the College in fulfilling its obligations to the private career college are included in the Statement of Operations based on the nature of the expense. Expenses incurred by the private career college in fulfilling their contractual obligations are not included in the financial statements of the College. As a result of changes to international student permit applications, this partnership ended December 31, 2025. The financial statements of the College reflect the partnership revenues and related expenses up to the end date of the partnership.

(i) Asset retirement obligations:

The College recognizes the fair value of an asset retirement obligation (“ARO”) when all of the following criteria have been 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-containing materials in certain College facilities has been recognized based on estimated future expenses. 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 financial statements is recognized in the Statement of Operations at the time the remediation occurs.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2026

1. Significant accounting policies (continued):

(j) Student organizations:

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

2. Temporary investments:

	Level	2026	2025
Assets at designated fair value			
Fixed income	1	\$ 39,468,423	\$46,522,860

All temporary investments are classified as Level 1 with no transfers or activity related to Level 2 or Level 3 investments during the year.

Fixed income investments have interest rates from 1.4% to 7% (2025 - 1.4% to 7%) and mature between April 2026 and December 2055.

The maturity profile of fixed income investments held is as follows:

As at March 31, 2026	Within 1 year	1 – 5 years	5+ years	Total
Carrying Value	\$ 6,410,870	\$ 23,063,062	\$ 9,994,491	\$ 39,468,423
Percentage of Total	16%	59%	25%	100%
As at March 31, 2025	Within 1 year	1 – 5 years	5+ years	Total
Carrying Value	\$ 5,921,273	\$ 29,342,329	\$ 11,259,258	\$ 46,522,860
Percentage of Total	13%	63%	24%	100%

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2026

3. Accounts receivable:

	2026	2025
Accounts receivable	\$ 1,848,897	\$ 2,545,100
Less allowance for doubtful accounts	(471,377)	(488,858)
	<u>\$ 1,377,520</u>	<u>\$ 2,056,242</u>

4. Loan receivable:

	2026	2025
Health and Wellness building – Sault College Students		
Union receivable	\$ 950,667	\$ 1,169,306
Current portion of long-term receivable	(225,998)	(218,639)
	<u>\$ 724,669</u>	<u>\$ 950,667</u>

Aggregate maturities of long-term receivable for each of the five years subsequent to March 31, 2026, are as follows; 2027 - \$225,998, 2028 - \$233,605, 2029 - \$241,468, and 2030 - \$249,596.

The Sault College Student Union committed to a contribution totalling \$3,927,000 towards the construction of the College's Health and Wellness building. The loan has been guaranteed through the collections of the Student Building Trust Fund Ancillary fee. The terms of repayment are 15 years commenced on April 30, 2015 at an interest rate of 3.338%.

5. Capital assets:

2026	Cost	Accumulated amortization	Net book value
Land	\$ 1,020,817	\$ –	\$ 1,020,817
Buildings	84,065,950	49,927,381	34,138,569
Site improvements	51,143,312	34,940,107	16,203,205
Equipment	21,790,347	18,793,473	2,996,874
Vehicles	505,630	495,252	10,378
Furniture and fixtures	4,108,952	3,648,436	460,516
Computer equipment	24,098,300	23,368,230	730,070
Aircraft	11,056,895	5,093,275	5,963,620
Construction-in-process	247,217	–	247,217
	<u>\$ 198,037,420</u>	<u>\$ 136,266,154</u>	<u>\$ 61,771,266</u>

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2026

5. Capital assets (continued):

2025	Cost	Accumulated amortization	Net book value
Land	\$ 1,020,817	\$ —	\$ 1,020,817
Buildings	84,049,463	48,188,126	35,861,337
Site improvements	49,063,579	30,455,713	18,607,866
Equipment	21,204,210	17,934,297	3,269,913
Vehicles	542,405	528,567	13,838
Furniture and fixtures	4,022,389	3,339,010	683,379
Computer equipment	24,022,538	22,882,419	1,140,119
Aircraft	9,481,161	4,257,456	5,223,705
Construction-in-process	247,217	—	247,217
	\$ 193,653,779	\$ 127,585,588	\$ 66,068,191

6. Deferred contributions:

Deferred contributions consist of the following:

	2026	2025
Student tuition fees	5,429,315	13,859,477
Expenses for future periods	2,175,985	3,982,976
	\$ 7,605,300	\$ 17,842,453

Details of continuity of these funds are as follows:

	2026	2025
Balance, beginning of year	\$ 17,842,453	\$ 46,480,868
Additional contributions received	32,540,272	57,959,623
Amounts taken into revenue	(42,777,425)	(86,598,038)
Balance, end of year	\$ 7,605,300	\$ 17,842,453

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2026

7. Long-term debt:

	2026	2025
3.338% term loan to Ontario Financing Authority, unsecured, payable \$127,931 semi-annually including interest, due October 31, 2029	\$ 950,667	\$ 1,169,306
3.415% term loan to Ontario Financing Authority, unsecured, payable \$192,934 semi-annually including interest, due April 16, 2033	2,534,304	2,826,130
	3,484,971	3,995,436
Current portion of long-term debt	(527,876)	(510,466)
	\$ 2,957,095	\$ 3,484,970

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

2027	\$ 527,876
2028	545,485
2029	564,836
2030	583,748
2031	345,662
Thereafter	917,364
	\$ 3,484,971

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2026

8. Deferred capital contributions:

The balance of unamortized and unspent capital contributions related to capital assets consists of the following:

	2026	2025
Unamortized capital contributions used to purchase assets	\$ 47,270,472	\$ 50,829,025
Unspent contributions	784,228	637,758
	<u>\$ 48,054,700</u>	<u>\$ 51,466,783</u>

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.

	2026	2025
Balance, beginning of year	\$ 51,466,783	\$ 54,916,135
Additional contributions received	2,872,228	2,988,406
Less amounts amortized to revenue	(6,284,311)	(6,437,758)
Balance, end of year	<u>\$ 48,054,700</u>	<u>\$ 51,466,783</u>

9. Asset retirement obligations:

The College has accrued for asset retirement obligations related to the legal requirement for the removal or remediation of asbestos-containing materials in certain facilities. The obligation is determined based on the estimated undiscounted cash flows that will be required in the future to remove or remediate the asbestos containing material in accordance with current legislation.

The change in the estimated obligation during the year consists of the following:

	2026	2025
Balance, beginning of year	\$ 824,327	\$ 804,222
Plus: Inflationary increase	16,487	20,105
Balance, end of year	<u>\$ 840,814</u>	<u>\$ 824,327</u>

There is no current portion of the liability identified for removal or remediation activities or related expenditures during the next fiscal year.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2026

10. Employee future benefits:

The employee benefit and other liabilities, reported on the statement of financial position, are made up of the following:

	2026	2025
Post-employment benefits	\$ 580,000	\$ 554,000
Non-vesting sick leave	1,610,000	1,473,000
Vesting sick leave	53,000	47,000
	\$ 2,243,000	\$ 2,074,000

Information about the College's benefit plans is as follows:

	2026	2025
Accrued benefit obligation	\$ 2,497,000	\$ 2,444,000
Fair value of plan assets	(127,000)	(118,000)
Funded status – plan deficit	2,370,000	2,326,000
Unamortized actuarial loss	(127,000)	(252,000)
Employee future benefit liability	\$ 2,243,000	\$ 2,074,000
Current service cost	\$ 124,000	\$ 115,000
Interest on accrued benefit obligation	62,000	65,000
Experienced gains	36,000	101,000
Benefit payments	(144,000)	(150,000)
Amortization of actuarial losses	91,000	76,000
Employee future benefit expense	\$ 169,000	\$ 207,000

The unamortized actuarial loss is amortized over the expected average remaining service life.

Post-employment benefits:

The College extends the opportunity to acquire 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 on behalf of the Ontario College system as a whole and the results were extrapolated to March 31, 2026.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2026

10. Employee future benefits (continued):

Post-employment benefits (continued):

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 3.5% (2025 – 3.2%)

(ii) Drug costs:

Drug costs were assumed to increase at a rate of 5.91% for 2026 (2025 – 5.91%) and decrease proportionately thereafter to an ultimate rate of 4.0% in 2040.

(iii) Hospital and other medical:

Hospital and other medical costs were assumed to increase at 4% per annum in 2026 (2025 – 4%).

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

(iv) Dental costs:

Dental costs were assumed to increase at 4% per annum in 2026 (2025 – 4%).

Compensated absences:

(i) 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 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 on behalf of the Ontario College system as a whole and the results were extrapolated to March 31, 2026.

(ii) 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 on behalf of the Ontario College system as a whole and the results were extrapolated to March 31, 2026.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2026

11. Pension plan:

Substantially, all of the employees of the College are members of the Colleges of Applied Arts and Technology ("CAAT") Pension Plan (the "Plan"), which is a multi-employer jointly-sponsored defined benefit pension plan available to all employees of the participating members of the CAAT. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the highest five consecutive years prior to retirement, termination, or death. 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.

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.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by the Plan by placing Plan assets in trust and through the Plan investment policy. 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 asset and liabilities. As of January 1, 2026, the CAAT Pension Plan has increased its funding reserve to \$6.7 billion and is currently 124% funded on a going-concern basis.

Under these arrangements, the College makes contributions equal to those of the employees. Contributions made by the College during the year amounted to approximately \$3,624,907 (2025 - \$4,452,607).

12. Investment in capital assets:

(a) Investment in capital assets is calculated as follows:

	2026	2025
Capital assets	\$ 61,771,266	\$ 66,068,191
Amounts financed by:		
Unamortized capital contributions used to purchase assets	(47,270,472)	(50,829,025)
	\$ 14,500,794	\$ 15,239,166

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Notes to Financial Statements

Year ended March 31, 2026

12. Investment in capital assets (continued):

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

	2026	2025
Excess of revenues over expenses:		
Amortization of deferred capital contributions	\$ 6,284,311	\$ 6,437,758
Amortization of capital assets	(8,751,231)	(8,582,336)
	\$ (2,466,920)	\$ (2,144,578)
Net change in investment in capital assets:		
Purchase of capital assets	\$ 4,454,306	\$ 5,480,184
Amounts funded by:		
Deferred capital contributions	(2,725,758)	(2,769,178)
Loss on disposal of asset	—	(1,458)
	\$ 1,728,548	\$ 2,709,548

13. Internally restricted net assets:

The College, by resolution of the Board of Governors, internally restricts amounts from net assets as follows:

	2026	2025
Strategic Investments	\$ 16,285,463	\$ 17,861,197
Joint Employment Stability Reserve Fund	146,364	144,090
	\$ 16,431,827	\$ 18,005,287

14. 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 since this income is available for disbursement as scholarships and bursaries and the donors' conditions have been met.

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Year ended March 31, 2026

15. Commitments and contingencies:

The College is involved with pending litigation and claims which arise in the normal course of operations. In the opinion of the administration, a liability that may arise from such contingencies would not have a significant adverse effect on the financial statements of the College. Losses, if any, arising from these matters will be accounted for in the year in which they are resolved.

The College is in the process of negotiations with newly formed unions representing certain employee groups. It is not possible at this time to make an estimate of the amount that may be payable to these employee groups and accordingly no provision has been made in these financial statements.

16. Risk management:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in a financial loss. The College is exposed to credit risk relating to its cash, grants and accounts receivable and investments. The College holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the College's cash accounts are insured up to \$300,000 (2025 - \$300,000).

Accounts receivable are comprised of government, student receivables and other receivables. Student receivables are ultimately due from students, and credit risk is mitigated by financial approval processes before a student is enrolled and the highly diversified nature of the student population. Government receivables are ultimately due primarily from Ministry of Colleges, Universities Research Excellence and Security ("MCURES"), as well as other government entities, and credit risk is mitigated by the governmental nature of the funding source. Other receivables arise during the course of the College's normal operations and are due from a diverse customer base.

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:

As at March 31, 2026	Current	31 - 60 days	60 - 90 days	91+ days	Total
Grants receivable	\$ 686,780	\$ –	\$ –	\$ –	\$ 686,780
Accounts receivable	701,957	32,238	88,385	42,245	864,825
Current portion of loan receivable	–	112,064	–	113,934	225,998
SCSU receivable	–	–	–	724,669	724,669
Net receivables	\$ 1,388,737	\$ 144,302	\$ 88,385	\$ 880,848	\$ 2,502,272

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Notes to Financial Statements

Year ended March 31, 2026

16. Risk management (continued):

(a) Credit risk (continued):

As at March 31, 2025	Current	31 - 60 days	60 - 90 days	91+ days	Total
Grants receivable	\$ 2,998,997	\$ –	\$ –	\$ –	\$ 2,998,997
Accounts receivable	1,065,143	–	4,901	35,052	1,105,096
Current portion of loan receivable	–	108,415	–	110,224	218,639
SCSU receivable	–	–	–	950,667	950,667
Net receivables	\$ 4,064,140	\$ 108,415	\$ 4,901	\$ 1,095,943	\$ 5,273,399

The College also has student receivable balances of \$984,072 (2025 - \$1,440,004) less allowance amounts of \$471,377 (2025 - \$488,858).

Student and other receivables not impaired are collectible based on the College's assessment and historical trends regarding collection rates. The maximum exposure to credit risk of the College at March 31, 2026 is the carrying value of these assets.

The maximum exposure to investment credit risk is outlined in note 2 and note 16.

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

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

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

(i) Currency risk:

Currency risk arises from the College's operations in different currencies and converting non-Canadian earnings at different points in time at different foreign currency levels when adverse changes in foreign currency rates occur. The College does not have any material transactions or financial instruments denominated in foreign currencies.

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Notes to Financial Statements

Year ended March 31, 2026

16. Risk management (continued):

(b) Market risk (continued):

(ii) 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.

The College's bond portfolio has interest rates ranging from 1.4% to 7% with maturities ranging from 2026 to 2055. At March 31, 2026, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of fixed income investments of \$394,684 (2025 - \$465,229).

(c) Liquidity risk:

Liquidity risk is the risk that the College will not be able to meet all of its 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. Accounts payable are all current.

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

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

As at March 31, 2026	Within 6 months	6 – 12 months	1 – 5 years	5+ years	Total
Accounts payable	\$ 5,572,219	\$ –	\$ –	\$ –	\$ 5,572,219
Deferred contributions	7,605,300	–	–	–	7,605,300
Long-term debt	261,725	266,150	1,672,630	1,284,466	3,484,971
	\$13,439,244	\$ 266,150	\$ 1,672,630	\$ 1,284,466	\$ 16,662,490
As at March 31, 2025	Within 6 months	6 – 12 months	1 – 5 years	5+ years	Total
Accounts payable	\$ 6,942,123	\$ –	\$ –	\$ –	\$ 6,942,123
Deferred contributions	17,842,453	–	–	–	17,842,453
Long-term debt	253,093	257,373	2,221,944	1,263,026	3,995,436
	\$25,037,669	\$ 257,373	\$ 2,221,944	\$ 1,263,026	\$ 28,780,012

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Notes to Financial Statements

Year ended March 31, 2026

16. Risk management (continued):

(d) Other risk:

In January 2024, the Government of Canada introduced a multi-year intake cap on international student study permit applications, resulting in an approximate 35% reduction in approved permits for that year. The Government subsequently reduced the national issuance target to 437,000 permits in 2025 and further lowered the target to 408,000 permits for 2026, including a limited allocation for new international student arrivals. These measures form part of a broader federal strategy to reduce the proportion of temporary residents in Canada to below 5% of the total population by the end of 2027.

In addition, changes to eligibility requirements for study permits have increased reliance on Provincial or Territorial Attestation Letters (PALs) for most post-secondary applicants, including many applicants from within Canada. Effective January 1, 2026, master's and doctoral students enrolled at public designated learning institutions are exempt from PAL requirements; however, PAL availability remains constrained for other student cohorts and varies by province.

Further, students enrolled at public-private partnership campuses in Ontario continue to be ineligible for post-graduation work permits, a restriction that has materially reduced the attractiveness of these programs and raised ongoing concerns regarding the financial sustainability of such partnerships.

A significant portion of the College's tuition revenue continues to be derived from international students, and these evolving federal immigration and work-permit policies introduce uncertainty regarding international enrollment levels, student retention, and future revenue streams. Management continues to monitor regulatory developments and assess their financial impact. As a result of these developments, certain amounts previously recorded as deferred revenue have been reclassified to accounts payable and accrued liabilities where appropriate, reflecting updated expectations regarding service delivery and student continuity.

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Notes to Financial Statements

Year ended March 31, 2026

17. Endowment funds:

The following information outlines the activity of the Ontario Student Opportunity Trust Fund 1 (OSOTF I), the Ontario Student Opportunity Trust Fund II (OSOTF II) and Ontario Trust for Student Support Fund (OTSS) matching program. These amounts are reflected in the net assets restricted for student purposes.

Schedule of changes in Endowment Fund balances

Year ended March 31

	OSOTF I	OSOTF II	OTSS	2026 Total	2025 Total
Balance, beginning and end of year	\$ 664,172	\$ 331,340	\$ 2,346,515	\$ 3,342,027	\$ 3,342,027

Schedule of changes in expendable funds available for awards

Year ended March 31

	OSOTF I	OSOTF II	OTSS	2026 Total	2025 Total
Balance, beginning of year	\$ 384,843	\$ 130,419	\$ 660,637	\$ 1,175,899	\$ 1,167,223
Investment income net, of expenses	43,817	16,883	103,291	163,991	121,498
Bursaries awarded	(44,000)	(10,000)	(96,950)	(150,950)	(112,822)
Balance, end of year	\$ 384,660	\$ 137,302	\$ 666,978	\$ 1,188,940	\$ 1,175,899
Bursaries awarded #	46	9	208	263	118

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Schedule of Revenue

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

	2026	2025
Grants and reimbursements:		
Operating grant:		
General purpose	\$ 4,842,769	\$ 5,126,471
Special purpose	24,466,890	24,528,840
Apprentice training	1,506,514	1,570,022
Ontario training strategies	3,702,523	4,031,197
Other	181,784	272,780
	34,700,480	35,529,310
Tuition fees:		
Full-time post-secondary	32,161,295	74,046,977
Other	990,897	1,241,602
	33,152,192	75,288,579
Ancillary operations	3,112,739	3,787,512
Other:		
Contract educational services	1,056,989	604,343
Sale of course products and services	316,446	253,989
Investment Income	1,958,998	2,540,066
Recoveries	4,652,267	6,970,936
Miscellaneous	1,434,390	2,091,810
	9,419,090	12,461,144
Restricted for student purposes	1,266,867	1,736,453
Amortization of deferred contributions	6,284,311	6,437,758
	\$ 87,935,679	\$ 135,240,756

APPENDIX C:

KPI Performance Report

Ontario colleges are required to report annually on a series of provincially mandated key performance indicators (KPIs) which are published by Colleges Ontario on behalf of Ministry of Colleges, Universities, Research, Excellence and Security (MCURES).

As the 2023–24 KPI results had not yet been released at the time of publication of this report, they are not included here. Results will be made available through the Colleges Ontario website once published.

APPENDIX D:

Advertising and Marketing Complaints Summary

In accordance with the Minister's Binding Policy Directive on the Framework for Programs of Instruction and the Annual Report Operating Procedure for Colleges of Applied Arts and Technology, Sault College is required to report annually on written complaints received regarding the advertising and marketing of college programs.

Nil Report

Sault College received no written or emailed complaints during the reporting period related to the advertising or marketing of college programs that met the reporting criteria established by the Ministry.

Total Number of Complaints: 0

Average Number of Working Days to Resolution: Not Applicable

APPENDIX E:

NOTE: Appendix E does not apply to Sault College (Institute's of Technology and Advanced Learning (ITAL) reports). Appendix E is not included in this report.

APPENDIX F:

2025-2026 Board of Governors

Name	Board Position
Sherri Smith	President, Ex-Officio
Tom Katagis	Board Chair
Orlando Rosa	1st Vice Chair/LGIC Appointee
Mark Faught	2nd Vice Chair/External Representative
Jo-Anne Brooks	LGIC Appointee
Debbie Graystone	External Representative
Sandra Hollingsworth	External Representative
Martha Irwin	Administrative Staff Representative
Krysia Jacobson	Support Staff Representative
Riley Matthew	Student Representative
Don Mitchell	LGIC Appointee
Melanie Muncaster	External Representative
Marc Pilon	Faculty Representative
Matthew Scott	LGIC Appointee