



Changing Lives

BUSINESS PLAN
2026-2027

June 1, 2026

MINGWETCH



Algonquin College campuses in Ottawa and Pembroke are located on the traditional unceded, and unsurrendered territory of the Anishinàbe Algonquin People. The Algonquin People have inhabited and cared for these lands since time immemorial. We take this time to express our gratitude and respect to them and to the land for all that it has provided and will continue to provide.

As a post-secondary institution, we acknowledge the harms done to Indigenous Peoples and are committed to learning from the past. We pledge to promote healing and resilience as we move forward in partnership with the Algonquin Nations, First Nations, Métis, and Inuit peoples in a spirit of reconciliation.

While we recognize that territorial acknowledgements are only one step in cultivating greater respect and inclusion of Indigenous Peoples, we commit to accompanying these words with actions. We are dedicated to building a future and community that is better for all.

We pledge to continue exploring and making meaningful contributions to the Truth and Reconciliation Commission of Canada's Calls to Action.

President's Message

Algonquin College is at a pivotal moment as we continue to advance our strategy through focused execution across the institution, delivering meaningful progress for our learners, employees, and communities while positioning the College for future opportunities.


We continue to operate in a complex financial environment. The Ontario government's funding announcement in early 2026 provides short-term stability and predictability over the next four years but does not reduce the need for ongoing financial discipline. Cost-containment measures over the past 18 months, along with decisions by the College and Board of Governors, remain essential to strengthening financial sustainability, mitigating deficit pressures, and enabling strategic investment.

We continue to invest in the spaces, systems, and infrastructure that shape the learner and employee experience. Recent investments include the Pìwànak - Algonquin College Science and Innovation Labs, supporting health and science programming and applied learning. Multi-year priorities include the Paramedicine Lab modernization; the pedestrian bridge connecting the Algonquin Centre for Construction Excellence to the Light Rail Transit station; and the R3 Student Information System, supporting digital modernization and improved service delivery.

Algonquin College's polytechnic identity is grounded in strong industry partnerships. We are strengthening coordination and focus across this strategic goal, ensuring alignment with academic and program priorities. This includes a Defence partnership strategy to expand engagement in support of government priorities, alongside an aviation strategy supporting the aerospace industry, and a strengthened approach to measuring the value and health of strategic partnerships.

We continue to deepen industry-connected learning and applied experience, ensuring learners are prepared for a rapidly changing world. Despite ongoing sector challenges, we remain committed to excellence, inclusion, and learner success, supported by the dedication of our employees.

Sincerely,



Our Mission Vision & Values

The Algonquin College Promise

Algonquin College’s mission, vision, and values guide everything we do. They reflect who we are, what we strive to achieve, and the principles that shape our decisions and actions. Together they confirm that every initiative, investment, partnership, and program align with our strategic identity, as a leader in Canada’s post-secondary landscape and our commitment to valuable outcomes for our learners, employers, and communities.

MISSION

To transform hopes and dreams into lifelong success.

VISION

The premier destination for innovation through polytechnic leadership, driving prosperity and impact in the nation’s capital and beyond.

VALUES

Caring

We have a sincere and compassionate interest in the well-being of the individual.

Learning

We believe in the pursuit of knowledge, personal growth and development.

Integrity

We believe in trust, honesty and fairness in all relationships and transactions.

Respect

We value the dignity and uniqueness of the individual.
We value equity and diversity in our community.

Direction & Goals

CAREER-FOCUSED, LIFELONG LEARNING

Empower and elevate careers

Goal 1: To empower and elevate careers by equipping learners with the skills, knowledge, and experience trusted in the marketplace.

TECHNOLOGY AND DATA INTELLIGENCE

Transform learning and productivity

Goal 2: To drive innovation by leveraging technology and intelligence to elevate learner outcomes, empower employees, and create a more agile, future-ready institution.

PARTNERING FOR PROSPERITY

Workforce and industry impact

Goal 3: To foster regional prosperity and supply talent matched with labour market needs through integrated industry- and community-aligned action and partnerships.

Moving Forward As One

Algonquin College's Strategy in Action

Algonquin College enters 2026-27 at a meaningful inflection point. Our 2025-2030 Strategic Plan—Màmawe pinàshkàdà: To journey, together—is fully operational and supported by a suite of refreshed institutional plans, all moving simultaneously into implementation. Strategy becomes action across every dimension of the College, taking clear steps to translate our vision for the future into reality.

The external environment remains demanding. Shifting enrolment patterns, evolving geopolitical landscape shaping government priorities, and sustained financial pressure across the post-secondary sector continue to shape how we operate and invest. The College has responded with a strategic and deliberate approach, guided by clear priorities and a focus on long-term financial sustainability in support of our mission. That work continues in 2026-27.

This year's plan is defined by implementation. Our refreshed institutional plans move from design to action: how we attract, support, and retain learners; how we deliver an industry-driven polytechnic education; and how we deepen our commitment to inclusion, Indigenous leadership, and reconciliation. Alongside this, we are investing in the enabling capabilities that make sustained progress possible: advancing responsible adoption of artificial intelligence, strengthening our approach to change management, completing critical system modernization, and building our capacity to grow through industry partnerships and philanthropic investment.

2026-27 is a year of focused execution, building on established direction and advancing coordinated work across the institution. Together, we are strengthening an Algonquin College that is innovative, resilient, and committed to supporting the hopes and dreams of every learner we serve.



Strategic Initiatives

ACADEMIC PROGRAMMING AND DELIVERY PRIORITIES

Delivering an industry-driven, inclusive polytechnic education requires that academic programming and delivery continuously evolve to meet the needs of learners and the labour market. To that end, the College will advance its core academic priorities to ensure learning experiences across classrooms, labs, and other environments reflect its polytechnic identity and commitment to learner success. This includes continuing to advance the implementation of the College's integrated academic planning framework, expanding inclusive program delivery that enables learner choice, advancing the intentional and meaningful infusion of Indigenous perspectives and content in academic programming, and addressing the space and infrastructure requirements that make modern applied learning possible.

STRATEGIC ENROLMENT AND STUDENT EXPERIENCE

Transforming hopes and dreams into lifelong success begins the moment a prospective learner first encounters Algonquin College. The College will begin implementing its refreshed Strategic Enrolment Management Plan, with first-year efforts focused on strengthening the student experience from recruitment through to graduation. A comprehensive review of the student journey will identify and address opportunities for improvement, and the implementation of a modernized service delivery model within the Registrar's Office and the deployment of an AI-enabled tool to help learners navigate student services with greater ease will look to address existing opportunities to improve the student experience.

PARAMEDICINE LAB

Hands-on, applied learning is at the heart of what it means to be a polytechnic institution. Algonquin College will deliver a new Paramedicine Lab, purpose-built to provide learners with the immersive, simulation-rich training environment that a career in paramedicine demands. The Lab represents a meaningful investment in the industry-aligned, experiential learning infrastructure that sets polytechnic education apart, equipping learners with the practical skills and confidence they need to enter the workforce ready to contribute from day one. Academic programming is set to fully utilize the space in Fall 2026.

STUDENT INFORMATION SYSTEM (R3)

The systems that support learners behind the scenes matter deeply to the quality of the College's operations and the learner experience. Algonquin College's Student Information System project R3 — Rethink, Redesign, Reimagine — advances through its final stages, completing Integrated System Testing and User Acceptance Testing before transitioning into College-wide deployment. When complete, R3 will fundamentally change the learner enrolment experience and related interactions with the College, delivering improved functionality and a modernized platform that supports integration across the College's enterprise systems.

EMPOWERING AC WITH AI

Artificial intelligence is reshaping how institutions teach, operate, and serve their communities, and Algonquin College is committed to meeting that moment thoughtfully. Building on the foundational work of the past year, the College will advance coordinated, College-wide adoption of AI, establishing the governance structures that enable responsible use, building AI competencies among learners and employees, and embedding practical AI integration across teaching and learning, learner support, and core business operations. This work leverages enterprise platforms already in place and is grounded in a commitment to AI literacy and workforce readiness across the institution.

CHANGE MANAGEMENT CAPABILITY

Delivering on an ambitious Strategic Plan while navigating a fast-moving technological landscape and continued financial pressure requires people who are equipped and supported to lead change effectively. The College will formalize its investment in change management capability, building a shared and consistent approach to planning and leading change. A College-wide Change Management Community of Practice will bring people leaders together to build shared capability and accelerate adoption of new ways of working, supported by the launch of a Change Management Playbook and accompanying toolkit that gives leaders the practical resources they need to guide their teams with confidence.

4-YEAR FUND DEVELOPMENT PLAN

Delivering on Algonquin College's mission over the long term requires a sustainable and diversified approach to how the College is resourced. The College will establish its 4-Year Fund Development Plan: a structured, institution-wide framework for growing philanthropic investment in alignment with its strategic priorities. The plan builds meaningful, lasting relationships with alumni, community partners, individuals, foundations, and corporations, cultivating a culture of philanthropy rooted in shared commitment to student success, academic excellence, and community impact.

INDUSTRY PARTNERSHIPS

Algonquin College's polytechnic identity is grounded in strong and long-standing relationships with industry partners. The College will build on this foundation by enhancing coordination and focus across partnership activity, ensuring it is guided by a clear academic lens and aligned with program delivery priorities. This includes a Defence partnership strategy to expand engagement in support of Government priorities, alongside an aviation strategy supporting the aerospace sector, and a strengthened measurement framework to track the value and health of strategic partnerships over time.

IDEA BLUEPRINT IMPLEMENTATION

Building an institution where every learner and employee experiences a genuine sense of belonging requires policy, process, and practice to move in the same direction. Building on past years' investments, the College will begin implementing its refreshed 2026-2031 IDEA Blueprint, with a focus on embedding inclusion, diversity, equity, and accessibility (IDEA) principles into the institutional structures that shape everyday decisions. This includes cultural competency and unconscious bias training for people leaders and integrated into hiring processes, a review of College policies through an IDEA lens culminating in the inaugural IDEA Policy Review Report, and the development of guidelines to embed IDEA principles across procurement and contracting decisions.

NAMETO: BLAZING A TRAIL

Advancing reconciliation requires coordinated, intentional action across the institution. The College will strengthen the visibility and coordination of Indigenous initiatives, establishing a coherent picture of current efforts to identify gaps and ensure that resources are directed with purpose. Two direct investments towards *Nameto*, meaning 'blazing a trail', will help improve the Indigenous Learner Experience: an Indigenous Education Map charting clear pathways for learning, belonging, and accountability across the institution, and a formal Indigenous Student Leadership Program investing in the growth, capacity development, and success of Indigenous students.

2026 – 2027 BUSINESS PLAN

#	INITIATIVES	DELIVERABLES	SPONSOR
CAREER-FOCUSED, LIFELONG LEARNING			
1	Academic Programming and Delivery Priorities	<p>a. Implementation of the College's integrated academic planning framework advanced by operationalizing program portfolio revitalization and growth priorities already established through portfolio review, Annual Strategic Academic Programming (ASAP), and school visioning, with priority actions confirmed by December 31, 2026.</p> <p>b. A multi-year academic space and equipment plan with program portfolio priorities to support sustainable delivery and future-ready graduates developed by March 31, 2027.</p> <p>c. Frameworks, processes, and enabling activities to support the design and development of programming for non-traditional learners, including academic pathways, short-duration training, and partnership-based offerings established and launched by March 31, 2027.</p> <p>d. Intentional and meaningful infusion of Indigenous perspectives and content in academic programming through development and implementation of a curriculum framework aligned with the Truth and Reconciliation Commission Calls to Action advanced by March 31, 2027.</p>	Academic
2	Strategic Enrolment and Student Experience	<p>a. The Registrar Office's new service delivery model launched by October 31, 2026.</p> <p>b. Student journey, from prospective student to graduation, reviewed to identify challenges and document actionable, timely initiatives by November 30, 2026.</p> <p>c. AI tool to support student navigation of student services website and information deployed by January 30, 2027.</p>	Student Services
3	Paramedicine Lab	<p>a. Occupancy of the new Paramedicine lab achieved and space made available for academic program delivery preparation by July 31, 2026.</p> <p>b. Academic equipment is received, tested, installed, and ready for use by August 25, 2026, with remaining non-program-essential equipment installed by December 31, 2026.</p> <p>c. Academic programming in the new lab launched by September 1, 2026.</p>	Academic

#	INITIATIVES	DELIVERABLES	SPONSOR
TECHNOLOGY AND DATA INTELLIGENCE			
4	Student Information System (R3)	<p>a. Integrated System Testing confirming that all system components function effectively together and supporting a decision on readiness to proceed to User Acceptance Testing completed by October 31, 2026.</p> <p>b. User Acceptance Testing validating that the system meets defined business requirements and is acceptable for operational use completed by March 31, 2027.</p> <p>c. Core and General User Training to effectively adopt the new system is initiated by March 31, 2027.</p>	Student Services
5	Empowering AC with AI	<p>a. An institutional AI Governance Committee to enable structured oversight, prioritization, and approval of AI use cases established and operationalized by June 30, 2026.</p> <p>b. AI uses approved by the AI Governance Committee successfully supported by March 31, 2027.</p> <p>c. Learner and faculty competencies developed, curriculum integration of vocational AI resources piloted, and teaching and learning practices using AI enhanced by March 31, 2027.</p> <p>d. A foundational AI literacy, workforce readiness and change management approach to support responsible and effective AI adoption across the College designed and deployed by March 31, 2027.</p>	People & Technology
6	Change Management Capability	<p>a. College-wide Change Management Community of Practice, bringing together People Leaders to build shared capability and support business optimization, enhanced by June 30, 2026.</p> <p>b. Change Management Playbook and accompanying toolkit including templates and centralized digital resource hub to strengthen effective change delivery across all academic and administrative units formalized and launched by September 30, 2026.</p> <p>c. The professional development of College leaders supported by eight expert-led speaker sessions that provide timely insights and practical perspectives on AI, analytics, and other priority topics, building capability for effective leadership through 2026–27.</p>	People & Technology
PARTNERING FOR PROSPERITY			
7	4-Year Fund Development Plan	<p>a. ACET-endorsed institutional funding framework, projections and philanthropic goals established by June 30, 2026.</p> <p>b. Campus-wide strategic philanthropic priorities approved by ACET by June 30, 2026.</p>	Advancement & Strategy
8	Industry Partnerships	<p>a. A Defence partnership strategy approved by ACET by September 30, 2026.</p> <p>b. An Aviation partnership strategy approved by ACET by December 31, 2026.</p> <p>c. An index to effectively track the value and health of strategic College-Industry partnerships developed by December 31, 2026.</p>	Advancement & Strategy

2026 – 2027 BUSINESS PLAN

#	INITIATIVES	DELIVERABLES	SPONSOR
FOUNDATIONS FOR SUCCESS			
9	IDEA Blueprint Implementation	<p>a. Cultural competency and unconscious bias mandatory training for People Leaders designed and implemented, with integration into hiring panel processes by September 30, 2026.</p> <p>b. An additional 20% of College policies reviewed under an IDEA lens in 2026-27, building on the 20% reviewed in 2025-26, and the inaugural IDEA Policy Review Report published by March 31, 2027.</p> <p>c. Guidelines to embed IDEA principles across procurement processes ensuring alignment with College values and accessibility requirements developed by March 31, 2027.</p>	People & Technology
10	Nomeo: Blazing a Trail	<p>a. Indigenous Education Map that supports Indigenous learners while charting a path for learning, belonging and accountability across the institution developed and launched by March 31, 2027.</p> <p>b. A formal Leadership program for Indigenous students established and launched by March 31, 2027.</p>	Student Services

METRIC	METRIC DEFINITION	5-Year BASELINE	2026-27 TARGET	SPONSOR
Learner Perspective				
Full-Time Enrolment: Total	The total number of full-time domestic and international student enrolments, summed across Day 10 counts for the Fall, Winter, and Summer term (excluding collaborative programs).	46,613	38,509	Academic
Full-Time Enrolment: Domestic	The total number of full-time domestic student enrolments, summed across Day 10 counts for the Fall, Winter, and Summer terms (excluding collaborative programs).	34,163	32,419	Academic
Full-Time Enrolment: International	The total number of full-time international student enrolments, summed across Day 10 counts for the Fall, Winter, and Summer terms (excluding collaborative programs).	12,450	6,090	Academic
Learner Satisfaction	Extent to which students are satisfied with their overall experience at Algonquin College, as reported by students through the annual Ontario College Student Experience Survey.	82.0%	82.0%	Academic
Graduation Rate	Percentage of domestic and international students who complete their program within an approved timeframe.	68.0%	68.0%	Academic

METRIC	METRIC DEFINITION	5-Year BASELINE	2026-27 TARGET	SPONSOR
Community Perspective				
Revenue from Private Sources	Percentage of total college revenue received from private sector sources, including non-profit organizations, financial institutions, businesses, and individuals.	2.1%	3.2%	Advancement & Strategy
Strategic Partnerships	New metric in development.	N/A	TBC	Advancement & Strategy
Community / Local Impact	Extent to which the College serves local communities, measured by domestic enrolment as a proportion of the working-age population in the cities and towns where campuses are located.	2.7%	2.6%	Academic
People Perspective				
Employee Engagement Score	Extent to which employees report being engaged and committed to the College, measured by the Grand Driver Average from the annual Employee Engagement Score.	68.7%	62.0%	People & Technology
Support for Diversity	Extent to which employees believe Algonquin College provides a respectful, fair, and inclusive workplace for equity-deserving groups, as reported by employees through the annual Employee Engagement Survey.	78.5%	76.0%	People & Technology
Employee Indigenous Representation	Declared representation of employees self-identifying as Indigenous.	2.2%	2.4%	People & Technology
Indigenous Culture Professional Development	Percentage of non-Indigenous faculty and staff who participated in "unlearning" opportunities, cultural safety, and competency training.	N/A	20.0%	Student Services
Operations Perspective				
Net Contribution Margin on Operating Activities (Modified Cashflow Basis)	Percentage of total operating revenue remaining after deducting direct and attributable operating expenses.	7%	12%	Finance & Administration
Unrestricted and Internally Restricted Reserves	Percentage of annual operating expenses covered by the College's unrestricted capital reserves.	\$97.9M	\$124.8M	Finance & Administration
Energy Use Intensity	Measure of how efficiently College facilities use energy each year, based on total building space.	26.6	22.5	Finance & Administration
Technology Adoption Rate	New metric in development.	N/A	TBC	Finance & Administration

N/A Not applicable. Baseline historical performance is not available.
TBC To be confirmed.

The 5-year baseline is calculated as the average of results from 2021-22 through 2025-26.



Changing Lives





ANNUAL BUDGET
2026-27

June 1, 2026

2026-27 Annual Budget

Executive Summary

The 2026-27 Annual Budget has been developed within a highly constrained and uncertain post-secondary financial environment, driven primarily by a sustained decline in international enrolment, ongoing cost pressures, and a provincial operating grant model that was unadjusted for inflation.

On February 12, 2026, the Ministry of Colleges, Universities, Research Excellence and Security (MCURES) announced long-awaited changes to the funding formula for post-secondary institutions. This announcement provides immediate financial relief and removes the tuition fee freeze that has been in place for the past six years. While tuition fees may now increase annually by a modest 2%, the operating grant model continues to lack indexation for inflation. The College recognizes the significance of this historic investment in the post-secondary sector by the Ontario Government; however, the announcement also reinforces the importance of continuing to prioritize the College's long-term financial sustainability.

Even with increased grant funding, the 2026-27 Annual Budget reflects the necessary and deliberate actions taken by the College to stabilize operations, contain costs, and continue investing in strategic priorities that support long-term financial sustainability.

On a Public Sector Accounting Standards (PSAS) basis, the consolidated budget projects revenues of \$405.9 million, expenditures of \$393.6 million; resulting in a net contribution of \$12.3 million for 2026-27.

Enrolment dynamics remain the most significant driver of financial risk. Total enrolment is projected to decline by 14.7% compared to 2025-26 results, with international enrolment expected to decrease by 38.4% from 2025-26 levels. While domestic enrolment declines over this period are more moderate, the overall reduction continues to place material pressure on tuition revenue which means that there is increased reliance on government grants, partially offsetting lower student fee revenue.

The 2026-27 Annual Budget includes \$47 million in Strategic Investment Priorities expenditures on a Modified Cash Flow Basis, funded through a combination of targeted grants, in-year operating surpluses, and planned draws from internally restricted net assets. These investments prioritize completion of approved major capital projects, including the R3 Student Information System, addressing deferred maintenance in information technology and physical infrastructure, and advancing initiatives aligned with government priority areas.

As of March 31, 2027, internally restricted net assets are projected to total \$123.8 million following planned in-year adjustments. The use of reserves has been carefully planned to balance immediate critical investment requirements with the need to preserve adequate capacity as the College advances its financial sustainability initiatives and looks to future capital investment requirements.

The College's financial health metrics remain sensitive to enrolment achievement and the broader economic uncertainties, and the College must continue the work undertaken in previous years and continue to ensure staffing levels are consistent with enrolment demand, that the College's program mix serves the community and aligns with government priority areas, and that service portfolios operate effectively and efficiently. Management believes the 2026-27 Annual Budget is prudent, balanced, and responsive to current conditions, and positions the College to adapt and progress toward a more sustainable financial future. The budget supports the commitments outlined in the 2026-27 Business Plan and the 2025-2030 Strategic Plan, while enabling an increased focus on long-term financial sustainability.

Financial Context

The Canadian post-secondary sector continues to experience significant disruption following federal immigration policy changes introduced in 2024, resulting in substantial and ongoing reductions in international enrolment. For Ontario colleges, these pressures are compounded by prolonged tuition constraints and a funding framework that was not indexed for inflation, as well as rising operating costs.

In February 2026, the Ministry of Colleges, Universities, Research Excellence and Security (MCURES) announced a \$6.4 billion, four-year sector-wide investment, including the lifting of the domestic tuition freeze, effective Fall 2026. While this announcement represents a positive step for the sector, it does not fully offset the enrolment-driven revenue losses faced by the College. With the grant not indexed to inflation, the additional funding does not support the long-term financial sustainability of the institution. The 2026 funding announcement also identified key priority program areas of the provincial government and identified potential additional funding opportunities for institutions to grow in the areas of science, technology, engineering and mathematics (STEM), education, healthcare, and the trades. These identified program areas often have high infrastructure requirements and therefore will require the College to make significant capital investments to achieve the competitive enrolment growth funding announced for these areas.

In this context, the College continues to take decisive action to realign its cost structure, review program and service portfolios, and advance efficiency and accountability measures aligned with Ministry priorities and the College's five-year Strategic Plan. In 2024, the College was approved to participate in MCURES' Efficiency and Accountability Fund Program, enabling the engagement of external consultants to conduct comprehensive efficiency reviews across governance, administration, student services, academic programming, physical assets, facilities, procurement, and revenue-generating opportunities. With the external consultation completed and the final report submitted to MCURES in June 2025, the College has now entered the implementation and monitoring phase of this work, which will continue over the next four years.

Effective April 1, 2026, amendments to Section PS 1202 of the Public Sector Accounting Standards (PSAS) introduced changes to the presentation of financial statements, including the requirement to present the approved budget directly within the financial statements on a PSAS basis. Accordingly, the presentation of the College's 2026-27 Annual Budget has been revised to align with these new requirements and to enhance the transparency of budget information prepared in accordance with Public Sector Accounting Standards.

Historically, the annual budget has been presented primarily on a modified cash flow basis to highlight the annual cash impact to the College, with PSAS results shown through non-cash adjustments for transparency. In this report, Annual Budget figures are now presented on a PSAS basis to provide clearer comparability to the year-end audited financial statements, unless specifically identified as being presented on a modified cash flow basis. While PSAS reporting provides a comprehensive view of financial performance, it can also mask underlying cash flow pressures. As a result, both PSAS and modified cash flow views remain important to understanding the College's financial projections.

Challenges and Opportunities

Algonquin College continues to face financial challenges heading into 2026-27, most notably the sustained decline in international enrolment. International enrolment is projected to decrease by 38.4% year-over-year, remaining the most significant pressure on tuition revenue and overall financial stability. While domestic enrolment declines are less severe, the combined impact of enrolment reductions materially constrains revenue growth and limits the College's financial flexibility in the near term. These enrolment pressures are compounded by a provincial operating grant model that remains unindexed to inflation.

Despite recent provincial funding announcements, rising costs, particularly in salaries, utilities, software licensing, and specialized services, continue to outpace revenue growth, necessitating ongoing cost containment and careful prioritization across the organization. In addition, the 2026-27 Annual Budget continues to rely on planned draws from internally restricted reserves to fund strategic capital investments and transformation initiatives. While these draws are intentional and time-limited, prolonged reliance on reserves could constrain future flexibility if operating surpluses are not sustainably restored.

Aging infrastructure and deferred maintenance requirements further add to financial risk, requiring continued capital investment to mitigate operational, safety, and reputational impacts. Finally, external economic and geopolitical uncertainty, including volatility in financial markets and energy prices, introduces additional unpredictability, affecting both operating costs and the performance of the College's investment portfolio.

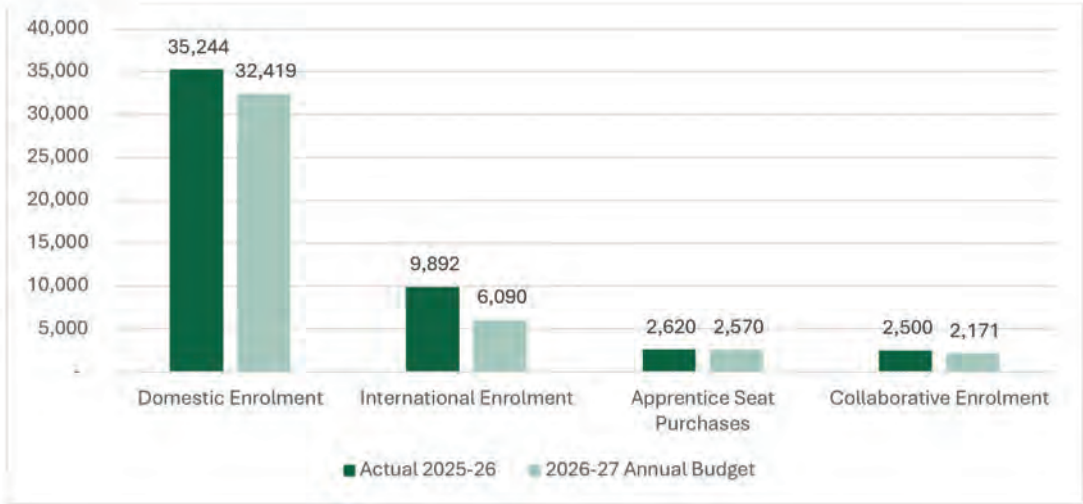
Despite these challenges, the 2026-27 Annual Budget also reflects meaningful opportunities to strengthen Algonquin College's financial sustainability over the medium term. The Province's recent commitment to a multi-year, sector-wide investment and the lifting of the domestic tuition freeze effective for the Fall 2026 term represent important steps toward stabilizing revenues, although it is important to remember that the additional grant funding is still not indexed to inflation, and the allowable tuition increase of 2% does not fully address the tuition rollback of 10% in 2019 and the tuition freeze that continued until the announcement in February. The College has also made measurable progress through deliberate cost containment, operational efficiencies, and service and program portfolio reviews, which are contributing to improved operating results compared to prior-year projections. Continued investment in strategic priorities, including the R3 Student Information System, academic space modernization, technology renewal, and greenhouse gas reduction projects, positions the College to enhance service delivery, improve the learner experience, and unlock longer-term efficiencies.

Alignment with Ministry priorities, including STEM, education, health and trades, and the College's five-year Strategic Plan provides further opportunity to focus limited resources on activities that deliver the greatest institutional impact. The February 2026 MCURES' announcement also introduced a new Priority Growth Funding envelope, which will support an additional 40,000 seats across Ontario colleges and universities. Funding for these seats will be allocated through a competitive process to be launched in spring 2026, and the College will assess potential opportunities to apply.

Key Budget Assumptions

Enrolment remains one of the most significant drivers of the 2026-27 Annual Budget, with declines, particularly in international enrolment, creating material pressure on revenue. Total domestic and international enrolment is projected at 38,509, representing a 14.7% decrease from 2025-26 actuals. International enrolment is forecasted to decline by 38.4% (3,802 enrolments), while domestic enrolment is projected to decrease by 8.0% (2,825 enrolments).

Enrolment



The 2026-27 Annual Budget is also informed by the following key assumptions:

- Tuition:** Tuition increases are budgeted to increase by 2% effective Fall 2026, consistent with the Ministry's February 2026 announcement and Board of Governor's approval on April 20, 2026. International premium increases are budgeted at 5% in all non-high demand programs that are eligible for post-graduation work permits as approved by the Board of Governors on December 8, 2025.
- Government Grants:** Operating grant revenue is budgeted at \$159.6 million, reflecting the Ministry's funding announcements in February 2026, which is preliminary and may be subject to change pending further technical work.
- Compensation:** Salary and benefit increases for unionized employees are aligned with existing collective agreements, while non-union compensation changes are consistent with broader Ontario public-sector trends.
- Inflationary Impacts:** Non-compensation expenditures reflect current and projected inflation, adjusted where market conditions or operational changes require.

Budget Overview

In reviewing the College's Annual Budget, which is presented across both Operating Activities and Strategic Investment Priorities, it is important to consider the results through both a Modified Cash Flow Basis and a PSAS basis.

On a Modified Cash Flow Basis, the College projects an overall net contribution of \$11.6 million, representing an improvement of \$21.1 million over the draft 2025-26 results. On a PSAS basis, the net contribution is projected at \$12.3 million, with an estimated Unrestricted and Internally Restricted Net Asset balance of \$124.8 million as of March 31, 2027. This year-over-year improvement is driven by the increased funding through the provincial grant which was announced in February 2026, along with continued cost containment initiatives and operational efficiencies implemented across the College. Two pro-forma years are also presented in the Statement of Operations below. These projections reflect the College's current outlook and provide a planning framework as further work is undertaken over the coming year to strengthen net contribution through financial sustainability initiatives.

Statement of Operations Summary (Modified Cash Flow Basis)

(all figures in 000's)

	Actual 2024-25	Actual (Unaudited) 2025-26	2026-27 Annual Budget	Pro Forma 2027-28	Pro Forma 2028-29
Operating Activities					
Revenue	\$ 486,548	\$ 402,873	\$ 402,782	\$ 404,003	\$ 413,160
Expenditures	437,595	378,530	353,116	358,645	367,578
Net Contribution \$	\$ 48,952	\$ 24,343	\$ 49,666	\$ 45,358	\$ 45,581
Net Contribution %	10.1%	6.0%	12.3%	11.2%	11.0%
Strategic Investment Priorities					
Revenue	\$ 7,904	\$ 9,290	\$ 8,885	\$ 8,885	\$ 7,885
Expenditures ¹	43,754	43,122	46,987	39,910	36,941
Net Contribution \$	\$ (35,850)	\$ (33,832)	\$ (38,102)	\$ (31,025)	\$ (29,057)
Total as per Modified Cash Flow Basis					
Revenue	\$ 494,451	\$ 412,163	\$ 411,667	\$ 412,888	\$ 421,045
Expenditures	481,349	421,652	400,103	398,555	404,520
Net Contribution \$	\$ 13,102	\$ (9,489)	\$ 11,564	\$ 14,333	\$ 16,525
Net Contribution %	2.6%	(2.3%)	2.8%	3.5%	3.9%
Non-Cash Revenue Adjustments	901	899	4,046	3,748	3,748
Non-Cash Expenditures Adjustments	1,388	3,896	(10,035)	(15,277)	(19,255)
Add Back: Principal Portion of Debt Payments	6,577	7,294	6,729	5,005	5,812
Net Contribution as per Public Sector Accounting Standards (PSAS)					
	\$ 21,967	\$ 2,599	\$ 12,304	\$ 7,809	\$ 6,829
Unrestricted and Internally Restricted Net Assets (Reserves)					
	\$ 119,231	\$ 109,730	\$ 124,794	\$ 139,401	\$ 155,926

¹ Strategic Investment Priorities Expenditures includes authorized and proposed spending from Internally Restricted Net Assets.

When reviewing the details behind the combined Statement of Operations (both Operating Activities and Strategic Investment Priorities) and focusing specifically on a PSAS basis for the 2026-27 fiscal year, the shift in revenue composition becomes more evident. Compared to 2025-26, there is a significant change between Grants and Reimbursements which increases and Student Tuition Fees which decrease, reflecting the impact of declining enrolment and increased reliance on government funding. The increase in Grants and Reimbursements is primarily attributable to the additional funding announced by MCURES in February 2026.

Statement of Operations (PSAS)

(all figures in 000's)

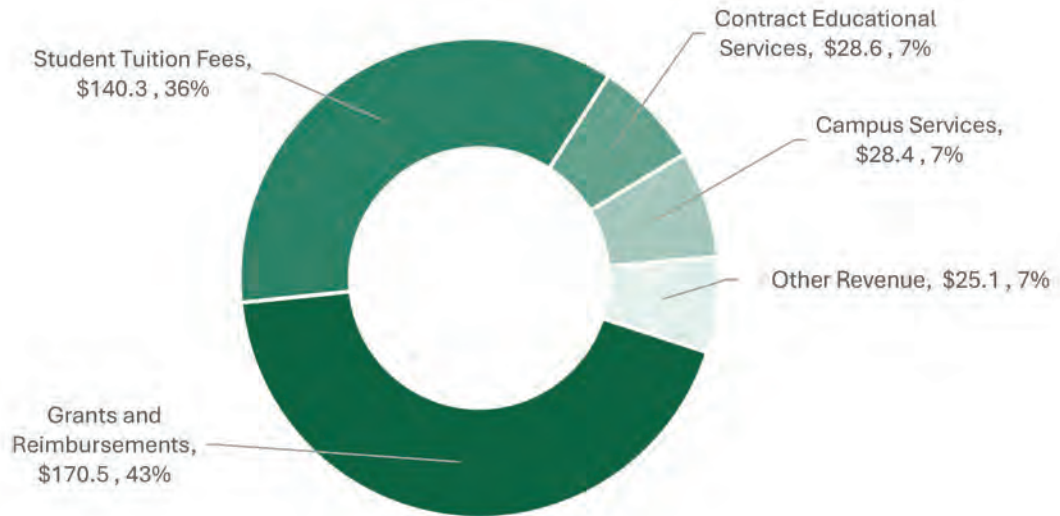
	Actual 2024-25	Actual (Unaudited) 2025-26	2026-27 Annual Budget	Pro Forma 2027-28	Pro Forma 2028-29
Revenues					
Grants and Reimbursements	\$ 109,376	\$ 113,727	\$ 175,246	\$ 172,062	\$ 171,073
Student Tuition Fees	234,549	176,317	140,322	143,776	151,062
Contract Educational Services	57,278	39,336	28,633	31,180	31,180
Campus Services	34,353	33,575	28,432	28,427	29,214
Other Revenue	41,557	32,610	25,121	23,463	24,631
Amortization of Deferred Capital Contributions	7,266	8,148	8,148	8,148	8,148
Total Revenue	\$ 484,379	\$ 403,712	\$ 405,902	\$ 407,056	\$ 415,308
Expenditures					
Salaries and Benefits	\$ 276,848	\$ 252,060	\$ 230,243	\$ 232,576	\$ 239,687
Building Maintenance and Utilities	24,083	22,561	29,701	28,994	29,372
Instructional Supplies and Equipment	9,274	8,033	8,545	7,397	7,473
Bursaries and Other Student Aid	7,208	7,074	8,575	8,096	8,216
Interest	2,196	2,051	1,967	1,808	1,637
Amortization of Capital Assets	20,513	19,989	21,741	28,512	30,512
Amortization of Long Term Prepaid - Students' Association	110	110	110	110	110
Campus Services	24,369	21,430	16,462	15,587	15,716
Contract Services	51,378	30,168	35,999	31,842	31,365
Information Technology, Software and Licenses	16,313	15,338	17,964	18,019	18,013
Other Expenditures	30,121	22,299	22,291	26,305	26,377
Total Expenditures	\$ 462,412	\$ 401,113	\$ 393,598	\$ 399,247	\$ 408,478
Net Contribution as per Public Sector Accounting Standards (PSAS)	\$ 21,967	\$ 2,599	\$ 12,305	\$ 7,809	\$ 6,829

As detailed in Appendix A, the College's projected results in the Statement of Financial Position remains relatively stable across most categories when comparing year-over-year changes. Total assets are budgeted to remain steady, and the net asset position continues to strengthen. The Statement of Financial Position reflects disciplined debt management, prudent reserve growth, and ongoing reinvestment in capital assets to support long-term sustainability.

Operating Revenue Mix (PSAS)

Within Operating Activities, the College's operating revenue base continues to shift, with declining tuition revenue offset by increased government grant funding. Student Tuition Fees revenue is budgeted at \$140.3 million (36% of total revenue), down from prior years due to enrolment declines, while Grants and Reimbursements represent the largest source of revenue in 2026-27 (\$170.5 million, or 44% of total revenue).

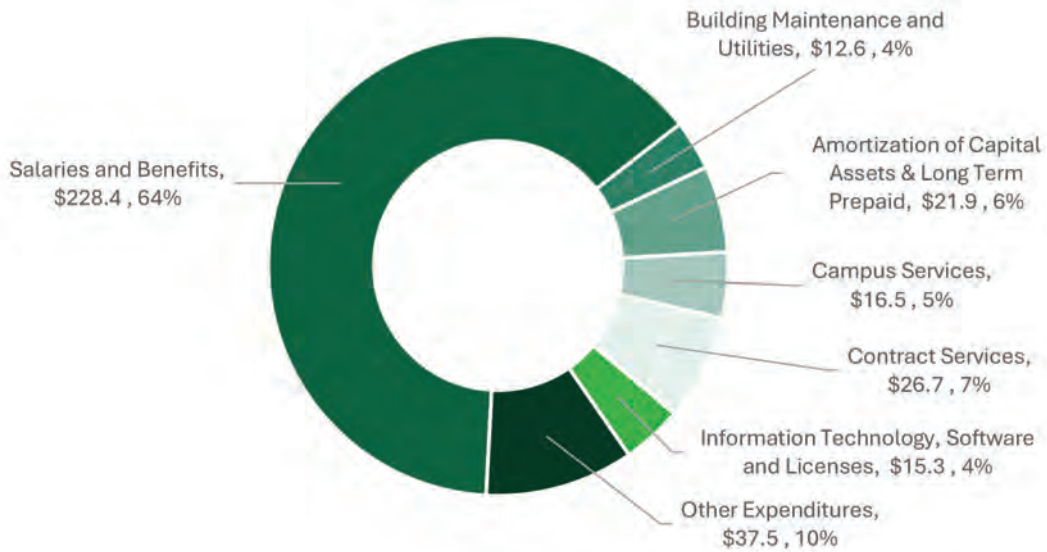
2026-27 Annual Budget Operating Activities Revenue, PSAS (millions)



Operating Activities Expenditure Profile (PSAS)

Salaries and benefits remain the College's largest expenditure category at \$228.4 million for operating activities, reflecting workforce adjustments aligned with reduced enrolment demand. Other major expenditure categories include contract services, Campus Services, amortization of capital assets and long-term prepaids, and information technology investments that support operational resilience and transformation.

2026-27 Annual Budget Operating Activities Expenditures, PSAS (millions)



Strategic Investment Priorities

On a modified cash flow basis, the 2026-27 Annual Budget includes \$47 million in Strategic Investment Priorities expenditures, funded through a combination of targeted grants (total projected revenue in 2026-27 is \$8.9 million), in-year surpluses and approved draws from internally restricted net assets.

Key investment areas include:

- Continued implementation of the R3 Student Information System, a core enterprise transformation initiative (\$13.1 million).
- Advancement of approved major capital projects for Paramedicine Program Implementation and Capital Equipment Acquisition (\$2.2 million), Pedestrian Bridge to Bus Rapid Transit Station (\$0.9 million) and the One College Campaign (\$0.8 million).
- Support for the continued development of a potential new major capital project for the Ottawa Aviation Centre of Excellence (\$0.2 million).
- Greenhouse gas reduction projects and campus infrastructure deferred maintenance (\$17.2 million).
- Investments in academic equipment and technology modernization (\$5.7 million).
- Initiatives supporting service transformation, business plan priorities, and long-term sustainability (\$6.9 million).

Strategic Investment Priorities Financial Summary, Modified Cash Flow Basis

(all figures in 000's)

	Annual Budget 2026-27
SOURCE OF FUNDS	
Apprenticeship Capital Grant	\$ 1,296
College Equipment Renewal Fund Grant - Base	901
College Equipment Renewal Fund Grant - Competitive	1,000
Facilities Renewal Grant	5,688
Miscellaneous	-
TOTAL SOURCE OF FUNDS	\$ 8,885
EXPENDITURES	
Approved Major Capital Projects	\$ 16,939
Potential Major Capital Projects	200
Other Projects	29,848
TOTAL EXPENDITURES	\$ 46,987
NET CONTRIBUTION	\$ (38,102)

These investments are essential to maintaining the quality of the learner experience while enabling future cost efficiencies and were included within the Five-Year Capital Investment Report presented to the Board of Governors on April 20, 2026.

Internally Restricted Net Assets

As of March 31, 2027, internally restricted net assets are projected to total \$123.8 million, reflecting planned in-year usage of \$19.9 million to fund approved strategic initiatives and capital projects.

The use of reserves has been carefully planned to balance investment requirements with the need to preserve adequate contingency capacity as the College advances its financial sustainability initiatives. Over time, the College has built and maintained reserve balances to support critical capital investments. In the 2026-27 fiscal year, investment activity and planned draws on reserves will continue to be focused on completing approved major capital projects—including the R3 Student Information System—as well as addressing deferred maintenance in information technology and physical infrastructure and supporting initiatives aligned with government priority areas of study.

The President is submitting a recommendation to the Board of Governors to approve spending from the College's Specific Reserves and Reserve Funds for Future Capital Expansion within Internally Restricted Net Assets for the following significant capital projects and initiatives in 2026-27:

CAPITAL PROJECTS AND INITIATIVES IN 2025-26			
	2026-27 Total Project Expenditures	2026-27 Expenditures funded from In-year Operations / Surpluses / External Sources	2026-27 Expenditures funded from Internally Restricted Net Assets
Alumni Affinity Reserves	\$150,000	-	\$150,000
Campus Services Renewal Projects	\$3,440,000	-	\$3,440,000
Employment Stability Initiatives ²	\$210,000	-	\$210,000
Health Services Agreement with the Students' Association	\$156,000	-	\$156,000
Information Technology and Physical Infrastructure Renewal Projects	\$7,948,624	-	\$7,948,624
Paramedicine Program Implementation and Capital Equipment Acquisition	\$2,203,000	\$1,601,500	\$601,500
Pedestrian Bridge to Bus Rapid Transit Station	\$881,456	-	\$881,456
R3 Student Information System ¹	\$13,080,000	\$6,540,000	\$6,540,000
Total Expenditures	\$28,069,080	\$8,141,500	\$19,927,580

¹ The request for the R3 Student Information System Project is not a new request. This draw from Internally Restricted Net Assets is within the allocation approved by the Algonquin College Board of Governors on February 23, 2026.

² The use of the Employment Stabilization reserve will be at the discretion of the College Employment Stability Committee and the Employment Stability Committee.

The 2025-26 year-end balance of Unrestricted and Internally Restricted Net Assets is \$109.7 million. Taking into consideration the proposed 2026-27 draws on reserves in the table above, the budgeted 2026-27 fiscal year-end total balance of Algonquin College's Unrestricted Net Assets plus Internally Restricted Net Assets are as follows:

UNRESTRICTED AND INTERNALLY RESTRICTED NET ASSETS	
Unrestricted Net Assets	\$1,000,000
Internally Restricted Net Assets	
• Specific Reserves	
o Other Projects and Initiatives	44,970,973
o Campus Services Reserve Fund	14,144,151
o Employment Stabilization Fund	512,142
o Contingency Reserve Fund	10,916,812
• Reserve Fund – Future Capital Expansion	53,250,170
Total Unrestricted and Internally Restricted Net Assets	\$124,794,248

Financial Health and Risks

Management believes that this budget is reasonable under the circumstances. Key financial risks impacting the 2026-27 budget include:

- International enrolment volatility, which remains a significant risk to revenue stability.
- Rising operating costs, including utilities, software, and specialized services, which may exceed general inflation.
- Unknown impacts from geopolitical instability, including the conflict in the Middle East, which could affect fuel, utilities, food, shipping, construction materials, equipment, and broader market conditions for prolonged periods.
- Deferred maintenance pressures, requiring ongoing capital investment to manage institutional risk.
- Investment portfolio exposure to geopolitical and market uncertainty.

The Financial Health Metrics and Thresholds outlined in Appendix B align with the updated measures established by MCURES under the College Financial Accountability Framework. These metrics are used to assess and monitor the College's financial health and provide an early warning mechanism to support timely corrective action where risks are identified. Results for 2026-27 indicate stabilization relative to 2025-26 and all metrics place the College in a low-risk category; however, the metrics remain sensitive to enrolment levels and overall revenue performance.

The College continues to operate within the second year of the Ministry's fourth iteration of the Strategic Mandate Agreement (SMA4) and with it, comes a portion of the funding, the Performance-Based Grant, which is tied to the achievement of eight key performance metrics, representing 25% of base funding. Colleges and universities must meet these specified metrics to receive their full funding allocation. For Algonquin College, this introduces a financial risk, as failure to meet targets could result in a loss of some grant funding. While successful performance on these metrics presents a modest opportunity for increased funding, it also carries a downside risk if the College does not achieve the required outcomes. However, this risk may evolve, as MCURES announced in February 2026 that SMA4 agreements will be re-issued later this year, with the inclusion of special purpose grants and growth targets.

In addition to the above, the following identifies specific financial risks for the College:

FINANCIAL RISK SCHEDULE			
Risk Identification	Impact in 2026-27	Likelihood in 2026-27	Risk Mitigation
International enrolment less than budgeted	Moderate	Possible	<ul style="list-style-type: none"> • New programs and intakes • Increased focus on conversion of applications to registrations • Contain spending • Defer capital investments
Domestic enrolment less than budgeted	Minor	Possible	<ul style="list-style-type: none"> • New programs and intakes • Increased focus on conversion of applications to registrations • Contain spending • Defer capital investments
Cash reserve balances drawn down more than budgeted	Minor	Unlikely	<ul style="list-style-type: none"> • Financial Sustainability Roadmap Initiatives • Increased rigour on new investment decisions • Reprioritizing Strategic Investment Priorities projects

FINANCIAL RISK SCHEDULE

Risk Identification	Impact in 2026-27	Likelihood in 2026-27	Risk Mitigation
Other revenues less than budgeted	Moderate	Possible	<ul style="list-style-type: none"> • International initiatives focus • Budgeted contingency provision and reserves • Contain spending • Defer capital investments • Alternative revenue strategies
Major cybersecurity incident	Moderate	Possible	<ul style="list-style-type: none"> • Upgraded Information Technology infrastructure • Business continuity/disaster recovery planning • Investing in cybersecurity infrastructure and applications • Cybersecurity insurance
Major capital projects exceed budget	Minor	Unlikely	<ul style="list-style-type: none"> • Project governance structure • Value engineering process • Ongoing monitoring and reporting
Operating expenses higher than budget due to aging facilities and deferred maintenance liability	Minor	Likely	<ul style="list-style-type: none"> • Contingency funds • Ongoing monitoring • Prioritization of critical projects

Conclusion

The 2026-27 Annual Budget reflects a disciplined and deliberate response to a period of sustained financial pressure across the post-secondary sector. In an environment characterized by declining international enrolment, rising cost pressures, and a historically underfunded provincial operating grant model, the College has taken decisive steps to stabilize its financial position while continuing to invest in priorities essential to long-term sustainability.

The budget demonstrates measurable improvement over prior-year projections, supported by increased provincial funding announced in February 2026, continued cost containment measures, and targeted operational efficiencies. At the same time, management remains cognizant that financial performance and key health metrics remain sensitive to enrolment levels and broader economic uncertainty. As a result, the budget continues to balance near-term financial pressures with the responsible use of internally restricted reserves to advance approved capital projects, address deferred maintenance, and enable institutional transformation.

Looking ahead, the College will remain focused on strengthening financial sustainability through the continued implementation of efficiency and accountability initiatives, careful prioritization of investments, and alignment with Ministry priorities and the College's Strategic Plan.

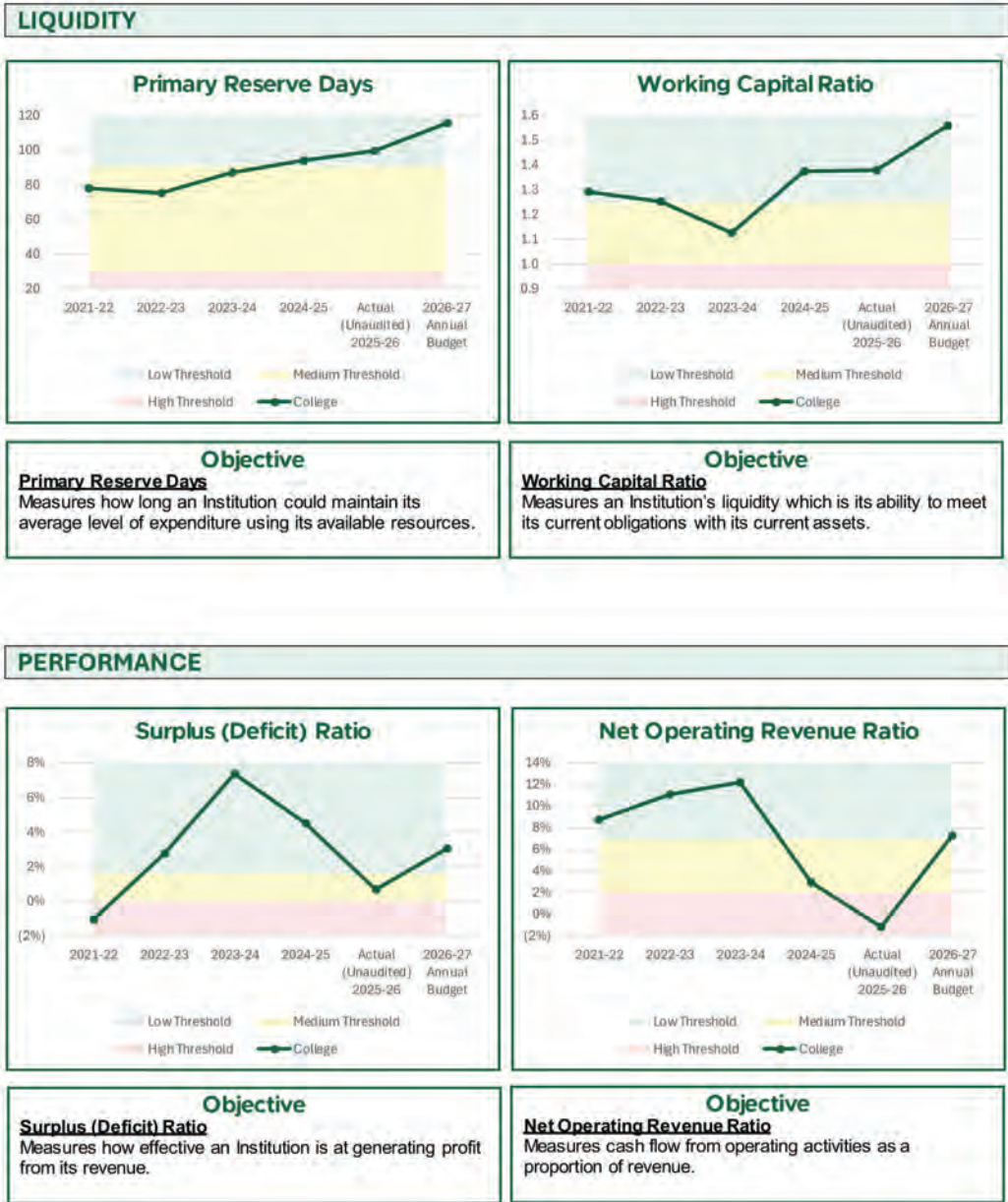
Overall, management believes the 2026-27 Annual Budget is prudent, balanced, and responsive to current conditions, while positioning the College to adapt and progress toward a more sustainable financial future.

APPENDIX A – Statement of Financial Position

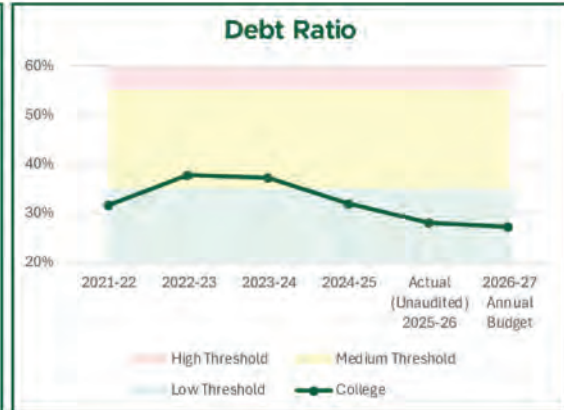
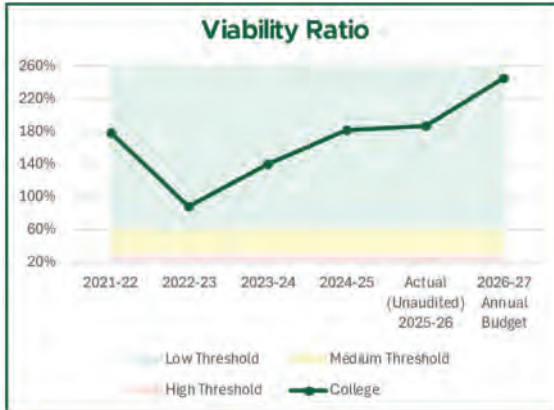
(all figures in 000's)

	March 31, 2026 Approved Annual Budget	March 31, 2026 Actual (Unaudited)	March 31, 2027 Annual Budget
ASSETS			
Current Assets			
Cash and Short Term Investments	\$ 108,646	\$ 114,775	\$ 134,533
Accounts Receivable	23,931	18,584	16,117
Inventory	2,000	1,446	1,400
Prepaid Expenses	9,154	8,428	7,963
	143,731	143,233	160,013
Investments	45,000	47,526	47,000
Long Term Prepaid - Students' Association	4,996	4,996	4,886
Endowment Assets	43,180	46,192	47,660
Capital Assets	341,751	339,159	320,543
Total Assets	\$ 578,657	\$ 581,106	\$ 580,101
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts Payable & Accrued Liabilities	\$ 45,768	\$ 41,512	\$ 41,887
Accrued Salaries & Employee Deductions Payable	5,267	4,232	5,017
Accrued Vacation	-	12,503	12,703
Deferred Revenue	68,000	38,986	38,000
Current Portion of Long Term Debt	4,077	4,077	2,127
Current Portion of Obligation under Capital Leases	2,653	2,653	2,878
	125,764	103,963	102,612
Long Term Debt	14,988	14,988	12,861
Obligation under Capital Leases	31,360	31,360	28,482
Interest Rate Swaps	324	267	216
Vacation, Sick Leave & Post-Employment Benefits	21,563	10,703	11,003
Deferred Capital Contributions	126,790	135,528	124,940
Asset Retirement Obligation	1,813	1,813	1,813
Net Assets			
Unrestricted	1,000	1,000	1,000
Investment in Capital Assets	160,070	148,741	147,441
Vacation, Sick Leave & Post-Employment Benefits	(21,563)	(23,206)	(23,706)
Internally Restricted	72,183	108,730	123,794
Endowment Fund	43,180	46,192	47,660
	254,871	281,458	296,190
Accumulated Remeasurement Losses	1,184	1,027	1,984
	256,054	282,484	298,174
Total Liabilities and Net Assets	\$ 578,657	\$ 581,106	\$ 580,101

APPENDIX B – Financial Health Metrics and Thresholds



SUSTAINABILITY



Objective

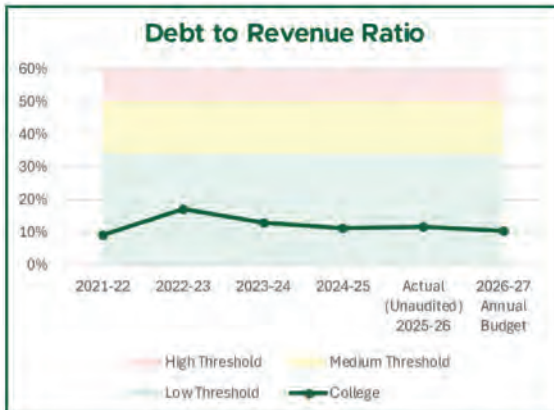
Viability Ratio

Measures an Institution's ability to meet its long-term obligations using its available resources.

Objective

Debt Ratio

Measures an Institution's ability to meet its total obligations using all of its resources.



Objective

Debt to Revenue Ratio

Measures how much of an Institution's revenue is required to pay off its debt.