Financial Statements of

CAMOSUN COLLEGE

And Independent Auditor's Report thereon

Year ended March 31, 2026

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The financial statements have been prepared by management in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia. The integrity and objectivity of these statements is management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. The significant accounting policies are summarized in note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Camosun College Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Risk and Audit and Finance committees. The Risk and Audit Committee reviews the external audited financial statements yearly and the Finance Committee reviews internal financial reports on a quarterly basis. The external auditor has full access to the Risk and Audit Committee, with and without management present.

KPMG conducts an independent examination, in accordance with Canadian auditing standards, and expresses an opinion on the financial statements. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of the examination and their opinion on the financial statements.

On behalf of Camosun College

Lane Trotter
President

Deborah Huelscher
Vice President Administration and Chief Financial Officer

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INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of Camosun College, and
To the Minister of Post Secondary Education and Future Skills, Province of British Columbia

Opinion

We have audited the financial statements of Camosun College (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2026
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net debt 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 as at and for the year ended March 31, 2026 of the Entity are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

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 Entity 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.

Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 2(a) to the financial statements which describes the applicable financial reporting framework and the significant differences between that financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia 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 Entity’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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’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 Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- 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.

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
June 9, 2026

CAMOSUN COLLEGE

Statement of Financial Position

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

	2026	2025
Financial assets		
Cash and cash equivalents (note 3)	$ 21,784,414	$ 28,848,980
Accounts receivable (note 4):		
Due from government and other government organizations	6,378,417	1,763,274
Other	4,305,456	3,695,805
Inventories for resale (note 5)	553,455	619,763
	33,021,742	34,927,822
Liabilities		
Accounts payable and accrued liabilities (note 6):		
Due to government and other government organizations	2,418,343	2,491,523
Other	31,256,011	29,566,445
Employee future benefits (note 7)	3,805,596	3,244,156
Deferred contributions (note 8)	7,901,093	8,591,818
Deferred revenue (note 9)	3,181,551	4,514,800
Deferred capital contributions (note 10)	126,117,652	120,173,754
Asset retirement obligations (note 11)	805,490	787,688
	175,485,736	169,370,184
Net debt	(142,463,994)	(134,442,362)
Non-financial assets		
Tangible capital assets (note 12)	147,576,068	144,119,226
Prepaid expenses	1,788,627	1,511,397
	149,364,695	145,630,623
Accumulated surplus	$ 6,900,701	$ 11,188,261

Contingent liabilities (note 13)
Contractual obligations (note 15c, 16)
Subsequent events (note 19)

See accompanying notes to financial statements.

On behalf of the Board:

Chair, Board of Governors

Vice President Administration
and Chief Financial Officer

CAMOSUN COLLEGE

Statement of Operations and Accumulated Surplus

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

	Budget (note 18)	2026	2025
Revenue:			
Provincial grants:			
Ministry of Post Secondary Education and Future Skills	$ 89,753,372	$ 92,260,602	$ 88,526,852
Other	6,158,833	6,939,406	7,248,713
Federal grants	787,809	757,130	1,134,146
Other grants	583,016	243,885	349,385
Tuition	47,569,874	44,449,239	54,488,829
Fees (other)	1,881,000	1,764,395	1,782,983
Other revenue	2,652,230	2,958,870	2,231,600
Amortization of deferred capital contributions	8,500,000	7,340,539	9,324,203
Rentals and leases	187,096	167,918	182,277
Investment income	1,100,000	689,109	1,306,069
Sales of goods and services:			
To the Province of BC	480,040	284,201	2,609
To Crown Corporations or government organizations	1,774,979	1,881,077	2,040,625
To other entities	10,527,048	10,985,157	11,574,883
	171,955,297	170,721,528	180,193,174
Expenses (note 14):			
Instruction and support	163,609,385	165,945,828	174,224,027
Ancillary operations	6,951,207	7,476,938	7,161,779
Applied research	1,394,705	1,586,322	2,006,844
	171,955,297	175,009,088	183,392,650
Annual deficit	–	(4,287,560)	(3,199,476)
Accumulated surplus, beginning of year	11,188,261	11,188,261	14,387,737
Accumulated surplus, end of year	$ 11,188,261	$ 6,900,701	$ 11,188,261

See accompanying notes to financial statements.

CAMOSUN COLLEGE

Statement of Changes in Net Debt

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

	Budget (note 18)	2026	2025
Annual deficit	$ –	$ (4,287,560)	$ (3,199,476)
Acquisition of tangible capital assets	(5,203,000)	(13,789,808)	(12,190,646)
Amortization of tangible capital assets	9,850,000	10,332,966	10,010,169
Proceeds on sale of tangible capital assets	–	–	47,000
Gain on sale of tangible capital assets	–	–	(33,794)
	4,647,000	(3,456,842)	(2,167,271)
Acquisition of prepaid expenses	–	(277,230)	(85,233)
Decrease (increase) in net debt	4,647,000	(8,021,632)	(5,451,980)
Net debt, beginning of year	(134,442,362)	(134,442,362)	(128,990,382)
Net debt, end of year	$ (129,795,362)	$ (142,463,994)	$ (134,442,362)

See accompanying notes to financial statements.

CAMOSUN COLLEGE

Statement of Cash Flows

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

	2026	2025
Cash provided by (used in):		
Operating activities:		
Annual deficit	$ (4,287,560)	$ (3,199,476)
Items not involving cash:		
Gain on sale of tangible capital assets	–	(33,794)
Amortization of tangible capital assets	10,332,966	10,010,169
Accretion expense	17,802	38,508
Revenue recognized from deferred capital contributions	(7,340,539)	(9,324,203)
Change in employee future benefits	561,440	292,348
Changes in non-cash operating working capital:		
Decrease (increase) in accounts receivable	(5,224,794)	3,633,541
Increase in prepaid expenses	(277,230)	(85,233)
Decrease in inventories for resale	66,308	106,873
Increase in accounts payable and accrued liabilities	1,616,386	830,922
Decrease in deferred contributions	(690,725)	(517,559)
Decrease in deferred revenue	(1,333,249)	(3,714,377)
Net change in cash from operating activities	(6,559,195)	(1,962,281)
Capital activities:		
Proceeds on sale of tangible capital assets	–	47,000
Acquisition of tangible capital assets	(13,789,808)	(12,190,646)
Net change in cash from capital activities	(13,789,808)	(12,143,646)
Financing activities:		
Capital contributions received	13,284,437	12,296,660
Net change in cash from financing activities	13,284,437	12,296,660
Net change in cash	(7,064,566)	(1,809,267)
Cash and cash equivalents, beginning of year	28,848,980	30,658,247
Cash and cash equivalents, end of year	$ 21,784,414	$ 28,848,980

See accompanying notes to financial statements.

1. Nature of operations:

Camosun College (the “College”) is a post-secondary educational institution funded by the Province of British Columbia (the “Province”) and incorporated under the College and Institute Act of British Columbia. The British Columbia Ministry of Post Secondary Education and Future Skills (the “Ministry”) provides the principal source of funding. The College is governed by a Board of Governors, the majority of which are appointed by the provincial government of British Columbia. The College is a registered charity and is therefore exempt from income taxes under section 149 of the *Income Tax Act*.

2. Significant accounting policies:

(a) Basis of accounting:

The financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections.

Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

2. Significant accounting policies (continued):

(a) Basis of accounting (continued):

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires that:

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410 *Government Transfers*; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100 *Restricted Assets and Revenues*; and
- deferred contributions meet the liability criteria in accordance with PS3200 *Liabilities*.

As a result, revenue recognized in the statement of operations and certain related deferred capital contributions are recorded differently under Canadian Public Sector Accounting Standards.

(b) Inventories for resale:

Inventories held for resale, comprised of bookstore inventory, is recorded at the lower of average cost or net realizable value. Cost includes the original purchase cost, plus shipping and applicable duties. Net realizable value is the estimated selling price less any costs to sell.

(c) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the asset.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Category	Period
Buildings	20 to 40 years
Site Improvements	20 years
College system software	10 years
Furniture, fixtures and equipment	5 years
Computers and software	3 years

Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the College’s ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

2. Significant accounting policies (continued):

(c) Tangible capital assets (continued):

Contributed capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

On July 14, 1983 certain land was transferred to the College by order of the Lieutenant-Governor in Council. These assets have been recorded at a nominal value of $1. Title to the assets is transferred subject to their continued use for educational purposes.

Works of art and historic assets are not recognized in these financial statements.

Leases which transfer substantially all of the benefit and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

Capital lease obligations are recorded at the present value of the minimum lease payments excluding executory costs. The discount rate used to determine the present value of the lease payments is the lower of the College's rate for incremental borrowing or the interest rate implicit in the lease. The maximum recorded value of the leased assets cannot exceed the leased property's fair value when determining the discount rate to be used.

(d) Employee future benefits:

(*i*) The College and its employees contribute to the College Pension Plan and the Municipal Pension Plan, which are multi-employer joint trustee plans. The plans are defined benefit plans providing a pension on retirement based on the member's age at retirement, length of service and earnings. As the assets and liabilities of the plans are not segregated by institution, the plans are accounted for as defined contribution plans and any contributions of the College to the plans are expensed as incurred.

(*ii*) Sick leave benefits are also available to certain College employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits. Actuarial gains and losses are amortized over the expected average remaining service life of the employees. Similarly, the cost and obligation of non-vesting sick leave benefits is actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, long-term inflation rates and discount rates.

(*iii*) Certain College employees are entitled to the continuation of health and dental benefits while on disability leave. The accrued benefit obligation for currently disabled employees was estimated by an actuarial valuation for accounting purposes at March 31, 2026.

2. Significant accounting policies (continued):

(d) Employee future benefits (continued):

(*iv*) The costs of insured benefits reflected in these statements are the employer's portion of the insurance premiums owed for coverage of employees during the period.

(e) Prepaid expenses:

Prepaid expenses include lease and contract payments that will be charged to expense over the periods the College is expected to benefit from them.

(f) Revenue recognition:

Tuition and student fees and sales of inventory are reported as revenue at the time the services are provided or the products are delivered, and collection is reasonably assured. Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred and recognized when the fee is earned or service performed.

Fee for services revenues and expenditures are recognized as activities are performed, based on achievement of performance obligations. Provision for all anticipated losses is made in the period in which they become evident.

Unrestricted contributions, donations and grants are recorded as revenue when receivable if the amounts can be estimated and collection is reasonably assured.

Restricted donations and grants are reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors. Under Restricted Contributions Regulation 198/2011, government transfers are reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors as follows:

(*i*) Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or in the form of a depreciable tangible capital asset, in each case for use in providing services are recorded and referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services.

(*ii*) Contributions restricted for specific purposes other than for those to be held in perpetuity or for the acquisition or development of a depreciable tangible capital asset are recorded as deferred contributions and recognized in revenue in the year in which the stipulation or restriction on the contribution have been met.

(g) Expenses:

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

2. Significant accounting policies (continued):

(h) Financial instruments:

Financial assets and financial liabilities are measured at cost or amortized cost, less any permanent impairment in value. The College does not hold any derivatives or equity investments that require fair value reporting and has not elected to record any other financial instruments at fair value.

A statement of remeasurement gains and losses is not presented as the College did not have remeasurement transactions to report.

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.

(i) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short term highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of change in value. These short term investments generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short term cash commitments rather than investing.

(j) Asset retirement obligation:

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

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability for the removal of asbestos in several of the buildings owned by the College has been recognized based on estimated cost of remediation at the date of adoption on April 1, 2022. Under the modified retrospective method, the assumptions used on initial recognition are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised yearly.

The liability is estimated at the current cost of remediation if this was to occur at the financial statement date. This liability is adjusted yearly based on a remediation cost escalation percentage as an accretion expense. The recognition of a liability resulted in an accompanying increase in the respective tangible capital assets. The buildings capital assets affected by the asbestos liability are being amortized with the buildings over their original remaining useful lives.

2. Significant accounting policies (continued):

(k) Measurement uncertainty:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Key areas where management has made estimates and assumptions include those related to the determination of the useful lives of capital assets, amortization of related deferred capital contributions, asset retirement obligations, determination of employee future benefits, provisions for accounts receivable and contingencies. Where actual results differ from these estimates and assumptions, the impact is recorded in future periods when the differences become known.

3. Cash and cash equivalents:

Cash and cash equivalents include cash and cash equivalents on deposit and amounts held under the Province of BC Central Deposit Program which pays interest at 2.45% and are redeemable on 3 days notice.

4. Accounts receivable:

(a) Due from government and other government organizations:

	2026	2025
Federal government	$ 656,902	$ 333,821
Provincial government	5,149,722	836,311
Other government organizations	571,793	593,142
	$ 6,378,417	$ 1,763,274

(b) Due from other:

	2026	2025
Accounts receivable	$ 5,068,500	$ 4,410,020
Accrued interest	40,997	70,651
Allowance for doubtful accounts	(804,041)	(784,866)
	$ 4,305,456	$ 3,695,805

5. Inventories for resale:

Inventory is comprised of bookstore inventory for resale. During the year ended March 31, 2026 the College recognized $1,982,462 (2025 - $2,103,268) of expenses related to inventories in the statement of operations.

6. Accounts payable and accrued liabilities:

(a) Due to government and other government organizations:

	2026	2025
Federal government	$ 1,732,594	$ 1,691,307
Provincial government	–	11,638
Other government organizations	685,749	788,578
	$ 2,418,343	$ 2,491,523

(b) Due to other:

	2026	2025
Trade payables and accrued liabilities	$ 21,383,977	$ 20,220,026
Accrued vacation pay and earned time off	6,721,358	6,279,095
Professional development and training	3,150,676	3,067,324
	$ 31,256,011	$ 29,566,445

7. Employee future benefits:

(a) Employee future benefits:

	2026	2025
Sick leave	$ 2,249,096	$ 2,170,856
Long-term disability health and dental benefits	1,556,500	1,073,300
Accrued benefit liability, end of year	$ 3,805,596	$ 3,244,156

(i) Certain employees of the College are entitled to sick leave benefits in accordance with the terms and conditions of their employment contracts. These include post-retirement benefits, benefits that are expected to be provided after employment but prior to retirement and which vest or accumulate during service; and compensated absence benefits, benefits paid during employment, including sick pay benefits that accumulate and are payable upon a future illness or injury-related absence. The benefit expense associated with the covered benefits attributed to the accounting period is included in the College's statement of operations and the accrued benefit liability for the benefits attributed to employee service to the accounting date are included in the College's statement of financial position. The accrued benefit obligation and the net periodic benefit costs were estimated by an actuarial valuation at the measurement date of January 17, 2025 and extrapolated to March 31, 2026.

Actuarial gains and losses are amortized over eight years (2025 - eight years), being the expected average remaining service life of the employees.

	2026	2025
Accrued benefit liability:		
Balance, beginning of the year	$ 2,170,856	$ 2,054,408
Current benefit cost	168,600	166,600
Benefits paid	(90,360)	(50,152)
Balance, end of year	2,249,096	2,170,856
Unamortized actuarial gains	(556,000)	(498,248)
Accrued benefit obligation, end of year	$ 1,693,096	$ 1,672,608

The components of the current benefit cost are current service cost of $143,900 (2025 - $136,300), interest expense of $73,500 (2025 - $73,700), net actuarial gain of $48,800 (2025 - $43,400 gain). There was no plan amendment in the current year (2025 - $nil).

7. Employee future benefits (continued):

(a) Employee future benefits (continued):

(*i*) Continued:

The significant actuarial assumptions adopted in measuring the College's accrued benefit obligations are as follows:

	2026	2025
Discount rates	4.60%	4.30%
Expected future inflation rates	3.00%	2.50%
Expected wage and salary increases	3.00%	2.75%

(*ii*) Certain employees of the College are entitled to the continuation of extended health and dental benefits in accordance with the terms and conditions of their employment contracts. Coverage is extended to disabled employees, their spouses and dependent children while on disability. Faculty and Exempt employees receive these benefits from their date of disability to the earlier of recovery from disability and return to work or age 65. Support staff receive these benefits from their date of disability to the earlier of recovery from disability and return to work or two years. The accrued benefit obligation for currently disabled employees was estimated by an actuarial valuation for accounting purposes as at March 31, 2026.

Actuarial gains and losses are recognized immediately as the benefit continuation for disabled employees is an event driven liability.

	2026	2025
Accrued benefit obligation:		
Balance, beginning of the year	$ 1,073,300	$ 897,400
Net benefit costs less benefits paid	483,200	175,900
Accrued benefit obligation, end of year	$ 1,556,500	$ 1,073,300

The components of the net benefit costs include current service cost, interest expense, the impact of plan amendments and the immediate recognition of actuarial gains.

7. Employee future benefits (continued):

(a) Employee future benefits (continued):

(*ii*) Continued:

The significant actuarial assumptions adopted in measuring the College's accrued benefit obligations are as follows:

	2026	2025
Discount rates	4.60%	4.30%
Medical trend	4.00%	4.00%
Dental trend	6.00%	6.00%

(b) Pension plans:

The College and its employees contribute to the College Pension Plan and Municipal Pension Plan (jointly trusteed pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the plans, including investment of assets and administration of benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at August 31, 2025, the College Pension Plan has about 17,500 active members, and approximately 11,800 retired members. As at December 31, 2024, the Municipal Pension Plan has about 273,000 active members, including approximately 7,000 from colleges.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the College Pension Plan as at August 31, 2024, indicated a $4 million unfunded liability for basic pension benefits. This was covered by a transfer from the rate stabilization account leaving the basic pension account balanced at the valuation date on a going concern basis.

The most recent valuation for the Municipal Pension Plan as at December 31, 2024, indicated a $2,675 million funding surplus for basic pension benefits on a going concern basis.

The next valuation for the College Pension Plan will be as at August 31, 2027. The next valuation for the Municipal Pension Plan will be December 31, 2027.

7. Employee future benefits (continued):

(b) Pension plans (continued):

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

The College paid $7,174,936 (2025 - $7,493,007) for employer contributions for the College Pension Plan and $2,293,470 (2025 - $2,322,299) for the Municipal Pension Plan in fiscal 2026.

(c) Severance liability:

During fiscal 2025, the College undertook workforce adjustments in response to a significant decline in international student revenues. A severance liability was recognized at March 31, 2025 in accordance with Public Sector Accounting Standard PS 3255 – *Post-employment Benefits, Compensated Absences and Termination Benefits*.

During fiscal 2026, the College substantially settled the severance obligations recognized at March 31, 2025 through cash payments to affected employees, consistent with the estimated liability recorded in the prior year.

In addition, during fiscal 2026 the College identified further workforce adjustments arising from ongoing financial pressures and enrolment uncertainty. As a result, additional termination benefits were recognized in the year ended March 31, 2026.

The severance liability represents termination benefits for positions impacted by workforce reductions and is measured as the best estimate of the expenditure required to settle the obligations as at the reporting date. The liability includes severance entitlements under collective agreements and individual employment contracts.

As at March 31, 2026, the total severance liability recognized is $3,126,652 (2025 - $2,842,744). No discounting has been applied, as the payments are expected to be made within the next fiscal year.

The severance liability is recognized in the Statement of Financial Position, with the corresponding expense included in the Statement of Operations.

8. Deferred contributions:

Deferred contributions are comprised of funds restricted by the following sources:

	April 1, 2025	Receipts during year	Transferred to revenue	March 31, 2026
Provincial	$ 7,733,662	$ 3,781,504	$ (4,191,779)	$ 7,323,387
Federal	840,940	93,233	(382,203)	551,970
Other	17,216	25,735	(17,215)	25,736
	$ 8,591,818	$ 3,900,472	$ (4,591,197)	$ 7,901,093

9. Deferred revenue:

Deferred revenue includes tuition and contract fees received in advance of the related activity performed:

	2026	2025
Tuition fees	$ 2,701,666	$ 4,146,618
Contract fees	479,885	368,182
	$ 3,181,551	$ 4,514,800

10. Deferred capital contributions:

Continuity of deferred capital contributions is as follows:

March 31, 2026	Deferred	Unamortized	Total
Opening balance	$ 3,044,955	$ 117,128,799	$ 120,173,754
Restricted contributions received	13,958,745	–	13,958,745
Contributions spent	(11,777,103)	11,777,103	–
Amounts amortized to revenue	–	(7,340,539)	(7,340,539)
Amounts recognized as revenue	–	(674,308)	(674,308)
Closing balance	$ 5,226,597	$ 120,891,055	$ 126,117,652

March 31, 2025	Deferred	Unamortized	Total
Opening balance	$ 2,491,546	$ 114,709,751	$ 117,201,297
Restricted contributions received	13,670,863	–	13,670,863
Contributions spent	(13,117,454)	13,117,454	–
Amounts amortized to revenue	–	(9,324,203)	(9,324,203)
Amounts recognized as revenue	–	(1,374,203)	(1,374,203)
Closing balance	$ 3,044,955	$ 117,128,799	$ 120,173,754

11. Asset retirement obligations:

The College owns and operates some buildings that are known to contain asbestos and other hazardous materials, which represents a health hazard when undergoing certain repairs and maintenance work and upon demolition of the building. As there is a legal obligation to remove hazardous materials, the College has recognized a liability relating to the removal and post-removal care of the asbestos and other hazardous materials in these buildings. Changes to the asset retirement obligations in the year are as follows:

	2026	2025
Asset retirement obligations, beginning of year	$ 787,688	$ 749,180
Accretion expense	17,802	38,508
Asset retirement obligations, end of year	$ 805,490	$ 787,688

12. Tangible capital assets:

Cost	March 31, 2025	Additions	Transfers/ Disposals	March 31, 2026
Land	$ 14,484,612	$ –	$ –	$ 14,484,612
Buildings	217,755,554	2,364,169	–	220,119,723
Site Improvements	–	3,400,443	–	3,400,443
Assets under construction	448,109	5,299,572	–	5,747,681
Furniture, fixtures and equipment	17,235,640	1,705,780	(856,355)	18,085,065
Computers and software	9,074,180	1,019,844	(985,693)	9,108,331
	$ 258,998,095	$ 13,789,808	$ (1,842,048)	$ 270,945,855

Accumulated amortization	March 31, 2025	Disposals	Amortization Expense	March 31, 2026
Land	$ –	$ –	$ –	$ –
Buildings	101,746,439	–	5,647,669	107,394,108
Site Improvements	–	–	–	–
Furniture, fixtures and equipment	7,125,458	(856,355)	2,931,497	9,200,600
Computers and software	6,006,972	(985,693)	1,753,800	6,775,079
	$ 114,878,869	$ (1,842,048)	$ 10,332,966	$ 123,369,787

12. Tangible capital assets (continued):

	Net book value March 31, 2025	Net book value March 31, 2026
Land	$ 14,484,612	$ 14,484,612
Buildings	116,009,115	112,725,615
Site Improvements	–	3,400,443
Assets under construction	448,109	5,747,681
Furniture, fixtures and equipment	10,110,182	8,884,465
Computers and software	3,067,208	2,333,252
	$ 144,119,226	$ 147,576,068

(a) Assets under construction:

The assets under construction represent work in progress on two provincially funded projects: student housing on Lansdowne campus and Technology program relocation and expansion at Interurban campus, and minor expenses for various building improvements throughout the College. This work will continue throughout the 2027 and subsequent fiscal years

(b) Contributed tangible capital assets:

Contributed capital assets are recognized at fair market value at the date of contribution. The value of contributed capital assets received during the year is $nil (2025 - $nil).

13. Contingent liabilities:

The College may, from time to time, be involved in legal proceedings, claims, and litigation that arise in the normal course of business. It is management's opinion that the aggregate amount of any potential liability is not expected to have a material adverse effect on the College's financial position or results.

14. Expenses by object:

The following is a summary of expenses by object:

	2026	2025
Salaries and benefits	$ 139,283,165	$ 144,315,435
Contract fees	4,365,597	3,941,893
Supplies and services	17,305,044	20,326,496
Costs of goods sold	2,598,528	2,666,104
Accretion expense	17,802	38,508
Amortization	10,332,966	10,010,169
Minor repairs and maintenance	1,105,986	2,094,045
	$ 175,009,088	$ 183,392,650

15. Related party transactions:

(a) Other agency operations:

The College is related through common ownership to all Province of British Columbia ministries, agencies, Crown corporations, school districts, health authorities, hospital societies, universities and colleges that are included in the provincial government reporting entity. The College also considers the Board of Governors and key management executives as related parties. Transactions with these entities, unless disclosed otherwise, are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Included in accounts receivable at year end is $5,149,722 (2025 - $836,311) from the provincial government. During the year the College received grants in the amount of $92,688,509 (2025 - $87,937,261) from the provincial government and included $91,509,134 (2025 - $86,991,865) in revenue. $11,543,294 (2025 - $11,264,415) of the $13,958,745 (2025 - $13,670,863) of restricted capital contributions received during the year was from the provincial government.

(b) Camosun College Foundation:

The College has an economic interest in the Camosun College Foundation (the “Foundation”). The net assets and results of operations of the Foundation have not been included in these financial statements. The Foundation is a registered charity under the Income Tax Act. The Foundation is a separate society formed to provide scholarships and bursaries for students of the College and to raise funds for furthering the interest of the College. The College provides some financial support to the Foundation. During the year, financial support of $212,176 (2025 - $659,160) was provided to the Foundation.

For the year ended March 31, 2026, gift in kind donations from the Foundation to the College were $41,518 (2025 - $228,450) of which no amounts were recorded as capital assets (2025 - $nil). Included in the College’s accounts receivable at March 31, 2026 is $538,393 (2025 - $204,769) due from the Foundation.

(c) Pacific Institute for Sport Education:

The College has an economic interest in the Pacific Institute for Sport Education (“PISE”). The net assets and results of operations of PISE have not been included in these financial statements. PISE is a separate society formed to bring sport education and athlete development under one roof, incorporating health and wellness programs, high performance sport services, applied sport research and innovation and community programs. PISE has three founding members - Camosun College, Canadian Sport Institute and PacificSport Victoria - and is a registered charity under the Income Tax Act.

15. Related party transactions (continued):

(c) Pacific Institute for Sport Education (continued):

PISE's facilities, located at the Interurban campus, were completed in September 2008 at which time the College signed a long-term lease and license agreement with PISE under which PISE will operate the facility for a 25-year term with a 29-year extension option at an annual rent of $1 per year. At the same time, PISE has signed a long-term sub lease with the College under similar terms under which the College will operate its sport education programs, recreation and athletics programs and teams and applied research activities at an annual cost of $811,286 (2025 - $789,383).

At the date of occupancy, the related $28 million cost of the capital assets under construction and associated deferred capital grants were removed from the College's financial statements. The College provides custodial, grounds, maintenance, and other specialist facility services to PISE on a cost recovery basis under a service agreement. Fees and expenses for these services amounted to $302,985 (2025 - $302,985) during the year. Included in the College's accounts receivable at March 31, 2026 is $3,149 (2025 - $936) due from PISE. Included in the College's accounts payable at March 31, 2026 is $950 (2025 - $1,266) due to PISE.

16. Contractual obligations:

The College has entered into various contractual agreements that will result in future financial commitments. These commitments relate primarily to capital projects and maintenance services. The total value of these contracts extends beyond the current fiscal year and represents obligations the College is committed to fulfilling under the terms of the respective agreements.

As at March 31, 2026, the College has contractual commitments totaling $5,507,969 related to capital projects and information technology maintenance, leases and facilities maintenance.

17. Financial risk management:

It is management's opinion that the College is not exposed to significant risk from its use of financial instruments which could affect its ability to achieve its strategic objectives.

(a) Liquidity risk:

Liquidity risk is the risk that the College will not be able to meet its financial obligations as they become due. The College manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities. These measures help to ensure, as far as possible, the College will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the College's reputation.

The College's ability to manage its liquidity depends upon many factors, including the College's ability to meet budgeted student enrolment levels, realize on savings from cost mitigation measures, and its continued dependence on operating, capital and cash flow financial support from the Ministry of Post-Secondary Education and Future Skills.

17. Financial risk management (continued):

(b) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of floating rate instruments will fluctuate due to changes in market interest rates. It is management's opinion that the College is not exposed to excessive levels of interest rate risk arising from its financial instruments.

(c) Credit risk:

Credit risk is the risk of financial loss to the College if a client of the College or counterparty to a financial instrument fails to meet their contractual obligations. Such risks arise principally from certain financial assets held by the College consisting of cash, investments, and accounts receivable. The risk is mitigated by the College's prompt collections processes and by other remedies such as the withholding of transcripts in the event of non-payment.

The College accounts for a specific bad debt provision when management considers that the expected recovery is less than the amount receivable.

(d) Market Risk - Geopolitical

The College is monitoring emerging risks associated with the imposition of new and potential future tariffs on purchased goods and services. These tariffs, if enacted, may increase the cost of materials, supplies, and contracted services required for operations and capital projects.

While the financial impact of such tariffs cannot be reasonably estimated at this time, management recognizes the potential for increased expenditures in future periods. The College continues to assess its procurement strategies and supplier relationships to mitigate the risk of cost escalation and supply chain disruptions.

Management will continue to monitor developments and assess the financial implications as more information becomes available.

The insurance on College property is the responsibility of the Province, which paid $275,945 (2025 - $279,858) for premiums and fees on behalf of the College for the coverage. The premiums paid are not recorded in the financial transactions of the College or in these financial statements. All claims for loss are submitted to the Province for consideration for replacement. The College has no direct insurance coverage against loss of any of its capital assets.

18. Budget data:

Budget figures have been provided for comparative purposes and have been derived from the Multi Year Budget approved by the Board of Governors of the College on April 14, 2025. The budget is reflected in the statement of operations and the statement of changes in net debt. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

Revenues:	
Operating budget	$ 157,842,297
Capital budget	14,113,000
Total revenues	171,955,297
Expenses:	
Operating budget	156,492,297
Capital budget	15,463,000
Total expenses	171,955,297
Annual surplus	$ –

19. Subsequent events:

(a) Student housing project:

Subsequent to March 31, 2026, the College approved a change order related to the student housing project in the amount of approximately $13.6 million. The change order establishes a committed contract value for early construction activities, including excavation, civil works, and associated general requirements, under the existing construction management contract.

The change order represents the next phase of project execution and does not increase the total approved project budget. The related expenditures and contractual obligations will be recognized in future periods.

(b) Federal training contract:

Subsequent to March 31, 2026, the College was awarded a multi-year contract with the Department of National Defence to deliver a customized training program that includes on-campus and laboratory instruction. The $2.7M fixed price contract came into effect June 4, 2026 with an end date of December 31, 2028.

The contract represents new work for the College and includes an option to extend up to one year under the same contract terms and conditions, prices and rates. The related revenue and contractual obligations will be recognized in future periods.