

Financial Statements of
(\$ in thousands)



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

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



Tara Szerencsi

Vice President, Finance & Corporate Services



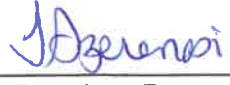
Statement of Financial Position
(\$ in thousands)

March 31, 2026, with comparative information for 2025

	2026	2025
Financial assets		
Cash and cash equivalents (note 3)	\$ 24,808	\$ 25,430
Accounts receivable (note 4)	4,314	2,221
Inventories for resale	501	393
Investments (note 5)	43,953	39,805
	73,576	67,849
Financial liabilities		
Accounts payable and accrued liabilities (note 6)	15,932	8,826
Accrued leave entitlement	4,217	4,891
Employee future benefits (note 7)	1,800	2,004
Deferred contributions (note 8)	7,618	12,546
Deferred revenue (note 9)	30,851	31,288
Deferred capital contributions (note 10)	121,891	111,388
Asset retirement obligations (note 11)	6,320	6,320
	188,629	177,263
Net debt	(115,053)	(109,414)
Non-financial assets		
Endowments (note 12)	7,981	7,456
Tangible capital assets (note 13)	132,112	123,687
Prepaid expenses	621	877
	140,714	132,020
Contingent liabilities (note 15)		
Accumulated surplus (note 14)	\$ 25,661	\$ 22,606
Accumulated surplus is comprised of:		
Accumulated operating surplus	\$ 23,813	\$ 21,613
Accumulated remeasurement gains	1,848	993
	\$ 25,661	\$ 22,606

See accompanying notes to financial statements.
Approved on behalf of the Board of Governors:


Chair, CNC Board of Governors


Vice President, Finance & Corporate Services



Statement of Operations and Accumulated Surplus
(\$ in thousands)

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

	2026 Budget (note 18)	2026 Actual	2025 Actual
Revenue:			
Provincial Grants	\$ 52,713	\$ 55,426	\$ 52,033
Tuition	21,746	22,530	30,851
Other	7,903	7,299	7,722
Amortization of deferred capital grants	5,383	6,271	4,952
Ancillary services	3,229	2,898	3,216
Specific projects	1,668	2,654	2,592
	92,642	97,078	101,366
Expenses (note 16):			
Instruction	48,543	45,205	52,864
Student and institutional support	26,885	28,637	25,210
Facilities operations, maintenance and infrastructure	6,998	7,480	8,620
Amortization	5,709	7,732	6,402
Ancillary services	2,839	2,579	3,156
Specific projects	1,668	3,356	3,910
	92,642	94,989	100,162
Surplus of revenue over expenses before endowment donations and matching grants		2,089	1,204
Endowment donations and matching grants		111	1,150
Annual surplus		2,200	2,354
Accumulated surplus, beginning of year	21,612	21,613	19,259
Accumulated surplus, end of year	\$ 21,612	\$ 23,813	\$ 21,613

See accompanying notes to financial statements.



Statement of Changes in Net Debt
(\$ in thousands)

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

	Budget (note 18)	Total 2026	Total 2025
Annual surplus	\$	\$ 2,200	\$ 2,354
Acquisition of tangible capital assets		(16,157)	(9,424)
Amortization of tangible capital assets	5,709	7,732	6,402
Disposal of tangible capital assets			76
	5,709	(8,425)	(2,946)
Endowment contributions		(525)	(1,514)
Change in remeasurement losses		855	777
Change in prepaid expense		255	(242)
		585	(979)
Increase (decrease) in net debt	5,709	(5,640)	(1,571)
Net debt, beginning of year	(109,414)	(109,413)	(107,843)
Net debt, end of year	\$ (103,705)	\$ (115,053)	\$ (109,414)

See accompanying notes to financial statements.



Statement of Cash Flows
(\$ in thousands)

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

	2026	2025
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 2,200	\$ 2,354
Items not involving cash:		
Amortization of tangible capital assets	7,732	6,402
Revenue recognized from deferred capital contributions	(6,271)	(4,952)
Loss (gain) on disposal of tangible capital assets	-	76
Changes in non-cash operating working capital:		
Accounts receivable	(2,093)	78
Inventories for resale	(108)	23
Prepaid expenses	256	(242)
Accounts payable and accrued liabilities	7,106	(6,509)
Accrued entitlement leave	(674)	(627)
Employee future benefits	(204)	(108)
Deferred contributions and revenue	(5,365)	4,173
Net change in cash from operating activities	2,579	668
Capital activities:		
Acquisition of tangible capital assets	(16,157)	(9,424)
Net change in cash from capital activities	(16,157)	(9,424)
Financing activities:		
Capital contributions received	16,774	9,289
Cash restricted for repayment of long-term debt	-	(1,029)
Net change in cash from financing activities	16,774	8,260
Investing activities:		
Purchase of investments, net	(3,293)	(2,503)
Endowments	(525)	(1,514)
Net change in cash from investing activities	(3,818)	(4,017)
Decrease in cash and cash equivalents	(622)	(4,513)
Cash and cash equivalents, beginning of year	25,430	29,943
Cash and cash equivalents, end of year	\$ 24,808	\$ 25,430

See accompanying notes to financial statements.



Statement of Remeasurement Gains and Losses
(\$ in thousands)

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

	2026	2025
Accumulated remeasurement gains, beginning of year	\$ 993	\$ 216
Unrealized gains generated during the year from:		
Pooled investments	855	777
	855	777
Accumulated remeasurement gains, end of year	\$ 1,848	\$ 993

1. Nature of operations:

College of New Caledonia (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 Province. 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:

The financial statements of the College are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the College are as follows:

(a) Basis of presentation:

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.

2. Significant accounting policies (continued):

(a) Basis of presentation (continued):

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.

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

- government transfers, which do not contain a stipulation that created 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 purpose or purposes specified in accordance with public sector accounting standard PS3100 Restricted Assets and Revenues; and
- deferred contributions met the liability criteria in accordance with PS3200 Liabilities.

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

2. Significant accounting policies (continued):

(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 assets.

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	5 - 70 years
Furniture, fixtures and equipment	5 - 30 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 the 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.

Contributed tangible 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 tangible capital assets from related parties are recorded at carrying value.

2. Significant accounting policies (continued):

(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 expenses as incurred.
- ii) Sick leave benefits are also available to certain College employees. The costs of these benefits is 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 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.
- iv) The cost of insured benefits reflected in these financial 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.

2. Significant accounting policies (continued):

(f) Revenue recognition:

Tuition and student fees 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, using the percentage of completion method. Provision for all anticipated losses is made in the period in which they become evident.

Revenue from unrestricted contributions, donations and grants is recognized when the Entity has the ability to claim or retain an inflow of economic resources and a past transaction or event giving rise to the asset has occurred.

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.

Investment income includes interest recorded on an accrual basis, realized gains and losses on the sale of investments, and write-down on investments where the loss in value is determined to be other than temporary.

2. Significant accounting policies (continued):

(g) Expenses:

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

(h) Financial instruments:

Financial instruments are classified into two categories: fair value or cost.

Fair value category: The College manages and reports performance for groups of financial assets on a fair-value basis. Cash and cash equivalents and investments are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets except for those related to restricted endowments and the research forest are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses. Unrealized gains and losses on endowment and research forest investment assets, where earnings are restricted as to the use, are recorded as deferred revenue and recognized in revenue when disposed or when the related expenses are incurred.

Cost category: Amounts receivable are measured at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt.

(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.

2. Significant accounting policies (continued):

(j) Use of estimates:

The preparation of the financial statements in accordance with Canadian public sector accounting standards 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 tangible capital assets, amortization of related deferred capital contributions, determination of employee future benefits, provisions for accounts receivable, asset retirement obligations, and contingencies.

Actual results could differ from these estimates. Where actual results differ from these estimates and assumptions, the impact is recorded in future periods when the differences become known.

(k) Asset retirement obligations:

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 recognition of a liability results in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is amortized in accordance with the amortization policies outlined in 2(c).

Notes to Financial Statements (continued)
(\$ in thousands)

Year ended March 31, 2026

2. Significant accounting policies (continued):

(l) Future accounting pronouncements:

These standards and amendments were not effective for the year ended March 31, 2026, and have therefore not been applied in preparing these financial statements. Management is currently assessing the impact of the following accounting standards updates on the future financial statements.

- i) Concepts Underlying Financial Performance. The revised conceptual framework will replace the existing conceptual framework, which consists of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives. The conceptual framework is to be adopted prospectively. This revised conceptual framework is effective for fiscal years beginning on or after April 1, 2026.
- ii) PS 1202, Financial Statement Presentation, will replace the current section PS 1201. The College is currently assessing the impact of this standard on the future financial statements. Prior period amounts would need to be restated to conform to the presentation requirements for comparative financial information. This standard is effective for fiscal years beginning on or after April 1, 2026.
- iii) PS 3251, Employee Benefits, will replace the current sections PS 3250 and PS 3255. The proposed section is currently undergoing discussions where further changes are expected as a result of the re-exposure comments. Effective date is currently not determined.

Notes to Financial Statements (continued)
(\$ in thousands)

Year ended March 31, 2026

3. Cash and cash equivalents:

Cash and cash equivalents includes 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 refundable on 3 days' notice.

4. Accounts receivable:

	2026	2025
Accruals	\$ 2,497	\$ 31
General	940	1,054
Students	261	374
Other	765	911
	4,463	2,370
Allowance for doubtful accounts	(149)	(149)
	\$ 4,314	\$ 2,221

Notes to Financial Statements (continued)
(\$ in thousands)

Year ended March 31, 2026

5. Investments:

Level 1 investments are recorded at fair value and are comprised of the following:

	2026	2025
Fixed income pooled - operating	\$ 11,177	\$ 11,823
Fixed income pooled - research forest	10,685	9,616
Canadian equities pooled - operating	2,915	2,633
Canadian equities pooled - research forest	6,306	6,655
International equities pooled - operating	4,023	2,170
International equities pooled - research forest	8,847	6,908
	\$ 43,953	\$ 39,805

The financial instruments measured at fair value held within each investment are classified according to a hierarchy which includes three levels, reflecting the reliability of the inputs involved in their fair value determination. The different levels are defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Year ended March 31, 2026

6. Accounts payable and accrued liabilities:

	2026	2025
Trade	\$ 4,027	\$ 3,030
Student deposits	615	1,712
Payroll	6,435	2,341
Accruals	2,692	427
Holdbacks	1,092	202
Other	1,071	1,114
	\$ 15,932	\$ 8,826

7. Employees future benefits:

(a) Employee future benefits:

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 completed in March 2026.

Notes to Financial Statements (continued)
(\$ in thousands)

Year ended March 31, 2026

7. Employees future benefits (continued):

(a) Employee future benefits (continued):

	2026	2025
Accrued benefit obligation:		
Balance, beginning of year	\$ 1,189	\$ 1,181
Current benefit cost, net	147	145
Benefits paid	(238)	(137)
Accrued benefit liability, end of year	1,098	1,189
Unamortized actuarial gain	702	815
Accrued benefit obligation, end of year	\$ 1,800	\$ 2,004

The components of the net benefit expense for this item are as follows:

	2026	2025
Projected service cost	\$ 116	\$ 118
Interest expense	51	55
Recognition of net actuarial gain	(20)	(28)
	\$ 147	\$ 145

Year ended March 31, 2026

7. Employees future benefits (continued):

(a) Employee future benefits (continued):

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

	2026	2025
Discount rates	4.80%	4.40%
Expected future inflation rates	2.50%	2.50%
Expected wage and salary increases	1.14%	1.14%

(b) Pension plans:

The College and its employees contribute to the College Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits provided 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 surplus and will be adjusted for the amortization of any unfunded actuarial liability.

7. Employees future benefits (continued):

(b) Pension plans (continued):

The most recent actuarial valuation for the College Pension Plan as at August 31, 2024, indicated a \$3.8 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 as at December 31, 2027.

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 the plans 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 \$4,759 (2025 – \$5,190) for employer contributions and \$4,631 (2025 - \$5,049) in employee contributions to the plans in fiscal 2026.

8. Deferred contributions:

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

	April 1, 2025	Receipts during year	Recognized to revenue	March 31, 2026
Ministry of Post-Secondary Education and Future Skills	\$ 8,660	\$ 2,256	\$ 5,928	\$ 4,988
Other Provincial ministries and corporations	1,221	1,008	886	1,343
Other	2,665	856	2,234	1,287
	\$ 12,546	\$ 4,120	\$ 9,048	\$ 7,618

Notes to Financial Statements (continued)
(\$ in thousands)

Year ended March 31, 2026

9. Deferred revenue:

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

	2026	2025
Research forest	\$ 27,818	\$ 26,954
Tuition fees	2,626	3,935
Other	407	399
	\$ 30,851	\$ 31,288

10. Deferred capital contributions:

Continuity of deferred capital contributions is as follows:

	April 1, 2025	Contributions received / transfers	Amortization of deferred capital contributions	March 31, 2026
Ministry of Post-Secondary Education and Future Skills	\$ 89,526	\$ 15,379	\$ 5,727	\$ 99,178
Federal contributions	17,523	352	377	17,498
Other contributions	1,865	-	167	1,698
Unspent contributions	2,474	1,043	-	3,517
	\$ 111,388	\$ 16,774	\$ 6,271	\$ 121,891



Notes to Financial Statements (continued)
(\$ in thousands)

Year ended March 31, 2026

11. Asset retirement obligations:

The College owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the buildings and there is a legal obligation to remove it. Following the adoption of PS 3280 - Asset Retirement Obligations, the College recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings in the amount of \$6,320.

Notes to Financial Statements (continued)
(\$ in thousands)

Year ended March 31, 2026

12. Endowments:

	2026	2025
Prescribed long-term securities	\$ 7,650	\$ 7,003
Prescribed short-term investments	576	610
Interest bearing bank account	402	349
Accounts receivable	50	-
Accounts payable and deferred revenue	(697)	(506)
	\$ 7,981	\$ 7,456

The College has established a permanent endowment fund to provide income from which scholarships and bursaries can be awarded to students at the College. The capital of the fund is provided partly from designated funds, partly through donations from third parties and partly by matching government or other grants; the capital cannot be used for any other purpose.

As at March 31, 2026, the College received \$111 (2025 - \$1,150) of external contributions and has internally transferred \$414 (2025 - \$364) to endowments.

Long-term securities are composed mainly of level 1 fixed income and equity investments. The market values for endowment fixed income securities is \$3,945 and equities \$3,705.

Not included elsewhere in these financial statements are investments with the Prince George Community Foundation with an estimated market value of \$655 (2025 - \$629) and the Vancouver Foundation with a market value of \$570 (2025 - \$573). These amounts are held in perpetuity by the stated Foundations and because they are not controlled by the College are not included as assets of the College. The College does receive payments from these investments based on investment earnings of the Foundations and reports this as income when declared. During the year, the College received \$88 (2025 - \$31) in interest income from these investments.

Notes to Financial Statements (continued)
(\$ in thousands)

Year ended March 31, 2026

13. Tangible capital assets:

		Land	Buildings	Furniture, fixtures, and equipment	2026
Cost					
Balance, beginning of year	\$	3,293	\$ 190,137	\$ 60,390	\$ 253,820
Additions			13,850	2,307	16,157
Balance, end of the year		3,293	203,987	62,697	269,977
Accumulated amortization:					
Balance, beginning of year		-	(82,746)	(47,387)	(130,133)
Amortization		-	(4,808)	(2,924)	(7,732)
Balance, end of year		-	(87,554)	(50,311)	(137,865)
Net book value, end of year	\$	3,293	\$ 116,433	\$ 12,386	\$ 132,112

Included in Buildings is \$10,175 of construction in progress. Construction in progress is not amortized until the assets are available for productive use.

Year ended March 31, 2026

13. Tangible capital assets (continued):

		Land	Buildings	Furniture, fixtures, and equipment	2025
Cost					
Balance, beginning of year	\$	3,293	\$ 184,103	\$ 57,151	\$ 244,547
Additions		-	6,034	3,390	9,424
Disposals		-	-	(151)	(151)
Balance, end of the year		3,293	190,137	60,390	253,820
Accumulated amortization:					
Balance, beginning of year		-	(78,929)	(44,877)	(123,806)
Amortization		-	(3,817)	(2,585)	(6,402)
Disposals		-	-	75	75
Balance, end of year		-	(82,746)	(47,387)	(130,133)
Net book value, end of year	\$	3,293	\$ 107,391	\$ 13,003	\$ 123,687

Included in Buildings is \$1,708 of construction in progress. Construction in progress is not amortized until the assets are available for productive use.

14. Accumulated surplus:

The components of accumulated surplus are as follows:

	2026	2025
Investment in tangible capital assets	\$ 7,418	\$ 8,453
Endowment funds	7,981	7,456
Internally restricted and unrestricted amounts	8,414	5,704
Accumulated remeasurement gains	1,848	993
	\$ 25,661	\$ 22,606



Notes to Financial Statements (continued)
(\$ in thousands)

Year ended March 31, 2026

15. 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. At March 31, 2026, there are claims outstanding and management has determined the outcome to be undeterminable and thus no accrual has been recorded. It is considered that the potential claims would not materially affect the College's financial statements and any amounts ultimately settled will be recorded in the period in which the claim is resolved.

16. Expenses by object:

The following is a summary of expenses by object:

	2026	2025
Salaries and benefits	\$ 71,276	\$ 73,229
Supplies and services	8,002	7,421
Contract and professional services	2,664	5,488
Cost of goods sold	1,237	1,427
Utilities	1,667	1,547
Facility infrastructure maintenance	501	2,477
Interest	-	116
Scholarships and bursaries	1,910	2,055
Amortization	7,732	6,402
	\$ 94,989	\$ 100,162

17. Financial risks management:

It is management's opinion that the College is not exposed to significant, currency, liquidity or credit risks arising from its financial instruments. The carrying value of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate fair value because of the short maturity of these instrument.

The fair value of the College's investments is impacted by changes in interest rates and changes in market prices. Risks related to the fund units is managed through the College's investment policy.

18. Budget data:

Budget figures have been provided for comparative purposes and have been derived from the budget approved by the Board of the College on April 25, 2025. The budget is reflected in the statement of operations and the statement of changes in net debt.

19. Related parties:

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

20. Contractual rights:

The College has entered into contracts or agreements in the normal course of operations that it expects will result in the realization of assets and revenues in future fiscal years. The College is the recipient of research grants from various federal, provincial and municipal funding agencies. These funding agreements do not abnormally impact the College's financial position and do not guarantee the College the right to future funding.

21. Comparative information:

Certain comparative figures have been reclassified, where applicable to conform to the presentation used in current year. The changes do not affect prior year annual surplus.