Consolidated Financial Statements of

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Year ended March 31, 2006

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Auditors' Report

To the Board Governors of
The George Brown College of Applied Arts and Technology

We have audited the consolidated statement of financial position of The George Brown College of Applied Arts and Technology as at March 31, 2006 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion these consolidated financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Toronto, Ontario
May 19, 2006 (except for Note 11 which is dated June 7th, 2006)

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Financial Position

March 31, 2006, with comparative figures for 2005

	2006	2005 (Restated - Note 2)
Assets		
Current assets:		
Cash and short-term investments	$ 26,226,993	$ 18,749,443
Grants receivable	6,787,146	9,490,757
Accounts receivable	5,606,642	6,793,679
Inventories	2,347,600	1,720,402
Prepaid expenses	1,015,752	966,334
	41,984,133	37,720,615
Deposits	38,675	37,500
Long-term Investments (note 4)	20,616,427	20,000,000
Capital assets (note 5)	135,037,509	124,176,935
	$ 197,676,744	$ 181,935,050
Liabilities, Deferred Contributions and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 23,477,337	$ 22,290,234
Deferred revenue	17,090,882	14,683,742
Current portion of obligations under capital leases (note 9)	1,379,519	1,310,798
	41,947,738	38,284,774
Long-term liabilities:		
Sick leave and termination gratuities liability (note 6)	4,425,586	4,914,731
Employee future benefits (note 7)	1,524,000	3,772,000
Obligations under capital leases (note 9)	943,707	1,139,262
	6,893,293	9,825,993
Deferred contributions:		
Expenses of future periods (note 10(a))	2,349,840	2,180,952
Capital assets (note 10(b))	90,757,064	92,438,052
	93,106,904	94,619,004
Net assets:		
Unrestricted:		
Operating	5,157,247	2,900,246
Employee future benefits	(1,524,000)	(3,772,000)
Vacation pay	(7,579,453)	(7,506,884)
Vested sick leave benefits	(4,300,000)	(4,753,000)
	(8,246,206)	(13,131,638)
Internally restricted (note 11)	12,200,000	9,200,000
Investment in capital assets (note 12)	47,767,000	39,686,805
Restricted for endowments (note 15)	4,008,015	3,450,112
	55,728,809	39,205,279
Commitments and contingent liabilities (note 13)		
	$ 197,676,744	$ 181,935,050

Approved on behalf of the Board of Governors:

_______________ Chair

_______________ President

See accompanying notes to financial statements.

THE GEORGE BROWN COLLEGE
OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Operations

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
		(Restated - Note 2)
Revenue: (Schedule 1)		
Grants and reimbursements	$ 78,651,929	$ 68,313,972
Student fees	64,470,279	60,057,972
Ancillary	9,884,197	8,947,711
Other	16,469,191	13,828,432
Amortization of deferred contributions related to (note 9):		
Capital assets	5,149,352	4,496,803
Expenses of future periods	5,178,431	4,983,653
	179,803,379	160,628,543
Expenditures:		
Academic (Schedule 2)	93,273,031	88,884,083
Student Services (Schedule 3)	18,214,902	18,802,402
Administrative (Schedule 4)	14,696,295	11,303,846
Property and Plant (Schedule 5)	9,884,450	9,186,638
Supplementary (Schedule 6)	2,699,458	2,744,321
Ancillary (Schedule 7)	9,680,619	8,642,224
Scholarships, bursaries and grants	5,178,431	4,983,653
Amortization of capital assets	10,210,566	8,928,914
	163,837,752	153,476,081
Excess of revenue over expenditures	$ 15,965,627	$ 7,152,462

See accompanying notes to financial statements.

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2006, with comparative figures for 2005

	2006					2005
	Invested in capital assets (Note 12)	Restricted for endowments (Note 15)	Unrestricted	Internally Restricted	Total	Total (Restated - Note 2)
Balance, beginning of year						
As previously reported	$ 39,686,805	$ 3,450,112	$ (9,732,638)	$ 9,200,000	$ 42,604,279	$ 34,802,875
Change in accounting policy (Note 2)	-	-	(3,399,000)	-	(3,399,000)	(3,212,000)
As restated	39,686,805	3,450,112	(13,131,638)	9,200,000	39,205,279	31,590,875
Excess of revenue over expenditures (Note 12(b))	(5,061,214)	-	21,026,841	-	15,965,627	7,152,462
Endowment contributions	-	557,903	-	-	557,903	461,942
Net change in investment in capital assets (Note 12(b))	13,141,409	-	(13,141,409)	-	-	-
Internally imposed restrictions (Note 11)	-	-	(3,000,000)	3,000,000	-	-
Balance, end of year	$ 47,767,000	$ 4,008,015	$ (8,246,206)	$ 12,200,000	$ 55,728,809	$ 39,205,279

See accompanying notes to financial statements.

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Cash Flows

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005 (Restated - Note 2)
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenditures	$ 15,965,627	$ 7,152,462
Items not involving cash:		
Amortization of capital assets	10,210,566	8,928,914
Amortization of deferred contributions related to capital assets	(5,149,352)	(4,496,803)
Amortization of deferred contributions related to expenses of future periods	(5,178,431)	(4,983,653)
Change in non-cash operating working capital (Note A)	6,808,275	(7,432,555)
(Decrease)/Increase in employee future benefits	(2,248,000)	202,000
(Decrease/Increase in sick leave and termination gratuities liability	(489,145)	3,853
	19,919,540	(625,782)
Financing activities:		
Endowment contributions	557,903	461,942
Deferred contributions received related to capital assets	3,468,364	11,217,977
Deferred contributions received related to expenses of future periods	5,347,319	4,944,325
Principal payments under capital leases	(1,606,313)	(1,181,539)
	7,767,273	15,442,705
Investing activities:		
Purchase of capital assets	(19,591,661)	(11,152,851)
Purchase of long term investment	(616,427)	(20,000,000)
Deposits	(1,175)	-
	(20,209,263)	(31,152,851)
Increase in cash and short-term investments	7,477,550	(16,335,928)
Cash and short-term investments, beginning of year	18,749,443	35,085,371
Cash and short-term investments, end of year	$ 26,226,993	$ 18,749,443
Supplementary information:		
Interest paid	$ 84,389	$ 49,164
Non-Cash Transactions:		
Capital assets financed by capital leases	$ 1,479,479	$ 2,132,662

Note A:
The net change in non-cash working capital balances related to operations consists of the following:

	2006	2005
Grants receivable	$ 2,703,611	$ (5,084,032)
Accounts receivable	1,187,037	(2,279,699)
Inventories	(627,198)	4,227
Prepaid expenses	(49,418)	297,813
Accounts payable and accrued liabilities	1,187,103	84,315
Deferred revenue	2,407,140	(455,179)
	$ 6,808,275	$ (7,432,555)

See accompanying notes to financial statements.

The George Brown College of Applied Arts and Technology (the "College") was established as a community college in 1967 under The Department of Education Act of the Province of Ontario. The College is dedicated to providing post-secondary and vocationally-oriented education. The College is a registered charity and is exempt from income taxes under the Income Tax Act, provided the specified disbursements quota is achieved. The College's consolidated financial statements include the College's 50% interest in the GBSP Centre Corp. joint venture.

1. Significant accounting policies:

(a) Basis of accounting:

These consolidated financial statements are the representation of management and have been prepared in accordance with Canadian generally accepted accounting standards for not-for-profit organizations, using the deferral method of accounting for restricted contributions. Canadian generally accepted accounting principles require management to make estimates and assumptions that affect the amounts reported in the financial statements and the disclosure in the notes thereto. Actual results could differ from those estimates.

(b) Revenue recognition:

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

Operating grants are recorded as revenue in the period to which they relate. Grants earned but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

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

Externally restricted contributions, other than endowment contributions, are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Endowment contributions are recognized as direct increases in endowment net assets.

Restricted income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted income is recognized as revenue when earned.

Tuition fees are deferred to the extent that the related courses extend beyond the fiscal year of the College.

Other operating revenues are deferred to the extent that related services provided, or goods sold, are rendered/delivered subsequent to the end of the College's fiscal year.

1. Significant accounting policies (continued):

(c) Short-term investments:

Short-term investments consist of highly liquid investments having terms to maturity on acquisition of between three months to one year.

(d) Inventories:

Inventories other than books are valued at the lower of cost, (determined on the first-in first-out basis) and net realizable value. Books are valued at the lower of cost and net realizable value using the retail inventory method.

(e) Long Term Investments:

Investments are recorded at cost, except if the market value of investments becomes lower than cost and this decline is considered to be other than temporary, then investments are written down to their respective market values.

(f) Investment in Joint Venture:

The investment in the 50% owned joint venture “GBSP Centre Corp.” is accounted for using the proportionate consolidation method.

(g) Capital assets:

(i) Title to land, buildings, furniture and equipment and other capital assets occupied and used by predecessor institutions was transferred to the College at nominal value. If these assets are not used by the College for educational purposes, the Province of Ontario has the right to repurchase the assets at the nominal value.

1. Significant accounting policies (continued):

(g) Capital assets (continued):

(ii) Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution when fair value is reasonably determinable. Otherwise contributed assets are recorded at a nominal amount. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which has been determined as follows:

Buildings and improvements	40 years
Buildings under capital lease	49 years
Leasehold Improvements	20 years
Equipment	5 years
Other assets	5 years
Equipment under capital lease	3 years
Computer equipment	3 years
Automotive equipment	5 years

(iii) Assets under capital leases.

The College leases building and equipment on terms which transfer substantially all the benefits and risks of ownership to the College. These leases have been accounted for as a “capital lease” as though an asset had been purchased and a liability incurred.

(h) Employee Future Benefits

The College recognizes employee future benefits (health, dental, life insurance, sick leave and other retirement obligations) as they are earned during the employee’s tenure of service.

(i) Student Organization

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

1. Significant accounting policies (continued):

(j) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the year. The most significant items subject to management estimation are the allowance for doubtful accounts and accruals for sick leave gratuities, faculty retroactive salaries and union grievances. Actual results could differ from those estimates.

2. Change in accounting policy:

In past years the College had recorded post-secondary tuition revenue in the fiscal year in which the related program began. Effective for the fiscal year ended March 31, 2006, the College has adopted the policy of recognizing tuition revenue in the fiscal year in which it was earned through the provision of service. This change in accounting policy, which was adopted effective April 1, 2005 has been applied retroactively and comparative figures for the year ended March 31, 2005 have been restated to reflect this change.

As a result, deferred revenue decreased by $385,000 (2005 – increased by $187,000), student fees increased by $385,500 (2005 – decreased by $187,000), and unrestricted net assets decreased by $3,212,000 at April 1, 2004.

3. GBSP Centre Corp.:

Pursuant to a Joint Venture Agreement dated February 12, 2004 the college has a 50% interest in GBSP Centre Corp., a joint venture corporation providing facilities for education and instruction in theatre, dance, music and the related arts. The joint venture has a December 31 year end.

The proportional share of the joint venture from April 1, 2005 to December 31, 2005 as well as significant financial joint venture activity to March 31, 2006 has been included in these financial statements. Construction of the facility was substantially completed as at December 31, 2005 and operating activities commenced as of January 1, 2006.

3. GBSP Centre Corp. (continued):

The College's interest in the joint venture is summarized below:

	2006	2005
Current Assets	$ 1,051,314	$ 1,094,598
Capital Assets	$ 7,149,000	$ 2,983,283
Current Liabilities	$ (550,000)	$ (581,087)
Deferred Contributions	$ (2,175,000)	$ (945,000)
Net Assets	$ 5,475,314	$ 2,551,794
Revenue	$ 90,000	$ -
Expenditures	(574,000)	-
Deficiency of revenue over expenditures	$ (484,000)	$ -
Cash flows used in operating activities	$ (111,000)	$ -
Cash flows related to change in working capital during pre-operating period	799,548	(476,011)
Cash flows provided by financing activities	1,230,000	945,000
Cash flows used in investing activities	(4,538,717)	(2,574,786)
Net cash flows	$ (2,620,169)	$ (2,105,797)

4. Long term investments:

Long Term Investments, comprised mainly of a bond portfolio, are held with the College's investment management firm. As at March 31, 2006 the market value of the long term investments was $20,420,088 (2005 - $19,993,000).

5. Capital assets:

			2006	2005
	Cost	Accumulated amortization	Net Book value	Net Book value
Land	$ 2,324,224	$ -	$ 2,324,224	$ 2,324,224
Artwork	157,995	-	157,995	157,995
Building and improvements	157,761,413	50,577,369	107,184,044	101,273,872
Construction in progress	-	-	-	2,983,284
Leasehold Improvements	7,522,000	373,970	7,148,030	-
Assets under capital leases				
Equipment	7,269,217	4,945,970	2,323,247	2,450,080
Building	10,109,970	817,677	9,292,293	9,498,788
Equipment	31,414,710	26,444,847	4,969,863	3,337,902
Computer equipment	12,765,378	11,183,907	1,581,471	2,002,365
Automotive	55,015	22,006	33,009	44,012
Other assets	1,108,179	1,084,846	23,333	104,413
	$ 230,488,101	$ 95,450,592	$ 135,037,509	$ 124,176,935

6. Sick leave and termination gratuities:

The College is liable to pay 50% of certain employees' accumulated sick leave credits on termination or retirement after ten years' service, to a maximum of six months' salary. Included in the sick leave and termination gratuities liability is $125,586 (2005 - $161,731) relating to accumulated sick leave credits earned for pre-College service. The related benefit liability at March 31, 2006 of $4,425,586 (2005 - $4,914,731) was determined by management based on estimated future salary increases using a discount rate of 5.25%.

7. Employee future benefits:

Employee future benefits include health, dental and life insurance benefits that are provided to early retirees, future retirees, and employees currently on long-term disability. The related benefit liability at March 31, 2006 of $1,524,000 (2005 - $3,772,000) was determined by actuarial valuation as at March 31, 2006 using a discount rate of 5.0%.

Effective September 1, 2005, the plan provisions changed with the cost of the early retiree benefits (extended health, dental care and life insurance provided to age to age 65) no longer being subsidized by the college. The College's liability was reduced as a result of this plan curtailment. This gain was recognized in the financial statements as there were no unamortized losses to offset on the date of the curtailment.

Information about the College's employee future benefits is as follows:

	2006	2005
Balance, beginning of year	$ 3,772,000	$ 3,570,000
Current service cost	134,000	242,000
Interest	94,000	162,000
Curtailment gain	(2,283,000)	-
Benefits paid	(193,000)	(202,000)
Balance, end of year	$ 1,524,000	$ 3,772,000

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

(a) Hospital:

Hospital costs were assumed to increase at 5% for 2006 and thereafter.

(b) Drugs:

Drug costs were assumed to increase at 9% for 2006, grading down to 5% in 2010.

(c) Other Medical:

Other medical costs were assumed to increase at 5% for 2006 and thereafter.

(d) Dental Costs:

Dental costs were assumed to increase at 4% for 2006 and thereafter.

8. Pension plan costs:

A majority of the College's employees are enrolled in a multi-employer pension plan for employees of Ontario Colleges of Applied Arts and Technology. The plan is a defined benefits plan which specifies the amount of the retirement benefits to be received by the employees based on the length of service and rates of pay. Based on the latest actuarial report as at December 31, 2003, the plan has no unfunded liability. Contributions by the College on account of current service pension costs amounted to $4,718,000 (2005 - $4,803,000).

9. Obligations under leases:

The College is committed to lease payments for its leased premises and equipment under various operating and capital leases, until 2009. Future minimum annual lease payments are as follows:

	Capital Equipment leases	Operating leases
Year ending March 31:		
2007	$ 1,500,649	$ 679,893
2008	873,203	-
2009	202,839	-
Total minimum lease payments	2,576,691	$ 679,893
Less amount representing interest (at an average rate of 7.5%)	(253,465)	
Present value of net minimum capital lease payments	2,323,226	
Less current portion of obligations	(1,379,519)	
Long-term portion	$ 943,707	

Interest on capital leases amounted to $84,389 (2005 - $49,164).

During a prior year, the College entered into an agreement, as part of the Ontario Government Superbuild Program, with Ryerson University to lease additional premises at the Sally Horsfall Easton Centre for a term of forty nine years, with related total capital lease payments over the lease period estimated at $9,966,037. These capital lease payments were paid as at March 31, 2003, from SuperBuild funding, fundraising and College funds. As a result, there is no related obligation under capital lease.

10. Deferred contributions:

(a) Expenses of future periods:

Deferred contributions related to expenses of future periods represent unspent restricted grants and donations for bursary and other purposes.

	2006	2005
Balance, beginning of year	$ 2,180,952	$ 2,220,280
Less amount recognized as revenue	(5,178,431)	(4,983,653)
Add amount received related to future periods	5,347,319	4,944,325
Balance, end of year	$ 2,349,840	$ 2,180,952

(b) Capital assets:

Deferred capital contributions related to capital assets represent the unamortized amount of grants and other contributions received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2006	2005
Balance, beginning of year	$ 92,438,052	$ 85,716,878
Contributions received	3,468,364	11,217,977
Less amounts amortized to revenue	(5,149,352)	(4,496,803)
Balance, end of year	$ 90,757,064	$ 92,438,052

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

	2006	2005
Unamortized capital contributions used		
to purchase capital assets	$ 77,279,100	$ 74,172,461
to finance building under capital lease	7,668,183	7,867,607
Unspent contributions	5,809,781	10,397,984
	$ 90,757,064	$ 92,438,052

11. Internally imposed restrictions:

The Board of Governors, on June 7, 2006, approved the transfer of $3,000,000 unrestricted funds to internally restricted funds for strategic initiatives.

Internally restricted funds are comprised of:

	2006	2005
Strategic initiatives	$ 10,800,000	$ 7,800,000
Capital projects	900,000	900,000
Fundraising initiatives	500,000	500,000
	$ 12,200,000	$ 9,200,000

12. Investment in capital assets:

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

	2006	2005
Capital assets	$ 135,037,509	$ 124,176,935
Amounts financed by:		
Deferred contributions	(84,947,283)	(82,040,070)
Capital leases	(2,323,226)	(2,450,060)
	$ 47,767,000	$ 39,686,805

12. Investment in capital assets (continued):

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

	2006	2005
Deficiency of revenue over expenditures:		
Amortization of deferred contributions related to capital assets	$ 5,149,352	$ 4,496,803
Less amortization of capital assets	(10,210,566)	(8,928,914)
	$ (5,061,214)	$ (4,432,111)
Net change in investment in capital assets:		
Net purchase of capital assets	$ 21,071,143	$ 13,285,515
Amounts funded by:		
Deferred contributions	(8,056,568)	(5,239,652)
Capital leases liability	(1,479,479)	(2,132,664)
Repayment of capital leases	1,606,313	1,181,539
	$ 13,141,409	$ 7,094,738

13. Commitments and contingent liabilities:

(a) Litigation:

The College has been named as a defendant in certain litigation alleging actual and punitive damages. However, it is management's belief that the ultimate outcome will not materially affect the College's financial position. Settlement, if any, will be accounted for during the period of resolution.

(b) Loan Guarantee for Casa Loma Student Centre:

The College has guaranteed a non-revolving term credit facility of $4 million for the Student Association of George Brown College to finance construction of a 24,000 square foot Student Center. During the year, this loan obligation has been assumed by the Student Association.

13. Commitments and contingent liabilities (continued):

(c) Effective December 31, 2003, the College entered into a lease agreement in connection with its joint venture (note 2) to lease certain facilities for an initial term of twenty (20) years, with an option to extend the lease for five (5) successive terms of twenty years each. During the period from the lease commencement date to August 31, 2014, annual lease payments under this agreement are $155,000 per annum for “grade level facilities” and $2 per square foot for “above grade premises”. Rent escalation is tied to CPI and is provided for during the period September 1, 2014 to February 29, 2024. Subsequent to the year end, an amended joint venture agreement was signed by the College to assign this lease to GBSP Centre Corporation.

(d) Letter of Credit

During the year, the College has issued a letter of credit on behalf of the Student Association for $400,000 to provide the Toronto Transit Commission (TTC) a guarantee of the obligations of the Student Association pursuant to the TTC agreement.

14. Financial instruments:

The carrying values of cash and short-term investments, grants receivable, accounts receivable, accounts payable and accrued liabilities, approximate their fair values due to the relatively short periods to maturity of these instruments. The fair values of obligations under capital leases approximate their carrying values, as the interest rates on these obligations are similar to those currently available to the College.

15. Restricted for endowments:

Net assets restricted for endowments includes monies provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund (“OSOTF”) and the Ontario Trust for Student Support (“OTSS”) matching programs to award student aid as a result of raising an equal amount of endowed donations.

Included in the amount “restricted for endowments” are OSOTF trust funds in the amount of $3,109,034 (2005 - $3,043,821), and OTSS trust funds of $391,413 (2005 - $Nil).

16. Related party transactions:

(a) Related Entity

The George Brown College Foundation (the "Foundation"), an organization in which the College has an economic interest, is incorporated under the Corporations Act (Ontario) and is a registered charity under the Income Tax Act. Its purpose is to raise and administer funds for the benefit of the College, as well as for charitable purposes, including the advancement of education, within Canada.

During the year ended March 31, 2006, the Foundation provided $5,200 (2005 - $271,705) directly to the College to support of various projects, capital initiatives and award funds held by the College. In addition, the Foundation distributed $133,250 (2005 - $45,530) to the College's students through bursaries/scholarships.

The Foundation's primary goal is to raise funds for the College's capital initiatives and programs and for student awards. The College provided the Foundation with financial support during the year ended March 31, 2006 of $215,000 (2005 - $150,000) for operations and $200,000 for fundraising project start up expenses.

(b) Student Association Centre

Pursuant to an agreement dated in 2001, the College leases a portion of its facilities to the student body for use as a student centre. The agreement is for a term of 49 years with nominal rental to be paid at $1.00 per year.

17. Guarantees:

In the normal course of business, the College enters into agreements that meet the definition of a guarantee. The College's primary guarantees subject to the disclosure requirements of AcG-14 are as follows:

(a) The College has provided indemnities under lease agreements for the use of various operating facilities. Under the terms of these agreements the College agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits, and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.

(b) Indemnity has been provided to all directors and or officers of the College for various items including, but not limited to, all costs to settle suits or actions due to association with the College, subject to certain restrictions. The College has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a trustee, director or officer of the College. The maximum amount of any potential future payment cannot be reasonably estimated.

(c) In the normal course of business, the College has entered into agreements that include indemnities in favour of third parties, such as student work placement agreements. These indemnification agreements may require the College to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the College from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the College has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the statement of financial position with respect to these agreements.

THE GEORGE BROWN COLLEGE
OF APPLIED ARTS AND TECHNOLOGY

Schedule 1 - Analysis of Revenue

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005 (Restated - Note 2)
Grants and reimbursements:		
Operating	$ 67,276,399	$ 57,719,460
Canadian Job Strategies	81,450	137,535
Apprentice training	4,546,058	4,390,352
Ontario Training Strategy	2,169,765	2,209,599
Deaf and hard of hearing	2,385,446	1,854,459
M.T.C.U. rental grants	259,054	259,054
Termination gratuities	517,291	279,751
Ministry of Health	512,041	547,430
Municipal tax levy	904,425	847,500
Ontario Hostelry Institute	-	68,832
	78,651,929	68,313,972
Student fees:		
Full-time	47,642,421	44,969,179
Part-time	12,733,264	11,451,009
Adult training - short program	3,401,736	2,843,335
Apprenticeship	692,858	794,449
	64,470,279	60,057,972
Ancillary:		
Bookstore and press sales	8,474,219	7,582,033
Hospitality sales	467,170	552,921
Parking lot fees	471,501	485,224
Commission on cafeteria sales	220,534	278,350
Fashion sales	250,773	49,183
	9,884,197	8,947,711
Other:		
Daycare	4,914,780	4,579,269
Special Projects	7,124,470	5,460,057
Miscellaneous	3,142,008	3,092,297
Interest income	1,287,933	696,809
	16,469,191	13,828,432
Amortization of deferred contributions:		
Capital assets	5,149,352	4,496,803
Expenses of future periods	5,178,431	4,983,653
	10,327,783	9,480,456
	$ 179,803,379	$ 160,628,543

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Schedule 2 - Analysis of Academic Expenditures

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Salaries:		
Administrative	$ 5,932,987	$ 5,484,083
Faculty	44,434,885	43,309,794
Support	12,603,664	11,535,017
Benefits	8,780,399	9,728,575
	71,751,935	70,057,469
Contracted services:		
Educational	606,273	602,617
Other	235,927	279,033
Equipment maintenance	447,010	365,007
Fieldwork	45,374	48,865
Furniture and equipment rental	223,840	354,685
Instructional supplies	6,874,961	6,313,115
Office supplies and services	1,207,906	979,916
Outside services	6,514,418	5,710,697
Professional development	220,505	291,925
Professional fees	3,265,004	2,776,220
Promotion and public relations	1,350,775	692,565
Telephone	25,052	20,520
Travel and conference	504,051	391,451
	$ 93,273,031	$ 88,884,083

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Schedule 3 - Analysis of Student Services Expenditures

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Salaries:		
Administrative	$ 1,779,138	$ 1,832,976
Faculty	1,173,398	1,131,607
Support	6,976,483	6,910,456
Benefits	1,571,299	1,784,274
	11,500,318	11,659,313
Equipment maintenance	189,384	307,626
Furniture and equipment rental	422,184	772,007
Library books and supplies	858,481	304,201
Office supplies and services	1,147,901	1,051,609
Outside services	1,498,739	2,382,952
Professional development	98,027	79,572
Professional fees	1,093,779	872,895
Promotion and public relations	1,378,948	1,333,080
Travel	27,141	39,147
	$ 18,214,902	$ 18,802,402

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Schedule 4 - Analysis of Administrative Expenditures

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Salaries:		
Administrative	$ 3,593,801	$ 3,441,810
Support	2,278,895	1,599,513
Benefits	905,915	997,857
	6,778,611	6,039,180
Equipment maintenance	79,765	33,093
Furniture and equipment rental	108,731	117,762
Insurance	319,997	340,511
Interest and bank charges	999,555	881,711
Office supplies and services	442,310	359,605
Outside services	2,045,294	1,307,155
Professional development	131,175	130,698
Professional fees	1,205,532	1,130,598
Promotion and public relations	1,569,858	219,683
Provision for doubtful accounts	405,123	250,044
Telephone	492,179	398,980
Travel	118,165	94,826
	$ 14,696,295	$ 11,303,846

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Schedule 5 - Analysis of Property and Plant Expenditures

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Salaries:		
Administrative	$ 318,306	$ 410,995
Support	1,591,919	1,447,372
Benefits	352,438	394,404
	2,262,663	2,252,771
Contracted services:		
Cleaning services	1,276,594	1,194,333
Security services	543,587	450,038
Electricity	2,179,600	2,082,997
Maintenance:		
Buildings	502,374	468,232
Building equipment	456,579	483,391
Grounds	15,700	16,519
Office supplies and services	232,469	229,357
Outside services	458,018	383,942
Oil and gas	851,147	812,322
Professional development	3,843	3,347
Refuse removal	174,678	120,107
Rental:		
Furniture and equipment	15,915	13,985
Premises	750,379	522,295
Travel	1,965	3,764
Vehicles	1,470	7,543
Water	157,469	141,695
	$ 9,884,450	$ 9,186,638

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Schedule 6 - Analysis of Supplementary Expenditures

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Salaries:		
Administrative	$ 157,788	$ 162,410
Faculty	1,143,168	1,090,205
Support	179,200	165,415
Benefits	213,294	253,158
	1,693,450	1,671,188
Instructional supplies	16,461	58,240
Municipal tax levy	904,425	847,500
Office supplies and services	10,543	20,910
Outside services	25,628	101,182
Literary Basic Skills training allowances	44,631	41,231
Professional fees	4,320	4,070
	$ 2,699,458	$ 2,744,321

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Schedule 7 - Analysis of Ancillary Expenditures

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Salaries:		
Administrative	$ 91,027	$ 80,864
Support	1,110,265	998,410
Benefits	178,018	191,869
	1,379,310	1,271,143
Bookstore - cost of goods sold	6,920,656	6,000,284
Contracted services	75,055	36,047
Equipment maintenance	51,331	52,623
Hospitality - food and supplies	334,846	364,575
Office supplies and services	314,179	231,671
Outside services	382,292	467,737
Rent - parking lots	189,230	184,021
Travel	33,720	34,123
	$ 9,680,619	$ 8,642,224