



Photo by Salina Kassam Photography



The George Brown College of Applied Arts and Technology

FINANCIAL STATEMENTS

For the Year Ended March 31st, 2025

TABLE OF CONTENTS

Management's Responsibility for Financial Reporting	2
Independent Auditor's Report	3

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position.....	5
Consolidated Statement of Operations	6
Consolidated Statement of Changes in Net Assets	7
Consolidated Statement of Cash Flows	8
Consolidated Statement of Remeasurement Gains and Losses	9
Notes to the Consolidated Financial Statements.....	10 - 32

Management's Responsibility for Financial Reporting

The consolidated financial statements of The George Brown College of Applied Arts and Technology (the "College") are the responsibility of management and have been approved by the Board of Governors.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPOs"). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

The College maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the College's assets are appropriately accounted for and adequately safeguarded.

The College's liabilities have been reviewed by management. There are no material liabilities in either fact or contingency as at the date of this report that have been omitted from these consolidated financial statements.

The Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board of Governors and meets regularly with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the financial statements and the external auditor's report. The Committee reports its findings to the Board for consideration when approving the financial statements. The Committee also considers, for review and approval by the Board, the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP, the external auditors, in accordance with Canadian generally accepted auditing standards. BDO Canada LLP has full and free access to the Audit Committee.



President



**Senior Vice-President,
Institutional Planning &
Chief Financial Officer**

June 4, 2025

Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of the George Brown College of Applied Arts and Technology and its subsidiaries (the "College"), which comprise the consolidated statements of financial position as at March 31, 2025, and the consolidated statements of operations, changes in net assets, cash flows and remeasurement gains and losses for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2025, and the consolidated results of its operations, its consolidated cash flows and its consolidated remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the College's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these consolidated financial statements.

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the College as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision, and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We 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.

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
REPORT DATE

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in thousands of dollars)

Assets	March 31, 2025	March 31, 2024
Cash (Note 2)	\$73,149	\$43,420
Short-term investments (Notes 2 & 3 (a))	82,227	170,036
Grants receivable	3,546	2,826
Accounts receivable	37,702	44,185
Inventories	1,287	1,278
Prepaid expenses	6,810	4,987
	204,721	266,733
Deposits	542	5,549
Investment in GBSP Centre Corp. (Note 4)	5,505	5,523
Investment in HGBC LP (Note 5)	40,364	-
Long-term investments (Notes 3 (b) & 16)	17,213	15,929
Capital assets (Note 7)	681,249	609,863
	\$949,592	\$903,598
Liabilities and Net Assets		
Accounts payable and accrued liabilities	\$105,348	\$112,410
Vacation payable	15,542	14,626
Current portion of long-term debt (Note 9)	2,163	2,062
Deferred revenue (Note 8 (a))	54,778	83,317
Deferred contributions - expenses of future periods (Note 12 (a))	21,290	20,869
	199,122	233,284
Post employment benefits and compensated absences (Note 10)	8,880	8,211
Long-term debt (Note 9)	104,362	56,451
Deferred revenue (Note 8 (b))	3,683	3,725
	116,925	68,386
Asset retirement obligations (Note 23)	7,206	6,516
Deferred contributions - other (Note 12(b))	19,500	-
Deferred contributions - capital assets (Note 12 (c))	242,321	239,608
	385,952	314,510
	\$585,073	\$547,794
Net Assets		
Operating	\$20	\$20
Post employment benefits and compensated absences (Note 10)	(8,880)	(8,211)
Vacation pay	(15,542)	(14,626)
Unrestricted	(24,402)	(22,817)
Internally restricted (Note 13)	34,189	41,563
Investment in capital assets (Note 14)	337,301	322,474
Restricted for endowments (Note 16)	16,285	14,893
	363,373	356,112
Accumulated remeasurement gains (losses)	1,147	(309)
	364,519	355,803
	\$949,592	\$903,598

On behalf of the Board:



Chair



President

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
CONSOLIDATED STATEMENT OF OPERATIONS
(Expressed in thousands of dollars)

For the year ended March 31,

Revenue	2025	2024
Tuition and other student fees (Note 25)	\$293,095	\$299,266
Grants and reimbursements	150,611	142,901
Ancillary	21,226	18,811
Rental (Note 6)	23,008	-
Other (Note 5)	19,387	25,535
Amortization of deferred contributions (Note 12(b), 12(c))	10,657	9,790
Total revenue	517,985	496,304
Expenses		
Salaries and benefits	307,790	290,132
Services	50,885	56,642
Rental, utilities and maintenance (Note 11)	65,904	43,562
Amortization of capital assets	27,301	25,038
Supplies and minor equipment	22,728	24,906
Other expenses (Note 4)	13,965	18,218
Ancillary (other than salaries and benefits)	13,679	12,341
Scholarships, bursaries and grants	9,865	6,100
Total expenses	512,117	476,938
Excess of revenue over expenses for the year	\$5,868	\$19,366

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
(Expressed in thousands of dollars)

March 31, 2025

Balance	Unrestricted	Internally Restricted	Investment in Capital Assets	Restricted for Endowments	Total
Balance, beginning of year	\$(22,817)	\$41,563	\$322,474	\$14,893	\$356,112
Excess (deficiency) of revenue over expenses	23,012	—	(17,144)	—	5,868
Capital assets additions financed by college funds	(31,971)	—	31,971	—	—
Restricted endowments (Note 16)	—	—	—	1,392	1,392
Internally imposed restrictions (Note 13)	7,374	(7,374)	—	—	—
Balance, end of year	\$(24,402)	\$ 34,189	\$337,301	\$16,285	\$363,373

March 31, 2024

Balance	Unrestricted	Internally Restricted	Investment in Capital Assets	Restricted for Endowments	Total
Balance, beginning of year	\$(21,781)	\$77,093	\$266,545	\$13,556	\$335,413
Excess (deficiency) of revenue over expenses	34,613	—	(15,247)	—	19,366
Capital assets additions financed by college funds	(71,178)	—	71,178	—	—
Restricted endowments (Note 16)	—	—	—	1,337	1,337
Internally imposed restrictions (Note 13)	35,530	(35,530)	—	—	—
Balance, end of year	\$(22,817)	\$ 41,563	\$322,474	\$14,893	\$356,112

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in thousands of dollars)

For the year ended March 31,

Cash provided by (used in)

Operating Activities	2025	2024
Excess of revenue over expenses for the year	\$5,868	\$19,366
Adjustments required to reconcile excess of revenue over expenses with net cash provided by operating activities.		
Amortization of capital assets	27,301	25,038
Accretion expense (Note 23)	305	310
Amortization of deferred contributions related to capital assets	(10,657)	(9,790)
Change in non-cash operating working capital (Note 18)	(30,372)	9,768
Accrual for post-employment benefits and compensated absences	669	(267)
Equity income from HGBC LP	(364)	—
Change in interest in GBSP Centre Corp (Note 4)	18	(31)
Total Operating Activities	(7,232)	44,394
Investing Activities		
Net change in long-term investment	(1,284)	(1,707)
Equity investment in HGBC LP	(40,000)	—
Deferred contribution - Corus Building (Note 12(b))	20,000	—
Change in short-term investments - net	87,809	49,550
Change in long-term endowment investments - net assets	1,392	1,337
Change in accumulated remeasurement losses	1,455	(103)
Change in deposits	5,007	(5,008)
Total Investing Activities	74,379	44,069
Financing Activity		
Repayment of long-term debt	(2,063)	(1,957)
Proceeds from long-term debt (Note 9)	50,075	-
	48,012	-
Capital Activities		
Deferred contributions received related to capital assets	12,871	12,085
Additions to capital assets	(98,687)	(79,255)
ARO revaluation/additions (Note 23)	424	--
ARO Settlement (Note 23)	(39)	(128)
Total Capital Activities	(85,430)	(67,298)
Cash		
Increase (decrease) in cash during the year	29,728	19,207
Cash, beginning of year	43,420	24,213
Cash, end of year	\$73,149	\$43,420

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
(Expressed in thousands of dollars)

For the year ended March 31,

Gains and Losses	2025	2024
Accumulated remeasurement losses, beginning of year	\$(309)	\$(206)
Unrealized gains (losses) attributable to: Unrestricted short-term investments	1,457	(219)
Realized gains (losses) on short-term investments: Unrestricted short-term investments	(2)	116
Net remeasurement gains (losses) for the year	1,455	(103)
Accumulated remeasurement gains (losses) – unrestricted short-term investments	\$ 1,147	\$ (309)

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

(Expressed in thousands of dollars)

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 provides post-secondary and vocationally-oriented education. The College is a registered charity and is exempt from income taxes under the Income Tax Act.

1. Significant Accounting Policies

These consolidated financial statements are the representations of management and have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by Public Sector Accounting Board ("PSAB for Government NPOs"). The significant accounting policies are as follows:

A. Basis of Consolidation

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of The George Brown College of Applied Arts and Technology, and its wholly owned subsidiary, GBC RE Holdings Inc. ("GBC RE Holdings") (collectively, the "College"). All significant inter-entity balances and transactions have been eliminated upon consolidation. These consolidated financial statements do not reflect the assets, liabilities and the results of operations of The George Brown College Foundation (the "Foundation") and various student organizations (Note 17).

B. Revenue Recognition:

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

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 externally 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.

Rental revenues are recognized when access to a goods or services are provided to the tenants pursuant to the terms of the lease agreement, the sales price is fixed and determinable, and collection is reasonably assured.

Investment income (loss) consists of interest, dividends, income distributions from pooled funds, and realized and unrealized gains and losses. Interest, dividends, income distributions from pooled funds and realized gains and losses pertaining to unrestricted investments are recognized in the statement of operations. Unrealized changes in the fair value pertaining to unrestricted investments are recognized in the statement of remeasurement gains (losses).

Realized and unrealized gains and losses pertaining to restricted investments held for endowments are added to/removed from the net assets restricted for endowments. Interest and dividends pertaining to restricted investments are recorded as deferred contributions on the statement of financial position until the criterion attached to the restrictions has been met.

Tuition fees are recognized ratably over the term to which the tuition fee revenue applies to the extent that the related courses are provided to the student.

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

(Expressed in thousands of dollars)

1. Significant Accounting Policies (Continued)

B. Revenue Recognition (continued)

Ancillary revenue consists of bookstore revenue, daycare and student residence fees, and other revenue, which are recognized when the related services are provided, or the related products are delivered.

C. Financial Instruments:

The College classifies its financial instruments as either fair value or amortized cost. The College's accounting policy for each category is as follows:

(i) Fair value

Financial instruments reported at fair value comprise equity instruments quoted in an active market as well as investments in pooled funds and any fixed-income investments where the investments are managed on a fair value basis and the fair value option is elected.

Investments reported at fair value are initially recognized at fair value and subsequently carried at fair value.

Transaction costs are expensed as incurred.

Where a decline in fair value is known with sufficient precision, and there is no realistic prospect of recovery, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations.

(ii) Amortized cost

Financial instruments reported at amortized cost include accounts receivable, grants receivable, accounts payable and accrued liabilities, and long-term debt. These instruments are initially recognized at fair value and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Write-downs are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

D. Inventories:

Inventories other than books are valued at the lower of cost and net realizable value with cost being determined on the first-in first-out basis. Books are valued at the lower of cost and net realizable value with cost being determined using the retail inventory method, which approximates average cost. Net realizable value is the estimated selling price less the estimated cost to make the sale.

E. Investment in GBSP Centre Corp.:

The investment in the George Brown Souleppper Centre Corp. ("GBSP Centre Corp.") joint venture is accounted for using the modified equity method. No adjustment is made for the basis of accounting of the joint venture being different than PSAB for Government NPOs.

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

(Expressed in thousands of dollars)

1. Significant Accounting Policies (Continued)

F. Investment HGBC LP

The investment in HGBC 25 Dockside LP ("HGBC LP", or the "Partnership") is accounted for using the modified equity method. No adjustment is made for the basis of accounting of the Partnership being different than PSAB for Government NPOs.

G. Capital Assets:

- (iii) Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution when fair value is reasonably determinable. Amortization is provided on a straight-line basis over the estimated useful lives of the assets, which have been determined as follows:

Buildings and improvements	40 years
Building under capital lease	49 years
Leasehold improvements	10 to 13 years
Computer equipment	3 years
Other equipment	5 years

Construction in progress is unamortized until the construction is complete, and the asset is in use.

- (iv) Assets under capital leases: The College leases a building on terms which transfer substantially all the benefits and risks of ownership to the College. This lease has been accounted for as a capital lease as though an asset had been purchased and a liability incurred.

H. Vacation Pay:

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

I. Retirement and post-employment benefits and compensated absences:

The College provides defined retirement and post-employment benefits and compensated absences to certain employee groups. These benefits include pension, health and dental, vesting sick leave and non-vesting sick leave. The College has adopted the following policies with respect to accounting for these employee benefits:

- (v) The costs of post-employment future benefits are actuarially determined using management's best estimate of health care costs, disability recovery rates and discount rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight-line basis.
- (vi) The costs of the multi-employer defined benefit pension are the employer's contributions due to the plan in the period.
- (vii) The cost of vesting and non-vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, employees' use of entitlement and discount rates. Adjustments to these costs arising from changes in actuarial assumptions and experience are recognized over the estimated average remaining service life of the employees.
- (viii) The discount rate used in the determination of the above-mentioned liabilities is equal to the College's internal rate of borrowing.

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

(Expressed in thousands of dollars)

1. Significant Accounting Policies (Continued)

J. Use of estimates:

The preparation of consolidated financial statements in conformity with PSAB for Government NPOs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates. Areas of key estimation include determination of deferred revenue, allowance for doubtful accounts, capital asset amortization, amortization of deferred capital contributions, asset retirement obligations, contamination liability, and actuarial estimation of post-employment benefits and compensated absences liabilities.

K. Asset retirement obligations:

A liability for an asset retirement obligation is recognized when 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 is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

(Expressed in thousands of dollars)

2. Cash and Short-Term Investments

The College's cash and short-term investments include amounts available to be spent at the College's discretion and amounts restricted for specific purposes that are not available to be spent at the College's discretion. The amount available to be spent at the College's discretion is calculated as follows:

Cash and Short-Term Investments	2025	2024
Cash	\$ 73,149	\$ 43,420
Short-term investments (Note 3 (a))	82,227	170,036
Total cash and short-term investments	155,376	213,457
Less amounts related to:		
Endowments - externally restricted (Note 16)	154	154
Deferred contributions (Note 12(a))	21,290	20,869
Unspent deferred capital contributions (note 12(c))	4,899	10,732
Total	\$129,033	\$181,701

3. Investments

A. Short-term Investments:

Short-term Investments are comprised of the following:

Short-term Investments	2025	2024
Bonds	\$32,227	\$30,036
Guaranteed Investment Certificates (GICs)	50,000	140,000
Total	\$82,227	\$170,036

The redeemable bonds earn interest/coupon rates ranging from 0.50% to 4.68% (2024 - from 0.50% to 4.68%) and have maturities ranging from August 2025 to March 2034 (2024 - May 2024 to June 2033). The bonds can be sold at any time without penalty in the market, hence classified as short-term.

The GICs earn interest rates ranging from 3.76% to 4.36% (2024 - from 5.73% to 6.59%) and have maturities ranging from April 2025 to October 2025 (2024 - April 2024 to October 2024).

B. Long-term Investments:

The College's long-term investments are invested primarily in pooled funds, which are managed by four investment managers. All long-term investments are held for endowments:

Long-term Investments	2025	2024
Canadian cash equivalents	\$141	\$213
Fixed income	4,237	3,581
Canadian equity	4,018	3,712
US equity	4,515	4,520
Global equity	2,936	2,631
Alternatives	1,366	1,272
Total	\$17,213	\$ 15,929

Investments in pooled funds have been allocated among the asset classes based on the underlying investments held in the pooled funds.

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

(Expressed in thousands of dollars)

4. Investment in 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 performances as well as for education and instruction in theatre, dance, music and the related arts. The joint venture has a December 31 fiscal year end. The College's equity share of the joint venture from April 1, 2024 to March 31, 2025 has been included in the consolidated financial statements as at March 31, 2025 using the modified equity method. The College's 50% interest in the joint venture is summarized below:

Investment in GBSP Centre Corp.	2025	2024
Current assets	\$715	\$912
Capital assets	5,245	4,901
Current liabilities	(623)	(710)
Deferred contributions	(5,341)	(5,089)
Net (liabilities) assets	\$(3)	\$15
Revenue	\$2,019	\$1,886
Expenses	(2,037)	(1,855)
Excess (deficiency) of revenue over expenses	\$(18)	\$31
Cash flows provided by operating activities	\$133	\$108
Cash flows provided by financing activities	251	282
Cash flows used in investing activities	(505)	(439)
Net cash outflow	\$(121)	\$(49)

The College's 50% equity share of the excess (deficiency) of revenue over expenses of GBSP Centre Corp. from April 1, 2024 to March 31, 2025 has been included in other expenses.

During the year, the College paid rent of \$353 (2024 - \$402) and made contributions of \$815 (2024 - \$850) to the joint venture which were included in rental, utilities and maintenance, and services expenses, respectively.

The joint venture is a not-for-profit organization and follows the recommendations of CPA Handbook Part III - Accounting Standards for Not-for-Profit Organizations. As such, there are differences between the accounting policies of the College under PSAB for Government NPO's and the Joint Venture under Part III of the CPA Handbook. Under the modified equity approach, the College makes no adjustment to the amounts disclosed or recognized in its consolidated financial statements for these differences. For the year ended March 31, 2025, there were no accounting policy differences that would have resulted in an adjustment to amounts or disclosures in these consolidated financial statements.

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

(Expressed in thousands of dollars)

5. Investment in HGBC LP

On April 3, 2024, the College and Halmont Properties Corporation ("HPC"), an unrelated party, incorporated HGBC 25 Dockside GP Inc. with joint ownership.

On April 5, 2024, the College incorporated two wholly owned subsidiaries, GBC RE Holdings and 25 Dockside. GBC RE Holdings manages all current and future real estate acquisitions and projects. 25 Dockside manages the operations and investment in 25 Dockside Drive in Toronto, Ontario ("Corus Building"). On the same date, HGBC 25 Dockside GP Inc., 25 Dockside, and HPC signed a Limited Partnership Agreement and established the partnership with the sole purpose to acquire and own the Corus Building (the "Partnership").

On April 15, 2024, the Partnership acquired 100% of Corus Building for the purchase price of \$232,500. The College, through its subsidiaries GBC RE Holdings and 25 Dockside, contributed a total of \$40,000. Of these contributions, \$35,000 from each party was utilized by the Partnership to acquire the Corus Building with the remaining purchase price financed by debt. The remaining \$5 million from the College's contribution represented the ownership interest in the Partnership.

The Partnership has a December 31 fiscal year end. The College's equity share of the Partnership from April 15, 2024 to December 31, 2024 has been included in the consolidated financial statements as at March 31, 2025 using the modified equity method. The College's 49.995% interest in the Partnership is summarized below:

Investment in HGBC LP	2024
Statement of Financial Position	
Current assets	\$2,454
Buildings	119,135
Current liabilities	(1,613)
Mortgages payable	(79,612)
Net assets	\$40,364
Statement of Operations	
Revenue	\$5,131
Expenses	(4,768)
Excess of revenue over expenses	\$364

The College's 49.995% equity share of the excess of revenue over expenses of the Partnership from April 15, 2024 to December 31, 2024 has been included in Other revenue.

During the year, the College paid rent of \$10,264 to HGBC LP which is included in Rental, utilities and maintenance. Total rent payable to HGBC LP as of December 31, 2024, amounted to \$1,207 and is included in accounts payable and accrued liabilities.

The Partnership is a significantly influenced profit-oriented organization and follows the Accounting Standards for Private Enterprises ("ASPE"). As such, there are differences between the accounting policies of the College under PSAB for Government NPOs and those of the Partnership under ASPE. Under the modified equity approach, the College does not make any adjustments to the amounts disclosed or recognized in its consolidated financial statements for these differences. For the period ended December 31, 2024, there were no accounting policy differences that would have resulted in an adjustment to amounts or disclosures in these consolidated financial statements.

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

(Expressed in thousands of dollars)

6. GBC RE Holdings Inc.

GBC RE Holdings Inc. ("GBC RE Holdings") was incorporated on April 5, 2024, as a wholly owned subsidiary of the George Brown College of Applied Arts and Technology. GBC RE Holdings was established to manage all real estate acquisitions and projects for George Brown College. GBC RE Holdings prepares its consolidated financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by Public Sector Accounting Board ("PSAB for Government NPOs"). The entity has a December 31, 2024 year end, however, its assets, liabilities, revenues, and expenses for the year ended March 31, 2025 have been consolidated into these consolidated financial statements after the elimination of inter-entity transactions. GBC RE Holdings, through its subsidiary, GBC 25 Dockside Inc., has a long-term lease commitment further disclosed in Note 11.

25 Dockside subleased the Corus Buildings to some existing tenants, including Corus Entertainment, as their long-term lease agreements have not yet expired. After the expiration of these leases, 25 Dockside intends to sublease the Corus Building to the College for academic purposes. The lease with Corus Entertainment expires on March 22, 2033, and provides base plus additional rent of \$22,800 per annum escalated by 2.50% until March 9, 2029.

7. Capital Assets

Capital Assets	2025 Cost	2025 Accumulated Amortization	2024 Cost	2024 Accumulated Amortization
Land	\$36,971	\$-	\$21,459	\$-
Buildings and improvements	644,630	249,797	636,446	234,633
Building under capital lease (Note 11)	10,110	4,741	10,110	4,535
Construction in progress	208,505	-	148,959	-
Website in progress	1,492	-	-	-
Leasehold improvements	14,015	9,883	14,015	9,080
Computer equipment	89,584	78,298	82,936	72,871
Other equipment	126,581	107,921	120,132	103,076
	\$1,131,888	\$450,640	\$1,034,057	\$424,194
Net book value		\$681,249		\$609,863

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.

In fiscal 2017, the College started a tall wood building project Limberlost Place to provide additional instructional space at its Waterfront Campus. As at March 31, 2025, the College has recognized construction in progress for construction management services valued at \$201,013 (2024 - \$140,236). The project was completed in April 2025 (Note 24).

In August 2024, the College acquired two properties, which included buildings and land. Management plans to demolish the subject buildings in the near future, considering that these properties were purchased with the objective of future real estate development. The cost of the buildings was assessed to be \$nil due to their condition and planned demolition and, as such, the entire cost of the purchase (\$15,500) was allocated to land.

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

(Expressed in thousands of dollars)

8. Deferred Revenue

A. Current deferred revenue consists of:

Deferred Revenue	2025	2024
Tuition fees	\$49,539	\$72,076
Other	5,239	11,241
Total	\$54,778	\$83,317

The significant reduction in deferred tuition fees revenue is attributable to reduced international student enrollment (Note 25).

B. Long-Term deferred revenue:

On March 31, 2017, the College assigned its interest in a parking garage for total compensation of \$4,064. The amount is being recognized in the statement of operations over 99 years ending in 2109, which is consistent with the ground lease. The balance of deferred revenue as at March 31, 2025, of \$3,683 (2024 - \$3,725) has been classified as long-term.

9. Long-Term Debt

In 2017, the College received a \$40,000 loan from the Ontario Financing Authority ("OFA") for the new student residence. The loan, referred to as OFA 2, is for a 25-year term, is unsecured, at an interest rate of 5.75% and is repayable in equal, semi-annual installments of \$1,518.

In 2019, the College received a \$30,000 loan from the OFA for the Daniel's building. The loan, referred to as OFA 3, is for a 25-year term, is unsecured, at an interest rate of 3.77% and is repayable in equal monthly installments of \$155.

In 2024, the College received a \$50,000 construction loan from the OFA for the Limberlost Place. The loan, referred to as OFA 4, bears interest at the Ontario Rate (which is determined by the discount rate of a three-month treasury bill issued by the Province of Ontario) plus 3.6 basis points, compounded quarterly. The loan is not repayable until the earlier of the receipt of a completion certificate from the College (certifying that the building is ready for operations) or December 31, 2025, where it will be converted to a 25-year term loan. Capitalized interest for the year was \$75 which was added to the principal portion of the loan.

The future principal repayments are as follows:

Year	Student Residence OFA2	Daniel's OFA3	Total
2026	\$1,208	\$955	\$2,163
2027	1,279	989	2,268
2028	1,354	1,027	2,381
2029	1,433	1,006	2,439
2030	1,516	1,103	2,619
Thereafter	25,288	19,292	44,580
	32,078	24,372	56,450
Less: current portion	1,208	955	2,163
	\$30,870	\$23,417	\$54,287
Long-term debt not subject to repayment (OFA 4)			50,075
			\$104,362

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025
(Expressed in thousands of dollars)

10. Post-Employment Benefits and Compensated Absences

The following tables outline the components of the College's post-employment benefits and compensated absences liabilities and the related expenses.

Liability 2025	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	\$2,658	\$8,795	\$335	\$11,788
Value of plan assets	(533)	-	-	(533)
Unamortized actuarial gains (losses)	-	(2,272)	(103)	(2,375)
Total liability	\$2,125	\$6,523	\$232	\$8,880

Liability 2024	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	\$2,061	\$8,850	\$423	\$11,334
Value of plan assets	(494)	-	-	(494)
Unamortized actuarial gains (losses)	30	(2,572)	(87)	(2,629)
Total liability	\$1,597	\$6,278	\$336	\$8,211

Expense 2025	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost	\$557	\$472	\$9	\$1,038
Interest on accrued benefit obligation	5	309	13	327
Amortized actuarial (gains) losses	(25)	448	1	424
Total expense	\$537	\$1,229	\$23	\$1,789

Expense 2024	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost	\$67	\$380	\$12	\$459
Interest on accrued benefit obligation	5	264	15	284
Amortized actuarial (gains) losses	(27)	202	17	192
Total expense	\$45	\$846	\$44	\$935

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

(Expressed in thousands of dollars)

10. Post-Employment Benefits and Compensated Absences (Continued)

Post-employment benefits and compensated absences expense has been included in salaries and benefits expenses.

Above amounts exclude pension contributions to the Colleges of Applied Arts and Technology pension plan, a multi-employer plan, described below.

Retirement Benefits

CAAT Pension Plan

All full-time employees of the College, and any part-time employees who opt to participate, are members of the Colleges of Applied Arts and Technology Pension Plan (the "Plan"), a multi-employer jointly-sponsored defined benefit plan for public colleges in Ontario and other employers. The College makes contributions to the Plan equal to those of employees. Contribution rates are set by the Plan's governors to ensure the long-term viability of the Plan. Since the Plan is a multi-employer plan, the College's contributions are accounted for as if the plan were a defined contribution plan with the College's contributions being expensed in the period they come due.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates related to full-time members. The College does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify the College's share of the underlying pension assets and liabilities. The most recent actuarial valuation filed with pension regulators as at January 1, 2025 indicated an actuarial surplus of \$6,141,000 (2024 - \$5,263,000). The College made contributions to the Plan and its associated retirement compensation arrangement of \$21,389 (2024 - \$21,243) which has been included in salaries and benefits in the statement of operations.

Post-Employment benefits

The College extends post-employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The College recognizes these benefits as they are earned during the employees' tenure of service. The College also provides continuation of medical and dental benefits to certain employee groups while receiving long-term disability benefits. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

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

(a) Discount rate

The present value of employee future benefits as at March 31, 2025, was determined using a discount rate of 3.20% (2024 - 3.50%), while the 2025 period expense was calculated using a discount rate of 3.50% (2024 - 3.40%).

(b) Medical premiums

Medical premium increases were assumed to increase at 5.91% per annum in 2025 (2024 - 6.20%) and decrease proportionately thereafter to an ultimate rate of 4.00% in 2040.

(c) Dental costs

Dental costs were assumed to increase at 4.00% per annum (2024 - 4.00%).

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

(Expressed in thousands of dollars)

10. Post-Employment Benefits and Compensated Absences (Continued)

Compensated absences

Vesting Sick Leave

The College has provided for vesting sick leave benefits during the year. Eligible employees, after 10 years of service, are entitled to receive 50% of their accumulated sick leave credit on termination or retirement to a maximum of 6 months' salary. The program to accumulate sick leave credits ceased for employees hired after March 31, 1991. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

Non-Vesting Sick Leave

The College allocates to certain employee groups a specified number of days each year for use as paid absences in the event of illness or injury. These days do not vest and are available immediately.

Employees are permitted to accumulate their unused allocation each year, up to the allowable maximum provided in their employment agreements. Accumulated days may be used in future years to the extent that the employees' illness or injury exceeds the current year's allocation of days. Sick days are paid out at the salary in effect at the time of usage. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

The assumptions used in the valuation of vesting and non-vesting sick leaves are the College's best estimates of expected rates of:

Vesting and Non-Vesting Sick Leaves	2025	2024
Wage and salary escalation: Academic	3.00%	1.00%
Wage and salary escalation: Support	3.00%	1.00%
Discount rate used to calculate: Present value of future benefits	3.20%	3.50%
Discount rate used to calculate: 2024 period expense	3.50%	3.40%

The probability that the employee will use more sick days than the annual accrual and the excess number of sick days used are within ranges of 0.00% to 23.50% (2024 - 0.00% to 23.50%) and 0 to 54 days (2024 - 0 to 54 days) respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

(Expressed in thousands of dollars)

11. Obligations Under Leases

The College is committed to lease payments for its leased premises under various operating leases, until 2109. Future minimum annual lease payments are as follows:

Year	Amount
2026	\$20,385
2027	20,723
2028	20,759
2029	20,843
2030	18,072
Thereafter	349,256
Total	\$450,037

Effective December 16, 2010, the College entered into a 100-year land lease agreement with the City of Toronto in connection with constructing a new Centre for the Health Sciences. This agreement which expires in 2109 has an initial rental period of 23 years at which point the rent will be reset based on the then fair market value of the land, its unimproved value and its intended educational use and tied to the CPI. The rental commitment for the initial 23 years has been included in the operating lease commitment schedule above. The total lease payment for the year was \$813 (2024 - \$786) and the lease costs escalate at 3% per annum.

Effective December 21, 2003, the College entered into a lease agreement in connection with its joint venture (Note 4) 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. On February 24, 2023, GBSP Centre Corp exercised its option to extend the lease until February 29, 2044. Minimum annual payments for basic rent were \$128 (2024 - \$127). Inflation increases, under the lease agreement, if any, are capped at a maximum of 6% of the preceding year. Common area costs for realty taxes, utilities, maintenance and insurance were \$539 for the period ending March 31, 2025 (2024 - \$475). This is a GBSP Centre Corp commitment and is therefore not included in the above table.

Effective July 30, 2001, the College entered into an agreement, as part of the Ontario Government Superbuild Program, with Toronto Metropolitan University to lease additional premises at the Sally Horsfall Eaton Centre for a term of forty-nine years, with related total capital lease payments over the lease period estimated at \$9,966. The premises are disclosed as "Building under capital lease" in Note 7. 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 related to this facility.

Effective April 15, 2024, GBC RE Holdings through its subsidiary GBC 25 Dockside Inc. entered into a lease agreement in connection with the Corus Building for an initial term of thirty (30) years, with an option to extend the lease for ten (10) years; and one (1) additional further term of ten years (10) less one (1) day. Minimum annual payments for basic rent are \$14,400 payable in consecutive monthly installments of \$1,200. Inflation increases, under the lease agreement, are subject to increases based on CPI adjustments, every five (5) years of the Term. The rental commitment for the initial 30 years has been included in the operating lease commitment schedule above.

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

(Expressed in thousands of dollars)

12. 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.

Expenses of Future Periods	2025	2024
Balance, beginning of year	\$20,869	\$21,055
Contributions received	26,170	22,753
Less: amount recognized as revenue	(25,748)	(22,940)
Balance, end of year	\$21,290	\$20,869

(b) Other deferred contributions

Other deferred contributions relate to a \$20,000 donation provided for the investment in the property located at 25 Dockside Drive (Note 5) and amortized over the estimated useful life of the underlying building for depreciation purposes (40 years).

Deferred Contributions - Other	2025	2024
Balance, beginning of year	\$-	\$-
Contributions received	20,000	-
Less: amount recognized as revenue	(500)	-
Balance, end of year	\$19,500	\$-

(c) 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 deferred capital contributions is recorded as revenue in the statement of operations.

Capital Assets	2025	2024
Balance, beginning of year	\$239,608	\$237,313
Contributions received	12,871	12,085
Less: amount amortized to revenue	(10,157)	(9,790)
Balance, end of year	\$242,321	\$239,608

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

Unamortized Capital Contributions Related to Capital Assets	2025	2024
Unamortized capital contributions used: to purchase capital assets	\$232,038	\$223,293
Unamortized capital contributions used: to finance building under capital lease	5,384	5,584
Amounts financed by deferred capital contributions	237,422	228,877
Unspent contributions	4,899	10,732
	\$242,321	\$239,608

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

(Expressed in thousands of dollars)

13. Internally Imposed Restrictions

The Board of Governors, effective March 31, 2025, approved the transfer of \$7,374 from internally restricted net assets to unrestricted net assets, (2024 - \$35,530 from internally restricted net assets to unrestricted net assets) and the following allocations:

Internally Imposed Restrictions	2025	2024
General contingency	\$18,000	\$18,000
Committed capital projects	7,689	15,063
Transformational Initiatives	8,500	8,500
	\$34,189	\$41,563

14. Investment in Capital Assets

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

Investment in Capital Assets	2025	2024
Capital assets	\$681,249	\$609,863
Amounts financed by deferred capital contributions (Note 12(c))	(237,422)	(228,877)
Financed by long-term debt	(106,525)	(58,512)
	\$337,301	\$322,474

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

Net Assets Invested in Capital Assets	2025	2024
Deficiency of revenue over expenses:		
Amortization of deferred contributions related to capital assets	\$10,157	\$9,790
Less: amortization of capital assets	(27,301)	(25,038)
	\$(17,144)	\$(15,247)
Purchase of capital assets	\$98,687	\$79,255
Amounts funded by: Deferred contributions	(18,703)	(10,035)
Amounts funded by: Long-term debt	(48,013)	1,957
	31,971	71,178
	\$14,827	\$55,930

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

(Expressed in thousands of dollars)

15. Commitments and Contingent Liabilities

a. Litigation:

The College has been named as a defendant in several litigations alleging actual and punitive damages. The College has made a provision management believes will be sufficient based on the amount of the claims, however management is not able to determine the outcome of these claims. Settlement, if any, will be accounted for during the period of resolution.

b. Purchase commitments:

In 2018, the College signed an agreement with an architectural firm to provide professional services to support the construction of a new College building (Limberlost) for an initial total cost of \$10,678, including HST. The revised contract amount to date is \$16,762, including HST. As of March 31, 2025, the College has made payments totaling \$16,547, including HST, based on a percentage of completion method (\$15,762, including HST, as of March 31, 2024). Therefore, the outstanding commitment as of March 31, 2025, is \$215, including HST (\$1,202, including HST, as of March 31, 2024).

In 2021, the College signed an agreement with PCL Construction Canada Inc. to construct the Limberlost building for a total cost of \$168,604, including HST. The value of the contract was revised in 2022. The revised contract amount to date is \$190,879, including HST. As of March 31, 2025, the College has made payments totaling \$165,814, including HST, based on a percentage of completion method (\$111,557, including HST, as of March 31, 2024). Therefore, the outstanding commitment as of March 31, 2025, is \$22,181, including HST (\$64,122, including HST, as of March 31, 2024).

16. Net Assets Restricted for Endowments

Net assets restricted for endowments consist of 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 together with an equal amount of endowed donations.

Effective April 1, 2022, the College has adopted a capital preservation policy. This policy has the objective of protecting the real value of the endowments by limiting the amount of interest, dividends and distributions from pooled funds made available for spending to 3.5% of the opening market value of the investments held for endowment net assets. In any particular year, any excess is recorded as deferred contributions. Any shortfall is covered to the extent that accumulated excess amounts are available in deferred contributions.

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

(Expressed in thousands of dollars)

17. Related Party Transactions

a. The George Brown College Foundation

The George Brown College Foundation (Foundation), an organization which the College has an economic interest, is incorporated under the Ontario Corporation Act 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.

Total net assets of the Foundation as at March 31, 2025 were \$43,738 (2024 - \$38,319)

Foundation Net Assets	2025	2024
Restricted endowments	\$23,751	\$21,193
Restricted capital projects	10,712	9,568
Restricted scholarships and other projects	6,941	6,174
Unrestricted	2,334	1,384
Total net assets of the Foundation	\$43,738	\$38,319

The College and the Foundation entered into a General Agreement (Memorandum of Understanding) dated March 9, 2011, that outlines services provided between the College and the Foundation. Traditionally, the College provides a contribution for services rendered by the Foundation to raise and administer funds in support of the College. During the year, the Foundation received contributions from the College of \$1,793 (2024 - \$1,765) comprising of \$800 for operating expenses, \$800 for fundraising campaigns and \$193 for Orders of Ontario and Canada Event expenses (2024 - \$800, \$800 and \$165 respectively).

During the year, the Foundation provided \$24,471 (2024 - \$3,683) directly to the College, comprising \$467 for various projects, \$22,000 for capital initiatives and \$2,004 for student scholarships and awards (2024 - \$512, \$2,013, and \$1,158 respectively).

Total payable to the Foundation as of March 31, 2025, amounted to \$40 (2024 - \$52). Total receivable from the Foundation as of March 31, 2025, amounted to \$40 (2024- \$nil). In addition, the Foundation utilized office space owned by George Brown College. The space is provided rent-free.

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.

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

(Expressed in thousands of dollars)

18. Statement of Cash Flows

The net change in non-cash working capital balances related to operations presented on the Statement of Cash Flows consists of the following:

Cash Flows	2025	2024
Grants receivable	\$(720)	\$ 4,037
Accounts receivable	6,483	(3,827)
Inventories	(9)	(293)
Prepaid expenses	(1,823)	2,732
Accounts payable and accrued liabilities	(7,062)	(3,473)
Vacation payable	916	1,303
Deferred revenue	(28,581)	9,474
Deferred contributions - expenses of future periods	421	(187)
Total cash flows	\$(30,372)	\$9,768

19. Guarantees

In the normal course of business, the College enters into agreements that meet the definition of a guarantee.

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

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 because 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 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 recorded in the statement of financial position with respect to these agreements.

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

(Expressed in thousands of dollars)

20. City of Toronto Daycare Subsidies

During the fiscal year ended March 31, 2025, the College received General Operating funding totaling \$1,282 (2024 - \$1,864), Special Needs grants totaling \$197 (2024 - \$211), Special Needs One-on-One grants totaling \$83 (2024 - \$81), Professional Learning Strategy funding totaling \$nil (2024 - \$132), CWELCC Affordability funding totaling \$4,741 (2024 - \$5,839), CWELCC Cost Escalation funding totaling \$nil (2024 - \$389), and Cost Based Funding totaling \$2,826 (2024 - \$nil).

21. Financial Instrument Classification

The following table provides cost and fair value information of financial instruments by category.

Financial Instruments	2025 Fair Value	2025 Amortized Cost	2025 Total
Cash	\$73,149	\$-	\$73,149
Short-term investments (Note 3 (a))	82,227	-	82,227
Long-term investments (Note 3 (b))	17,213	-	17,213
Grants receivable	-	3,546	3,546
Accounts receivable	-	37,702	37,702
Accounts payable and accrued liabilities	-	105,348	105,348
Long-term debt	-	106,525	106,525

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;

Level 2 fair value measurements are those derived from 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); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2025 Financial Instruments	Level 1	Level 2	Level 3	Total
Cash	\$ 73,149	\$-	\$-	\$73,149
Short-term investments (Note 3 (a))	-	82,227	-	82,227
Long-term investments (Note 3 (b))	-	17,213	-	17,213
	\$73,149	\$99,440	\$-	\$172,589

There were GICs sold during the year resulting in transfers between Level 2 and Level 1 for the year ended March 31, 2025. There were no transfers in or out of Level 3.

In 2024 \$50 of cash was converted to GICs and was transferred from Level 1 to Level 2.

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

(Expressed in thousands of dollars)

22. Financial Instrument Risk Management

Credit Risk

Credit risk is the risk of financial loss to the College if a debtor fails to make payments of interest and principal when due. The College is exposed to this risk relating to its cash, investments, grants receivable, and accounts receivable.

The College holds its cash accounts with a highly rated federally regulated chartered bank.

The College's investment policy for excess operating funds invested in short-term investments operates within the constraints of the investment guidelines issued by the Ministry of Colleges, Universities, Research Excellence and Security ("MCURES") and puts limits on the bond portfolio including portfolio composition limits, issuer type limits, bond quality limits, aggregate issuer limits, corporate sector limits and general guidelines for geographic exposure. The Investment policy for the long-term investment held for endowments set out investment criteria that limit investments to entities with acceptable credit ratings.

Accounts receivable is primarily due from students, government, and corporations. Credit risk is mitigated by the highly diversified nature of the student population and other customers. Government receivables are mitigated by the governmental nature of the funding source.

The College measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the College's historical experience regarding collections.

The amounts outstanding at year end were as follows:

Amounts Outstanding 2025	Total	Current	31-60 days	61-90 days	91-120 days	Over 121 days
Government receivables	\$3,546	\$3,546	\$-	\$-	\$-	\$-
Student receivables	28,914	20,520	120	3,136	1,607	3,531
Other receivables	15,055	14,738	119	119	9	70
Gross receivables	47,515	38,804	239	3,255	1,616	3,601
Less: impairment allowance	(6,267)	-	-	(1,253)	(1,567)	(3,447)
Net receivables	\$41,248	\$38,804	\$239	\$2,002	\$49	\$154

Amounts Outstanding 2024	Total	Current	31-60 days	61-90 days	91-120 days	Over 121 days
Government receivables	\$2,826	\$2,826	\$-	\$-	\$-	\$-
Student receivables	37,222	9,837	1,151	4,271	4,024	17,938
Other receivables	16,558	14,322	2,054	78	49	55
Gross receivables	56,606	26,985	3,205	4,349	4,073	17,993
Less: impairment allowance	(9,595)	-	-	(960)	(1,919)	(6,716)
Net receivables	\$47,011	\$26,985	\$3,205	\$3,390	\$2,154	\$11,277

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and other price risk.

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

(Expressed in thousands of dollars)

22. Financial Instrument Risk Management (Continued)

Currency Risk

Currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rates. The College's endowment investments include non-Canadian equities, the value of which fluctuates in part due to changes in foreign exchange rates. The US and global equity funds are denominated in currencies other than Canadian dollars and are therefore directly exposed to currency risk as the value of these investments denominated in other currencies will fluctuate due to changes in exchange rates.

Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The College is exposed to interest rate risk with respect to its interest-bearing investments and long-term debt.

At March 31, 2025, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of bonds of \$2,011 (2024 - \$1,511). Guaranteed investment certificates have no impact on value due to fluctuation in interest rates.

A change in the interest rate on the College's long-term debt would have no impact on the consolidated financial statements since all the debt is measured at amortized cost and has a fixed rate of interest.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The College is exposed to other price risk through its pooled funds that hold equity securities. To manage this risk, the pooled funds in which the College is invested have investment criteria that result in a diversified portfolio across industries and countries. At March 31, 2025, a 10% movement in the stock markets, with all other variables held constant, would have an estimated effect on the fair values of the Colleges equities of \$1,284 (2024 - \$1,235).

Liquidity Risk

Liquidity risk is the risk that the College will not be able to meet all cash outflow obligations as they come due. The College mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. The following table sets out the expected maturities, representing undiscounted cash-flows of financial liabilities.

2025 Undiscounted Cash-Flows	Within 1 year	1-5 years	Over 5 years
Accounts payable and accrued liabilities	\$105,348	\$-	\$-
Long-term debt	2,163	9,707	44,550
Liability for Asset Retirement Obligation	-	-	12,263
	\$107,512	\$9,707	\$56,813

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025
(Expressed in thousands of dollars)

22. Financial Instrument Risk Management (Continued)

2025 Maturity profile of bonds and guaranteed investment certificates held is as follows:

2025 Maturity Profile of Bonds	Within 1 year	1-5 years	Over 5 years	Total
Carrying value of: Bonds	\$2,609	\$16,018	\$13,600	\$32,227
Carrying value of: GIC	50,000	—	-	50,000
	\$52,609	\$16,018	\$13,600	\$82,227
Percentage of total	64%	19%	17%	100%

23. Asset Retirement Obligations

The College's consolidated financial statements include asset retirement obligations for designated substances with confirmed/presumed presence in the buildings owned/leased by the College, where it has been determined that the College is liable for remediation of designated substances. The related asset retirement costs are being amortized on a straight-line basis. The liability has been estimated using a net present value technique with a discount rate of 4.39% (2024 - 4.90%) and inflation rate of 2.00% (2024 - 2.20%). The estimated total undiscounted future expenditures are \$12,263 (2024 - \$12,146), which are to be incurred over the remaining useful life of the assets. The liability is expected to be settled at some undeterminable future date.

The carrying amount of the liability is as follows:

Amount of the Liability	2025	2024
Balance, beginning of the year	\$6,516	\$6,332
Increase due to accretion expense	305	310
Decrease due to settlement	(39)	(127)
Revaluation	319	-
Additions	105	—
	\$7,206	\$6,516

24. Subsequent Events

Subsequent to year end, in April 2025, the Limberlost Place building became operational and was capitalized. As a result, \$201,013 of work-in-progress was converted into an asset in the consolidated financial statements. The total budgeted capital cost for the project is \$230,000, with additional capital expenditures to occur in fiscal 2026. The building will be amortized over 80 years and the furniture and equipment purchased for the building will be amortized over 5 years.

THE GEORGE BROWN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

(Expressed in thousands of dollars)

25. International Study Permits

On January 22, 2024, the Minister of Immigration, Refugees and Citizenship Canada (IRCC) announced that the Government of Canada will set an intake cap on international student permit applications for a period of 2 years. This cap was subsequently extended an additional year. Since then, both IRCC and the Ministry of Colleges, Universities, Research Excellence and Security ("MCURES") issued additional policy directives which further impacted future enrolment numbers for international students and new intakes offered at the College for the 2025-2026 academic year.

The financial impact of the directives related to international student enrolment is reflected on 2024-25 consolidated financial statements. The majority of George Brown College's academic programs are multi-year. Consequently, the College expects further reduction in international student enrolment going forward which will further impact international tuition revenues and other related revenues.

After receiving the international student permit allocations for 2025 calendar year in January 2025, the College expects the new and returning international student enrolment reduction to result in approximately \$85,000 (43%) international tuition revenue reduction in 2025-26 compared to 2024-25 actual.

The College is addressing the impacts of the international student cap by implementing a staged cost mitigation program across the college. In February 2025, the College implemented a workforce reduction plan due to the significant reduction in international students eligible to study at the College in the future due to recent government policy changes.

Some reductions are reflected in these consolidated financial statements; however the larger impact will be reflected in the College's consolidated financial statements in the next reporting period.