The George Brown College of Applied Arts and Technology

FINANCIAL STATEMENTS

For the Year Ended March 31st, 2024

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FINANCIAL STATEMENTS

Management's Responsibility for Financial Reporting

The 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 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 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 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 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 5, 2024

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Independent Auditor's Report

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

Opinion

We have audited the financial statements of the George Brown College of Applied Arts and Technology (the "College"), which comprise the statements of financial position as at March 31, 2024, and the statements of operations. changes in net assets, cash flows and remeasurement gains and losses for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2024, and the results of its operations, its cash flows and its 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 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 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 Financial Statements

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

In preparing the financial statements, management is responsible for assessing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's Responsibilities for the Audit of the 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
June 6, 2024

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

Assets	March 31, 2024	March 31, 2023
Cash (Note 2)	$43,420	$24,213
Short-term investments (Notes 2 & 3 (a))	170,036	219,586
Grants receivable	2,826	6,863
Accounts receivable	44,185	40,358
Inventories	1,278	986
Prepaid expenses	4,987	7,719
	266,733	299,725
Deposits	5,549	542
Investment in GBSP Centre Corp. (Note 4)	5,523	5,492
Long-term investments (Notes 3 (b) & 15)	15,929	14,222
Capital assets (Note 5)	609,863	555,646
	$903,598	$875,627
Liabilities and Net Assets		
Accounts payable and accrued liabilities	$112,410	$115,883
Vacation payable	14,626	13,323
Current portion of long-term debt (Note 7)	2,062	1,957
Deferred revenue (Note 6 (a))	83,317	73,800
Deferred contributions - expenses of future periods (Note 10 (a))	20,869	21,055
	233,284	226,018
Post employment benefits and compensated absences (Note 8)	8,211	8,478
Long-term debt (Note 7)	56,451	58,512
Deferred revenue (Note 6 (b))	3,725	3,767
	68,386	70,757
Asset retirement obligations (Note 22)	6,516	6,332
Deferred contributions - capital assets (Note 10 (b))	239,608	237,313
	314,510	314,402
	$547,794	$540,420
Net Assets		
Operating	$20	$20
Post employment benefits and compensated absences (Note 8)	(8,211)	(8,478)
Vacation pay	(14,626)	(13,323)
Unrestricted	(22,817)	(21,781)
Internally restricted (Note 11)	41,563	77,093
Investment in capital assets (Note 12)	322,474	266,545
Restricted for endowments (Note 15)	14,893	13,556
	356,112	335,413
Accumulated remeasurement losses	(309)	(206)
	355,803	335,207
	$903,598	$875,627

On behalf of the board:

____________________ Chair ____________________ President

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

For the year ended March 31,

Revenue	2024	2023
Tuition and other student fees	$299,266	$225,976
Grants and reimbursements	142,901	146,506
Ancillary	18,811	17,289
Other (Note 5)	25,535	58,375
Amortization of deferred contributions related to capital assets	9,790	10,059
Total Revenue	496,304	458,205
Expenses		
Salaries and benefits	290,132	249,516
Services	56,642	50,042
Rental, utilities and maintenance	43,562	35,151
Amortization of capital assets	25,038	24,675
Supplies and minor equipment	24,906	17,808
Other expenses	18,218	17,060
Ancillary (other than salaries and benefits)	12,341	14,499
Scholarships, bursaries and grants	6,100	5,930
Total Expenses	476,938	414,681
Excess of revenue over expenses for the year	$19,366	$43,524

STATEMENT OF CHANGES IN NET ASSETS

(Expressed in thousands of dollars)

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 15)	–	–	–	1,337	1,337
Internally imposed restrictions (Note 11)	35,530	(35,530)	–	–	–
Balance, end of year	$(22,817)	$ 41,563	$322,474	$14,893	$356,112

March 31, 2023

Balance	Unrestricted	Internally Restricted	Investment inCapital Assets	Restricted for Endowments	Total
Balance, beginning of year	$(28,631)	$95,615	$211,349	$13,913	$292,246
Excess (deficiency) of revenue over expenses	58,140	–	(14,616)	–	43,524
Capital assets additions financed by college funds	(69,812)	–	69,812	–	–
Restricted endowments (Note 15)	–	–	–	(357)	(357)
Internally imposed restrictions (Note 11)	18,522	(18,522)	–	–	–
Balance, end of year	$(21,781)	$ 77,093	$266,545	$13,556	$335,413

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

For the year ended March 31,

Cash provided by (used in)

Operating Activities	2024	2023
Excess of revenue over expenses for the year	$19,366	$43,524
Adjustments required to reconcile excess of revenue over expenses with net cash provided by operating activities		
Amortization of capital assets	25,038	24,675
Accretion expense (Note 22)	310	296
Amortization of deferred contributions related to capital assets	(9,790)	(10,059)
Change in non-cash operating working capital (Note 17)	9,768	25,170
Accrual for post-employment benefits and compensated absences	(267)	140
Gain on sale of buildings (Note 5)	–	(35,774)
Extinguishment of liability for contaminated site (Note 14)	–	(806)
Change in interest in GBSP (Note 4)	(31)	1
Total Operating Activities	44,394	47,167
Investing Activities		
Net change in long-term investment	(1,707)	11
Repayment from George Brown College Foundation	–	–
Change in short-term investments - net	49,550	(190,205)
Change in long-term endowment investments - net assets	1,337	(357)
Change in accumulated remeasurement losses	(103)	906
Change in deposits	(5,008)	–
Total Investing Activities	44,069	(189,645)
Financing Activity		
Repayment of long-term debt	(1,957)	(1,870)
Capital Activities		
Deferred contributions received related to capital assets	12,085	10,228
Additions to capital assets	(79,255)	(76,847)
Net proceeds from sale of capital assets (Note5)	-	35,774
ARO Settlement	(128)	-
Total Capital Activities	(67,298)	(30,845)
Cash		
Increase (decrease) in cash during the year	19,207	(175,193)
Cash, beginning of year	24,213	199,406
Cash, end of year	$43,420	$24,213

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

(Expressed in thousands of dollars)

For the year ended March 31,

Gains and Losses	2024	2023
Accumulated remeasurement losses, beginning of year	$(206)	$(1,112)
Unrealized gains (losses) attributable to: Unrestricted short-term investments	(219)	2,282
Realized gains (losses) on short-term investments: Unrestricted short-term investments	116	(1,376)
Net remeasurement gains (losses) for the year	(103)	906
Accumulated remeasurement losses – unrestricted short-term investments	$ (309)	$ (206)

The accompanying notes are an integral part of these 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 provides post-secondary and vocationally-oriented education. The College is a registered charity and is exempt from income taxes under the Income Tax Act. These 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 16).

1. Significant Accounting Policies

These 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. Revenue Recognition:

The College follows the deferral method of accounting for contributions, which include 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.

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.

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.

1. Significant Accounting Policies (Continued)

B. 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.

C. 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.

D. Investment in GBSP Centre Corp.:

The investment in the George Brown Soulpepper 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.

1. Significant Accounting Policies (Continued)

E. Capital Assets:

(i) 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.

(ii) 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.

F. Vacation Pay:

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

G. Liability for Contaminated Site:

A liability for the remediation of contamination sites is recognized in the financial statements when at the financial reporting date: a) an environmental standard exists; b) contamination exceeds the environmental standard; c) the College is directly responsible or accepts responsibility; d) it is expected that future economic benefits will be given up and; e) a reasonable estimate of the amount can be made.

H. 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:

(i) 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.

(ii) The costs of the multi-employer defined benefit pension are the employer's contributions due to the plan in the period.

(iii) 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.

(iv) The discount rate used in the determination of the above-mentioned liabilities is equal to the College's internal rate of borrowing.

(Expressed in thousands of dollars)

1. Significant Accounting Policies (Continued)

I. Use of estimates:

The preparation of 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 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.

J. 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.

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	2024	2023
Cash	$ 43,420	$ 24,213
Short-term investments (Note 3 (a))	170,036	219,586
Total cash and short-term investments	213,457	243,799
Less amounts related to: Endowments - externally restricted (Note 15)	154	154
Deferred contributions (Note 10(a))	20,869	21,055
Unspent deferred capital contributions (note 10(b))	10,732	8,681
Total	$181,701	$213,909

(Expressed in thousands of dollars)

3. Investments

A. Short-term Investments:

Short-term Investments are comprised of the following:

Short-term Investments	2024	2023
Bonds	$30,036	$29,586
Guaranteed Investment Certificates (GICs)	140,000	190,000
Total	$170,036	$219,586

The redeemable bonds earn interest at rates ranging from 0.50% to 4.68% (2023 - 0.50% to 4.31%) and have maturities ranging from May 2024 to June 2033 (2023 – June 2024 to September 2027). The GICs, earn interest at rates ranging from 5.73% to 6.59% (2023 - 4.70% to 5.85%) and have maturities ranging from April 2024 to October 2024 (2023 – April 2023 to June 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	2024	2023
Canadian cash equivalents	$213	$171
Fixed income	3,581	3,178
Canadian equity	3,712	3,204
US equity	4,520	3,996
Global equity	2,631	2,478
Alternatives	1,272	1,195
Total	$ 15,929	$ 14,222

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

(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, 2023 to March 31, 2024 has been included in the financial statements as at March 31, 2024 using the modified equity method. The College's 50% interest in the joint venture is summarized below:

Investment in GBSP Centre Corp.	2024	2023
Current assets	$912	$857
Capital assets	4,901	4,629
Current liabilities	(710)	(694)
Deferred contributions	(5,089)	(4,808)
Net assets (liabilities)	$15	$(16)
Revenue	$1,886	$1,693
Expenses	(1,855)	(1,694)
Excess (deficiency) of revenue over expenses	$31	$(1)
Cash flows provided by operating activities	$108	$550
Cash flows (used in) provided by financing activities	282	(124)
Cash flows used in investing activities	(439)	(59)
Net cash (outflow) inflow	$(49)	$367

The College's 50% equity share of the deficiency of revenue over expenses of GBSP Centre Corp. from April 1, 2023 to March 31, 2024 has been included in other expenses.

During the year, the College paid rent of $402 (2023 - $232) and made contributions of $850 (2023 - $813) 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 financial statements for these differences. For the year ended March 31, 2024, there were no accounting policy differences that would have resulted in an adjustment to amounts or disclosures in these financial statements.

(Expressed in thousands of dollars)

5. Capital Assets

Capital Assets	2024 Cost	2024 Accumulated Amortization	2023 Cost	2023 Accumulated Amortization
Land	$21,459	$–	$21,459	$-
Buildings and improvements	636,446	234,633	622,484	219,486
Building under capital lease (Note 9)	10,110	4,535	10,110	4,328
Construction in progress	148,959	–	98,972	-
Leasehold improvements	14,015	9,080	14,015	8,277
Computer equipment	82,936	72,871	74,535	68,581
Other equipment	120,132	103,076	113,369	98,626
	$1,034,057	$424,194	$954,944	$399,298
Net book value		$609,863		$555,646

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 The Limberlost Place Project to provide additional instructional space at its Waterfront Campus. As at March 31, 2024, the College has recognized construction in progress for pre-construction management services valued at $140,236 (2023 - $88,029). The project is anticipated to be completed in fiscal year 2025.

On June 29, 2022, the buildings located at 500 MacPherson Avenue, Toronto and 555 Davenport Road, Toronto were sold for total proceeds of $36,000 resulting in a gain on disposition of $35,774 after closing costs, which was recorded in other revenue on the statement of operations. Furthermore, as a result of the sale, the liability for contaminated site, which was associated with 555 Davenport Road, was extinguished as part of the gain on sale.

(Expressed in thousands of dollars)

6. Deferred Revenue

A. Current deferred revenue consists of:

Deferred Revenue	2024	2023
Tuition fees	$72,076	$67.373
Other	11,241	6,427
Total	$83,317	$73,800

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, 2024 of $3,725 (2023 - $3,767) has been classified as long-term.

7. 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.

The future principal repayments are as follows:

Year	Student Residence OFA2	Daniel's OFA3	Total
2025	$1,142	$920	$2,062
2026	1,209	955	2,163
2027	1,279	989	2,268
2028	1,354	1,027	2,380
2029	1,433	1,066	2,499
Thereafter	26,804	20,337	47,141
	33,219	25,293	58,512
Less: current portion	1,142	920	2,062
	$32,077	$24,373	$56,451

(Expressed in thousands of dollars)

8. 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 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

Liability 2023	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	$1,978	$7,903	$509	$10,390
Value of plan assets	(473)	–	–	(473)
Unamortized actuarial gains (losses)	56	(1,457)	(38)	(1,439)
Total liability	$1,561	$6,446	$471	$8,478

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

Expense 2023	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost (recovery)	$187	$485	$18	$690
Interest on accrued benefit obligation	4	214	10	228
Amortized actuarial (gains) losses	(26)	69	186	229
Total expense	$165	$768	$214	$1,147

8. 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, 2024 indicated an actuarial surplus of $5,263,000 (2023 - $4,713,000). The College made contributions to the Plan and its associated retirement compensation arrangement of $21,243 (2023 - $18,771) which has been included in salaries and benefits in the statement of operations.

As of January 1, 2024, the CAAT Pension Plan has increased its funding reserve to $5.3 billion and is currently 124% funded on a going-concern basis. This means CAAT has $1.24 set aside for the value of every dollar of pension benefit promised today and in the future. Additionally, asset volatility reserves increased to $614 million.

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, 2024 was determined using a discount rate of 3.5% (2023 – 3.4%), while the 2024 period expense was calculated using a discount rate of 3.4% (2023 – 2.9%).

(b) Medial premiums
Medical premium increases were assumed to increase at 6.2% per annum in 2024 (2023 - 6.2%) and decrease proportionately thereafter to an ultimate rate of 4.0% in 2040.

(c) Dental costs
Dental costs were assumed to increase at 4.0% per annum (2023 – 4.0%).

(Expressed in thousands of dollars)

8. 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	2024	2023
Wage and salary escalation: Academic	1.00%	1.00%
Wage and salary escalation: Support	1.00%	1.00% - 1.25%
Discount rate used to calculate: Present value of future benefits	3.50%	3.40%
Discount rate used to calculate: 2023 period expense	3.40%	2.90%

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% to 23.5% (2023 – 0% to 26.2%) and 0 to 54 days (2023 – 0 to 51 days) respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

(Expressed in thousands of dollars)

9. 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
2025	$5,686
2026	5,713
2027	6,043
2028	6,071
2029	6,147
Thereafter	6,679
Total	$36,340

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.

Effective December 21, 2003, the College entered into a lease agreement in connection with its joint venture (Note 5) 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. Annual lease payments under this agreement are $155 per annum for “grade level facilities” and $2 per square foot for “above grade premises”. The above lease agreement is superseded by an annual licensing agreement which commits the College to estimated annual payments of $260 for the use of the facilities. In the event of the cancellation of the licensing agreement, the lease agreement becomes enforceable. In February 2023, GBSP submitted a written notice to the landlord expressing the intention to renew the lease for the second successive term of 20 years effective February 2024.

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 5. 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.

(Expressed in thousands of dollars)

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.

Expenses of Future Periods	2024	2023
Balance, beginning of year	$21,055	$19,275
Contributions received	22,753	23,848
Less: amount recognized as revenue	(22,940)	(22,068)
Balance, end of year	$20,869	$21,055

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

Capital Assets	2024	2023
Balance, beginning of year	$237,313	$237,144
Contributions received	12,085	10,228
Less: amount amortized to revenue	(9,790)	(10,059)
Balance, end of year	$239,608	$237,313

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

Unamortized Capital Contributions Related to Capital Assets	2024	2023
Unamortized capital contributions used: to purchase capital assets	$223,293	$222,849
Unamortized capital contributions used: to finance building under capital lease	5,584	5,783
Amounts financed by deferred capital contributions (Note 12(a))	228,877	228,632
Unspent contributions	10,732	8,681
	$239,608	$237,313

11. Internally Imposed Restrictions

The Board of Governors, effective March 31, 2024, approved the transfer of $35,530 from internally restricted net assets to unrestricted net assets, (2023 - $18,522 from internally restricted net assets to unrestricted net assets) and the following allocations:

Internally Imposed Restrictions	2024	2023
General contingency	$18,000	$18,000
Committed capital projects	15,063	59,093
Transformational Initiatives	8,500	-
	$41,563	$77,093

(Expressed in thousands of dollars)

12. Investment in Capital Assets

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

Investment in Capital Assets	2024	2023
Capital assets	$609,863	$555,646
Amounts financed by deferred capital contributions (Note 10(b))	(228,877)	(228,632)
Financed by long-term debt	(58,512)	(60,469)
	$322,474	$266,545

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

Net Assets Invested in Capital Assets	2024	2023
Deficiency of revenue over expenses: Amortization of deferred contributions related to capital assets	$9,790	$10,059
Less: amortization of capital assets	(25,038)	(24,675)
	$(15,247)	$(14,616)
Purchase of capital assets	$79,255	$76,847
Amounts funded by: Deferred contributions	(10,035)	(8,905)
Amounts funded by: Repayment of long-term debt	1,957	1,870
	71,178	69,812
	55,930	55,196

13. 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 $16,964, including HST. As of March 31, 2024, the College has made payments totaling $15,762, including HST, based on a percentage of completion method. Therefore, the outstanding commitment as of March 31, 2024 is $1,202, including HST.

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 $175,679, including HST. As of March 31, 2024, the College has made payments totaling $111,557, including HST, based on a percentage of completion method. Therefore, the outstanding commitment as of March 31, 2024, is $64,122, including HST.

14. Liability for Contaminated Site

The College previously recognized a liability of $806 for remediation of a contaminated site. The liability resulted from petroleum impacts in soil and ground water in the vicinity of a basement boiler room. The estimate of the liability was determined by a third party based on the fair value of the cost of the remediation work required. In 2023, the contaminated site was sold, and the liability was extinguished.

(Expressed in thousands of dollars)

15. 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.

16. 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, 2024 were $38,319 (2023 – $32,611)

Foundation Net Assets	2024	2023
Restricted endowments	$21,193	$18,964
Restricted capital projects	9,568	8,042
Restricted scholarships and other projects	6,174	4,560
Unrestricted	1,384	1,045
Total net assets of the Foundation	$38,319	$32,611

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 $1,765 (2023 - $2,118) comprising of $800 for operating expenses, $800 for fundraising campaigns and $165 for Brookfield Sustainability Event expenses (2023 - $700, $700 and $718 respectively).

During the year, the Foundation provided $3,683 (2023 - $4,924) directly to the College, comprising $512 for various projects, $2,013 for capital initiatives and $1,158 for student scholarships and awards (2023 - $475, 3,100, and $1,348 respectively).

Total payable to the Foundation as of March 31, 2024, amounted to $52 (2023 -$65). Total receivable from the Foundation as of March 31, 2024, amounted to $nil (2023 - $2). 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.

(Expressed in thousands of dollars)

17. 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	2024	2023
Grants receivable	$ 4,037	$ (3,644)
Accounts receivable	(3,827)	(12,192)
Inventories	(293)	207
Prepaid expenses	2,732	(3,476)
Accounts payable and accrued liabilities	(3,473)	16,502
Vacation payable	1,303	(955)
Deferred revenue	9,474	26,948
Deferred contributions - expenses of future periods	(187)	1,780
Total cash flows	$9,768	$25,170

18. 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.

(Expressed in thousands of dollars)

19. City of Toronto Daycare Subsidies

During the fiscal year ended March 31, 2024, the College received General Operating funding totaling $1,864 (2023 - $1,864), Special Needs grants totaling $211 (2023 - $232), Special Needs One-on-One grants totaling $81 (2023 - $43), Electronic Devices grants totaling $nil (2023 - $39), Professional Learning Strategy funding totaling $132 (2023 - $nil), CWELCC Affordability funding totaling $5,839 (2023 - $3,428), CWELCC Cost Escalation funding totaling $389 (2023 - $nil), and CWELCC Implementation grants totaling $nil (2023 - $200) from the City of Toronto.

20. Financial Instrument Classification

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

Financial Instruments	2024 Fair Value	2024 Amortized Cost	2024 Total
Cash	$43,420	$–	$43,420
Short-term investments (Note 3 (a))	170,036	–	170,036
Long-term investments (Note 3 (b))	15,929	–	15,929
Grants receivable	–	2,826	2,826
Accounts receivable	–	44,185	44,185
Accounts payable and accrued liabilities	–	112,410	112,410
Long-term debt	–	56,451	56,451

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).

2024 Financial Instruments	Level 1	Level 2	Level 3	Total
Cash	$ 43,420	$–	$–	$43,420
Short-term investments (Note 3 (a))	-	170,036	-	170,036
Long-term investments (Note 3 (b))	-	15,929		15,929
	$43,420	$185,965	$–	$229,385

During 2024, $50 (2023 - $190) of cash was converted to GICs and was transferred from Level 1 to Level 2. There were no transfers in or out of Level 3.

(Expressed in thousands of dollars)

21. 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 and Universities ("MCU") 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 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	17,939
Other receivables	16,052	13,816	2,054	78	49	55
Gross receivables	56,100	26,479	3,205	4,349	4,073	17,994
Less: impairment allowance	(9,595)	–	–	(960)	(1,919)	(6,716)
Net receivables	$46,505	$26,479	$3,205	$3,389	$2,154	$11,278

Amounts Outstanding 2023	Total	Current	31-60 days	61-90 days	91-120 days	Over 121 days
Government receivables	$6,863	$6,863	$–	$–	$–	$–
Student receivables	30,523	8,720	662	4,423	5,502	11,216
Other receivables	18,491	17,434	258	455	41	303
Gross receivables	55,877	33,017	920	4,878	5,543	11,519
Less: impairment allowance	(8,656)	–	–	(866)	(1,731)	(6,059)
Net receivables	$47,221	$33,017	$920	$4,012	$3,812	$5,460

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.

(Expressed in thousands of dollars)

21. 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, 2024, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of bonds of $1,511 (2023 - $1,249). 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 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, 2024, 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 $1,235 (2023 - $1,422).

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.

2024 Undiscounted Cash-Flows	Within 1 year	1-5 years	Over 5 years
Accounts payable and accrued liabilities	$112,410	$–	$–
Long-term debt	2,062	9,310	47,141
Liability for Asset Retirement Obligation	–	–	6,516
	$114,472	$9,310	$53,657

(Expressed in thousands of dollars)

21. Financial Instrument Risk Management (Continued)

2024 Maturity profile of bonds and guaranteed investment certificates held is as follows:

2024 Maturity Profile of Bonds	Within 1 year	1-5 years	Over 5 years	Total
Carrying value of: Bonds	$1,616	$18,333	$10,087	$30,036
Carrying value of: GIC	140,000	–	-	140,000
	$141,616	$18,333	$10,087	$170,036
Percentage of total	83%	11%	6%	100%

22. Asset Retirement Obligations

The College's 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 4.90%. The estimated total undiscounted future expenditures are $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	2024	2023
Balance, beginning of the year	$6,332	$6,036
Increase due to accretion expense	310	296
Decrease due to settlement	(127)	–
	$6,516	$6,332

23. Subsequent Events

On April 3, 2024, the College and Halmont Properties Corporation ("HPC") incorporated HGBC 25 Dockside GP Inc. with joint ownership. This corporation will act as general partner to the partnership agreement described below.

On April 5, 2024, the College incorporated two wholly owned subsidiaries, GBC RE Holdings Inc. ("GBC RE Holdings") and GBC 25 Dockside Inc. GBC RE Holdings will manage all future real estate acquisitions and projects. GBC 25 Dockside Inc. will manage the operations and investment in 25 Dockside Drive, Toronto, Ontario ("Corus Building").

On April 5, 2024, HGBC 25 Dockside GP Inc., GBC 25 Dockside Inc., and HPC signed a Limited Partnership Agreement and established HGBC 25 Dockside LP ("HGBC" or the "Partnership") with the sole purpose to acquire and own Corus Building.

On April 15, 2024, the Partnership acquired 100% of Corus Building for the purchase price of $232,500. GBC 25 Dockside Inc. and HPC contributed $40,000 to the Partnership respectively, totaling an investment of $80,000 into the Corus Building with the remaining purchase price financed by debt. Subsequent to the purchase, the property was leased to GBC 25 Dockside Inc. for the initial period of 30 years with the option to extend for one further term of 10 years and one additional term of 10 years. The minimum rent commitment is $14,400 annually and is increased every 5 years based on CPI adjustments.

24. International Study Permits

On January 22, 2024, the Minister of Immigration, Refugees and Citizenship Canada (IRCC) announced the Government of Canada will set an intake cap on international student permit applications for a period of 2 years. For 2024 the cap is resulting in approximately 360,000 approved study permits, which represents a decrease of 35% from 2023.

George Brown College expects a reduction in international student enrolment going forward which will impact international tuition revenues and other related revenues. The College is addressing the impacts of the international student cap by implementing a non-essential expense freeze, hiring freeze for non-essential positions, academic program portfolio optimization, and delaying non-essential capital projects until future years.

After receiving the international student visa allocation guidelines from the Ministry in the end of March 2024 we expect the new international student enrolment reduction to be approximately 35%, however due to complexity of the allocation formula and multiple factors that could influence the final allocation the impact will be unknown until September 2024. The College is in the process of determining the financial impact of the international student cap.