The George Brown College of Applied Arts and Technology

Financial Statements

For the year ended March 31st, 2021

The George Brown College of Applied Arts and Technology
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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 | **Chief Financial Officer**

June 9, 2021

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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 statement of financial position as at March 31, 2021, 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, 2021, 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 sector 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.

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 9, 2021

The George Brown College of Applied Arts and Technology
Statement of Financial Position
(expressed in thousands of dollars)

March 31		2021		2020
Assets				
Current				
Cash (Note 2)	**$**	**81,188**	$	58,988
Short-term investments (Notes 2 & 3 (a))		**149,270**		148,773
Grants receivable		**1,571**		4,426
Accounts receivable		**26,210**		27,766
Inventories		**1,282**		1,868
Prepaid expenses		**3,040**		3,011
		262,561		244,832
Deposits		**286**		457
Investments held by George Brown College Foundation (Notes 15 & 16)		**-**		13,400
Investment in GBSP Centre Corp. (Note 4)		**5,505**		5,473
Long-term investments (Notes 3 (b) & 15)		**13,642**		-
Capital assets (Note 5)		**483,740**		498,204
Capital assets held for sale (Note 5)		**2,550**		-
	$	**768,284**	$	762,366
Liabilities and Net Assets				
Current				
Accounts payable and accrued liabilities	**$**	**84,904**	$	80,155
Vacation payable		**12,462**		14,749
Current portion of long-term debt (Note 7)		**1,782**		3,054
Deferred revenue (Note 6 (a))		**44,955**		43,910
Deferred contributions - expenses of future periods (Note 10 (a))		**20,458**		17,626
		164,561		159,494
Liability for contaminated site (Note 14)		**806**		806
Post employment benefits and compensated absences (Note 8)		**8,501**		8,410
Long-term debt (Note 7)		**62,339**		64,121
Deferred revenue (Note 6 (b))		**3,852**		3,894
		75,498		77,231
Deferred contributions - capital assets (Note 10 (b))		**236,960**		237,488
		312,458		314,719
		477,019		474,213
Net Assets				
Operating		**20**		19
Post employment benefits and compensated absences (Note 8)		**(8,501)**		(8,410)
Vacation pay		**(12,462)**		(14,749)
Unrestricted		**(20,943)**		(23,140)
Internally restricted (Note 11)		**101,004**		95,739
Investment in capital assets (Note 12)		**198,006**		202,178
Restricted for endowments (Note 15)		**13,177**		13,177
		291,244		287,954
Accumulated remeasurement gains		**21**		199
		291,265		288,153
	$	**768,284**	$	762,366

On behalf of the Board:

_______________ Chair _______________ President

The accompanying notes are an integral part of these financial statements.

The George Brown College of Applied Arts and Technology

Statement of Operations

(expressed in thousands of dollars)

For the year ended March 31	2021	2020
Revenue		
Grants and reimbursements	**$ 135,239**	$ 140,669
Tuition and other student fees	**188,189**	219,712
Ancillary	**15,150**	31,633
Other (Note 3)	**9,580**	17,184
Amortization of deferred contributions related to capital assets	**10,613**	11,226
	358,771	420,424
Expenses		
Salaries and benefits	**224,256**	250,879
Rental, utilities and maintenance	**34,144**	30,349
Services	**28,472**	39,725
Amortization of capital assets	**25,234**	25,132
Supplies and minor equipment	**15,247**	21,232
Other expenses	**11,195**	13,888
Ancillary (other than salaries and benefits)	**10,558**	16,750
Scholarships, bursaries and grants	**6,376**	7,534
	355,482	405,489
Excess of revenue over expenses for the year	**$ 3,289**	$ 14,935

The accompanying notes are an integral part of these financial statements.

The George Brown College of Applied Arts and Technology
Statement of Changes in Net Assets
(expressed in thousands of dollars)

	March 31, 2021				
	Unrestricted	**Internally restricted**	**Investment in capital assets**	**Restricted for Endowments**	**Total**
Balance, beginning of year	**$ (23,140)**	**$ 95,739**	**$ 202,178**	**$ 13,177**	**$ 287,954**
Excess of (expenses over revenue) revenue over expenses (Note 12 (b))	**17,910**	**-**	**(14,621)**	**-**	**3,289**
Capital assets additions financed by college funds (Note 12 (b))	**(10,448)**	**-**	**10,448**	**-**	**-**
Internally imposed restrictions (Note 11)	**(5,265)**	**5,265**	-	-	-
Balance, end of year	**$ (20,943)**	**$ 101,004**	**$ 198,005**	**$ 13,177**	**$ 291,243**

	March 31, 2020				
	Unrestricted	Internally restricted	Investment in capital assets	Restricted for Endowments	Total
Balance, beginning of year	$ (20,301)	$ 84,710	$ 195,433	$ 13,177	$ 273,019
Excess of (expenses over revenue) revenue over expenses (Note 12 (b))	28,841	-	(13,906)	-	14,935
Capital assets additions financed by college funds (Note 12 (b))	(20,651)	-	20,651	-	-
Internally imposed restrictions (Note 11)	(11,029)	11,029	-	-	-
Balance, end of year	$ (23,140)	$ 95,739	$ 202,178	$ 13,177	$ 287,954

The accompanying notes are an integral part of these financial statements.

The George Brown College of Applied Arts and Technology
Statement of Cash Flows
(expressed in thousands of dollars)

For the year ended March 31	2021	2020
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	$ 3,289	$ 14,935
Adjustments required to reconcile excess of revenue over expenses with net cash provided by operating activities		
Amortization of capital assets	25,234	25,132
Amortization of deferred contributions related to capital assets	(10,613)	(11,226)
Change in non-cash operating working capital (Note 17)	11,265	(4,673)
Accrual for post employment benefits and compensated absences	91	(482)
Change in interest in GBSP (Note 4)	(32)	-
	29,234	23,686
Investing activities		
Purchase of long-term investments	(13,642)	-
Repayment from George Brown College Foundation	13,400	33
Change in short-term investments - net	(497)	(119,727)
Change in accumulated remeasurement losses	(177)	315
Change in deposits	171	(64)
	(745)	(119,443)
Financing activity		
Repayment of long-term debt	(3,054)	(6,963)
Capital activities		
Deferred contributions received related to capital assets	10,085	5,533
Additions to capital assets	(13,320)	(22,375)
	(3,235)	(16,842)
Increase (decrease) in cash during the year	22,200	(119,562)
Cash, beginning of year	58,988	178,550
Cash, end of year	$ 81,188	$ 58,988

The accompanying notes are an integral part of these financial statements.

The George Brown College of Applied Arts and Technology
Statement of Remeasurement Gains and Losses
(expressed in thousands of dollars)

For the year ended March 31	2021	2020
Accumulated remeasurement gains (losses), beginning of year	$ 199	$ (116)
Unrealized gains (losses) attributable to:		
Unrestricted short-term investments	(162)	277
Amounts reclassified to the statement of operations:		
Realized gains (losses) on short-term investments	(16)	38
Net remeasurement gains (losses) for the year	(178)	315
Accumulated remeasurement gains - unrestricted short-term investments	$ 21	$ 199

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 is dedicated to providing post-secondary and vocationally-oriented education. The College is a registered charity and is exempt from income taxes under the Income Tax Act. 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 are recognized in the statement of operations, except to the extent that they are externally restricted, in which case they are added to or deducted from endowment net assets or other restricted balances.

Unrealized changes in the fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations. Changes in fair value of investments held for restricted funds are recognized as a liability 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 determined to be other than temporary, 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 investments 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.

Writedowns 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 writedown being recognized in the statement of operations.

1. Significant Accounting Policies (continued)

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.

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.

1. Significant Accounting Policies (continued)

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 assumption and/or 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.

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, contamination liability, and actuarial estimation of post-employment benefits and compensated absences liabilities.

(expressed in thousands of dollars)

2. Cash and Short-term Investments

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

	2021	2020
Cash	$ 81,188	$ 58,988
Short-term investments (Note 3 (a))	149,270	148,773
Total cash and short-term investments	230,458	207,761
Less amounts related to:		
Endowments - externally restricted (Note 15)	154	154
Deferred contributions (Note 10(a))	20,458	17,626
Unspent deferred capital contributions (note 12(a))	5,926	8,637
	$ 203,920	$ 181,344

3. Investments

a) Short-term Investments:

Short-term Investments are comprised of the following:

	2021	2020
Bonds	30,270	29,773
Guaranteed Investment Certificates (GICs)	119,000	119,000
	149,270	148,773

The bonds earn interest at rates ranging from 0.15% to 3.23% (2020 – 0.75% to 4.50%), and have maturities ranging from April 2021 to September 2025 (2020 – October 2019 to June 2024). The GICs earn interest at rates ranging from 1.63% to 2.53% (2020 - 2.41% to 2.53%) and have maturities in April 2021 (2020 - April 2020)

Interest income and realized capital gains (losses) are recorded as other revenue and other expenses, respectively, in the statement of operations. Unrealized capital gains are recorded in the statement of remeasurement gains and losses.

3. **Investments** (continued)

b) Long-term Investments:

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

Long-term investments consist of the following:

	2021	2020
Canadian cash equivalents	**$ 2,001**	$ -
Fixed income	**3,139**	-
Canadian equity	**2,576**	-
US equity	**3,697**	-
Global equity	**2,229**	-
	$ 13,642	$ -

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, 2020 to March 31, 2021 has been included in these unaudited financial statements as at March 31, 2021 using the modified equity method. The College's 50% interest in the joint venture is summarized below:

	2021	2020
Current assets	**$ 293**	$ 320
Capital assets	**4,852**	4,994
Current liabilities	**(223)**	(412)
Deferred contributions	**(4,926)**	(4,986)
Net liabilities	**$ (4)**	$ (84)
Revenue	**$ 1,143**	$ 1,724
Expenses	**(1,063)**	(1,772)
Excess (deficiency) of revenue over expenses	**$ 80**	$ (48)
Cash flows (used in) provided by operating activities	**$ (41)**	$ 116
Cash flows used in financing activities	**(61)**	(106)
Cash flows (used in) provided by investing activities	**(19)**	3
Net cash (outflow) inflow	**$ (121)**	$ 13

The College's 50% equity share of the excess (deficiency) of revenue over expenses of GBSP Centre Corp. from April 1, 2020 to March 31, 2021 has been included in other expenses.

During the year, the College paid rent of $315 (2020 - $285) and made contributions of $502 (2020 - $466) 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, 2021, 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

	2021		2020	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Land	**$ 21,459**	**$ -**	$ 21,459	$ -
Buildings and improvements	**608,068**	**189,450**	610,663	178,699
Building under capital lease (Note 9)	**10,110**	**3,915**	10,110	3,709
Construction in progress	**12,678**	**-**	11,165	-
Leasehold improvements	**12,881**	**6,401**	11,688	5,327
Computer equipment	**67,506**	**60,426**	63,216	56,804
Other equipment	**101,100**	**89,870**	98,587	84,145
	$ 833,802	**$ 350,062**	$ 826,888	$ 328,684
Net book value		**$ 483,740**		$ 498,204

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 Arbour Project) to provide additional instructional space at its Waterfront Campus. As at March 31, 2021, the College has recognized construction in progress for pre-construction management services valued at $11,672 (2020 - $5,838). The project is anticipated to be completed in fiscal year 2024.

On January 13, 2021, the buildings located at 500 MacPherson Avenue, Toronto and 555 Davenport Road, Toronto were classified as held for sale.

	2021	
	Cost	**Accumulated Amortization**
500 MacPherson Avenue, Toronto	**$ 1,612**	**$ 1,069**
555 Davenport Road, Toronto	**4,809**	**2,802**
	$ 6,421	**$ 3,871**
Net book value		**$ 2,550**

(expressed in thousands of dollars)

6. Deferred Revenue

a) Current deferred revenue consists of:

		2021		2020
Tuition fees	**$**	**43,011**	$	41,194
Other		**1,944**		2,716
	$	**44,955**	$	43,910

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 remaining deferred revenue of $3,852 (2020 - $3,894) has been classified as long-term.

7. Long-term Debt

In 2014, the College received a $35,000 loan from the Ontario Financing Authority (OFA) for the construction costs and acquisition of furniture and equipment for the Waterfront Campus. The loan, referred to as OFA 1, is for a 7 year term, is unsecured, at an interest rate of 2.423% and is repayable in equal, quarterly installments of $1,363. The loan was fully repaid in June 2020.

In 2017, the College received a $40,000 loan from the 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:

		Student Residence OFA 2		Daniel's OFA 3		Total
2022	$	963	$	819	$	1,782
2023		1,020		850		1,870
2024		1,079		878		1,957
2025		1,142		920		2,062
2026		1,209		955		2,164
Thereafter		30,868		23,418		54,286
		36,281		27,840		64,121
Less: current portion		963		819		1,782
	$	35,318	$	27,021	$	62,339

(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.

	2021			
	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	$ 1,962	$ 8,363	$ 548	$ 10,873
Value of plan assets	(460)	-	-	(460)
Unamortized actuarial gains (losses)	90	(1,940)	(62)	(1,912)
Total liability	$ 1,592	$ 6,423	$ 486	$ 8,501

	2020			
	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	$ 2,001	$ 8,721	$ 723	$ 11,445
Value of plan assets	(437)	-	-	(437)
Unamortized actuarial gains (losses)	102	(2,637)	(63)	(2,598)
Total liability	$ 1,666	$ 6,084	$ 660	$ 8,410

	2021			
	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Current year benefit cost	$ 19	$ 883	$ 17	$ 919
Interest on accrued benefit obligation	3	138	11	152
Amortized actuarial (gains) losses	(18)	194	-	176
Total expense	$ 4	$ 1,215	$ 28	$ 1,247

(expressed in thousands of dollars)

8. Post-Employment Benefits and Compensated Absences (continued)

	2020			
	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Current year benefit cost (recovery)	$ (72)	$ 361	$ 34	$ 323
Interest on accrued benefit obligation	4	135	15	154
Amortized actuarial gains	(14)	(4)	(50)	(68)
Total expense (recovery)	$ (82)	$ 492	$ (1)	$ 409

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 of the College who opt to participate, are members of the Colleges of Applied Arts and Technology Pension Plan (the “Plan”), which is a multi-employer jointly-sponsored defined benefit plan for eligible employees of public colleges and other employers in Ontario. The College makes contributions to the Plan equal to those of the employees. Contribution rates are set by the Plan’s governors to ensure the long-term viability of the Plan.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates. The College does not recognize any share of the Plan’s pension surplus or deficit. The most recent actuarial valuation filed with pension regulators as at January 1, 2021 indicated an actuarial surplus of $3,270,120 (2020 - $2,857,741). The College made contributions to the Plan and its associated retirement compensation arrangement of $16,075 (2020 - $17,649) which has been included in salaries and benefits in the statement of operations.

8. Post-Employment Benefits and Compensated Absences (continued)

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, 2021 was determined using a discount rate of 1.7% (2020 – 1.6%), while the 2021 period expense was calculated using a discount rate of 1.6% (2020 – 2.2%).

(b) Hospital and other medical

Medical premium increases were assumed to increase at 6.4% per annum in 2021 (2020 - 6.5%) 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 (2020 - 4.0%).

Compensated absences

Vesting Sick Leave

The College has provided for vesting sick leave benefits during the year for employees hired before April 1, 1992. Eligible employees, after 10 years of service, were entitled to receive 50% of their accumulated sick leave credit on termination or retirement to a maximum of 6 months' salary. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

(expressed in thousands of dollars)

8. Post-Employment Benefits and Compensated Absences (continued)

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:

	2021	2020
Wage and salary escalation		
Academic	**1.0% - 2.0%**	1.5% - 2.0%
Support	**1.0% - 2.0%**	0.5% - 1.5%
Discount rate used to calculate:		
Present value of future benefits	**1.7%**	1.6%
2021 period expense	**1.6%**	2.2%

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 23.7% and 0 to 48 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:

2022	$	5,556
2023		5,462
2024		5,430
2025		3,640
2026		2,368
Thereafter		11,404
	$	33,860

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 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. Annual lease payments under this agreement are $155 per annum for “grade level facilities” and $2 per square foot for “above grade premises”. Rent escalation is tied to CPI and is provided for during the period September 1, 2014 to February 29, 2024. 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.

Effective July 30, 2001, the College entered into an agreement, as part of the Ontario Government Superbuild Program, with Ryerson Polytechnic 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.

	2021	2020
Balance, beginning of year	**$ 17,626**	$ 18,889
Contributions received	**21,960**	21,474
Less: amount recognized as revenue	**(19,128)**	(22,737)
Balance, end of year	**$ 20,458**	$ 17,626

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.

	2021	2020
Balance, beginning of year	**$ 237,488**	$ 243,181
Contributions received	**10,085**	5,533
Less: amounts amortized to revenue	**(10,613)**	(11,226)
Balance, end of year	**$ 236,960**	$ 237,488

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

	2021	2020
Unamortized capital contributions used:		
to purchase capital assets	**$ 217,981**	$ 222,469
to finance building under capital lease	**6,182**	6,382
Amounts financed by deferred capital contributions (Note 12(a))	**224,163**	228,851
Unspent contributions	**12,797**	8,637
	$ 236,960	$ 237,488

(expressed in thousands of dollars)

11. Internally Imposed Restrictions

The Board of Governors, effective March 31, 2021, approved the transfer of $5,265 (2020 - $11,029) from unrestricted net assets to internally restricted net assets and the following allocations in 2021 internally restricted net assets. This appropriation will help fund capital projects.

	2021	2020
General contingency	**$ 18,000**	$ 18,000
Committed capital projects	**83,004**	77,739
	$ 101,004	$ 95,739

12. Investment in Capital Assets

a) Investment in capital assets is calculated as follows:

	2021	2020
Capital assets	**$ 486,290**	$ 498,204
Amounts financed by deferred capital contributions (Note 10(b))	**(224,163)**	(228,851)
Financed by long-term debt	**(64,121)**	(67,175)
	$ 198,006	$ 202,178

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

	2021	2020
Deficiency of revenue over expenses:		
Amortization of deferred contributions related to capital assets	**$ 10,613**	$ 11,226
Less: amortization of capital assets	**(25,234)**	(25,132)
	$ (14,621)	$ (13,906)
Purchase of capital assets	**$ 13,320**	$ 22,375
Amounts funded by:		
Deferred contributions	**(5,926)**	(8,687)
Repayment of long-term debt	**3,054**	6,963
	10,448	20,651
	$ (4,173)	$ 6,745

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 final 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 architect firm to provide professional services to support the construction of a new College building (Arbour) for the total cost of $10,600. As of March 31, 2021, the College has made payments totaling $9,200 including HST (2020 - $4,100) based on a percentage of completion method. The outstanding commitment as of March 31, 2021 is $1,400.

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.

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 income available for spending and requiring the reinvestment of any income earned in excess of this limit. The amount of income to be made available for spending is based on 3.5% of the opening market value of the investments held for endowment net assets. In any particular year, should investment income be insufficient to fund the amount to be made available for spending or the investment return is negative, the amount is funded by a transfer from endowment net assets.

(expressed in thousands of dollars)

16. Related Party Transactions

a) The George Brown College Foundation

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

Total net assets of the Foundation as at March 31, 2021 were $29,275 (2020 - $23,944), consisting of:

	2021	2020
Restricted endowments	**$ 17,744**	$ 14,668
Restricted capital projects	**6,933**	5,863
Restricted scholarships and other projects	**3,766**	2,728
Unrestricted	**832**	685
	$ 29,275	$ 23,944

The College and the Foundation entered into a memorandum of understanding dated March 9, 2011 that outlines services provided between the College and the Foundation. During the year, the College paid the Foundation $1,211 (2020 – $1,188) for services rendered by the Foundation to raise and administer funds in support of the College. The Foundation utilized office space owned by the College that is provided rent free, and the College provides certain administrative services to the Foundation without charge.

During the year, investments totalling $13,023, previously held in a custodial capacity by the Foundation were sold and the cash proceeds were transferred to the College. The Foundation continues to provide administrative services on behalf of the College relating to the investments.

During the year, the Foundation provided $1,287 (2020 - $2,691) to the College comprised of $379 for various projects, $nil for capital initiatives and $908 for student scholarships and awards (2020 - $269, $400, and $2,022 respectively).

The amount due to the Foundation from the College as at March 31, 2021 amounted to $nil (2020 - $358).

(expressed in thousands of dollars)

16. Related Party Transactions (continued)

The amount due to the College by the Foundation as at March 31, 2021 amounted to $nil (2020 - $173).

b) Student Association Centre:

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

17. 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:

	2021	2020
Grants receivable	**$ 2,855**	$ (4,073)
Accounts receivable	**1,556**	1,490
Inventories	**586**	(106)
Prepaid expenses	**(29)**	411
Accounts payable and accrued liabilities	**4,750**	(1,407)
Vacation payable	**(2,287)**	3,323
Deferred revenue	**1,002**	(3,048)
Deferred contributions - expenses of future periods	**2,832**	(1,263)
	$ 11,265	$ (4,673)

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, loss, 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.

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

19. City of Toronto Daycare Subsidies

During the year, the College received wage subsidies totaling $2,592 (2020 - $2,672), Special Needs grants totaling $212 (2020 - $210), Special Needs One-on-One grants totaling $22 (2020 - $58), and Safe Restart Funding totaling $962 (2020 - $nil) from the City of Toronto.

(expressed in thousands of dollars)

20. Financial Instrument Classification

The following table provides cost and fair value information of financial instruments by category. The maximum exposure to credit risk would be the carrying value as shown below.

	2021		
	Fair Value	Amortized Cost	Total
Cash	$ 81,188	$ -	$ 81,188
Short-term investments (Note 3 (a))	149,270	-	149,270
Long-term investments (Note 3 (b))	13,642		13,642
Grants receivable	-	1,571	1,571
Accounts receivable	-	26,210	26,210
Accounts payable and accrued liabilities	-	84,904	84,904
Long-term debt	-	64,121	64,121

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).

(expressed in thousands of dollars)

20. Financial Instrument Classification (continued)

	2021			
	Level 1	Level 2	Level 3	Total
Cash	$ 81,188	$ -	$ -	$ 81,188
Short-term investments (Note 3 (a))	-	149,270	-	149,270
Long-term investments (Note 3 (b))	-	13,642	-	13,642
	$ 81,188	$ 162,912	$ -	$ 244,100

There were no transfers between Level 1 and Level 2 for the year ended March 31, 2021. There were also no transfers in or out of Level 3.

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 related to short-term investments is consistent with 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 investments held for endowments sets out investment criteria that limit investments to entities with acceptable credit ratings.

(expressed in thousands of dollars)

21. Financial Instrument Risk Management (continued)

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:

	2021					
	Total	Current	31 - 60 days	61 - 90 days	91 - 120 days	Over 121 days
Government receivables	$ 1,571	$ 1,571	$ -	$ -	$ -	$ -
Student receivables	22,562	6,361	1,097	2,820	3,461	8,823
Other receivables	10,099	9,824	61	46	13	155
Gross receivables	34,232	17,756	1,158	2,866	3,474	8,978
Less: impairment allowance	(6,721)	-	-	(672)	(1,344)	(4,705)
Net receivables	$ 27,511	$ 17,756	$ 1,158	$ 2,194	$ 2,130	$ 4,273

	2020					
	Total	Current	31 - 60 days	61 - 90 days	91 - 120 days	Over 121 days
Government receivables	$ 4,426	$ 4,426	$ -	$ -	$ -	$ -
Student receivables	21,511	4,865	6,188	2,812	4,031	3,615
Other receivables	11,494	11,400	62	17	1	14
Gross receivables	37,431	20,691	6,250	2,829	4,032	3,629
Less: impairment allowance	(5,239)	-	-	(495)	(1,282)	(3,462)
Net receivables	$ 32,192	$ 20,691	$ 6,250	$ 2,334	$ 2,750	$ 167

21. Financial Instrument Risk Management (continued)

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.

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, 2021, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of bonds and GICs of $2,274 (2020 - $1,942).

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.

(expressed in thousands of dollars)

21. Financial Instrument Risk Management (continued)

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:

	2021		
	Within 1 year	1 - 5 years	Over 5 years
Accounts payable and accrued liabilities	$ 84,904	$ -	$ -
Long-term debt	1,782	8,052	54,287
Liability for contaminated site	-	806	-
	$ 86,686	$ 8,858	$ 54,287

Maturity profile of bonds and GICs held is as follows:

	2021			
	Within 1 year	1 - 5 years	Over 5 years	Total
Carrying value of:				
Bonds	$ 1,656	$ 28,614	$ -	$ 30,270
GICs	119,000	-	-	119,000
	$ 120,656	$ 28,614	$ -	$ 149,270
Percentage of total	81%	19%	0%	100%

22. Other Matters

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus, the “COVID-19 outbreak”. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

On March 24, 2020 the College closed its campuses and learning sites and they remained substantially closed to the date of the auditor’s report. The College delivered most of its curriculum online following the closure of its campuses, and plans to continue to deliver most of its curriculum online until provincial regulations ease and the College deems it safe to do so. The closure of the College’s campuses throughout the fiscal year had a negative impact on all revenue streams. The decrease in tuition revenue was mainly derived from the decrease in international student enrolment caused by travel restrictions imposed by the Canadian government, while the decrease in other revenue streams such as ancillary and other income was directly related to the campus closure. The closure of the College’s campuses also resulted in reductions in certain operating expenses, including salaries and benefits, utilities, maintenance, supplies and other expenses, partially offset by additional expenses caused by pandemic restrictions.

As the impacts of the COVID-19 outbreak continue, there could be further impact on the College, its students and its funding sources. Management is actively monitoring the effect on its financial condition, liquidity, operations, suppliers, and its workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the College is not able to fully estimate the effects of the COVID-19 outbreak on its future results of operations, financial condition, or liquidity at this time.