ANNUAL REPORT 2018 2019

ACCELERATED SUCCESS
MEANINGFUL COLLABORATION
INSPIRED INNOVATION
STRONG FOUNDATIONS

Georgian

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MESSAGE FROM THE CHAIR, BOARD OF GOVERNORS AND THE PRESIDENT AND CEO

The Georgian experience connects students to the skills they need, the mindset to succeed, and the confidence to thrive. We produce graduates who are fully connected – to their potential, their industry, their community and the world. For more than five decades, we've been transforming lives, preparing students for meaningful employment, and strengthening the growth and development of our economy and the communities we serve. We live our mission, vision and values each day with an unwavering commitment to our students, graduates, employers, donors and partners.

This annual report captures many highlights and successes from the past year. Among them was the grand opening of the Peter B. Moore Advanced Technology Centre at the Barrie Campus. The new facility will serve community, industry, faculty and students. It's a dynamic place where employers can come to us for help with idea generation, concept testing, prototyping, market research, product and process enhancements, and more. Degree and diploma students access new technology emerging in robotics, environmental technology, manufacturing and assembly while conducting industry relevant research designed to address local business challenges.

The game-changing $30-million, 56,000-square-foot facility has unique research spaces, including the only anechoic chamber in the region to measure sounds or electromagnetic waves emitted by devices – critical to industries such as medical device technology and aviation. The heart of the building is the Alectra Centre for Research, Innovation and Commercialization, which provides students and industry partners with access to research, incubator, changemaker and fabrication space. Four levels of government, generous industry and private donors all contributed to the project, knowing the centre will be a catalyst for the prosperity and competitive advantage of Central Ontario.

Georgian also embarked on a one-of-a-kind partnership with Ashoka Canada and the Simcoe County District School Board – a partnership that's setting new standards for changemaking education in Canada. Together, the partners are developing innovative ideas on how to integrate changemaking across our educational ecosystem and weave it into the culture of our community. Throughout the fall and winter semesters, they tackled the issue of social isolation, predominantly among youth, through an inspiring changemaker challenge. The results were outstanding and a reminder of how powerful it can be when an entire region comes together for social good.

We're proud to be Canada's first and only changemaker college. Georgian was recognized by Ashoka U – the world's largest network of social entrepreneurs – for our leadership in social innovation and changemaking in higher education. Our students are learning the importance of empathy, creativity, collaboration and problem-solving to make positive social change through projects, research, assignments and to strengthen their employability. Our students think they can change the world…and we do too!

These are just two examples of the incredible work underway at the college. We extend our deepest gratitude and appreciation to the entire Georgian team for bringing these initiatives to life and for the many other successes outlined in this report. We look forward to another terrific year ahead.

Don Gordon
Chair, Georgian College Board of Governors

MaryLynn West-Moynes
President and CEO

SECTION 1: REPORT ON 2018-19 GOALS AND PERFORMANCE

ACCELERATED SUCCESS

COMMITMENT 1

Quality market-driven programs.

Strategies:

Create degree pathways in every diploma program.

Offer relevant curriculum for in-demand jobs.

Use the Program Assessment process to drive program sustainability.

2018-19 Actions	Outcomes
A1. Map all remaining diploma to degree pathways and validate in academic area.	Six of the two-year Business diploma programs mapped to Hons. Bachelor of Business Administration - Management and Leadership (BBML). Work initiated for diploma programs leading to Hons. Bachelor of Counselling degree. New process created to support pathway management through Banner; mapping underway in academic areas with support from the Office of Academic Quality (OAQ).
A2. Train stakeholders on the use and functionality of Courseleaf's CiM (curriculum) and CAT (catalogue) software. Prepare for the pending Ontario College Quality Assurance Service (OCQAS) audit.	CiM and CAT training completed. Audit working teams established and programs selected; in process of gathering evidence.
A3. Develop a checklist for program modification/suspension/closure decision making. Analyze program clusters in combination with corridor enrolment funding.	Program suspension policy/procedure document created. Annual program assessment process enhancements completed.

COMMITMENT 2

Experiential learning and employer guarantee.

Strategies:

Expand experiential learning opportunities in every program and offer a wide range of co-curricular activities to ensure students have the skills and capabilities to succeed.

Develop an employer guarantee for student job readiness.

2018-19 Actions	Outcomes
A4. Refine experiential learning definitions. Automate tracking of experiential learning across the college through the Orbis system. Expand international and Indigenous student experiential learning opportunities.	Common institutional experiential learning definitions completed. Orbis Outcome Experiential Management Platform (rebranded GeorgianConnects) in place to track and report experiential learning. Indigenous student experiential opportunities expanded to include two language retreats, regular field trips and having Indigenous students share culture-related activities with the college community. More than 20 Change-making workshops delivered to 140 employees, 25 community partners and 140 students. Secured 106 international experiential learning student work terms.

COMMITMENT 3:

Effective student supports and services.

Strategy:

Streamline delivery of student services through a unified online portal. Provide integrated student support through holistic advising.

2018-19 Actions	Outcomes
A5. Assess full holistic advising annual cycle to interpret how results inform practice and to identify necessary changes to the model. Implement Holistic Advising Research Plan.	Evaluation of data completed; further evaluation underway to evaluate impact of advising interventions on retention between semesters and between academic years.
A6. Use predictive analytics to demonstrate strategies for increased student success, retention and graduation rate. Identify roles regarding student intervention strategy.	Two surveys conducted to evaluate student experience with advising services. Analysis completed for correlation between advising services usage and retention for Fall 2017 entering cohort. Data analysis and configuration for graduation rate, academic performance and student progression is continuing. Big Data Analytics students assisted in evaluating results on a program-by-program basis, tackling programs with low graduation rates compared to provincial

2018-19 Actions	Outcomes
	performance. Matrix developed based on the student life cycles that identified the student intervention tasks and responsibilities.
A7. Establish a Well-Being Committee and develop a coordinated holistic approach to support the mental and physical well-being of students and employees.	Committee established; resource/service inventory completed. Mental Health Strategic Planning Group created with terms of reference completed; group in process of developing mental health strategic plan.

COMMITMENT 4:

Internationalized Georgian community.

Strategies:

Enhance cultural awareness and support greater international exchange and study abroad opportunities.

Expand and better integrate supports for international students.

2018-19 Actions	Outcomes
A8. Promote awareness of international opportunities through the *Go Abroad Squad*. Implement social innovation summer abroad experience in collaboration with the Georgian College Students' Association (GCSA). Establish two new exchange opportunities for students with current and new strategic partners.	Eight new students and five new staff joined the *Go Abroad Squad*. Students interested in studying abroad identified. *Go Abroad Squad* conducted 40 in-class visits and three Talk Café presentations and was present at Open House, Orientation and internationalization symposium. Four partnerships developed to create additional exchange and study abroad opportunities: Bahcesehir University (Turkey), Limerick University (Ireland), Alcala University (Spain) and University of West England. Solidified Erasmus funding from University of Alcala for employees and students to go abroad in 2019. Numerous student co-op/projects abroad developed, including Interior Design in the USA and Environmental Studies in Costa Rica. Hosted two *Go Abroad* partners on campus to promote current opportunities (University of West England and Scotia Personelle).
A9. Establish student projects/events/volunteer skill development opportunities with VIA, including a summer exchange program.	Five students attended VIA summer school; Web Design program coordinator and International Operations Manager visited to investigate student collaborative project and exchange opportunities. Georgian International Communications specialist visited to establish a communication and promotion plan for VIA students for summer 2019.

2018-19 Actions	Outcomes
A10. Use Cambridge Michigan Language Assessments (CaMLA) for English language placement testing in-house and abroad. Define additional English language testing opportunities (Test Of English for International Communication — TOEIC® — test dates) for entrance into postsecondary vocational programs. Move English for Academic Purposes (EAP) lab activity into classroom-based curriculum. Develop lab-based activities as a pilot to support college-wide development of writing and communication skills primarily for international students. Pilot offering EAP expertise for faculty across college to support success of international students in all courses.	CaMLA testing in place and used for recruiting across numerous markets. EAP curriculum revision completed. The pilot Language Help Centre was successful; Phase Two now underway with language support offered to students college-wide. The Language Help Centre operational every weekday afternoon with scheduled sessions and drop-ins.
A11. Increase/explore off-shore international partnerships and revenue generating opportunities.	Currently exploring opportunities in India, China, and Philippines for new in-country delivery partnerships. Financial feasibility for new off-shore model presented to Senior Leadership Team and support gained to move through negotiations with Chitkara (Global Pathways) in India.

COMMITMENT 5:

Enhanced Indigenization.

Strategies:

Enhance curriculum to reflect Indigenous culture and traditions.

Enrich the college community by engaging in Indigenous knowledge sharing.

2018-19 Actions	Outcomes
A12. Incorporate Indigenization learning objectives in all Liberal Arts General Education courses. Offer professional development for faculty on incorporating Indigenous culture in their courses.	Indigenous learning outcomes written for Liberal Arts General Education courses; these are incorporated as curriculum is updated. Professional development occurred during team meetings as well as through individual consultations with the Indigenization Specialist; faculty workshop delivered in February. Resources developed by the Indigenization Specialist and library staff and posted on the Indigenous website.
A13. Offer a minimum of 30 Indigenous knowledge-sharing sessions across the college. Keep the Indigenous Education Protocol at the centre of our activities. Create new community partnerships with a college department outside Indigenous Services.	Delivered 119 knowledge-sharing sessions. In keeping with the Indigenous Education Protocol, three staff attended Colleges and Institutes Canada's (CICan) Indigenous Symposium to gain information and ideas for additional activities. Indigenous Services supported Academic and Career Preparation and Social Enterprise Network of Central Ontario (SENCO) in connecting with Indigenous communities and organizations. The Indigenization webpage is now live.

MEANINGFUL COLLABORATION

COMMITMENT 1:

Strong community and industry connections.

Strategy:

Proactively engage partners through well-established connections using our Community Engagement and Partner Relationship Management Committees.

2018-19 Actions	Outcomes
M1. Expand research activities with at least 50 existing or new research partners. Engage at least one new corporate client in a comprehensive partnership; engage at least five partners in training.	Fifty-one partners engaged in 100 applied research projects involving students and faculty from 14 different programs. Established a comprehensive three-year partnership with Honda Canada that includes funding for equipment, joint recruitment and marketing, enhanced co-op opportunities and a robust plan for collaborative research and development. Received funding from Ontario Centre of Excellence's VIP program for two projects. Four multi-faceted partnerships established. Completed corporate training programs with ten partners.
M2. Develop an alumni engagement plan with defined and measureable outcomes.	Alumni Relations Strategic Plan (2018-21) completed and approved by Alumni Executive Committee. Measureable results included launch of a new alumnus-giving program that resulted in a 35 per cent increase in actual gifts from individual Georgian alumni; Alumni Association fundraising supported nearly 400 students who received holiday food hampers; digital communication output increased by 37 per cent, open rates increased by 38 per cent and newsletter opt-out rates decreased by 22 per cent.

COMMITMENT 2:

Progressive degree delivery.

Strategy:

Develop a comprehensive degree strategy for central Ontario including Georgian degrees, integrated degree-diplomas and partner degrees.

2018-19 Actions	Outcomes
M3. Prepare at least two new Lakehead-Georgian degrees for launch in 2019-20.	Review completed of the current four joint degree deliveries based on access for Georgian students and efficiencies in delivery.
M4. Develop one Georgian degree for launch in 2020-21.	Hons. Bachelor of Counselling Psychology and Hons. Bachelor of Business Administration in Health Management awaiting MTCU approval. Hons. Bachelor of Industrial Design application submitted to the Ministry but not yet referred to Postsecondary Education Quality Assessment Board.
M5. Obtain Ministry consent to continue use of the term “university” in conjunction with the University Partnership Centre. Pursue ITAL status for the University Partnership Centre pending outcome of the Ministry review of polytechnic institutions.	Consent for University Partnership Centre submitted to Ministry for approval. Awaiting final Ministry approval.

COMMITMENT 3:

Learning for life.

Strategy:

Expand and evolve program offerings in response to shifting demands and demographics.

2018-19 Actions	Outcomes
M6. Secure 15 additional corporate training clients and increase the number of returning clients by five.	Twenty-one new and 22 returning corporate training clients secured.
M7. Develop marketing strategies that target non-direct students and promote programs and courses that offer flexible delivery options.	Enrolment data assessed and strategies developed. Promoted and held 10 *Get Help To Go Back* evening events at seven campuses during the fall, spring and summer to increase non-direct applicants; the events promoted flexible delivery options and waived the application fee. Up to 20 career and academic

2018-19 Actions	Outcomes
	counselling phone appointments targeting non-direct prospects provided each week.
M8. Launch four new part-time non-credit courses and an additional three new courses for seniors with a focus on meeting market and community needs.	Nine new part-time courses launched with three specifically for seniors. Part-time non-credit courses running at a total contribution of 47 per cent.

INSPIRED INNOVATION

COMMITMENT 1:

Entrepreneurship and social innovation.

Strategies:

Graduate students with the skills and mindset to be innovative thinkers and change makers.

Foster growth and development of businesses and social enterprises to build the regional economy and address community-based issues.

2018-19 Actions	Outcomes
I1. In alignment with the Ashoka designation, scale social enterprise activity throughout the region by establishing new partnership networks within the campus communities. Build awareness and reputation by leveraging that Georgian is Canada's first and only Changemaker college by implementing the communications plan through storytelling, key messages and promotional materials.	Social Enterprise Network of Central Ontario (SENCO) established seven social enterprise networks tied to Georgian's seven campuses, engaging 50 volunteers. In process of embedding changemaker messaging in Georgian communication materials, including Georgian View, employee engagement communications and corporate messaging.
I2. Build awareness and participation in eCo-op across the college with 10 students participating in eCo-op in each of the 3 terms. Identify and implement funding mechanism to support eCo-op Scholarships.	Thirty-seven students enrolled in eCo-op. Four $5,000 eCo-op fellowships distributed to students engaged in the Fall and Winter cohorts.
I3. Promote the Henry Bernick Entrepreneurship Centre (HBEC) on the Orillia campus. Deliver entrepreneurship events for students at our various campuses and Lakehead. Expand Prince's Operation Entrepreneur (POE) connections to agencies outside Georgian. Develop new options for entrepreneurial training for Canadian Forces Base (CFB) Borden.	An orientation virtual reality event, two "maker" pop-up events and three class workshops held at the Orillia campus to promote the Henry Bernick Entrepreneurship Centre (HBEC). Fourteen Maker Nights delivered at the Barrie campus. Artificial Intelligence Hackathon delivered with 100 students registered. Two-Second Career Assistance Network events delivered by Workforce Development and HBEC at CFB Borden.

COMMITMENT 2:

Enriched learning through meaningful research and scholarship.

Strategy:

Foster a culture of research, scholarship and collegiality that connects students, employees and the community.

2018-19 Actions	Outcomes
I4. Implement optimal mechanism to capture research, scholarship and innovation activities.	The first annual Research, Innovation and Scholarship publication will be available in August 2019.
I5. Engage faculty in formalized professional development activities to further develop applied research capabilities/capacity.	Faculty Resource for Research and Scholarship position established; extensive research conducted to determine the optimal professional development activity and content. Research workshop for faculty scheduled for May/June 2019.
I6. Deliver 10 applied research lunch-and-learn sessions and knowledge-sharing opportunities.	Ten lunch-and learn sessions delivered including presentations from several academic program areas.
I7. Deliver the third annual Research, Innovation and Scholarship Day; plan the fourth.	The third Research, Innovation and Scholarship day successfully delivered April 12, 2018. Event themes were environmental sustainability and social innovation and included three keynote speakers. Planning underway for Research, Innovation, Scholarship and Entrepreneurship (RISE) Day 2019 with the keynote speeches focused on artificial intelligence.

COMMITMENT 3:

Flexible and technology-enabled learning.

Strategies:

Expand technology-enabled learning options including online learning, compressed and hybrid courses and better integrate full-time and part-time studies to maximize learning choices.

Empower faculty to select and use a variety of pedagogically appropriate technologies in the classroom to promote student engagement, communication and assessment.

2018-19 Actions	Outcomes
I8. Increase the number of online and hybrid offerings by five per cent.	Technology-enabled learning options remained constant due to the suspension of 32 online courses from the BBA Management and Leadership degree

2018-19 Actions	Outcomes
	credential. This format is under review; the program and course sequencing was realigned to ensure the credential maintained its integrity and quality. Twenty online courses developed through the Online Course Development Program.
I9. Complete technology-enabled mobile (iPad) strategy pilot in Hospitality and Tourism. Analyze data regarding proficiency of faculty in technology use to determine whether to broaden the roll out of this technology in other academic areas.	Pilot program completed successfully; metrics gathered. Considering similar project in another academic area. New technologies introduced and piloted through the Centre for Teaching and Learning.

STRONG FOUNDATIONS

COMMITMENT 1:

Exceptional people.

Strategies:

Value and invest in our faculty, support staff and administrators to support teaching excellence, deliver quality services and provide extraordinary experiences for our students.

Enhance opportunities for professional development in building excellence in teaching practice.

2018-19 Actions	Outcomes
S1. Implement succession planning model to meet the future needs of the organization.	In development.
S2. Develop a college-wide employee engagement strategy supported by an employee engagement committee.	Employee Engagement Committee formed. College-wide employee engagement themes identified and two action plans prioritized.
S3. Enhance promotion of professional development opportunities for faculty. Increase opportunities for completing the teaching practice credential online.	Teaching Practice Credential and recertification available fully online. Essential employee skills available as a fully online series to assist all faculty with meeting mandatory learning outcomes. Fully online open educational resource module, e-portfolios and badging developed. Implemented three faculty learning communities via ZOOM to ensure involvement at all seven campuses; new workshop developed via ZOOM for faculty on the development of contingency plans to ensure they are prepared for snowstorms or interruptions to face-to face-delivery. Poll Everywhere and pilot launched and found to be a successful tool for classroom use.

COMMITMENT 2:

Financial sustainability.

Strategies:

Streamline our business processes to ensure long-term financial and operational health.

Renew campus facilities to ensure they are modernized and updated.

Leverage the Power of Education campaign for funding projects aligned with strategic priorities.

Continue focused recruitment and marketing activities.

2018-19 Actions	Outcomes
S4. Review each campus to determine the right balance of international and domestic students as well as the program mix in alignment with community/industry needs, the corridor funding model and ministry grants.	Model developed and criteria piloted at one campus. Model to be refined and reviews completed at all campuses with recommendations by August 2019.
S5. Introduce business intelligence tools to provide greater transparency and enhanced reporting for budget holders to make more informed decisions.	Implementation vendor selected. Plan developed and work underway.
S6. Prepare to host a multi-college symposium in April 2019 on the sustainability of higher education institutions in small town communities for expanded economic development.	Symposium scheduled in May 2019 at the Owen Sound campus in alignment with the CICan conference. Final symposium conference report to be submitted to the Ministry in September 2019.
S7. Establish multi-year plan to address sustainability issues and infrastructure investments.	Consultant engaged to complete building condition assessments for all campuses. Draft reports under review. Multi-year plan to be developed by Fall 2019.
S8. Implement projects to support the Greenhouse Gas Retrofit Program, enable the energy storage system partnership with Alectra/Amp, enhance the Georgian College Student Association (GCSA) space in Barrie and Orillia and increase the number of Bring Your Own Device (BYOD) classrooms.	Greenhouse Gas Retrofit Program initiatives included replacement of HVAC units at Barrie, Owen Sound and Orillia and significant improvements to mechanical as well as renewal of kitchen appliances at the student residence to support energy efficiency. Partnership agreement finalized with Alectra to enable Georgian to reduce energy consumption during peak periods. Barrie GCSA renovation completed; ongoing facilities upgrades include creation of BYOD classrooms where appropriate.
S9. A Peter B. Moore Advanced Technology Centre available to faculty and students by August 31, 2018.	Peter B. Moore Advanced Technology Centre available to faculty and students on August 31, 2018.
S10. Complete fundraising for the Peter B. Moore Advanced Technology Centre. Complete Phase Two of Power of Education Campaign. Identify new strategic funding priorities.	Phase Two of Power of Education Campaign completed including fundraising for the Peter B. Moore Advanced Technology Centre. Fundraising ongoing for awards and scholarships.

2018-19 Actions	Outcomes
S11. Complete implementation of customer relationship management (CRM) system; phase in utilization.	CRM system implemented. Fall applicants and Open House campaigns deployed. Executive governance and working group committees established.

COMMITMENT 3:

Environmental responsibility.

Strategy:

Build on Georgian's strong record of sustainability by raising awareness on environmental issues and promoting energy efficiency in our operations.

2018-19 Actions	Outcomes
S12. Develop a comprehensive college-wide sustainability plan promoting environmental, social, economic and educational synergies.	Comprehensive Carbon Reduction Plan and Conservation Demand Management Plan in final stages of development.

COMMITMENT 4:

Operational excellence.

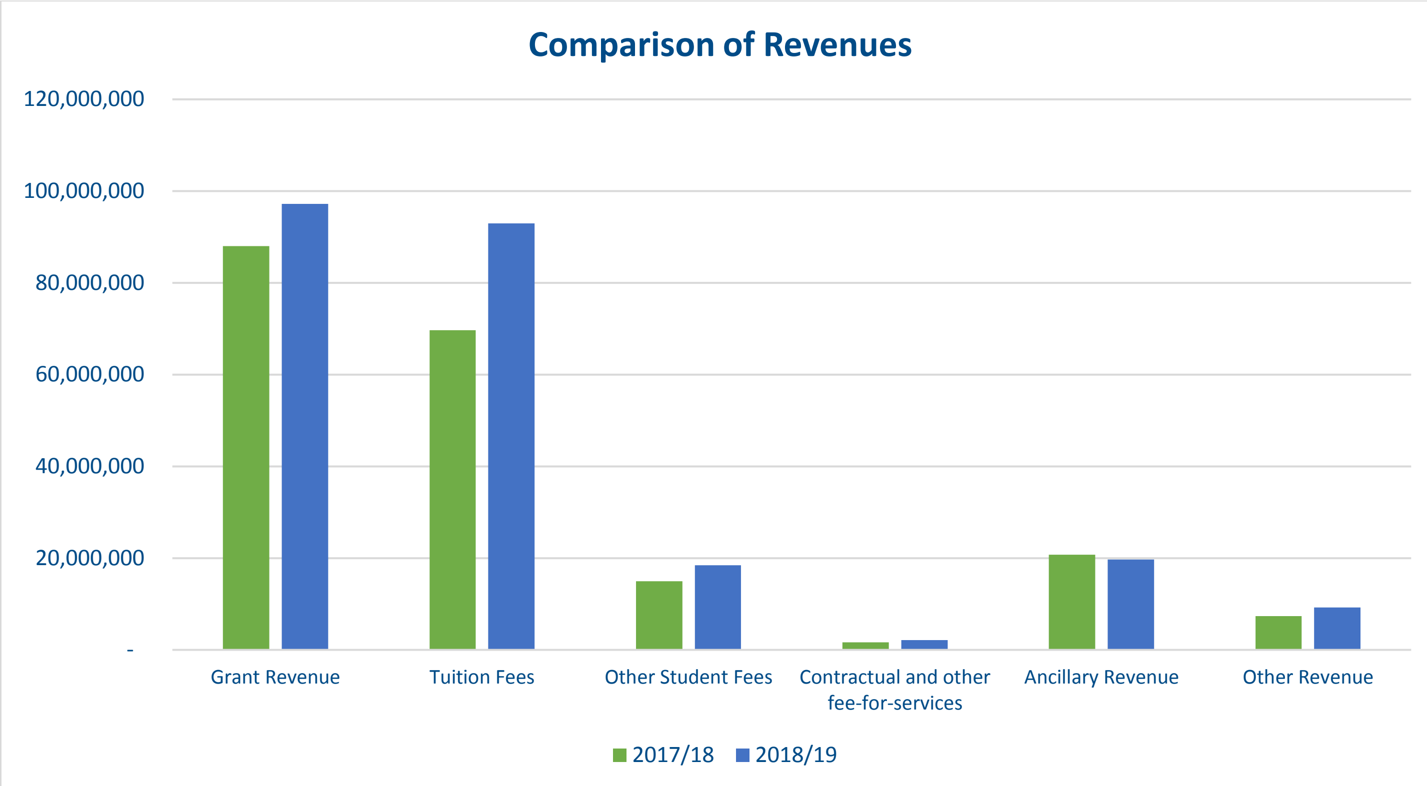
Strategy:

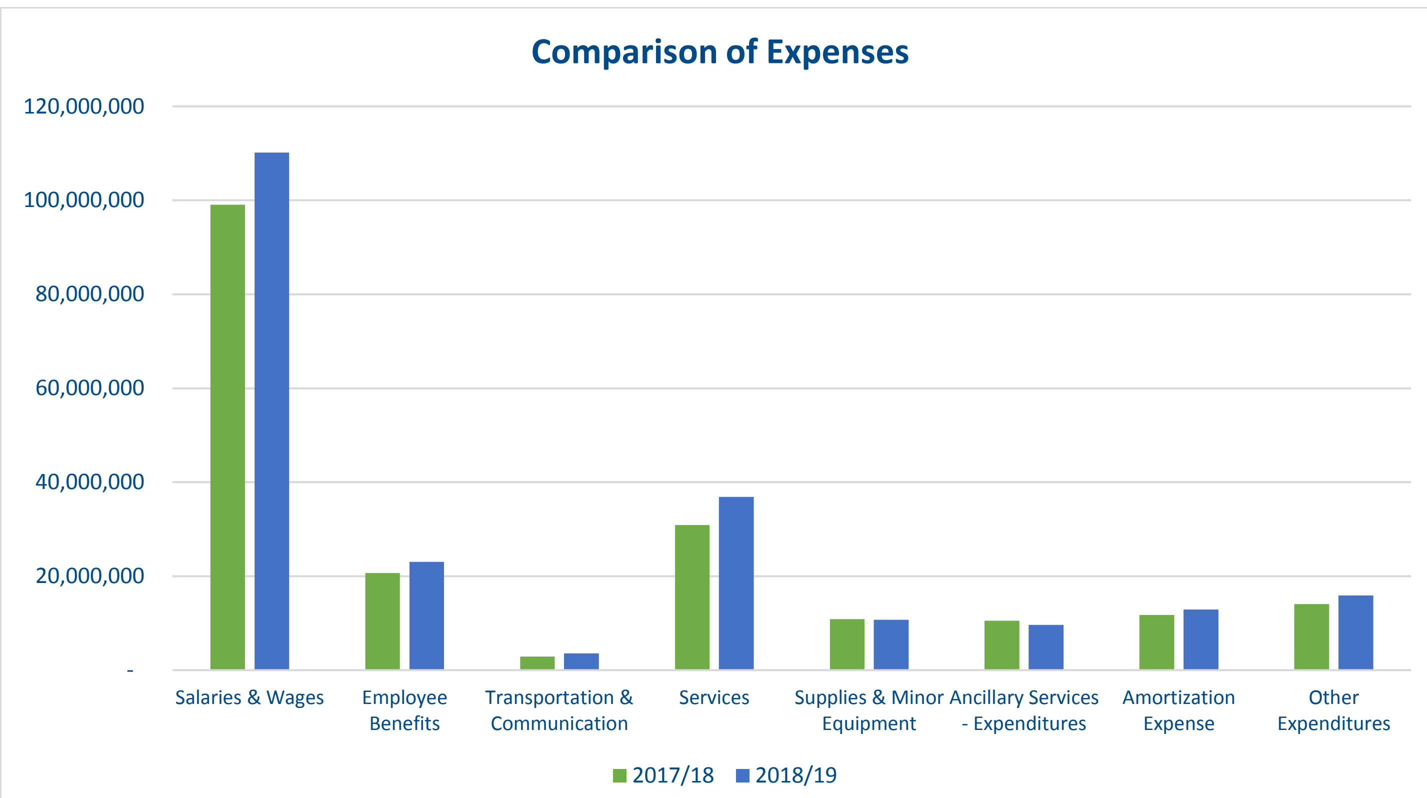
Continually improve our programs, services and operations to ensure maximum value is delivered.

2018-19 Actions	Outcomes
S13. Complete eight service area process reviews.	Seven process reviews completed with resulting savings in process steps and hours documented; one review in progress.
S14. Implement new gateless parking system at the Barrie campus by Fall 2018.	Honk successfully launched at the Barrie campus Fall 2018 resulting in a significant decrease in parking-related calls and complaints and in operating expenses for gate repairs.
S15. Automate issuance of all employee contracts. Identify and streamline two additional paper-based processes through system enhancements.	Partial-load Registry and Equal Pay for Equal Work (EPEW) requests automated. Automation of the Personnel/Payroll Form (PPF) in development.
S16. Develop comprehensive plan with strategies to ensure compliance with the *Fair Workplaces, Better Jobs Act* and to mitigate risk.	EPEW analysis and action plans completed. Human Resource Information System (HRIS) enhancements completed.

SECTION 2: ANALYSIS OF COLLEGE'S FINANCIAL PERFORMANCE

		CFIS FINAL 13-14	CFIS FINAL 14-15	CFIS FINAL 15-16	CFIS FINAL 16-17	CFIS FINAL 17-18	1CFIS Submission 18-19
	Revenues						
41	Grant Revenue	84,277,280	84,633,723	87,226,566	88,808,739	88,008,457	96,755,508
43	Tuition Fees	52,740,726	54,666,920	56,756,415	62,913,016	69,673,172	92,937,371
44	Other Student Fees	13,350,030	13,096,236	12,276,257	13,348,668	14,954,988	18,443,560
45	Contractual and other fee-for-services	3,643,213	2,898,130	2,842,387	2,487,303	1,676,237	2,105,921
46	Ancillary Revenue	20,252,489	19,867,702	21,611,768	22,334,202	20,737,797	19,673,299
49	Other Revenue	6,333,389	7,657,577	4,851,314	5,795,270	7,368,056	9,707,691
Total Revenue		**180,597,127**	**182,820,288**	**185,564,707**	**195,687,198**	**202,418,706**	**239,623,349**
	Expenditures						
51	Salaries & Wages	92,341,812	93,252,558	96,572,713	98,313,597	99,056,965	110,170,502
52	Employee Benefits	18,657,915	20,098,939	20,503,881	21,251,901	20,682,374	23,076,164
53	Transportation & Communication	2,665,103	2,838,225	2,676,686	2,686,399	2,922,493	3,545,699
54	Services	22,687,776	23,697,606	23,687,806	25,684,718	30,867,508	36,897,715
55	Supplies & Minor Equipment	9,732,784	8,903,026	7,446,515	6,832,769	10,869,437	10,721,496
56	Ancillary Services - Expenditures	10,669,680	11,344,831	11,214,576	11,014,905	10,548,964	9,631,240
57	Amortization Expense	10,058,372	9,746,776	10,315,392	13,496,974	11,737,172	12,913,556
59	Other Expenditures	10,330,377	11,369,514	12,994,453	13,393,019	14,039,346	15,912,130
Total Expenses		**177,143,819**	**181,251,475**	**185,412,022**	**192,674,284**	**200,724,259**	**222,868,501**
Surplus (Deficit)		**3,453,308**	**1,568,813**	**152,685**	**3,012,914**	**1,694,447**	**16,754,847**
Revised 14/15			**1,322,955**				
14/15 will have a prior period adjustment			**(245,858)**				


Comparison of Revenues
120,000,000
100,000,000
80,000,000
60,000,000
40,000,000
20,000,000
-
Grant Revenue
Tuition Fees
Other Student Fees
Contractual and other fee-for-services
Ancillary Revenue
Other Revenue
2017/18
2018/19


Comparison of Expenses
120,000,000
100,000,000
80,000,000
60,000,000
40,000,000
20,000,000
-
Salaries & Wages
Employee Benefits
Transportation & Communication
Services
Supplies & Minor Equipment
Ancillary Services - Expenditures
Amortization Expense
Other Expenditures
2017/18
2018/19

SECTION 3: SUBSIDIARIES AND FOUNDATIONS

IRDI Technologies Inc.: IRDI Technologies Inc. was involved in a contract with the National Research Council Canada to develop and modify a Nickel Vapour Deposition process to produce flexible thin wall tubes. This contract was completed as of June 30, 2006. To date there has been no additional activity in this subsidiary. There is $100 of common shares issued to the college.

The Georgian College Foundation: The Georgian College Foundation is a non-profit corporation without share capital incorporated by letters patent under The Corporations Act (Ontario) on July 25, 1991. Prior to April 1, 2007, the Georgian College Foundation was responsible for long-term fund raising for the Georgian College of Applied Arts and Technology. Effective April 1, 2007, motions were passed by the Board of Governors of the college and the Board of Directors of the Georgian College Foundation to assume the ongoing and future fundraising and philanthropic activities of the foundation. The college will assume all of the foundation’s existing and future property and assets, both realized and unrealized, in whole or in part, from time-to-time, when the assets, or any part of the assets can be transferred to the college without any adverse consequences to the foundation or the college. In return, the college will assume all of the foundation’s existing and future liabilities, both known and unknown. Also effective with this change, the Georgian College Foundation will be managed by a separate board under the control of the Board of Governors of the college. These financial statements will be consolidated with the statements of the college. The foundation continues to be active to capture any donations that may be bequeathed to the Georgian College Foundation instead of the Georgian College of Applied Arts and Technology.

Both the subsidiary and foundation are included in the Consolidated Financial Statements of Georgian College.

APPENDIX A: 2018-19 SMA REPORT BACK

To be filed at a later date, as per Ministry directive.

APPENDIX B: AUDITED FINANCIAL STATEMENTS

Consolidated Financial Statements of

The Georgian College of Applied Arts and Technology

Year Ended March 31, 2019

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Georgian

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June 2019

Management's Responsibility For Financial Reporting

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board (PSAB). 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 Finance and Audit Committee is appointed by the Board of Governors and meets regularly with management, as well as the external auditors, to review matters relating to financial sustainability, controllership and auditing matters as well as financial reporting. The Committee vets matters of significance with regards to the budget, financial statements and the external auditor's report to ensure the Board is able to properly discharge its responsibilities.

The Finance and Audit Committee provided oversight and guidance as the college addressed these fiscal sustainability matters. The Committee reports its findings to the Board for consideration when making recommendations to the Board with financial implications.

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 Finance and Audit Committee.

The financial statements have been audited by BDO Canada LLP, the external auditors in accordance with Canadian generally accepted auditing standards, on behalf of the Board, BDO Canada LLP has full and free access.

MaryLynn WestMoynes
President and CEO

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Independent Auditor's Report

To the Board of Governors of The Georgian College of Applied Arts and Technology

Opinion

We have audited the consolidated financial statements of The Georgian College of Applied Arts and Technology and its subsidiaries (the "College"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations, changes in net assets, cash flows and remeasurement losses for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the College as at March 31, 2019, and its consolidated results of its operations, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Mississauga. Ontario
June 13, 2019

The Georgian College of Applied Arts and Techonology
Consolidated Statement of Financial Position
As of: March 31, 2019

	2019	2018
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 53,419,982	$ 38,088,337
Restricted Cash	7,415,423	8,959,356
Accounts and Grants Receivable (Note 2)	6,684,236	5,743,235
Inventory (Note 3)	1,795,966	2,110,074
Prepaid Expenses	3,889,157	3,186,690
Current Portion of Notes and Pledges Receivable (Note 4)	2,735,496	979,951
Total Current Assets	**75,940,260**	**59,067,643**
Investments (Note 6)	10,952,968	9,926,160
Notes and Pledges Receivable (Note 4)	8,087,590	3,876,033
Construction in Progress (Note 7)	2,524,924	18,187,846
Capital Assets (Note 8)	167,819,591	144,161,576
Service Concession Assets (Note 9)	17,190,051	17,279,444
TOTAL ASSETS	**$ 282,515,384**	**$ 252,498,702**
LIABILITIES		
Current Liabilities		
Accounts and Grants Payable and Accrued Liabilities (Note 11)	$ 38,869,772	$ 34,988,467
Current Portion of Capital Leases (Note 14)	-	2,019
Current Portion of Long Term Debt Payable (Note 15 A)	1,685,627	2,084,473
Deferred Revenue (Note 12)	14,594,629	14,881,043
Vacation Pay Payable	5,030,158	4,996,584
Due to Student Associations (Note 13)	6,621,170	5,766,467
Total Current Liabilities	**66,801,356**	**62,719,053**
Post-Employment Benefits and Compensated Absences (Note 19)	6,037,566	5,893,253
Long Term Debt Payable (Note 15 A)	14,030,000	15,715,627
Long Term Service Concession Deferred Revenue (Note 9)	16,680,101	16,858,889
Deferred Capital Contributions (Note 16)	130,973,395	119,537,128
Deferred Contributions (Note 17)	9,602,714	10,313,438
Interest Rate Swaps (Note 15 B)	2,871,942	3,054,065
TOTAL LIABILITIES	**246,997,074**	**234,091,453**
NET ASSETS		
Unrestricted Net Assets		
Unrestricted Operating	2,864,316	2,517,186
Post-Employment Benefits and Compensated Absences (Note 19)	(6,037,566)	(5,893,253)
Vacation Pay Accrual	(5,030,158)	(4,996,584)
Total Unrestricted	**(8,203,408)**	**(8,372,651)**
Investment in Capital Assets (Note 18)	32,769,704	20,604,100
Internally Restricted Funds (Note 20)	4,864,991	444,991
Endowment Funds (Note 21)	8,958,965	8,784,874
Accumulated Remeasurement Losses	(2,871,942)	(3,054,065)
TOTAL NET ASSETS	**35,518,310**	**18,407,249**
TOTAL LIABILITIES AND NET ASSETS	**$ 282,515,384**	**$ 252,498,702**

See accompanying notes to the consolidated financial statements.

Approved by the Board of Governors

Chair

M L Whist - Maynes

President

The Georgian College of Applied Arts and Technology
Statement of Operations
For the Year Ended: March 31, 2019

	2019	2018
Revenue		
Grants and Reimbursements	$ 88,350,816	$ 80,297,175
Tuition Revenue	92,937,371	69,673,172
Ancillary Operations Revenue	19,673,299	20,737,797
Other Student Fees	18,443,560	14,954,988
Other Revenues	9,886,479	7,980,133
Amortization of Deferred Capital Contributions	8,225,905	7,099,205
Contractual and Other Fee-for-Service	2,105,921	1,676,237
Total Revenue	**239,623,351**	**202,418,707**
Expenditure		
Salaries and Benefits	133,246,666	119,772,744
Ancillary Operations Non Salary Expenditure	9,631,240	10,548,964
Services	20,024,961	16,385,908
Amortization of Capital Assets	12,913,556	11,737,172
Maintenance, Utilities, and Municipal Taxes	13,580,717	11,640,270
Supplies and Minor Equipment	10,721,496	10,869,437
Interest and Insurance Expenditures	6,388,008	5,568,169
Tranportation and Communication	3,545,699	2,922,493
Rental Expenditures	3,292,037	2,841,330
Other Expenses	9,524,122	8,437,771
Total Expenditure	**222,868,502**	**200,724,258**
Excess Revenue over Expenditure	**$ 16,754,849**	**$ 1,694,449**

See accompanying notes to the consolidated financial statements.

The Georgian College of Applied Arts and Technology
Consolidated Statement of Changes in Net Assets

For the Year Ended: March 31, 2019	Unrestricted	Capital	Restricted: Internally Restricted	Restricted: Endowment	Total
Balance - Beginning of Year	$ (8,372,651)	$ 20,604,100	$ 444,991	$ 8,784,874	$ 21,461,314
Endowments received during the year	-	-	-	154,582	154,582
Unrealized Loss on Endowments	-	-	-	19,509	19,509
Excess Revenue over Expenditure (Expenditure over Revenue)	16,924,725	(4,589,878)	4,420,000	-	16,754,849
Investment in Capital Assets	(16,755,482)	16,755,482	-	-	-
Balance - End of Year	**$ (8,203,408)**	**$ 32,769,704**	**$ 4,864,991**	**$ 8,958,965**	**$ 38,390,254**

For the Year Ended: March 31, 2018	Unrestricted	Capital	Restricted: Internally Restricted	Restricted: Endowment	Total
Balance - Beginning of Year	$ (10,985,974)	$ 21,942,974	$ 24,991	$ 9,336,901	$ 20,318,892
Endowments received during the year	-	-	-	85,285	85,285
Unrealized (Gain) on Endowments	-	-	-	(637,312)	(637,312)
Excess Revenue over Expenditure (Expenditure over Revenue)	5,823,022	(4,548,573)	420,000	-	1,694,449
Investment in Capital Assets	(3,209,699)	3,209,699	-	-	-
Balance - End of Year	**$ (8,372,651)**	**$ 20,604,100**	**$ 444,991**	**$ 8,784,874**	**$ 21,461,314**

See accompanying notes to the consolidated financial statements.

The Georgian College of Applied Arts and Techonology
Consolidated Statement of Cash Flows
For the Year Ended: March 31, 2019

Increase (decrease) in cash	**2019**	**2018**
OPERATING ACTIVITIES		
Excess Revenue over Expenditure	$ 16,754,849	$ 1,694,449
Items not involving Cash		
Amortization of capital assets	12,913,556	11,737,172
Amortization of deferred capital contributions	(8,225,905)	(7,099,205)
Amortization of service concession assets	89,394	89,394
Amortization of service concession deferred revenue	(178,788)	(178,788)
Gain on disposal of capital assets	(8,378)	-
Post-employment benefits and compensated absences	144,313	(633,669)
	21,489,041	5,609,353
Changes in Non-Cash Working Capital		
Accounts Receivable	(941,001)	6,308,465
Inventory	314,108	(337,440)
Prepaid Expenses	(702,470)	(216,953)
Accounts and grants payable and accrued liabilities	3,881,305	16,198,111
Deferred Revenue	(286,414)	(1,590,756)
Change in vacation pay payable	33,574	488,230
Due to Student Associations	854,703	1,179,316
	24,642,846	27,638,326
INVESTING ACTIVITIES		
Unrealized gain on investments	(19,509)	637,312
(Advances of) repayment of notes receivable	(5,967,102)	790,900
	(5,986,611)	1,428,212
FINANCING ACTIVITIES		
Repayment of capital leases	(2,019)	(14,645)
Repayment of long term debt payable	(2,084,473)	(1,992,182)
	(2,086,492)	(2,006,827)
CAPITAL ACTIVITIES		
Contributions received for capital purposes	19,662,171	22,940,715
Invested in construction in progress	15,662,922	(14,777,228)
Purchase of capital assets	(36,563,191)	(14,122,902)
	(1,238,098)	(5,959,415)
Increase in cash	15,331,645	21,100,298
Cash, beginning of year	38,088,337	16,988,039
Cash and cash equivalents, end of year	$ 53,419,982	$ 38,088,337

See accompanying notes to the consolidated financial statements.

The Georgian College of Applied Arts and Technology
Consolidated Statement of Remeasurement Losses
As of: March 31, 2019

		2019		2018
Accumulated Remeasurement Losses at beginning of year	$	3,054,065	$	4,443,684
Derivative - interest rate swap		(182,123)		(1,389,619)
Net remeasurement gains for the year		(182,123)		(1,389,619)
Accumulated Remeasurement Losses at end of year	$	2,871,942	$	3,054,065

See accompanying notes to the consolidated financial statements.

GENERAL

The Georgian College of Applied Arts and Technology (the "College") was established under the Ministry of Colleges and Universities Act as a corporation in 1967. Excellence in teaching and learning is at the heart of its mission. Georgian helps students achieve their career and life goals by delivering academic excellence in a uniquely nurturing environment.

The College is a registered charity and therefore is, under Section 149 of the Income Tax Act, exempt from payment of income tax.

1. SIGNIFICANT ACCOUNTING POLICIES

The Consolidated Financial Statements of the College 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"). The most significant of which are as follows:

(A) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, balances with banks and short-term deposits with original maturities of three months or less. Bank borrowings are considered to be financing activities.

(B) REVENUES

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

i) Grants received for operations from the Ministry of Training, Colleges, and Universities (MTCU) and other governmental agencies are recorded as revenue in the year to which they relate. Grants approved but not received at the end of the fiscal year are accrued. Where a portion of a grant relates to a future year, it is deferred and recognized in the subsequent year.

ii) Capital grants and contributions restricted for the purchase of capital assets are deferred when the monies are received, and subsequently amortized to revenue on a straight-line basis over the useful life of the related capital asset.

iii) Tuition fees are recorded in the accounts based on the academic period of the specific courses. Tuition fees are deferred to the extent that the courses extend beyond the fiscal year of the College.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

iv) Externally restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Endowment contributions are recognized as direct increases in endowment net assets.

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

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

(C) VALUATION OF INVENTORIES

Inventory consists of textbooks, stationery, giftware, computer hardware and software, food and liquor, metals, printed stationery and materials for maintenance. Inventories are valued at the lower of cost, determined on the first-in first-out basis and net realizable value. The cost includes all acquisition costs incurred in bringing inventory to its present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less any applicable expenses.

(D) CAPITAL ASSETS

Purchased assets are stated at cost. Donated assets are recorded at their fair market value at the date of donation.

When a capital asset no longer contributes to the College's ability to provide services or the value of future economic benefits associated with the capital asset is less than its net book value, the carrying value of the capital asset is reduced to reflect the decline in the asset's value.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Capital assets are amortized on a straight-line basis using the following estimate of useful lives:

ASSET	USEFUL LIFE
Land	n/a
Land Improvements	25 years
Buildings	40 years
Building Renovations & Enhancements	15 years
Portables	10 years
Site improvements	10 years
Leasehold improvements	1st term of the lease
Furniture and fixtures	5 years
Equipment and vehicles	5 years
Computers – Networking Equipment	5 years
Computers – Servers & Storage	4 years
Computers – AV Equipment	3 years
Major equipment & Enterprise Software	10 years
Non Enterprise Software	5 years
Leased equipment	Term of lease

Construction in progress is not recorded as a capital asset, or amortized until construction is complete and the asset is put into use.

(E) 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. Any calculations relating to any contractual arrangements outside of the above noted circumstances have been determined by management using the same assumptions as the actuary.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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) Compensated absences are determined by management.

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

(F) RELATED ORGANIZATIONS

IRDI Technologies Inc. is a wholly-owned subsidiary of the College. It was acquired by the College effective April 1, 2004.

The Georgian College Foundation is a non-profit corporation without share capital incorporated by letters patent under The Corporations Act (Ontario) on July 25, 1991. Prior to April 1, 2007 it was responsible for the long-term fundraising for The Georgian College of Applied Arts and Technology. Effective April 1, 2007, the College assumed the ongoing and future fundraising and philanthropic activities of the Foundation. The College assumed all of the Foundation's existing and future property and assets both realized and unrealized, in whole or in part. With this change the management of the Board of the Georgian College Foundation now falls under the control of the Board of Governors of the College.

These consolidated financial statements include the assets, liabilities, and results of operations of IRDI Technologies Inc. and The Georgian College Foundation with those of the College. All inter-company balances have been eliminated upon consolidation.

(G) COST ALLOCATIONS

The expenditures are reported, as required, by the Ministry of Training, Colleges and Universities Development "College Financial Information System" (CFIS), as per revised guidelines issued May 14, 1998. As well, the College has followed the cost allocation plan approved by the Committee of Finance Officers and the Committee of Presidents of the Colleges of Applied Arts and Technology and endorsed by the Ministry of Training, Colleges and Universities Development.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Accordingly, direct costs are charged to programs and courses on an actual basis wherever possible and elsewhere allocated on the basis of full-time equivalent students.

(H) MANAGEMENT ESTIMATES

The preparation of these consolidated financial statements in accordance with PSAB for Government NPOs requires College management to make estimates, and assumptions that affect the reported amounts of revenue and expenditure, assets and liabilities, and the disclosure of contingent assets and contingent liabilities at the date of the financial statements. Significant account estimates include allowance for doubtful accounts, useful life of capital assets, asset impairments, actuarial estimation of post-employment benefits and compensated absences liabilities, fair value of interest rate swap, payroll accrual and vacation pay. Actual results could differ from these estimates.

(I) GIFTS IN KIND

Contributed materials and services are recorded in the accounts at fair market value when such a value can reasonably be estimated. During the fiscal year, $185,609 (2018 - $202,615) of gifts in kind were received. Included in this amount, $166,000 relates to various equipment, $14,000 in gemstones and $5,600 of small miscellaneous items. The College has built up a permanent study collection of Canadian and International art whereby the value of these pieces has not been included in the books of the College.

(J) 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:

FAIR VALUE

This category includes derivatives and equity instruments quoted in an active market. The College has designated its bond portfolio that would otherwise be classified into the amortized cost category at fair value as the College manages and reports performance of it on a fair value basis.

They are initially recognized at cost and subsequently carried at fair value. Unrealized changes in the fair value are recognized in the consolidated statement of remeasurement losses until they are realized. Once realized, they are transferred to the consolidated statement of operations, except for those gains and losses of a financial asset in the fair value category that is externally restricted. These gains and losses are recorded as deferred contributions until used for the purpose specified.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 consolidated statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from consolidated net assets and recognized in the consolidated statement of operations.

AMORTIZED COST

This category includes accounts and grants receivable, notes receivable from the student associations and the alumni association, accounts and grants payable and accrued liabilities, vacation pay payable, grants payable, due to student associations, and long term debt payable. They 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 on financial assets in the amortized cost category are recognized when the amount of a loss in 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.

2. ACCOUNTS AND GRANTS RECEIVABLE

	2019	2018
Student Receivables	$4,556,367	$2,257,751
Staff	49,124	45,568
Trade and Other	2,068,994	2,745,648
Grants Receivable	9,751	694,448
	$6,684,236	$5,743,235

3. INVENTORY

	2019	2018
Beginning Inventory	$2,110,074	$1,772,634
Purchases	5,168,852	6,523,318
Goods Available	7,278,926	8,295,952
Cost of Goods Sold / Adjustments	5,482,960	6,185,878
Ending Inventory	$1,795,966	$2,110,074

4. NOTES AND PLEDGES RECEIVABLE

The Student Association in Barrie has committed to contribute the construction cost of the Student Centre completed in 1997/98 and an expansion to the athletic facilities, within the Student Centre, completed in September 2003. The Student Association will make annual minimum payments of $550,000, until the balance, including accrued interest is paid in full. The College has arranged financing to support this note receivable which is charged the same rate of interest as that paid by the College to the lending institution. (See Note 15).

The Student Association in Orillia has committed to contribute the construction cost of a Fitness Centre which was completed in 2004/05. The Student Association will make annual minimum payments of $130,000, until the balance, including accrued interest is paid in full. This portion of the note receivable is funded by the College from its own resources and bears interest between 1.75% and 2.25% (2018 - 1.00%). The interest charged was $10,069 (2018 - $5,699).

The Student Association in Barrie has committed to contribute $2,671,789 to the expansion cost of The Last Class-Barrie which was completed September 2012. The Student Association will make semi-annual minimum blended principal and interest payments of $138,286 until the balance is paid in full. The receivable bears an interest rate of 3.626%.

The Alumni Association has signed a note payable of $500,000 for the Power of Education Campaign on April 1, 2009. The Alumni Association will make annual minimum payments of $75,000 until this balance is reached. The current portion of the note outstanding at March 31, 2019 is $72,314 (2018 - $75,000), with the non-current portion being $0 (2018 - $67,037). This Note Receivable is non-interest bearing.

Since the rate that the College charged the Alumni Association was not at market at inception, the carrying value of the instrument has been adjusted to fair value. The net unamortized balance at March 31, 2019 of the decrease to the financial asset resulting from this adjustment is $2,686 (2018 - $7,963).

Note Receivable	Barrie	Orillia	Barrie TLC	Alumni	Total
Balance, beginning of year	$2,717,410	$517,181	$1,479,356	$142,037	$4,855,984
Payments received	(550,000)	(130,000)	(276,572)	(75,000)	(1,031,572)
Interest charged	131,707	10,069	51,621	---	193,397
Amortization of Financial Instrument	---	---	---	5,277	5,277
Balance, end of year	2,299,117	397,250	1,254,405	72,314	4,023,086
Less Current Portion	550,000	130,000	233,182	72,314	985,496
	$1,749,117	$267,250	$1,021,223	$---	$3,037,590

4. NOTES AND PLEDGES RECEIVABLE (cont'd)

Pledges receivable includes pledges from organizations for major capital projects. They are recognized if the amount to be received is reasonably estimated and the ultimate collection is reasonably assured. The current portion of the pledges receivable at March 31, 2019 is $1,750,000 (2018 - $0), with the non-current portion being $5,050,000 (2018- $0)

5. 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.

	2019		
	Fair Value	**Amortized Cost**	**Total**
Cash and Cash Equivalents	$53,419,982	$---	$53,419,982
Restricted Cash	7,415,423	---	7,415,423
Accounts and Grants Receivable	---	6,684,236	6,684,236
Notes and Pledges Receivable	---	10,823,086	10,823,086
Investments	10,952,968	---	10,952,968
Accounts and Grants Payable and Accrued Liabilities	---	38,869,772	38,869,772
Long Term Debt Payable & Lease Liabilities	---	15,715,627	15,715,627
Interest Rate Swaps	2,871,942	---	2,871,942

	2018		
	Fair Value	**Amortized Cost**	**Total**
Cash and Cash Equivalents	$38,088,337	$---	$38,088,337
Restricted Cash	8,959,356	---	8,959,356
Accounts and Grants Receivable	---	5,743,235	5,743,235
Notes Receivable	---	4,855,982	4,855,982
Investments	9,926,160	---	9,926,160
Accounts and Grants Payable and Accrued Liabilities	---	34,988,467	34,988,467
Long Term Debt Payable & Lease Liabilities	---	17,802,119	17,802,119
Interest Rate Swaps	3,054,065	---	3,054,065

5. FINANCIAL INSTRUMENT CLASSIFICATION (cont'd)

Restricted investments are for endowment and bursary purposes. They consist of equity instruments in Canadian public companies, government and corporate bonds and guaranteed investment certificates.

Maturity profile of bonds held is as follows:

	2019				
	Within 1 year	**2 to 5 years**	**6 to 10 years**	**Over 10 years**	**Total**
Carrying Value	$448,823	$3,974,360	$1,587,684	$968,127	$6,978,994
Percent of Total	6.4%	57.0%	22.7%	13.9%	100.00%

	2018				
	Within 1 year	**2 to 5 years**	**6 to 10 years**	**Over 10 years**	**Total**
Carrying Value	$520,634	$3,912,541	$1,264,042	$808,666	$6,505,883
Percent of Total	8.00%	60.14%	19.43%	12.43%	100%

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped in 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 of liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

5. FINANCIAL INSTRUMENT CLASSIFICATION (cont'd)

	2019		
	Level 1	Level 2	Total
Cash and Cash Equivalents	$53,419,982	$---	$53,419,982
Restricted Cash	7,415,423	---	7,415,423
Investments	---	10,952,968	10,952,968
Interest Rate Swaps	---	2,871,942	2,871,942
Total	$60,835,405	$13,824,910	$74,660,315

	2018		
	Level 1	Level 2	Total
Cash and Cash Equivalents	$38,088,337	$---	$38,088,337
Restricted Cash	8,959,356	---	8,959,356
Investments	---	9,926,160	9,926,160
Interest Rate Swaps	---	3,054,065	3,054,065
Total	$47,047,693	$12,980,225	$60,027,918

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2019 and 2018. There are no Level 3 financial instruments in 2019 or 2018 and no transfers in or out of Level 3 in either year. For a sensitivity analysis of financial instruments recognized in Level 2, see Note 25 – Interest rate risk, as the prevailing interest rate is the most significant input in the fair value of the instrument.

6. INVESTMENTS

Long-term investments in the amount of $10,952,968 (2018 - $9,926,160) are restricted for Endowment purposes and are not available for general operations. Investments are comprised of the following:

	Fair Value	Cost
Cash	$54,110	$54,141
Fixed Income (Bonds)	6,988,038	7,000,470
Canadian Equity (Mutual Funds)	2,541,314	2,712,548
U.S. Equity (Mutual Funds)	687,307	704,398
International Equity (Mutual Funds)	682,199	673,981
	$10,952,968	$11,145,538

The total of restricted cash and investments is $19,913,579 (2018 - $29,185,467) representing the endowment funds and the deferred contributions.

7. CONSTRUCTION IN PROGRESS

Costs related to certain capital projects where the projects are not complete and therefore the assets have not begun their useful life, are recorded as deferred costs. These deferred costs will be amortized as capital assets in the year when the assets are put in use or expensed in the year when the projects are cancelled. Current projects that have been deferred in 2018/19 and their expected completion dates are as follows.

Project	Expected Completion	2019	2018
Advanced Technology Centre	Oct 2018	$---	$17,391,481
Residence Mechanical projects	June 2019	2,138,145	---
Various Campus Renovations	Various 2019	194,208	---
Various Site Improvements	Various 2019	131,558	---
IT Software Implementations	Sep 2019	61,013	445,116
GCSA Barrie Offices	Various 2018	---	294,839
Various Electrical projects	Aug 2018	---	56,410
		$2,524,924	$18,187,846

8. CAPITAL ASSETS

	2019		
ASSET	Cost	Accumulated Amortization	Net book Value
Land	$3,986,322	$---	$3,986,322
Buildings	216,348,025	81,500,420	134,847,605
Site Improvements	20,970,145	13,691,481	7,278,664
Furniture and Fixtures	1,846,884	1,125,460	721,424
Equipment and Vehicles	14,006,567	8,683,359	5,323,208
Computers – Network	3,650,006	1,715,901	1,934,105
Computers – Servers & Storage	1,409,997	506,145	903,852
Major Equipment & Enterprise Software	24,193,226	13,587,537	10,605,689
Leased Equipment	47,783	47,783	---
Computers - AV Equipment	2,199,406	2,038,307	161,099
Non Enterprise Software	2,969,488	911,865	2,057,623
	$291,627,849	$123,808,258	$167,819,591

8. CAPITAL ASSETS (cont'd)

	2018		
ASSET	**Cost**	**Accumulated Amortization**	**Net book Value**
Land	$3,986,722	$---	$3,986,722
Buildings	196,816,862	81,553,984	115,262,878
Site Improvements	20,648,748	12,656,812	7,991,936
Furniture and Fixtures	1,168,965	428,226	740,739
Equipment and Vehicles	14,218,346	11,589,452	2,628,894
Computers – Network	2,883,317	1,352,789	1,530,528
Computers – Servers & Storage	850,107	268,109	581,998
Major Equipment & Enterprise Software	21,229,396	11,797,603	9,431,793
Leased Equipment	2,184,270	2,177,891	6,379
Computers - AV Equipment	2,237,508	1,541,604	695,904
Non Enterprise Software	1,673,504	369,699	1,303,805
	$267,897,745	$123,736,169	$144,161,576

Amortization expense for the year is $12,913,556 (2018 - $11,737,172).

9. SERVICE CONCESSION ASSET AND DEFERRED REVENUE

The College has alternative financing arrangements with Campus Living Centres (the "Partner") for the construction and operation of student residence buildings on its Owen Sound and Orillia campuses. Under the terms of these agreements, the Partner is responsible for constructing, maintaining and operating the student residences in exchange for the right to collect student residence fees over the period of 99 years. At the end of the period, the legal title of the buildings will transfer to the College. The College has recorded these buildings as Service Concession Assets which are being amortized to their estimated residual values over their useful lives, which is the 99 year service concession period. The related deferred revenue, which is also being amortized over the service concession period of 99 years, represents the College granting the Partner the right to provide residence services to students of the College and receive rental fees in exchange for the Partner's capital investment.

At year-end, these buildings have a net book value of $17,190,051 (2018 - $17,279,444).

Included in other revenue is $178,788 (2018 - $178,788) representing the amortization of the service concession deferred revenue and included in other expenses is $89,394 (2018 - $89,394) representing the amortization of the service concession assets.

10. BANK INDEBTEDNESS

The College has arranged for an unsecured five million dollar revolving demand facility to finance general operating requirements. The interest rate is Royal Bank Prime minus .75%. The College had not drawn any funds at March 31, 2019. The College has $144,000 (2018 - $144,000) in letters of credit outstanding as of March 31, 2019.

11. ACCOUNTS AND GRANTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
Trade Accounts Payables and Accruals	$11,389,463	$16,927,081
Student Deposits Payable	19,898,258	10,045,299
Accrued Payroll Liabilities	7,455,387	7,756,686
Grants Payable	126,664	259,401
	$38,869,772	$34,988,467

12. DEFERRED REVENUE

	2019	2018
Other Restricted Grants	$1,793,251	$302,913
Student Fees Collected	9,897,430	11,672,260
Contract Training & Other Projects	2,903,948	2,905,870
	$14,594,629	$14,881,043

13. DUE TO STUDENT ASSOCIATIONS

The monies owed to the student associations are unsecured and non-interest bearing and are payable on demand.

14. LEASE LIABILITIES AND COMMITMENTS

The College has entered into various agreements to lease equipment up to five (5) years. The capital leases for computer equipment have built-in options, whereby the College is able to purchase the equipment at the end of the lease, or to return the equipment to the lessor. The operating leases are financial obligations entered into by the College for the rental of equipment, building maintenance, and security. The anticipated annual payments for the next five (5) fiscal years, under current lease arrangements, are as follows:

	Capital Leases	Operating Leases	Total
2019/20	$---	$511,827	$511,827
2020/21	---	266,833	266,833
2021/22	---	146,044	146,044
2022/23	---	87,224	87,224
2023/24	---	28,942	28,942
2024/25 and after			
	$---	$1,040,870	$1,040,870
Less Interest	---	---	---
	$---	$1,040,870	$1,040,870
Less Current Portion	---	(511,827)	(511,827)
	$---	$529,043	$529,043

15. LONG-TERM DEBT PAYABLE AND FINANCIAL INSTRUMENTS

(A) LONG TERM DEBT

The College has entered into the following long-term debt agreements.

	2019	2018
Related to Capital Assets Acquisition:		
Residence loan being an Agreement for a series of three month Bankers Acceptances to be issued by the College at BA rate plus 0.3% having no security. The Bankers Acceptances will be issued in declining amounts for principal and interest amounts such that the obligation will be paid by September 2027.	$12,651,000	$13,732,000
Financing the capital portion for Regional Campus Enhancements, term loan from Ontario Financing Authority bearing interest at a fixed rate of 3.954%, having no security, repayable in blended semi-annually payments of $193,231, matured April 2018.	---	191,946
Financing for the Owen Sound Marine Simulator, term loan from Ontario Financing Authority bearing interest at a fixed rate of 3.715%, having no security, repayable in blended semi-annually payments of $135,452, matured March 2019.	---	263,539
Financing for the PeopleSoft Human Resources Information system, term loan from Ontario Financing Authority bearing interest at a fixed rate of 3.626%, having no security, repayable in blended semi-annual payments of $144,141 maturing March 2020.	280,627	551,349
	$12,931,627	$14,738,834
Not Related to Capital Assets Acquisition:		
Financing Note Receivable from Student Association (See Note 4) Non-revolving term facility through Bankers Acceptances to be issued by the College at BA rate plus 0.3% having no security. The Bankers Acceptances will be issued both quarterly and annually such that the obligation will be paid by September 2029.	2,784,000	3,036,000
Financing the non-capital portion for Regional Campus Enhancements, term loan from Ontario Financing Authority bearing interest at a fixed rate of 3.954%, having no security, repayable in blended semi-annual payments of $28,275, matured April 2018.	---	25,266
	2,784,000	3,061,266
	15,715,627	17,800,100
Less current portion	1,685,627	2,084,473
	$14,030,000	$15,715,627

15. LONG-TERM DEBT PAYABLE AND FINANCIAL INSTRUMENTS (cont'd)

Future principal payments of total long-term debt over the next 5 years and thereafter are as follows:

	Total
2019/20	1,685,627
2020/21	1,482,000
2021/22	1,564,000
2022/23	1,652,000
2023/24	1,746,000
2024/25 and thereafter	7,586,000
Total	$15,715,627

(B) INTEREST RATE SWAPS

The College has entered into interest rate swap agreements to manage the volatility of interest rates. The residence financing has a notional value of $23,250,000 with a fixed interest rate of 6.315%, and the notional value of the residence financing of $6,000,000 (portion of the Financing of the Notes Receivable from the Student Association) has been converted to a fixed rate of 4.73% by entering into the interest rate swaps. Interest expense in respect of the residence financing for 2019 is $877,065 (2018 - $946,698) and in respect of the financing on the notes receivable for 2019 is $167,370 (2018 - $155,315). The maturity dates of the interest rate swaps are 2027 for the residence financing, and 2029 for financing of the Notes Receivable from the Student Association.

The fair value of the interest rate swap agreements is based on amounts quoted by the College's bank to realize favourable contracts or settle unfavourable contracts. The fair value of the interest rate swaps was in a net unfavorable position, representing a liability of $2,871,942 (2018 - $3,054,065) recorded in the consolidated statement of financial position with the fluctuations being recorded in the consolidated statement of remeasurement losses.

Future principal payments for the interest rate swaps over the next 5 years and thereafter are as follows:

	Total
2019/20	1,405,000
2020/21	1,482,000
2021/22	1,564,000
2022/23	1,652,000
2023/24	1,746,000
2024/25 and thereafter	7,586,000
Total	$15,435,000

16. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of donations and grants received for the purchase of capital assets. Changes in the deferred capital contributions balance are as follows:

	2019	2018
Balance, beginning of year	$119,537,128	$107,801,839
Contributions received for capital assets		
- Government grants	7,302,686	16,325,555
- Other	12,359,486	2,508,939
Less: Amount amortized to revenue during the year		
- Government grants	(6,258,935)	(5,694,132)
- Other	(1,966,970)	(1,405,073)
Balance, end of year	$130,973,395	$119,537,128

The balance of deferred contributions related to capital assets consist of the following:

	2019	2018
Unamortized capital contributions	$122,628,208	$109,237,178
Add: Unspent capital contributions	8,345,187	10,299,950
Balance, end of year	$130,973,395	$119,537,128

17. DEFERRED CONTRIBUTIONS

These represent unspent externally restricted funds not available for regular College operations. They include donations, scholarships and bursaries, unspent endowment investment income, student emergency loan funds, employment stability funds and funds held on behalf of third parties. Effective April 1, 2007, Georgian College assumed the ongoing and future philanthropic activities of The Georgian College Foundation. Assets of the Foundation were transferred to the College, and due to the external restrictions of these funds, they are shown within Deferred Restricted Contributions.

	2019	2018
Balance, beginning of year	$10,313,438	$9,438,075
Add: Contributions Received	4,952,888	4,881,762
Restricted Investment Income	317,484	813,750
Funds Held by Georgian College Foundation	22	15
	5,270,394	5,695,527
Less: Amount Recognized as Revenue in year	1,084,927	841,814
Student Award Payments	925,495	863,983
Disbursement of Funds	---	20
Student Loans Recovered	---	---
Deferred Capital Contributions	3,970,314	3,114,347
Transferred to Endowed Funds	382	---
Change in Unrealized Market Gain	---	---
	5,981,118	4,820,164
Balance, end of year	$9,602,714	$10,313,438
Comprised of:		
Student Emergency Loan Funds	$49,886	$49,886
General Donations	28,709	31,466
Employment Stability Funds	383,522	375,791
Ontario College Staff Association	368	368
Special Projects	4,450,976	5,519,750
Annual Awards and Scholarships	1,152,519	1,138,079
Unspent Endowment Investment Income	2,292,129	2,223,420
Contributions and Fundraising	1,243,468	973,563
Funds Held by Georgian College Foundation	1,137	1,115
	$9,602,714	$10,313,438

18. INVESTMENT IN CAPITAL ASSETS

In addition to capital grants, the College invests surplus operating funds in capital assets. This investment in capital assets is as follows:

	2019	2018
Net book value of capital assets (Note 8)	$167,819,591	$144,161,576
Net book value of service concession assets (Note 9)	17,190,051	17,279,444
Less: Deferred capital contributions (Note 16)	$122,628,208	$109,237,178
Service Concession Deferred Revenue (Note 9)	16,680,101	16,858,889
Long Term Debt Payable	12,931,629	14,738,834
Capital lease obligations (Note 14)	---	2,019
	$32,769,704	$20,604,100

19. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES LIABILITY

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

	2019				
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Compensated Absences	Total Liability
Accrued employee future benefits obligations	$1,344,178	$3,884,000	$64,000	$425,388	$5,717,566
Value of plan assets	(204,000)				(204,000)
Unamortized actuarial gains	46,000	405,000	73,000		524,000
Total Liability	$1,186,178	$4,289,000	$137,000	$425,388	$6,037,566

	2018				
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Compensated Absences	Total Liability
Accrued employee future benefits obligations	$1,354,661	$3,863,000	$71,000	$239,592	$5,528,253
Value of plan assets	(240,000)				(240,000)
Unamortized actuarial gains	60,000	467,000	78,000		605,000
Total Liability	$1,174,661	$4,330,000	$149,000	$239,592	$5,893,253

19. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES LIABILITY (cont'd)

	2019				
	Post-employment Benefits	**Non-vesting sick leave**	**Vesting sick leave**	**Compensated Absences**	**Total Expense**
Current year benefit cost	$26,517	$199,000	$3,000	$185,796	$414,313
Interest on accrued benefit obligation	3,000	100,000	2,000		105,000
Amortized actuarial gains	(9,000)	(14,000)	---		(23,000)
Total Expense	$20,517	$285,000	$5,000	$185,796	$496,313

	2018				
	Post-employment Benefits	**Non-vesting sick leave**	**Vesting sick leave**	**Compensated Absences**	**Total Expense**
Current year benefit cost (recovery)	$(120,170)	$209,000	$2,000	$(457,499)	$(366,669)
Interest on accrued benefit obligation	2,000	75,000	2,000		79,000
Amortized actuarial losses (gains)	(10,000)	(3,000)	50,000		37,000
Total Expense (recovery)	$(128,170)	$281,000	$54,000	$(457,499)	$(250,669)

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

(A) 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.

19. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES LIABILITY (cont'd)

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, 2019 indicated an actuarial surplus of $2.6 billion. The College made contributions to the Plan and its associated retirement compensation arrangement of $10,386,054 (2018 - $9,459,275), which has been included in the statement of operations.

(B) 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 related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

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

a) Discount Rate
The present value as at March 31, 2019 of the future benefits was determined using a discount rate of 2.2% (2018 – 2.6%).

b) Drug Costs
Drug costs were assumed to increase at an 8% rate for 2019 (2018 – 8%) and decrease proportionately thereafter to an ultimate rate of 4.0% in 2034 for fiscal 2019 (2018 – 4%).

c) Hospital and other medical
Hospital and other medical costs were assumed to increase at 4% per annum in 2019 (2018 – 4.00%). Medical premium increases were assumed to increase at 6.8% per annum in 2019 (2018 – 6.98%) and decrease proportionately thereafter to an ultimate rate of 4.00% in 2040 (2018 – 4.00%).

d) Dental costs
Dental costs were assumed to increase at 4% per annum in 2019 (2018 – 4.00%).

19. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES LIABILITY (cont'd)

(C) 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 the 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 leave are the College's best estimates of expected rates of:

	2019	2018
Wage and salary escalation	1.5%-2.0%	.50%-2.0%
Discount rate	2.2%	2.6%

The probability that employees 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 48.0 days respectively for age groups ranging from 0 and under to 65 and over in bands of 5 years.

Compensated Absences

The College allocates to eligible employee groups a maximum of 130 days to be used as paid absences in the event of short-term disability. In addition, the College also allocates to eligible employees a sub-payment for short-term disability, maternity and parental leave.

20. INTERNALLY RESTRICTED FUNDS

The College restricts amounts from the net asset balance, as approved by the Board of Governors. Internally restricted net assets consists of the following:

	2019	2018
Future Deferred Maintenance	$2,000,000	$---
Future International Risks	2,000,000	---
Future Capital Investments	840,000	420,000
Barrie Student Residence	24,991	24,991
Total	$4,864,991	$444,991

21. ENDOWMENT FUNDS

The College has the following endowment funds:

	2019	2018
Ontario Student Opportunity Trust Fund Phase 1	$624,746	$624,746
Ontario Student Opportunity Trust Fund Phase 2	54,024	54,024
Ontario Trust for Student Support	5,542,465	5,513,823
Other	2,931,017	2,805,076
Unrealized Loss	(193,287)	(212,795)
Total	$8,958,965	$8,784,874

22. ONTARIO STUDENT OPPORTUNITY TRUST FUND (OSOTF) and ONTARIO TRUST FOR STUDENT SUPPORT (OTSS)

The College has created endowment funds subject to the Guidelines for Ontario Student Opportunity Trust Fund Phase I and Phase II and Guidelines for Ontario Trust for Student Support as issued by the MTCU.

OSOTF PHASE I	Endowment Fund Balance	Expendable Funds Available for Bursaries	2019 Total	2018 Total
Balance, beginning of year	$624,746	$115,732	$740,478	$711,525
Investment income, net of direct investment related expenses	---	16,967	16,967	47,919
Bursaries Awarded – 21 (2018 - 26)	---	(14,799)	(14,799)	(18,966)
Balance, end of year	$624,746	$117,900	$742,646	$740,478
The market value of the endowment as at March 31, 2019 was $617,090 (2018 - $637,798)				

OSOTF PHASE II	Endowment Fund Balance	Expendable Funds Available for Bursaries	2019 Total	2018 Total
Balance, beginning of year	$54,024	$11,879	$65,903	$66,189
Investment income, net of direct investment related expenses	---	2,435	2,435	6,193
Bursaries Awarded – 0 (2018 - 1)	---	---	---	(3,479)
Balance, end of year	$54,024	$14,314	$68,338	$65,903
The market value of the endowment as at March 31, 2019 was $52,820 (2018 - $53,863)				

OTSS	Endowment Fund Balance	Expendable Funds Available for Bursaries	2019 Total	2018 Total
Balance, beginning of year	$5,513,823	$901,967	$6,415,790	$6,198,701
Eligible cash donations received	28,518	---	28,518	10,405
Other cash donations received	---	---	---	38
Investment income, net of direct investment related expenses	---	116,332	116,332	348,036
Bursaries Awarded – 127 (2018 - 99)	---	(177,037)	(177,037)	(141,390)
Balance, end of year	$5,542,341	$841,262	$6,383,603	$6,415,790
The market value of the endowment as at March 31, 2019 was $5,491,995 (2018 - $5,661,731)				

23. ART COLLECTION HELD

The College, through its Design and Visual Arts programs, has built up a permanent study collection of Canadian and International art. Pieces have been received from guest lecturers in the Artist in Residency program and also through donations. The art is held for public exhibition, education and research.

Funds received through de-accessioning activities are to be used for the direct benefit of the Collection. The art collection at March 31, 2019 is comprised of approximately 4600 pieces with a value as per charitable receipts issued of $3,926,595 (2018 - $3,926,595).

24. REPORTING ENTITY PROJECT

The government announced in the 2004 Budget its plans to consolidate the financial information of Colleges in the Province's financial statements starting with its fiscal year ending March 31, 2006.

The Ministry of Training, Colleges and Universities Development provided funding to the Colleges for eligible expenditures related to this initiative including audit and consulting costs, software costs, training costs and direct staff costs devoted to the project. The funding received for 2019 of $47,941 (2018 – $47,530) was spent on salaries and benefits.

25. 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, debt holdings in its investment portfolio, notes receivable, grants receivable and accounts receivable. The College holds its cash accounts with federally regulated chartered banks who are insured up to $100,000 (2018 -$100,000).

The College's investment policy operates within the constraints of the investment guidelines issued by the MTCU 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. All fixed income portfolios are measured for performance on a quarterly basis and monitored by management on a monthly basis. The guidelines permit the College's funds to be invested in bonds issued by the Government of Canada, a Canadian province or a Canadian municipality having a rating of A or better, or corporate investments have a rating of A (R-1) or better.

The maximum exposure to investment credit risk is outlined in Note 5.

25. FINANCIAL INSTRUMENT RISK MANAGEMENT (cont'd)

Accounts receivable and notes receivable are ultimately due from students. Credit risk of accounts receivable is mitigated by financial approval processes before a student is enrolled and the highly diversified nature of the student population. Credit risk of notes receivable is mitigated by the ability of the College to retain out of the Student Administration Fee the Semi-Annual Payment and any other monies due and owing by Student Administrative Council.

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:

	2019				
	Total	0-120 Days	121-240 Days	241-360 Days	361+ Days
Student Receivables	$4,556,367	$3,800,037	$456,402	$88,894	$211,034
Staff	49,124	49,124	---	---	---
Residence	---	---	---	---	---
Trade Balances	2,088,994	2,088,994			
Grants Receivable	(10,249)	(10,249)	---	---	---
Net receivables	$6,684,236	$5,927,906	$456,402	$88,894	$211,034

	2018				
	Total	0-120 Days	121-240 Days	241-360 Days	361+ Days
Student Receivables	$2,257,571	$2,012,889	$132,827	$52,658	$59,197
Staff	45,568	45568	---	---	---
Residence	---	---	---	---	---
Trade Balances	2,745,648	2,745,648			
Grants Receivable	694,448	694,448	---	---	---
Net receivables	$5,743,235	$5,498,553	$132,827	$52,658	$59,197

Student receivables not impaired are collectible based on the College's assessment and past experience regarding collection rates.

Grants receivable are due from the Ontario Government. Georgian College mitigates credit risk by ensuring that all grants are entered into by way of a contract.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

25. FINANCIAL INSTRUMENT RISK MANAGEMENT (cont'd)

Market Risk

Market risk is the risk that the fair value of 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 equity risk.

The College's investment policy operates within the constraints of the investment guidelines issued by MTCU. The policy's application is administered by an investment manager and monitored by management, an independent investment consultant and the Finance and Audit Committee. The Georgian College Endowment – College Fund's risk tolerance is considered low and the Georgian College Endowment – Special Purposes Fund's risk tolerance is considered moderate. Diversification techniques are utilized and appropriate restrictions are placed on the investment manager in terms of asset mix and individual security concentrations in the portfolio to minimize risk.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Currency Risk

Currency risk relates to the College operating in different currencies and converting non-Canadian earnings at different points in time at different College levels when adverse changes in foreign currency College rates occur. The College does not have any material transactions or financial instruments denominated in foreign currencies.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

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 this risk through its interest bearing investments, bank loans, and term debt.

The College mitigates interest rate risk on its term debt through a derivative financial instrument that exchanges the variable rate inherent in the term debt for a fixed rate (see Note 15 B). Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the term debt.

The College's bond portfolio has interest rates ranging from 1.25% to 4.5% (2018 – 1.66% to 5.50%) with maturities ranging from May 6, 2019 to August 14, 2027 (2018 – November 15, 2018 to August 14, 2027).

25. FINANCIAL INSTRUMENT RISK MANAGEMENT (cont'd)

At March 31, 2019 a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of bonds in the College and Special Purpose funds of $129,852 and $243,624 respectively, and an impact of $709,591 on the interest rate swap. A 1% fluctuation in interest rates would have an estimated impact on interest income related to the College's notes receivables of ($590). The College's term debt as described in Note 15 A would not be impacted as the inherent variable rate of the debt has been fixed with the use of the aforementioned derivative interest rate swap.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Equity Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The College is exposed to this risk through its equity holdings within its investment portfolio. At March 31, 2019, a 10% movement in the stock markets with all other variables held constant would have an estimated effect on the fair values of the College's equities of $391,082.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

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 analysis. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows of financial liabilities excluding interest):

	2019			
	Within 6 months	**6 months to 1 year**	**1-5 years**	**>5 years**
Accounts and grants payable and accrued liabilities	$38,869,772	$---	$---	$---
Operating Leases	332,136	179,691	529,043	---
Current and Long-term debt	706,053	979,574	4,491,000	9,539,000
Total Liabilities	$39,907,961	$1,149,256	$5,009,095	$9,539,000

25. FINANCIAL INSTRUMENT RISK MANAGEMENT (cont'd)

	2018			
	Within 6 months	**6 months to 1 year**	**1-5 years**	**>5 years**
Accounts and grants payable and accrued liabilities	$34,988,467	$---	$---	$---
Lease Liabilities	2,020	---	---	---
Operating Leases	493,178	298,603	353,311	---
Current and Long-term debt	1,013,914	1,070,559	6,383,627	9,332,000
Total Liabilities	$36,497,579	$1,369,162	$6,736,938	$9,332,000

Financial liabilities mature as described in Note 15.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

APPENDIX C: 2018-19 KPI PERFORMANCE REPORT

Release of KPI data is unknown at this time.

APPENDIX D: SUMMARY OF ADVERTISING AND MARKETING COMPLAINTS

No complaints were received in 2018-19.

APPENDIX E: UNIVERSITY PARTNERSHIP CENTRE REPORT

Georgian College's University Partnership Centre was established in 2001 and officially endorsed by the Ontario Ministry of Training, Colleges and Universities in 2003.

The University Partnership Centre's mission is to provide learners with multiple pathways to degree and graduate studies through partnering with select universities, offering our own degrees in niche areas as well as graduate certificate programs, and expediting transfer credit recognition through seamless pathways to degree completion and articulation agreements.

In 2018-19, partners included Central Michigan University, Lakehead University, University of Ontario Institute of Technology and York University. In addition, Georgian offered five college degrees in 2018-19 and as well as a Bachelor of Science in Nursing collaborative degree. The degree programs that accepted applications in 2018-19 are summarized below.

Institution	Program	Model
Central Michigan University	Master of Arts in Education – Community College concentration	All on campus; cohort model; part-time weekends.
Lakehead University	Bachelor of Engineering (Electrical) with Electrical Engineering Advanced Diploma	Integrated.
	Honours Bachelor of Arts and Science – Environmental Sustainability with Environmental Technician Diploma	Integrated.
	Honours Bachelor of Science – Applied Life Sciences (Specialization in Biomedical Techniques) Degree with Biotechnology-Health Diploma	Integrated.
	Honours Bachelor of Science in Computer Science Degree with Computer Programmer Diploma	Integrated.
University of Ontario Institute of Technology	Registered Practical Nursing to Bachelor of Science in Nursing degree completion	On-site delivery 50 per cent, distance 50 per cent.
York University	Bachelor of Science in Nursing (Collaborative Program)	Years 1 and 2 at Georgian, Years 3 and 4 at York.

Institution	Program	Model
Georgian College	Honours Bachelor of Business Administration – Automotive Management	Four-year degree; all on campus.
	Honours Bachelor of Business Administration – Management and Leadership	Four-year degree; all on campus.
	Honours Bachelor of Business Administration – Golf Management	Four-year degree; all on campus.
	Honours Bachelor of Police Studies	Four-year degree; all on campus.
	Honours Bachelor of Interior Design	Four-year degree; all on campus.

APPENDIX F: 2018-19 BOARD OF GOVERNORS

Board Members	Occupation	Location	Term of Office
Don Gordon Chair	Retired Executive North American Sales Director CarbonCure Technologies	Midland	Sep 1/13 – Aug 31/19
Brian Davenport Vice Chair	Vice President, Portfolio Manager RBC Dominion Securities	Owen Sound	Sep 1/14 – Aug 31/20
Paul Larche Vice Chair	Owner and President Larche Communications Inc.	Barrie	Sep 1/15 – Aug 31/21
Andrea Lovering (Faculty)	Professor Health and Wellness	Barrie	Feb 21/17 – Aug 31/20
David Johnson (Administration)	Executive Director Enrolment Management and Information Technology	Barrie	Sep 1/17 – Aug 31/20
Ali Khonsari	Owner Image Dental Lab	Barrie	Sep 1/17 – Aug 31/20
Margot Ballagh	Lawyer and former Vice-Chairperson and administrative law judge for the Social Security Tribunal of Canada	Barrie	Sep 1/18 – Aug 31/21
Dianne Martin	Executive Director Registered Practical Nurses Association of Ontario	Barrie	Sep 1/15 – Aug 31/21
Rick Gauthier	Retired President and Chief Executive Officer Canadian Automobile Dealers Association	Sharon	Sep 1/17 – Aug 31/20
Teresa Snelgrove	Serial Entrepreneur	Shanty Bay	Sep 1/15 – Aug 31/21
Lyn McLeod	Retired, Elected Political Official, past Chair of the Board of Governors of Confederation College	Alliston	Sep 1/16 – Aug 31/19
Marilynn Booth	Dean University of Toronto School of Continuing Studies	Wasaga Beach	Sep 1/16 – Aug 31/19
Angelo Orsi	President Orsi Group	Orillia	Sep 1/17 – Aug 31/20
Stephen Arsenault	Owner One More Bid Auction	Orillia	Mar 21/19 – Aug 31/21
Jeff Czetwerzuk (student)	Georgian College Students Association Child and Youth Care program student	Orillia	Apr 1/18 – Aug 31/19
Eric Jerome (Support Staff)	System Administrator Information Technology	Barrie	Sep 1/18 – Aug 31/21
Kevin Wassegijig	Director of Sustainable Economic Development Mississaugas of the New Credit First Nation	Orillia	Sep 1/14 – Aug 31/20
Angela Lockridge (ex-officio)	Vice President Corporate Services and Innovation Secretary-Treasurer to the Board	Barrie	Jan /14 – Present
MaryLynn West-Moynes	President and CEO Georgian College	Oro-Medonte	Jul 1/12 – Present

APPENDIX G: COLLEGE COUNCIL AND ACADEMIC COUNCIL

College Council

College Council provides a means for students and staff members of the college to provide advice to the President on matters of importance to students and employees, which may include but are not limited to issues pertaining to the college's academics, student services, human resources and administration.

Georgian College By-law No. 15 presents the purpose, composition, meeting structure and chair role of College Council.

College Council met six times during fiscal 2018-19 (May, September, October, November, January and March) to approve procedures as appropriate and to receive, review and provide feedback on reports concerning various operations and initiatives, including the following (list not inclusive):

- Non-smoking procedure
- Cannabis procedure
- AshokaU and changemaking updates
- Parking service delivery model updates
- Internationalization committee reports
- Extended classroom schedule updates
- Kirpan procedure
- Emergency management system updates
- Employee engagement updates
- College policy and procedure framework updates
- Program suspension report
- Enrolment updates and reports
- Environmental sustainability reports
- Research and innovation reports
- Academic audit process updates
- Budget and financial reports
- Information technology updates
- Advancement and community development reports

Academic Council

Georgian's Academic Council provides academic leadership to support academic integrity; quality and relevancy of curriculum in programs and courses; consistency in program development, program implementation and program renewal processes; and program quality assurance processes.

Academic Council ensures that Georgian College curriculum conforms to the requirements set by the Ontario College Quality Assurance Service (OCQAS) and/or Postsecondary Education Quality Assessment Board (PEQAB) as well as internal approval processes.

It approves new program development, renewal and major program changes for recommendation to the Vice President, Academic. Academic Council develops and recommends policies, processes, and practices, consistent with institutional, governmental, and postsecondary sector norms that support effective teaching and learning to the Vice President, Academic. Academic Council reviews and helps determine academic priorities.

Academic Council also communicates its activities to ensure faculty and employees are informed and acts as a resource to provide direction and support to the academic community.

Academic Council met nine times during fiscal 2018-19 and reviewed, approved or deferred several items, as follows (list not inclusive):

- Vice President, Academic updates
- Program changes
- Program admission requirements
- Alignment of strategic priorities with program learning outcomes
- Academic policy and procedure approvals
- Curriculum Information Management (CiM) training updates
- Major course change approvals
- Program renewal approvals
- Admission requirement change approvals
- Academic regulations updates
- Viewbook change approvals
- College quality assurance audit process updates