



B U D G E T

2009/2010

Approved Budget

2009/2010 BUDGET

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PRESIDENT'S REMARKS

As the College brings forward its 2009/10 budget, it is still in the process of closing the 2008/09 financial year. The latter only really showed any signs of improvement, relative to the originally approved budget, as the fiscal year drew to a close. The planned deficit of about \$3.9 million was eliminated primarily by additional revenues, most of those from the provincial operating grant. This was further enhanced by improved budget performance of about 0.5% of revenues and a similar amount of expenses. This positive end to 2008/09 will help to ensure that the College has the back-up to support the deficit currently projected for 2009/10.

The planning for the 2009/10 budget has lasted the better part of the past year. During this time the College struggled with projections of significant shortfalls of revenue primarily due to operating grants continuing to lag behind enrolment growth and cost increases. Hope had been held out that the Ontario budget of March 26, 2009 would have a significantly positive impact on concluding the budget. Unfortunately, the provincial budget announcement lacked the necessary detail and this information has still not been received by the College. Staff have made their best estimates of the impact of provincial funding on Georgian for 2009/10.

To be fair, the Provincial budget did announce a number of new funding envelopes. However, details of these are expected to be made public throughout 2009/10. In anticipation of this eventuality and in order to cover the reasonable costs of a rapidly growing institution, some risk has been built into the 2009/10 budget. About \$1.5 million has been allowed with the expectation that by year end the province will have announced improved funding levels. Like other years, it is also hoped that as 2009/10 progresses there will be good news on both the revenue and expense sides of the ledger that will reduce the budgeted deficit and cover this, as yet unspecified, revenue target.

Uncertainty still lies ahead for Georgian and the Ontario college system as the government deals with the economic downturn and its negative impact on provincial revenues. This matter is further complicated by the implementation of a new funding mechanism for the college system. Some general information about the new funding mechanism has been made available to colleges, however, Georgian cannot reliably predict the result of this change on its revenues for 2009/10.

Georgian will continue to focus on its students, employers, communities, and the economic well-being of Ontario. The College is growing its enrolment in all areas – apprenticeship, diploma and degree programs – ensuring improved access to learning and contributing to a prosperous future, for the region and the province.

I accordingly recommend that:

The Board of Governors approve the 2009/10 budget with a deficit of \$4,748,800.

BUDGET PROCESS

BUDGET PROCESS 2009/2010

INTRODUCTION

This year the College has prepared a budget that will have a relatively large deficit. As in previous years, the College has used a budget process that allows strategic, operational and academic planning to guide the College. The budget serves only as a constraint in determining how far the College can proceed in meeting its long term goals. Each year the budget development process provides many challenges as planned expenses traditionally exceed known revenues. Though the deficit for 2009-10 represents just over 3.5% of the total budget, Georgian is not expected to be in a deficit recovery process (as defined by the Ministry) by the end of 2009/10. The Financial Analysis section will outline in more detail the fiscal challenges the College is facing.

In the development of the budget for 2009-10, the College has been very mindful of its strategic goals. These goals combine the need for fiscal responsibility with a continuing emphasis on providing excellence in its core business of teaching and learning.

While Georgian is endeavoring to grow and enhance the quality of its core business, the funding constraints and unknowns for 2009-10 make this a difficult proposition. The inadequacy and uncertainty of the level of expected funding have led the College to develop its thirteenth consecutive deficit budget. Of particular concern is the uncertainty about the specific impact of the new college funding mechanism compared to the interim funding structure that it replaces. It is anticipated that any revenue increases will fall well short of those required to maintain current programs and services.

In accordance with its goal of being fiscally responsible, Georgian will continue to investigate a variety of financial strategies that ideally will allow it to continue to build programs and services while reducing the deficit.

ESTABLISHING THE BASE BUDGET

The starting point for the budget process was the same as it has been in previous years. The 2008-09 budget served as the basis for the 2009-10 budget. The 2008-09 budget was downloaded to the Budget Planning System. Adjustments were made by the Financial Planning area of the College based on criteria established by College Council and with direction from senior management. The budget planning process started in the fall of 2008. Regular budget reports were brought to the Board of Governors over the months that followed. At its April 2009 meeting, the Board was made aware of the estimated deficit expected for 2009/10 that would be reflected in this final draft budget.

Some of the criteria used to determine the base budget adjustments were as follows:

- Adjustments to the full-time salaries and benefits were based on the most recent Full-Time Staff Complement available. Known and anticipated impacts of the collective agreements and terms and conditions of employment were budgeted.

- Funds for vacant staff positions were allocated.
- Funds were allocated centrally for various College-wide complement related items, such as parental leaves, sick leaves, etc.
- Revenues and expenses for all one time projects such as contract training, conferences, special grants, etc., were removed. Budget was allocated for any new one-time projects.
- The revenue and expenses related to ongoing grants and projects were adjusted to the appropriate levels.
- Adjustments have been made for anticipated changes to non-salary costs such as leases, utilities, rentals, etc.

Once the above tasks were completed the College had what is referred to as its “2009-10 Base Budget”.

DEVELOPMENT OF THE 2009/10 DRAFT BUDGET

As has been the past practice, the College has been maintaining multi-year revenue and expense forecasts. Forecasts for 2009-10 were refined and a preliminary deficit for 2009-10 was determined early in the budget process. The shortfall between revenues and expenses was significant and at one point in the process exceeded \$12 million. While a variety of factors contributed to this situation, essentially government funding is not keeping pace with the increases in salaries and benefits. This shortfall, when added to the cumulative challenge the College has faced since 1993/94, is approximately \$88 million.

The budget planning process started in the fall of 2008. New information and decisions made by senior management over the course of the past few months have reduced the deficit to the \$4,748,800 with the estimated GAAP adjustments included. As in other years, management will work throughout the year to try to reduce this deficit. Staff will continue to adjust revenue targets to optimal and realistic levels and ensure that expenses are carefully monitored.

Full time staffing levels will be carefully monitored and managed throughout the fiscal year. Growth in enrolment increases the pressure to increase staff but provincial funding is not adequate to support this increased cost.

ENROLMENT

ENROLMENT

FULL-TIME POST SECONDARY

The College's full-time funded post secondary enrolment for 2009/10 is projected to increase by 6.5 % over the previous fiscal year's audited enrolment. This represents a projected growth of 475 students in diploma programs with the growth being in Year 1 and the flow through to Year 2. The growth projected for 2009/10 will enable Georgian to continue to increase its share of enrolment in the Ontario college system. The College had an increase in full-time funded enrolment in 2008/09 of approximately 455 students, which represents an increase of 6.5%.

The College is again planning strong enrolment growth in the University Partnership Centre (UPC). As the College continues to break new ground with university partners, enrolment is projected to increase by 4% or 35 students. The growth in UPC in 2008/09 was 109 students – a 14% increase.

International enrolment is expected to grow by 2% over the actual 2008/09 enrolment level achieved. International enrolment in the post-secondary area has continued to increase at Georgian over the last several years. This planned growth and the ability to meet enrolment projections continues to be vulnerable to changes in global conditions. The growth in International enrolment in 2008/09 was 2.5%.

The College is planning several new programs for fiscal 2009/10. Some existing programs will also see planned section adjustments to match student demand while some programs will be suspended due to reduced application levels and industry challenges. Below is a summary of just the **new programs** launched in 2008/09 and those planned for launch in 2009/10.

New Programs	Location	Actual Enrolment 2008/09	Planned Enrolment 2009/10
Business Admin - Human Resources	BA	39	
Business – Logistics	BA	10	
WEB Animation & Design	BA	29	
Architectural Technician	BA	44	
Golf Management Degree	BA	22	
Culinary Skills(converted to FT funded)	OS	10	
Electrical Engineering – Power	BA		30
Mechanical – Precision Skills	BA		58
Cabinetmaking(converted to FT funded)	BA		38
Civil Engineering – Construction	BA		20
Civil Engineering Technology	BA		30
Interior Decorating	BA		34
Total	0	154	210

The above chart reflects how the College's strategic investment in new programs has helped maintain and grow Georgian's share of the college system enrolment.

New Program Launches for 2008/09

BARRIE

❖ Electrical Engineering Technician - Power

This two-year program curriculum incorporates theory applications and practical experience from the generation, distribution, and utilities industries. Concepts from the sciences and humanities are emphasized to ensure that the graduate is provided with current technical knowledge, skills, and practice. The number of jobs in the Electrical Technician - Power field has been growing steadily. As a result, graduates have options in a broad range of employment settings in businesses and industries using electrical engineering, in both large and small organizations. Planned enrolment for the Fall 2009 intake is 30 students.

❖ Mechanical Technician – Precision Skills

This two-year program allows students to safely set-up and operate standard machine tools and complex machining equipment, such as CNC lathes and mills. Knowledge and skills learned are used to repair or manufacture components, assist with design of jigs, fixtures, tools, moulds and dies, perform troubleshooting to enact repairs on production tooling, and use accurate testing methods to ensure accuracy of manufactured components. This two year co-op program prepares the graduate for the Aerospace, Energy, Mining, and Automotive industries. Planned enrolment for the Fall 2009 intake is 58 students.

❖ Cabinetmaking

This program gives students many project opportunities that develop the foundational knowledge and skills for the cabinetmaking industry. Many hands-on opportunities ensure that graduates are competent in all aspects of the industrial cabinetmaking/woodworking field, from the planning stages to the application of final finishes on various products. Potential career opportunities include cabinetmaker, shop supervisor, machine set up technician, or self employment. Planned enrolment for the Fall 2009 intake is 38 students.

❖ Civil Engineering Technician – Construction

This two-year program prepares graduate technicians to work with engineers and construction project managers as part of a team constructing roads, bridges, sewers, water mains, and other infrastructure. Technicians develop information for cost estimation, perform materials testing, and assist in the administration of projects in the field. This program is common with the first four semesters of the Civil Technology program and graduates may choose to continue into the third year of that program. Graduates find work in the private sector assisting quantity surveyors (estimators), purchasers, site supervisors or project managers, drafters or detailers, using the latest in CAD technology. Planned enrolment for the Fall 2009 intake is 20 students.

❖ **Civil Engineering Technology**

This three-year program is scheduled to take advantage of the construction seasons. The program prepares graduate technologists to work with engineers, designers, and construction project managers as an integral part of the team. A comprehensive understanding of the latest codes and standards, site management techniques, and related computer technologies equip graduates to succeed in this rapidly evolving and growing industry. Graduates find work in the private sector as quantity surveyors, purchasers, site supervisors and project managers, drafters, or detailers using CAD technology. Planned enrolment for the Fall 2009 intake is 30 students.

❖ **Interior Decorating**

This two-year program is recognized by the Canadian Decorators Association (CDECA). Graduates will have the knowledge and essential skills to interpret client requirements, create innovative interiors and pursue employment in the decorating field. Courses are delivered in a variety of formats including lecture, studio and lab. In addition, a variety of field trips as well as a field placement component connects students with the industry prior to graduation. Planned enrolment for the Fall 2009 intake is 34 students.

Enrolment Mix at Georgian

The following three charts provide some detail on the enrolment mix at Georgian. All the data in the charts reflect full-time equivalent enrolments (FTE's) for more accurate comparisons. Enrolment in the three charts include Full time, Part time funded and non-funded, UPC/Laurentian and International enrolments.

◆ **Georgian Enrolment Mix 2008/09**

The first chart reflects the mix of Full time, Part time, Tuition Short and Apprenticeship enrolment.

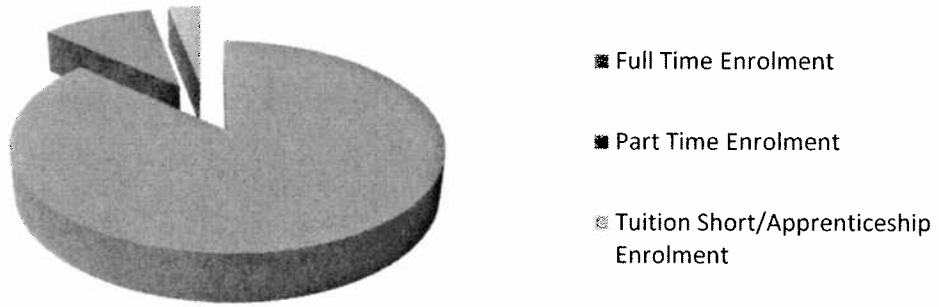
◆ **Full-Time Enrolment by Type 2008/09**

The second chart reflects the type of Full time enrolment at Georgian for 2008/09.

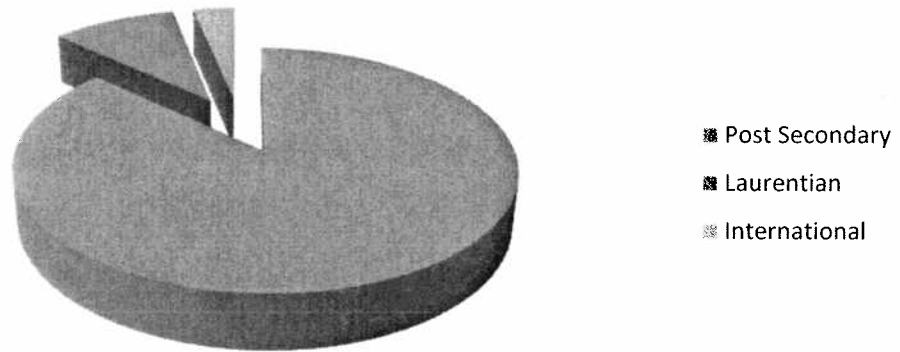
◆ **Full-Time Enrolment by Campus 2008/09**

The third chart reflects the percentage share of Full time enrolment at each campus.

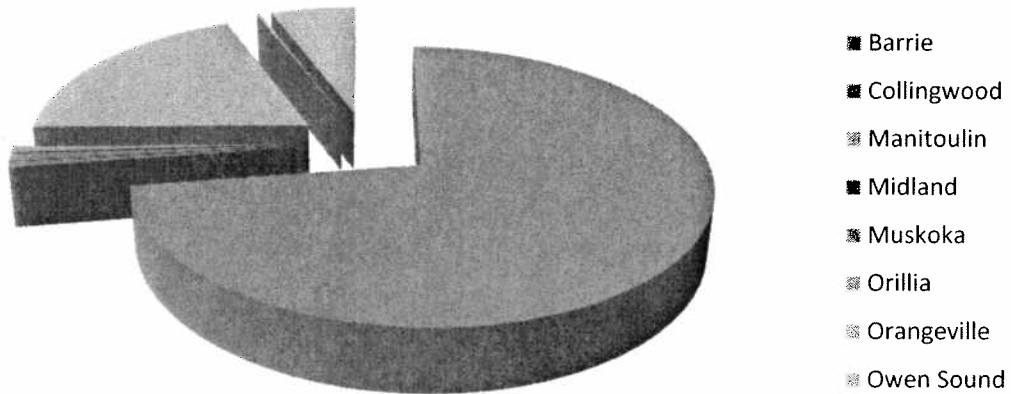
Georgian Enrolment Mix 2008/09



Full-Time Enrolment by Type 2008/09



Full-Time Enrolment by Campus 2008/09



THE UNIVERSITY PARTNERSHIP CENTRE

BARRIE

The well established Bachelor of Arts program in Barrie continues to grow with increased student numbers and courses offered. New initiatives include the introduction of anthropology, the fourth year of history and a new media studies stream within English. UPC also expects that Laurentian will announce that a Masters of Business Administration will be added to the mix this fall. Total enrolment in the Laurentian at Georgian program should exceed 1,000 full-time students with another 600+ part-time registrations. The total enrolment of full-time students in degree and graduate studies is expected to exceed 2,000 students.

Graduate registered practical nurses will be able to complete their Bachelor of Science in Nursing in partnership with University Ontario Institute of Technology beginning in the summer of 2009.

The University Partnership Center is also entering into the world of continuing education (credit and non-credit) with the "Learning in Retirement" series, select university courses, as well as a new partnership with University of Toronto to offer continuing education in art, architecture, film, creative writing, ethics and philosophy, ethics, history, literature and music.

ORILLIA

The Summer Institute of the Arts is offering several non-credits in Canadiana (music, literature) to run during July and August 2009.

NEW PROGRAMMING

As mentioned above, several news programs rounding out the Bachelor of Arts are being offered in the fall of 2009. New to Owen Sound, Laurentian@Georgian is offering two university courses. If enrolment is robust enough an expansion of course offerings will be considered.

Work is progressing on offering the fourth year for Sociology and Political Science for 2010 as well as a new Honours degree in Liberal Studies. In collaboration with UOIT, a degree completion in Health Sciences has been developed for Georgian's graduates in allied health programs such as dental hygiene and massage therapy. Currently this program is offered on-line only but it is hoped that courses can be offered in Barrie for 2010.

Georgian is working with Central Michigan University to submit a proposal for Bachelor of Science in Vehicle Design. Negotiations are taking place with York University to offer all four years of the Bachelor of Science Nursing degree at Georgian.

INTERNATIONAL

Georgian's International operation continues to grow and contribute to the overall internationalization of the College. With modest growth planned for the next few years, Georgian continues to be well positioned to attract students from around the globe. The College has developed major linkage programs which should provide a strong international presence in the Philippines and in China. These initiatives will hopefully assist the College in the areas of marine training and transfer students. The India campus continues to provide the College with almost 40 transfer students per year and these students are helping to maintain the automotive manufacturing program at the Barrie campus.

World economic conditions continue to be a concern in achieving international recruitment targets. As a result, moderate growth for total international enrolment has been revised to 2% for the 09/10 fiscal which will equate to a \$1.5 million contribution.

During 2009/10 the international area will undertake a review of its operation and staffing and participate in the College-wide strategic planning initiative. The hope is to put in place a new international model that will compliment the College's overall strategic direction and continue to assist the College in achieving its revenue targets.

APPRENTICESHIP

Due to the economic downturn in the economy a number of employers/sectors (i.e. millwright, tool and die, recreation vehicle mechanics) are training fewer apprentices. However a number of other trades such as carpentry, hairstyling, plumbing and early childhood education are continuing to hire apprentices. The net impact planned for 2009/10 for Georgian is a modest 5% increase in training over the previous year. Each manager who is involved in Apprenticeship training will work with the apprenticeship offices and local employers to attempt to exceed this projected growth of 5%.

Some specific highlights planned for 2009\2010:

- expand the number of Cook 1 and 2 apprentices in Barrie, Bracebridge and Owen Sound.
- Increase the number of apprentices trained in a wide variety of trades at the Midland campus (e.g. small engine/marine engine, electrical (all groups), plumbing)
- apply for new Training Delivery Agent (TDA) status for the trades of Baker, Patisserie and Institutional Cook.
- Increase the volume of apprentices we train in Hairstyling in both Bracebridge and Barrie
- continue to deliver apprenticeship in-school training in Owen Sound in the trades of Early Childhood Education (ECE), Educational Assistant, Carpentry,
- on-going ECE Apprenticeship training will continue to take place in Orillia.
- Increase the volume of carpentry training in Bracebridge and Owen Sound
- provide apprenticeship training in Cook, Carpentry and Hairstylist in Bracebridge

- continued growth in Hairstyling Apprenticeship in Barrie and Bracebridge.
- obtain approval to deliver Developmental Services Worker training in several sites.

PART TIME STUDIES

Georgian continues to see significant demand for part-time studies courses in its catchment area with over 27,000 registrations in 2008/2009. Non-credit activity continues to be a good source of revenue for the College and continues to represent almost 36% of these registrations.

The part-time studies area has undergone a business review with recommendations for changes to be implemented in 2009/10. The implementation of a new structure to manage part-time studies in 2009/2010 consists of two committees:

- The Continuing Education and Workforce Development (CE & WD) Strategic Planning Committee, and;
- The Continuing Education and Workforce Development (CE & WD) Operating Committee.

The CE & WD Strategic Committee will identify issues and support the Operating Committees by providing direction on topics such as: Human Resources, Finance, Marketing, Registration, and Curriculum issues.

It is expected that this new structure will bring consistency to the part-time studies operation and improve processes in these activities across the College.

2009/2010 BUDGET

ENROLMENT

SUMMARY TABLE

	PERCENTAGE CHANGE 2008/09 vs 2009/10	Total Change in Full Time Equivalent Students (FTE)
Full-Time Post Secondary Diploma	6.5%	475
Full-Time Post Secondary Other		
UPC	4.0%	35
International	2.0%	7
Apprenticeship	5.0%	9
Part Time Studies	2.0%	22

2009/2010 BUDGET

E N R O L M E N T

FULL-TIME POST SECONDARY DIPLOMA and COLLEGE DEGREE BY CAMPUS

Comparison of 2008/09 to 2009/10

	2008/09 ACTUAL	2009/10 PROJECTED	2009/10	
	FTE	FTE	Growth	% Change
Total Full Time Equivalent (FTE) Enrolment	7,251	7,726	475	6.5%

Comparison of 2007/08 to 2008/09

	2007/08 ACTUAL			2008/09 ACTUAL			2008/09	
	SUMMER	FALL	WINTER	SUMMER	FALL	WINTER	FTE Growth	% Change
Barrie	1,389	4,723	4,305	1,388	4,879	4,594	222	4.3%
Orillia	209	1,191	1,112	268	1,343	1,276	188	14.9%
Owen Sound	50	386	396	72	405	388	17	4.0%
Other Campuses	76	80	137	49	126	175	29	19.5%
Total Full Time Enrolment	1,724	6,380	5,950	1,777	6,753	6,433	455	6.5%

2009/2010 BUDGET

E N R O L M E N T

FULL TIME POST SECONDARY - OTHER

UPC and INTERNATIONAL

Comparison of 2008/09 to 2009/10

	2008/09	2009/10	2009/10	
	Actual	Projected	Growth	% Change
Total UPC (FTE) Enrolment	850	885	35	4.0%
Total International (FTE) Enrolment	283	290	7	2.0%

Comparison of 2007/08 to 2008/09

	2007/08	2008/09	2008/09	
	Actual FTE	Actual FTE	FTE Growth	% Change
University Partnership Centre (UPC)				
Barrie	589	711	122	20.7
Orillia	152	139	-13	(8.6)
Total UPC	741	850	109	14.7
International FTE Total	276	283	7	2.5

**2009/2010 BUDGET
ENROLMENT
APPRENTICESHIP
(FTE)**

Comparison of 2008/09 to 2009/10

	2008/09	2009/10	2009/10	
	Actual FTE	Projected FTE	Growth	% Change
Total Apprenticeship (FTE) Enrolment	192	201	9	5.0%

Comparison of 2007/08 to 2008/09

	2007/08	2008/09	2008/09	
	Actual FTE	Actual FTE	FTE Growth	% Change
BARRIE	14	18	4.4	31.8%
ORILLIA/BARRIE	8	7	(1.1)	-14.0%
MIDLAND	72	97	24.8	34.5%
MUSKOKA	22	20	(2.4)	-10.8%
OWEN SOUND	60	51	(8.8)	-14.7%
Total	175	192	16.9	9.6%

2009/2010 BUDGET

ENROLMENT

PART-TIME STUDIES (FTE)

Comparison of 2008/09 to 2009/10

	2008/09 ACTUAL			2009/10 PROJECTED			2009/10		
	PTFF FTE	PTNF FTE	TOTAL FTE	PTFF FTE	PTNF FTE	TOTAL FTE	PTFF Growth	PTNF Growth	% Change
Total Part Time Enrolment	496	302	798	506	308	814	16	6	2.0%

Comparison of 2007/08 to 2008/09

	2007/08 Actual			2008/09 Actual			PERCENTAGE CHANGE		
	PTFF FTE	PTNF FTE	TOTAL FTE	PTFF FTE	PTNF FTE	TOTAL FTE	PTFF	PTNF	TOTAL
Barrie	379	162	542	369	173	541	-2.8%	6.3%	-0.1%
Orillia	48	29	77	58	30	88	21.5%	4.7%	15.2%
Owen Sound	39	47	86	30	54	85	-22.6%	15.8%	-1.7%
Midland	17	6	23	9	17	26	-45.0%	159.7%	12.0%
Muskoka	10	7	16	10	9	19	3.2%	35.2%	16.3%
Collingwood	7	19	25	6	15	21	-17.8%	-17.9%	-17.9%
Orangeville	14	3	17	14	3	18	-0.2%	12.1%	2.0%
TOTAL	514	273	787	496	302	798	-3.4%	10.5%	1.4%

FINANCE

FINANCIAL ANALYSIS

BUDGET ADJUSTMENTS

Below is a summary outlining the changes that have been made to the budget for 2009-10 that have affected the shortfall between revenues and expenses. Information is provided regarding the changes that have been made to both expenses and revenues. The College not only had to make some key decisions regarding its expenses to meet its budget challenge but has had to take a degree of risk specifically related to grant revenues and improved budget performance. This decision is based in part on year-end allocations by the government over the past few years and the improved budget performance managed by the College over that same period of time.

Academic Operations

The academic area is working on a number of strategic levels to take advantage of new growth funding for post-secondary programs. Several new programs will be added in this and subsequent years, thus ensuring Georgian's program mix is current and relevant to new students. Additionally, there are plans for continued growth and diversification in the University Partnership Centre. These initiatives are being spearheaded by the Academic Management Team with the support and assistance of the Enrolment Management Committee.

The Ministry launched a successful Second Career Strategy for students looking to re-enter the work force through the Employment Ontario Program. In 2008/09 the College had more than 100 students participate in this program that provides in-year funding to off-set delivery and instructional costs.

Student Services

The Bookstore on the Barrie campus has undergone some changes to facilitate an improved retail strategy and is beginning to see the financial and customer service benefits of these changes.

Co-operative Education made adjustments in fees and operations to return to its traditional break-even budget position in 2008/09. The new fees increase approved in the College Fee Schedule will allow the Co-op area to continue to operate at a break even position in 2009/10.

Budget Uncertainty / Risk

The 2009-10 budget was developed with the intent to maximize Georgian's share of provincial grant funding expected to be made available to support enrolment growth. This seems to have been the most appropriate strategy to have adopted over the past several years.

Revenue targets have been established that should be attainable given the results of the recent past. As outlined in the section on enrolment, the College has established enrolment growth targets for all areas of its academic operations. However, some unpredictability in how these targets will be realized is unavoidable. For example, international recruitment can be impacted by a different set of variables including visa issues and geopolitical instability.

Collective bargaining is underway for faculty at Ontario colleges. Their collective agreement expires at the end of August, 2009. Though there is some uncertainty about cost related to faculty, there is relative certainty about salary and benefit costs for full-time support and administrative staff for the upcoming year.

The final area of unpredictability is with regards to government funding that supports College operations. 2008/09 was the last year for the interim funding mechanism. It will be replaced by a new distribution mechanism for 2009/10. The precise details of this mechanism are not known at this time. In addition, the aggregate amount of grant available in the Ontario college system in 2009/10 has not been announced either. This lack of information about the new model and the amount of funds it will distribute makes it difficult to accurately forecast Georgian's grant funding for 2009/10. However, Georgian has conservatively estimated that it will receive its share (about 3.9% based the College's share on enrolment in the system) of \$25 million in improved operating funding in 2009/10. Given the enrolment growth pressure on the college system, this level of funding increase is seen as the very least that is likely to be received.

For the past few years, the Ontario colleges have been the grateful recipients of year-end supplemental operating grant funding. These adjustments have had a significantly beneficial impact on the College's year-end closing. Notably in 2007/08 and 2008/09, the college system received a portion of this year-end allocation as a result of the topping up of the Enrolment Growth Fund – an envelope designed to support in-year enrolment growth.

The College has also benefited from the strong management of its budget. Efforts are made to regularly review and adjust budgets. There are expectations that budget managers will establish realistic budgets and manage within them. As a result, Georgian will generally have some year-end benefit related to budget performance. This has contributed to improved year-end results relative to approved budget bottom lines.

As a result of the experience of the College with year-end grants and improved budget performance, \$1.5 million has been budgeted for good news at year-end in 2009/10. This is seen as a very conservative target.

REVENUES AND EXPENSES

In 2008/09 the total revenue for Georgian pushed above the \$141 million mark. The total revenue for 2009/10 is expected to exceed that amount. However, the budget presented in this document intentionally underestimates this in that only the net contributions to be received from corporate training, international operations and government contract training are presented. The College has traditionally and quite effectively planned in this manner. As new business is received in the above named areas during the year, the net budgets reflected in the budget book will be adjusted upwards to reflect the total gross revenue and total gross expense. The gross revenue and expense are not reflected at this point in time as contracts are unknown and not signed.

The 2008/09 General Purpose Operating Grant (GPOG) represented about 21% of Georgian's total revenue. This can be viewed as a sign that funding per student is not keeping pace with growth and that the College continues to find new and innovative ways to generate revenues to offset this shortfall. The actual GPOG for 2009/10 is not known at this time. The level of funding for the GPOG for 2009/10 is planned to be at a similar level to 2008/09 with a modest increase related to the Reaching Higher 2009/10 allocation. Other provincial and federal funding including Small, Northern and Rural, LBS, Job Connect, Special Needs and the Nursing Grants are all being maintained at similar levels to 2008/09 as no major changes are expected in these funding categories.

The Key Performance Indicators (KPI) funding is projected to be at a similar level as 2008/09. Georgian's performance in past KPI results should help the College maintain its share of funding in 2009/10.

The separate funding allocations related to Enrolment Growth and Quality Improvement (QIF) will be rolled into the new funding framework that will be announced in June 2009. With the aggregate level of funding for Georgian still an unknown for 2009/10, the assumptions built into this year's budget is that funding for Georgian will remain at 2008/09 levels.

The Ministry announced an end to the tuition fee freeze in 2006/07. Georgian has increased its tuition fees in 2009/10 at the maximum rate allowed by the Ministry's tuition policy. This will be the last year for the government's current tuition policy.

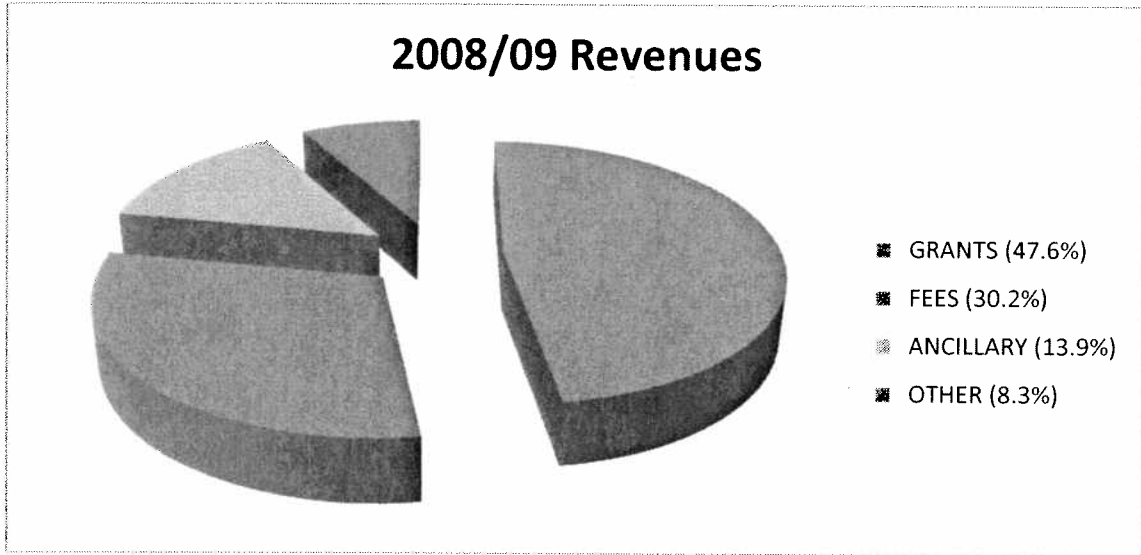
The cost of full-time salary and benefits can be reasonably and accurately forecast for support staff in 2009/10 as their collective agreement is in place for that period of time. Estimates are also available for changes to costs that support full-time administration. An estimate has been used to forecast the faculty increase as the collective agreement will be bargained during 2009/10.

All revenue and expense projections for 2008/09 are best estimates at this time. Final figures for the 2008/09 fiscal year-end will not be available until the financial statements are completed.

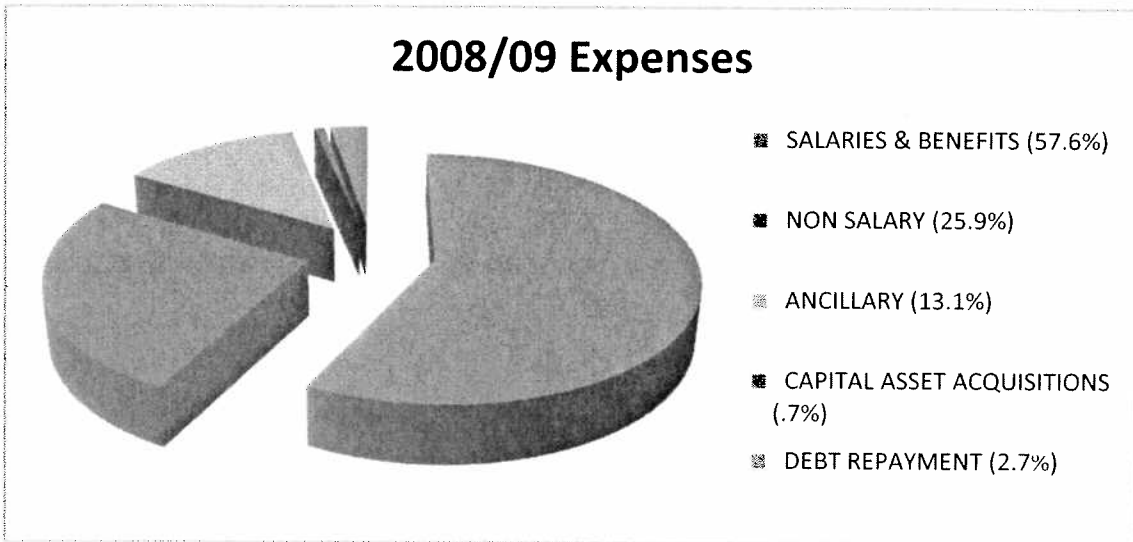
It should also be noted that the purchase of fixed assets is considered to be an expense at the time of purchase in the budget method of the College. Under the financial accounting guidelines the purchase of capital assets is considered to be a use of funds.

The investment in the capital assets is then expensed over its useful life and is not considered an expense at the time of purchase. This difference in methods will create a different surplus/ (deficit) amount. This has been captured in Schedule 1 under the column 2007/08 Projected GAAP Basis.

Break down of college Revenues for 2008/09.



Break down of college Expenses for 2008/09.



2009/10 BUDGET

SCHEDULE OF REVENUE AND EXPENDITURE
PROJECTED YEAR END POSITION FOR FISCAL 2008/09

	01-Apr-08 APPROVED BUDGET*	2008/09 BUDGET REVISIONS	2008/09 REVISED BUDGET TOTALS	2008/09 PROJECTED CASH BASIS	2008/09 PROJECTED GAAP BASIS
REVENUES					
GRANTS AND REIMBURSEMENTS	\$ 57,725,700	\$ 10,382,100	\$ 68,107,800	\$ 66,612,900	\$ 66,096,979
FEES	34,494,600	7,393,300	41,887,900	42,253,800	42,561,868
ANCILLARY	19,452,500	1,644,900	21,097,400	19,435,800	18,087,087
OTHER	5,246,400	2,562,200	7,808,600	11,430,000	10,624,532
AMORTIZATION OF DEFERRED CAPITAL ASSETS				-	-
TOTAL REVENUE	116,919,200	21,982,500	138,901,700	139,732,500	141,255,312
EXPENDITURES					
SALARIES & BENEFITS	\$ 73,025,300	\$ 5,707,400	\$ 78,732,700	\$ 79,109,200	
NON SALARY	25,555,100	9,451,500	35,006,600	35,678,000	
ACADEMIC/STUDENT SERVICES/ADMIN/OTHER					116,226,328
ANCILLARY	17,651,000	1,522,800	19,173,800	18,021,800	15,824,908
AMORTIZATION OF CAPITAL ASSETS					7,319,039
TOTAL EXPENDITURES	116,231,400	16,681,700	132,913,100	132,809,000	139,370,275
EXCESS REVENUE OVER EXPENDITURE	687,800	5,300,800	5,988,600	6,923,500	1,885,037
INVESTED IN CAPITAL ASSETS					
CAPITAL ASSET ACQUISITIONS	708,100	5,186,300	5,894,400	1,031,900	
DEBT REPAYMENT	3,360,700	(84,800)	3,275,900	3,700,800	
ANCILLARY CAPITAL ASSETS	613,800	199,300	813,100	-	
TOTAL INVESTED IN CAPITAL ASSETS	4,682,600	5,300,800	9,983,400	4,732,700	
DEDUCTION TO UNRESTRICTED NET ASSETS	(3,994,800)	0	(3,994,800)	2,190,800	

* The Approved Budget presented here reflects the net contribution to be received from corporate, international and government contract training

**2009/10 BUDGET
COLLEGE PORTFOLIO OPERATIONS
PROJECTED YEAR END POSITION FOR FISCAL 2008/09**

	2008/09 Projected Year to Date
Total Revenue	
GRANTS AND REIMBURSEMENTS	\$ 66,612,900
FEES	\$ 42,253,800
ANCILLARY	\$ 19,435,800
OTHER	\$ 11,430,000
Total Expense by Area	
President	
EXPENDITURES	642,300
VP Academic	
EXPENDITURES	64,194,000
VP Student and Organizational Success	
EXPENDITURES	20,845,900
VP Administration	
EXPENDITURES	47,096,600
VP External Relations	
EXPENDITURES	4,762,900
TOTAL REVENUE	\$ 139,732,500
TOTAL EXPENDITURES	137,541,700
NET TOTALS	\$ 2,190,800

2009/10 BUDGET
SCHEDULE OF REVENUE AND EXPENDITURE
FOR FISCAL 2009/10

	01-Apr-09 BUDGET*
REVENUES	
GRANTS AND REIMBURSEMENTS	\$ 56,125,000
FEES	41,881,100
ANCILLARY	21,337,200
OTHER	8,781,700
TOTAL REVENUE	128,125,000
EXPENDITURES	
SALARIES & BENEFITS	\$ 80,726,800
NON SALARY	29,473,700
ANCILLARY	19,622,800
CAPITAL ASSET ACQUISITIONS	456,300
DEBT REPAYMENT	2,726,000
ANCILLARY CAPITAL ASSETS	630,600
TOTAL EXPENDITURES	133,636,200
SURPLUS (DEFICIT) CASH BASIS	(5,511,200)
ESTIMATED GAAP ADJUSTMENTS	762,400
SURPLUS (DEFICIT) GAAP BASIS	(4,748,800)

* The Budget presented here reflects the net contribution to be received from corporate, international and government contract training.

**2009/10 BUDGET
COLLEGE PORTFOLIO OPERATIONS
FOR FISCAL 2009/10**

	01-Apr-09 BUDGET Cash Basis
Total Revenue	
GRANTS AND REIMBURSEMENTS	\$ 56,125,000
FEEES	\$ 41,881,100
ANCILLARY	\$ 21,337,200
OTHER	\$ 8,781,700
Total Expense by Area	
President	
EXPENDITURES	587,200
VP Academic	
EXPENDITURES	62,752,200
VP Student and Organizational Success	
EXPENDITURES	21,390,300
VP Administration	
EXPENDITURES	44,878,700
VP External Relations	
EXPENDITURES	4,027,800
TOTAL REVENUE	\$ 128,125,000
TOTAL EXPENDITURES	133,636,200
SURPLUS (DEFICIT) CASH BASIS	(5,511,200)
ESTIMATED GAAP ADJUSTMENTS	762,400
SURPLUS (DEFICIT) GAAP BASIS	\$ (4,748,800)

* The Budget presented here reflects the net contribution to be received from corporate, international and government contract training.

**MTCU DEFINITION for FINANCIAL
RECOVERY POSITION**

2009 / 2010 BUDGET

FINANCE

MTCU DEFINITION FOR FINANCIAL RECOVERY POSITION

	2008/2009 PROJECTION 2009/2010 BUDGET	
As at April 1	\$ 5,707,844	\$ 8,224,774
Impact of 2008/09 Operations		
Excess Revenues over Expenses (Schedule 1)	1,885,037	
Change in Vacation, Sick Leave, & Early Retirement Accrual	<u>631,893</u>	
Total Impact of 2008/09 Operations	2,516,930	
Impact of 2009/10 Operations		
2009/10 Budget Plan		(5,511,200)
Estimated GAAP Adjustments		<u>762,400</u>
Total Impact of 2009/10 Operations		(4,748,800)
As at March 31	\$ 8,224,774	\$ 3,475,974

2008/2009 BUDGET GLOSSARY OF TERMS

APPRENTICESHIP TRAINING	Federal and provincial government sponsored programs for formally recognized Trades programs that combine training and work experience.
BASE BUDGET	The current year's budget is copied into the Budget Planning System of the College's computerized financial system. Adjustments are made by Financial Planning based on criteria developed by the CPC.
GENERAL PURPOSE OPERATING GRANT-(GPOG)	Provincial funding allocated to the college system based on full time and part time funded enrolments.
COLLEGE COUNCIL	Committee made up of the Senior Management, representatives from both unions, representative from OCASA (Ontario College Administrative Staff Association) SAC Representatives and the Chair of the College Council.
DEPRECIATION	Colleges are now required to depreciate capital assets according to the guidelines set out in the Canadian Institute for Chartered Accountants Handbook. Previously assets were totally expensed in the fiscal year of the purchase.
ED TECH PLAN	A multi-year plan to achieve and maintain technological currency in the classroom. Students pay a fee, which goes directly to this initiative.
ENROLMENT GROWTH FUNDING	Funding provided by the Ministry for growth over the 2005/06 year. Growth per weighted funding unit is \$3,741.
FACILITIES RENEWAL PROGRAM (FRP)	Grant provided by the Ministry for the maintenance, repair and renovation of existing facilities.
FULL TIME EQUIVALENT STUDENT (FTE)	Measurement used to identify full time equivalent students using guidelines set by the Ministry.
KEY PERFORMANCE INDICATOR (KPI)	Performance based funding will be based on five key performance indicators.
LITERACY AND BASIC SKILLS (LBS)	Provincially sponsored program (formerly the OBS Program) for students over 25 and specific target groups designed to improve basic academic skills in literacy and numeracy to enable further access to training or employment.
MUNICIPAL TAX GRANT	Funds flowed to the College by the provincial government to be paid to municipalities in lieu of property taxes where there are College-owned campuses.
ONTARIO COLLEGE APPLICATION SERVICES (OCAS)	A central organization that processes all post-secondary applications for Ontario Colleges.
PART-TIME FULLY FUNDED (PTFF)	Student contact hours that will generate Ministry funding through the Operating Grant. The Ministry establishes tuition fees.
PART-TIME NON FUNDED (PTNF)	Student contact hours that is ineligible for Ministry funding. The College establishes tuition fees.

POST SECONDARY COST RECOVERY TUITION	Commencing 1998/99, the Ministry allowed Colleges to charge more than the standard tuition fee for post-diploma programs or high demand programs. This higher fee may be applied to a maximum of 15% of enrolment.
STANDARD WORKLOAD FORM (SWF)	Standard Workload form used to calculate full time faculty workload.
STUDENT CONTACT HOUR (SCH)	One hour of one faculty contact with one student.
TRAINING DAY (TD)	Five hours of academic delivery per adult training student and six hours per day for apprenticeship students.
UNIVERSITY PARTNERSHIP CENTER-UPC	Area of the college that provides university degree option for students through partnerships with other universities. (UPC)