

GEORGIAN
YOUR COLLEGE · YOUR FUTURE

Annual Report 2010–2011



**INSPIRE
TRANSFORM
CONNECT**



Our Mission

To inspire innovation, transform lives and connect communities through the power of education.

Our Vision

We will be the most personally connected learning organization in Canada — a catalyst for individual, organizational and community transformation.

Our Values

- Connectedness, Engagement and Collaboration
 - Innovation and Entrepreneurship
 - Strength through Diversity
 - Continuous Quality Improvement
- Respect for People and the Environment

Our Strategic Priorities

- Advance Student Access and Success
- Inspire Extraordinary Teaching and Learning
 - Champion Employee Engagement
- Strengthen Community and Industry Connections
 - Build Sustainability through Innovation

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Message from the Chair of the Board of Governors



On behalf of the Georgian Board of Governors, it is my pleasure to present the college's 2010-11 Annual Report.

The Board's Vision 2015 Strategic Plan laid the groundwork for an exciting and ambitious course of action in keeping with Georgian's mission "to inspire innovation, transform lives and connect communities through the power of education." Since its establishment in 1967, Georgian has maintained an exceptional reputation within the communities it serves, and beyond, for the quality of its programs, faculty, graduates, partnerships and business services. As highlighted in this report, our uncompromising commitment to being a leading corporate citizen in our communities has resulted in a number of exceptional accomplishments in this fiscal year, including Georgian's selection as one of the top 50 "Greenest Employers in Canada" for the second year in a row by the publishers of "Canada's Top 100 Employers."

Georgian has experienced another year of unprecedented results in full-time enrolment, new corporate partnerships, expanded student access and pathways, and the incredible generosity of multiple corporate and civic donors. These results provide a considerable measure of confidence and inspiration as we move forward toward our vision of being "the most personally connected learning organization in Canada." The Board is delighted and proud to recognize that the college's successes in 2010-11 are attributable mainly to the extraordinary abilities and dedication of Georgian staff and their unremitting passion for student success.

Georgian's total number of graduates now exceeds 55,000. Many of them are running their own successful businesses and, in turn, hiring Georgian co-op students and graduates. Georgian has created its own "circle of life" and, with the growing cohort of graduates now working around the world, the prospects for current and future students are as promising as ever.

During my time on the Board, I have witnessed first-hand the emerging mosaic of Georgian as each year the college welcomes and embraces a growing diversity of students, whether they happen to be Aboriginal, new Canadians, first generation, recent immigrants or international students. "Strength through diversity" is one of the college's core values in the Vision 2015 Strategic Plan, and I am excited for the future as we anticipate a new generation of students who will redefine Georgian while, at the same time, leave their own indelible mark.

Charlotte Wallis
Chair
Georgian College Board of Governors

Message from the President



I am always eager to discover what the college community and our stakeholders at large view Georgian's strengths to be. The answers to that question are numerous, which is not surprising for an institution that is more than four decades old, with a total of 10,000 full-time students and an alumni roll that has grown to some 55,000 graduates. In distilling all the factors that have been integral to our growth and success, there is one recurring theme that emerges above all others and can be summarized in one simple word: **connected**.

We're connected in the supportive and focused way we promote student success; connected in the partnerships we have built with industry, governments, community organizations, and corporate donors that allow Georgian to keep pace with change and maintain the highest academic standards. We're connected in how we work with thousands of employers across Canada that helped to lay the groundwork for Georgian to become the largest co-operative education college in the country. And we are connected in the ways we engage with the community – our students and staff work with many charitable organizations.

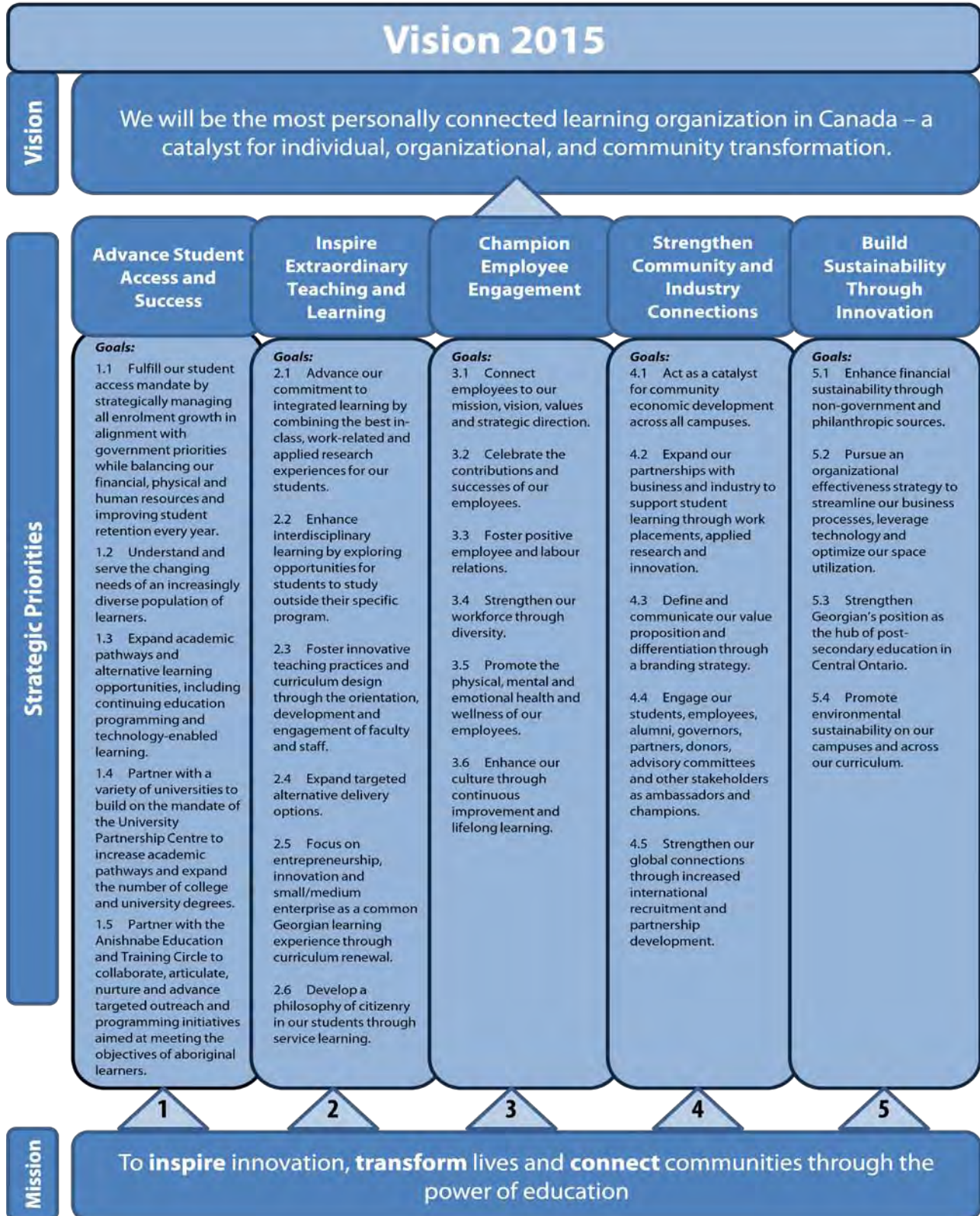
These connections have led to a number of significant accomplishments this past year at Georgian and I am pleased to highlight our recent successes in this 2010-11 Annual Report.

The college continues to perform better than the provincial average in the Key Performance Indicators of graduate employment, graduate satisfaction, employer satisfaction and student satisfaction. The results reveal that even in a very difficult economy, a significant number of Georgian graduates continued to find employment and that the vast majority of Georgian graduates continued to be satisfied with their college education; in fact, our provincial ranking in graduate satisfaction has moved from 10th to fifth among the 24 colleges.

Georgian's values and past achievements will be the foundation for our success in the future. Above all else, we will remain true to our legacy of staying **connected** with our students, the employers, and the communities that we are privileged to serve.

*Brian Tamblyn
President and Chief Executive Officer
Georgian College*

Section 1: Report on 2010-11 Goals and Performance



Strategic Priority 1: ADVANCE STUDENT ACCESS AND SUCCESS

Analysis of Performance

Both our domestic and international student enrolment grew to an all-time high. A concerted focus on degree and diploma online initiatives has created academic pathways and alternative learning opportunities for students this year and resulted in more than 200 new online registrants. In addition, international full-time enrolment increased dramatically.

To understand and serve the changing needs of an increasingly diverse population of learners, the college completed a two-year, comprehensive "Student Experience@Georgian" study, which focused on strategies to meet the needs of our first-year students. Our diverse population of learners continued to be supported in numerous ways and our student services have seen significant increases in the usage of services. There are currently more than 700 students using adaptive technologies at the college. The First Generation project has provided targeted orientation activities to 300 First Generation students.

Georgian continues to implement recommendations from the review of its University Partnership Centre. Ongoing discussions with partners and government stakeholders were held throughout the year to continuously improve this model.

Georgian continues to partner with the Anishnabe Education and Training Circle (AETC) to expand programming to meet the needs of Aboriginal learners. A new outreach centre was established at the Midland Campus and an expanded Aboriginal Centre has been included in the design of the new Centre for Health and Wellness.

Report on Goals from 2010-11 Business Plan

<i>Goals</i>	<i>Objectives</i>	<i>Results</i>
1.1 Fulfill our student access mandate by strategically managing all enrolment growth in alignment with government priorities while balancing our financial, physical and human resources and improving student retention every year.	<p>Grow overall college enrolment by five per cent.</p> <p>Increase apprenticeship enrolment by four per cent.</p> <p>Increase fully-funded continuing education activity by two per cent.</p> <p>Increase international enrolment by five per cent domestically.</p> <p>Increase student retention by one per cent per year.</p>	<p>Full-time college enrolment increased by 10.1 per cent.</p> <p>Apprenticeship enrolment was flat, while revenues increased by 16 per cent.</p> <p>Fully-funded continuing education activity increased by five per cent.</p> <p>Full-time international enrolment in Canada, including International students in English language training programs in Canada, increased by 23.5 per cent.</p> <p>Full-time international enrolment in Canada alone increased by 29.8</p>

Goals	Objectives	Results
		per cent. Student retention increased by one per cent.
1.2 Understand and serve the changing needs of an increasingly diverse population of learners.	Develop a framework that profiles Georgian's varied populations of learners, with a focus on creating a 2010-11 baseline.	Completed the <i>Student Experience@Georgian</i> research report including KPI trends and recommendations for continuous improvement.
1.3 Expand academic pathways and alternative learning opportunities, including continuing education programming and technology-enabled learning.	Develop a multi-year strategy to ensure optimum, ongoing academic pathways and alternative learning opportunities.	Established new or renewed articulation agreements with 17 institutions in 2010-11. Nine new online equivalencies added to program mix.
1.4 Partner with a variety of universities to build on the mandate of the University Partnership Centre to increase academic pathways and expand the number of college and university degrees.	Review and revise the University Partnership Centre Operational Plan to align with current strategic directions.	University Partnership Centre principles renewed. Review of potential college degrees completed. Capital submission for a downtown University Partnership Centre completed.
1.5 Partner with the Anishnabe Education and Training Circle to collaborate, articulate, nurture and advance targeted outreach and programming initiatives aimed at meeting the objectives of Aboriginal learners.	Continue implementation of Georgian's Post-secondary Education and Training Plan.	Year two implementation of Georgian's Post-secondary Education and Training Plan is on track. Mid-term narrative and financial report for year two implementation submitted to the Ministry. Established Aboriginal Centre at the Midland Campus. Expanded Aboriginal Centre included in design of new Centre for Health and Wellness.

Strategic Priority 2: INSPIRE EXTRAORDINARY TEACHING AND LEARNING

Analysis of Performance

Georgian continues to focus on enhancing the quality of our learning environment after having received the highest possible score in an independent quality assurance review.

Our Centre for Teaching and Learning was cited as a best practice in the *Student Experience@Georgian* report and is a critical resource to ensuring the highest quality of teaching practice. In 2010-11, 45 Georgian faculty completed the Centre for Teaching and Learning's Teaching Practice Credentials (TCP) program.

Georgian's renewed focus on applied and scholarly research provides extraordinary opportunities for staff and students and inspires excellence in teaching and learning. In 2010, Georgian opened its Centre for Applied Research and Innovation which, to date, has secured six externally funded applied research projects.

Report on Goals from 2010-11 Business Plan

Goals	Objectives	Results
2.1 Advance our commitment to integrated learning by combining the best in-class, work-related, and applied research experiences for our students.	<p>Enhance our position as a leader in work-related opportunities for students.</p> <p>Continue to establish the infrastructure and business strategies for Applied Research and to be responsive to emerging opportunities in Applied Research for colleges.</p>	<p>The Centre for Applied Research and Innovation opened. As of March 2011, the Centre secured six externally funded applied research projects through CONII, NSERC and Environment Canada, which involve six staff and 12 students.</p> <p>Five new co-op programs launched.</p> <p>Participated in Phase 1 of a HECQO-sponsored Work Integrated Learning project.</p> <p>Renewed Co-op/Internship and Career Services delivery model.</p>
2.2 Enhance interdisciplinary learning by exploring opportunities for students to study outside their specific program.	Establish benchmarks for study abroad activity.	Study abroad opportunities inventory completed to establish a baseline for growth.
2.3 Foster innovative teaching practices and curriculum design through the orientation,	Demonstrate a culture of innovation for teaching practice and curriculum design.	45 faculty members completed the Centre for Teaching and Learning's Teaching Practice Credentials (TCP)

Goals	Objectives	Results
development and engagement of staff.		program.
2.4 Expand targeted alternative delivery options.	Develop a plan for alternative delivery options, including piloting selected initiatives.	Multi-year online learning framework developed.
2.5 Focus on entrepreneurship, innovation and small/medium enterprise as a common Georgian learning experience through curriculum renewal.	Review entrepreneurship at Georgian.	Research on entrepreneurship as a signature learning experience completed. New entrepreneurship centre announced. Entrepreneurship programming approved.
2.6 Develop a philosophy of citizenry in our students through service learning.	Develop a philosophy of student citizenry.	Completed a pilot project to explore best practices in student citizenry. Students participated in a Homeless Maze and hosted several specific Community Service Learning initiatives.

Strategic Priority 3: CHAMPION EMPLOYEE ENGAGEMENT

Analysis of Performance

Georgian understands the vital role our employees play in ensuring student success. In 2010-11, results from our Employee Engagement Survey were themed into five areas for actionable improvement. Employee Engagement workshops were held in each department and employees were invited to make further recommendations. The launch of Vision 2015 Strategic Plan provided an excellent opportunity to reconnect all employees to our vision, mission and values and other institutional initiatives were launched to address areas of interest to our employees, including a review of recruitment practices, a new employee recognition tool kit and improved performance planning procedures.

Report on Goals from 2010-11 Business Plan

<i>Goals</i>	<i>Objectives</i>	<i>Results</i>
3.1 Connect employees to our mission, vision, values and strategic direction.	Implement employee engagement and organizational development initiatives to ensure all Georgian staff are aware of and aligned to the new strategic plan. Improve employee engagement and internal communication processes.	Improved employee awareness of the Strategic Plan as measured by the Employee Engagement Pulse Survey.
3.2 Celebrate the contributions and successes of our employees.	Create a leadership culture that recognizes and celebrates employee contributions.	Employee recognition workshops held with all managers and a best practices document and tool kit created. Number of nominations submitted for Board of Governors Awards for employee recognition increased.
3.3 Foster positive employee and labour relations.	Maintain and continuously improve relationships among staff and with L350, L349 and OCASA.	Ongoing positive relationship building through union/management meetings.
3.4 Strengthen our workforce through diversity.	Implement the employment equity procedure; track and analyze data.	Employment Equity Plan established as a building block for a broader diversity strategy.
3.5 Promote the physical, mental and emotional health and wellness of our employees.	Respond to recommendations in the 2009 employee engagement survey concerning health and wellness.	Employee engagement strategy created at college-wide level and for every department. Healthy workplace initiatives implemented, including awareness campaign and workshops.

Goals	Objectives	Results
		Employee engagement and recognition activities and workshops held.
3.6 Enhance our culture through continuous improvement and lifelong learning.	<p>Promote employee learning and development through the allocation of financial resources, staff resources and ongoing communications.</p> <p>Ensure that all organizational leaders understand their role in supporting the learning and development of their staff.</p>	<p>180 in-house learning events were offered to employees.</p> <p>212 workshop sessions delivered by Centre for Teaching and Learning attended by 948 staff (primarily faculty).</p>

Strategic Priority 4: STRENGTHEN COMMUNITY AND INDUSTRY CONNECTIONS

Analysis of Performance

To support this strategic priority, Georgian launched a new portfolio and recruited the Vice President for Community and Business Development as well as a new Executive Director for International Education. With this new structure in place, Georgian will be well positioned to strengthen community and industry connections and international education.

A series of community engagement events called Thought Leadership were held at our Barrie, Collingwood, Midland, Muskoka, Orangeville and Orillia campuses. These events facilitated important dialogue with community partners and identified recommendations to enhance our community connections. Work was initiated to establish or enhance Community Advisory Committees at each of Georgian's seven campuses.

Thanks to a strong community effort, a new scholarship program called Operation Hero was launched in 2010-11 that will benefit the families of Armed Forces personnel. With matching government funding, the endowment has so far grown to more than \$600,000.

Georgian was instrumental in establishing the Georgian Nurse Practitioner Clinic, a Ministry of Health and Long-Term Care (MOHLTC) initiative and the first of its kind to open in the North Simcoe Muskoka Local Health Integration Network (LHIN) area. The clinic is operating out of a temporary location and will be moved to Georgian's new Centre for Health and Wellness in September 2011 to serve the healthcare needs of Georgian students and the Barrie community. The clinic currently has a team of two nurse practitioners, collaborating physicians and three administrative staff and will grow to include the full team when the clinic relocates to the permanent location.

Report on Goals from 2010-11 Business Plan

<i>Goals</i>	<i>Objectives</i>	<i>Results</i>
4.1 Act as a catalyst for community economic development across all campuses.	<p>Launch the new portfolio of VP Business & Community Development.</p> <p>Generate a higher profile for Georgian in the communities we serve.</p>	<p>VP Community & Business Development and the Executive Director of International Education portfolios launched.</p> <p>Thought Leadership sessions were completed in Barrie, Collingwood, Midland, Muskoka, Orangeville and Orillia.</p>
4.2 Expand our partnerships with business and industry to support	Identify and cultivate targeted	Tri-Partnership with Ontario's three

Goals	Objectives	Results
student learning through work placements, applied research and innovation.	partnership opportunities.	largest utilities continued.
4.3 Define and communicate our value proposition and differentiation through a branding strategy.	Develop a branding strategy.	Corporate branding validation project completed.
4.4 Engage our students, employees, alumni, governors, partners, donors, advisory committees and other stakeholders as ambassadors and champions.	Create a culture of “connectedness”. Ensure program and campus advisory committees are functioning within their mandate.	Thought Leadership sessions completed in Barrie, Orillia, Collingwood, Midland, Orangeville and Muskoka. Campus advisory committees reviewed and new framework for committees drafted. Program advisory committee model continued.
4.5 Strengthen our global connections through increased international recruitment and partnership development.	Develop a plan to identify opportunities to grow international recruitment and development by five per cent respectively.	Full-time international enrolment in Canada, including International Students in English Language Training Programs in Canada, increased by 23.5 per cent. Full-time international enrolment in Canada alone increased by 29.8 per cent. Three significant partnership opportunities in China developed. Continued relationship with Continental Institute of International Studies (CIIS).

Strategic Priority 5: BUILD SUSTAINABILITY THROUGH INNOVATION

Analysis of Performance

Georgian is very pleased to have been named one of the top 50 greenest employers in Canada for the second year in a row. The award acknowledges the college's priority to promote environmental sustainability on our campuses and across our curriculum. It recognizes our success in advancing and promoting three environmental priorities: waste reduction and diversion, enhanced environmental literacy and increased scrutiny of sustainability issues when purchasing goods and services.

Thanks to the generous support of our donors and Georgian's commitment to financial sustainability, we improved our contribution from non-government sources by 15.5 per cent.

Two significant capital expansion projects initiated to strengthen Georgian's position as a post-secondary hub for Central Ontario—the John Di Poce South Georgian Bay Campus in Collingwood and the Centre for Health and Wellness in Barrie—continue on schedule and on budget. They will be completed and operational for the Fall 2011 semester.

Construction was initiated on private-sector residences that will attract students to both the Barrie and Owen Sound campuses.

Over the past year, Georgian has taken steps to identify opportunities for internal business process improvements to support efficient and effective college operations.

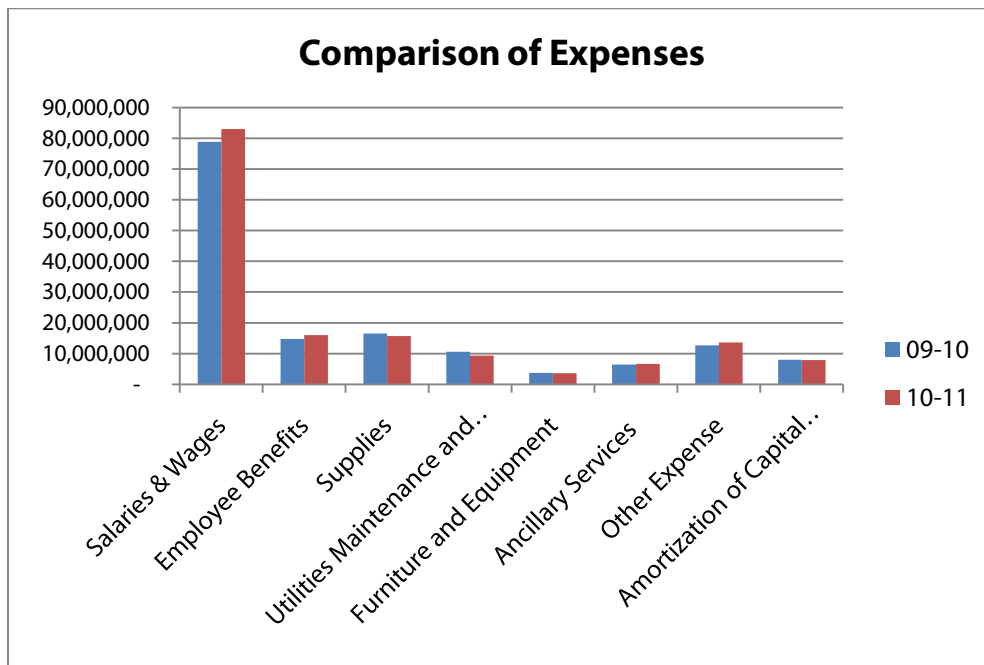
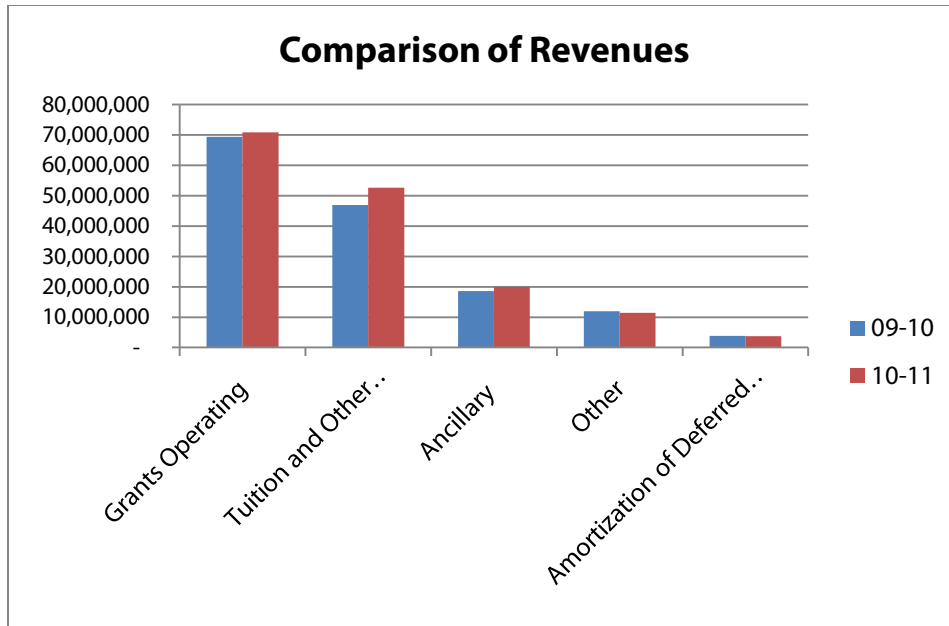
Report on Goals from 2010-11 Business Plan

<i>Goals</i>	<i>Objectives</i>	<i>Results</i>
5.1 Enhance financial sustainability through non-government and philanthropic sources.	Grow overall contributions from non-government sources by five per cent.	Improved contribution from non-government sources by 15.5 per cent.
5.2 Pursue an organizational effectiveness strategy to streamline our business processes, leverage technology and optimize our space utilization.	Develop and implement a Quality Improvement strategy that includes a new framework for integrated planning.	Integrated planning calendar established. Research initiated for Quality Improvement strategy.
5.3 Strengthen Georgian's position as the hub of post-secondary education in Central Ontario.	Continue to position Georgian in our campus communities and be open to exploring opportunities for new regional sites, supported by a strong business case.	Initiated construction of the new John Di Poce South Georgian Bay Campus, scheduled to open September 2011. Downtown Barrie presence

Goals	Objectives	Results
		<p>established with a new Centre for Career and Employment Services.</p> <p>Initiated construction of the new Centre for Health and Wellness in Barrie to open September 2011.</p>
<p>5.4 Promote environmental sustainability on our campuses and across our curriculum.</p>	<p>Develop and implement the annual plan for environmental sustainability and respond to recommendations.</p>	<p>Five-year college environmental sustainability plan developed.</p>

Section 2: Analysis of College's Financial Performance

GEORGIAN COLLEGE		
COMPARISON OF REVENUES & EXPENSES '09-10 TO '10-11		
REVENUES	09-10	10-11
Grants Operating	69,399,417	70,854,884
Tuition and Other Student Fees	46,942,823	52,672,030
Ancillary	18,615,424	19,913,484
Other	11,911,266	11,468,676
Amortization of Deferred Capital Contributions	3,833,816	3,761,341
TOTAL REVENUE	150,702,746	158,670,414
EXPENDITURES	09-10	10-11
Salaries & Wages	78,886,270	83,040,401
Employee Benefits	14,748,388	15,952,344
Supplies	16,506,708	15,662,197
Utilities Maintenance and Taxes	10,608,976	9,372,959
Furniture and Equipment	3,707,503	3,564,217
Ancillary Services	6,365,077	6,670,987
Other Expense	12,702,865	13,552,278
Amortization of Capital Assets	7,927,093	7,900,152
TOTAL EXPENDITURES	151,452,880	155,715,536
SURPLUS / (DEFICIT)	(750,134)	2,954,878



Section 3: Subsidiaries and Foundations

1. 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.
2. 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, and prior to April 1, 2007 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 for the college 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.

Both the Subsidiary and Foundation are included in the Consolidated Financial Statements of Georgian College.

Appendix A: Multi-Year Accountability Agreement Report

To be filed September 30, 2011 as per Ministry directive.

Appendix B: Audited Financial Statements

The following 34 pages comprise Georgian's audited financial statements for the year ended March 31, 2011.

THE GEORGIAN COLLEGE OF APPLIED

ARTS AND TECHNOLOGY

C O N S O L I D A T E D

F I N A N C I A L

S T A T E M E N T S

F O R

T H E Y E A R E N D E D

M A R C H 31, 2011

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Independent auditor's report

To the Board of Governors of

The Georgian College of Applied Arts and Technology

Grant Thornton LLP
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We have audited the accompanying consolidated financial statements of The Georgian College of Applied Arts and Technology, which comprise the consolidated statement of financial position as at March 31, 2011, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Georgian College of Applied Arts and Technology as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Orillia, Canada
June 13, 2011

Grant Thornton LLP

Chartered Accountants
Licensed Public Accountants

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2011

ASSETS

	<u>2011</u>	<u>2010</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 33,023,601	\$ 21,231,938
Grants Receivable (Note 4)	1,138,728	3,285,569
Accounts Receivable (Note 5)	6,526,387	4,842,881
Inventory (Note 6)	2,091,769	1,353,372
Prepaid Expenses	999,502	783,462
Current Portion of Note Receivable (Note 7A)	680,000	680,000
Current Portion of Receivable from Alumni (Note 7B)	82,467	57,467
TOTAL CURRENT ASSETS	<u>44,542,454</u>	<u>32,234,689</u>
RESTRICTED ASSETS		
Cash	6,352,957	5,558,525
Investments (Note 8)	6,513,932	4,692,801
TOTAL RESTRICTED ASSETS	<u>12,866,889</u>	<u>10,251,326</u>
OTHER ASSETS		
Note Receivable from Student Association (Note 7A)	5,856,124	6,292,524
Receivable from Alumni Association (Note 7B)	477,016	190,646
Long Term Receivable (Note 9)	1,500,000	1,500,000
Deferred Charges (Note 10)	33,289,760	6,575,775
TOTAL OTHER ASSETS	<u>41,122,900</u>	<u>14,558,945</u>
CAPITAL ASSETS (Note 11)	<u>99,606,393</u>	<u>100,587,341</u>
TOTAL ASSETS	<u>\$ 198,138,636</u>	<u>\$ 157,632,301</u>

THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

LIABILITIES AND NET ASSETS

	<u>2011</u>	<u>2010</u>
CURRENT LIABILITIES		
Grants Payable (Note 13)	990,170	295,368
Accounts Payable and Accrued Liabilities (Note 14)	22,439,782	15,803,241
Lease Liabilities (Note 15)	682,307	914,773
Long Term Debt Payable (Note 16)	2,220,787	2,129,519
Deferred Revenue (Note 17)	43,715,014	14,273,890
Due to Student Associations (Note 18)	3,907,197	2,920,749
TOTAL CURRENT LIABILITIES	<u>73,955,257</u>	<u>36,337,540</u>
OTHER LIABILITIES		
Lease Liabilities (Note 15)	401,934	621,823
Long Term Debt Payable (Note 16)	30,829,329	33,049,997
Interest Rate Swaps (Note 1(L)(i), 16B)	4,428,693	4,443,902
Deferred Capital Contributions (Note 19)	63,004,858	63,074,937
Deferred Revenue Future Capital Expansion (Note 20)	54,036	54,036
Deferred Restricted Contributions (Note 21)	7,402,734	6,340,347
Employee Future Benefits, Vacation Pay & Sick Leave Accrual (Note 23)	8,614,407	8,664,186
TOTAL OTHER LIABILITIES	<u>114,735,991</u>	<u>116,249,228</u>
NET ASSETS		
Investment in Capital Assets (Note 22)	8,089,682	6,824,645
Unrestricted	-	
Operating	7,817,112	6,298,458
Employee Future Benefits	(1,028,349)	(1,084,686)
Vacation Pay Accrual	(6,959,295)	(6,707,912)
Sick Leave Accrual	(626,763)	(871,588)
Interest Rate Swaps	(4,428,693)	(4,443,902)
Internally Restricted (Note 24)	69,974	69,974
Endowment Funds (Note 25)	6,513,720	4,960,544
TOTAL NET ASSETS	<u>9,447,388</u>	<u>5,045,533</u>
TOTAL LIABILITIES AND NET ASSETS	<u>198,138,636</u>	<u>\$ 157,632,301</u>

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2011

	<u>2011</u>	<u>2010</u>
REVENUE		
Grants and Reimbursements	\$ 70,854,884	\$ 69,399,417
Student Tuition	52,639,450	46,913,898
Ancillary Operations (Schedule 7)	20,012,345	18,731,427
Restricted Funds	1,653,505	2,325,810
Other	9,748,304	9,485,950
Amortization of Deferred Capital Contributions	3,761,926	3,846,244
TOTAL REVENUE (Schedule 1)	<u>158,670,414</u>	<u>150,702,746</u>
EXPENDITURE		
Academic (Schedule 2)	78,884,775	73,760,767
Student Services (Schedule 3)	18,255,342	17,432,922
Administration (Schedule 4)	20,108,549	20,246,654
Plant and Property (Schedule 5)	8,586,000	10,482,604
Supplementary (Schedule 6)	5,098,666	5,668,705
Ancillary Operations (Schedule 7)	16,882,239	15,934,135
Amortization of Capital Assets	7,899,964	7,927,093
TOTAL EXPENDITURE	<u>155,715,535</u>	<u>151,452,880</u>
EXCESS REVENUE OVER EXPENDITURE	<u>2,954,879</u>	<u>\$ (750,134)</u>

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2011

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	Unrestricted	Vacation Sick Leave Post Employment Benefits	Interest Rate Swaps	Internally Restricted	Investment in Capital Assets	Endowments	Total 2011	Total 2010
BALANCE - BEGINNING OF YEAR	\$ 6,298,458	\$ (8,664,186)	\$ (4,443,902)	\$ 69,974	\$ 6,824,645	\$ 4,960,544	\$ 5,045,533	\$ 3,200,185
Excess Revenue over Expenditure (Expenditure over Revenue)	6,929,604	49,779			(4,024,504)		2,954,879	(750,134)
Net cash used to invest in Capital Assets	(5,289,541)				5,289,541			
Endowment Contributions (Note 25)						1,553,176	1,553,176	982,336
Change in fair value of interest rate swaps			15,209				15,209	1,613,146
Other Financial Instruments	(121,409)						(121,409)	
BALANCE - END OF YEAR	<u>\$ 7,817,112</u>	<u>\$ (8,614,407)</u>	<u>\$ (4,428,693)</u>	<u>\$ 69,974</u>	<u>\$ 8,089,682</u>	<u>\$ 6,513,720</u>	<u>\$ 9,447,388</u>	<u>\$ 5,045,533</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2011

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Increase (decrease) in cash	<u>2011</u>	<u>2010</u>
OPERATING ACTIVITIES		
Excess Revenue over Expenditure	2,954,879	(750,134)
Items not Involving Cash:		
Amortization of capital assets	7,899,964	7,927,093
Amortization of deferred capital contributions	(3,761,926)	(3,846,244)
Addition of Financial Instrument	(121,409)	0
Gain on disposal of capital assets	(98,289)	(13,796)
Financial Instrument Valuation	(15,245)	(1,732)
Change in Non-Cash Working Capital (Note 26)	37,267,813	12,909,687
Change in Employee Future Benefits. Vacation Pay, Sick Leave	(49,779)	215,511
	<u>44,076,008</u>	<u>16,440,385</u>
INVESTING ACTIVITIES		
Invested in deferred charges	(26,713,985)	(2,298,396)
Purchase of capital assets	(6,935,482)	(11,803,828)
Capital grants received	3,691,847	6,895,204
Advances to Student Administrative Council	436,400	413,409
Advances to Alumni	(311,370)	55,735
Proceeds on capital assets disposal	130,000	16,861
Increase in endowment assets	(1,821,131)	(1,547,879)
	<u>(31,523,721)</u>	<u>(8,268,894)</u>
FINANCING ACTIVITIES		
Increase (Decrease) in long term debt payable	(2,129,400)	2,363,702
Increase (Decrease) in capital leases	(452,355)	(1,092,793)
Increase in endowment funds	1,553,176	982,336
Increase in externally restricted contributions	1,062,387	(785,120)
	<u>33,808</u>	<u>1,468,125</u>
Increase in cash	12,586,095	9,639,616
Cash, beginning of year	<u>26,790,463</u>	<u>17,150,847</u>
Cash, end of year	<u>\$ 39,376,558</u>	<u>\$ 26,790,463</u>
Cash is represent by:		
Cash and cash equivalents	\$ 33,023,601	\$ 21,231,938
Restricted cash	6,352,957	5,558,525
	<u>\$ 39,376,558</u>	<u>\$ 26,790,463</u>

THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

GENERAL

The Georgian College of Applied Arts and Technology 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 AND DISCLOSURE

The Consolidated Financial Statements of the College have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP") as set out for not-for-profit organizations. 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.
- 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.

**THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2011**

(C) ENCUMBRANCE ACCOUNTING

The College does not include in expenditures any amounts for goods not received and services not rendered by the end of the fiscal year.

(D) 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.

(E) RESTRICTED INVESTMENTS

Investments are recorded at fair value on an aggregate basis. Realized investment income is recorded in deferred restricted contributions. Unrealized gains or losses from the change in fair value are recorded in the statement of changes in net assets. Fair value is determined at quoted market prices. Sales and purchases of restricted investments are recorded on the settlement date. Transaction costs related to the acquisition of restricted investments are recorded against the realized investment income in deferred restricted contributions. The investments are restricted for the purpose of the endowment funds. Endowment funds have been donated for specific purposes. The principal sum must be held for investment, while the income earned is expendable for the specific purposes.

(F) CAPITAL ASSETS

Purchased assets are stated at cost. Donated assets are recorded at their fair market value at the date of donation. Capital assets are amortized on a straight-line basis using the following estimate of useful life:

ASSET	USEFUL LIFE
Land	n/a
Buildings	40 years
Building Renovations & Enhancements	15 years
Portables	10 years
Site improvements	10 years
Furniture and fixtures	5 years
Equipment and vehicles	5 years
Computers	5 years
Major equipment	10 years
Leased equipment	Term of lease

(G) ACCUMULATED SICK LEAVE CREDITS

The College is liable to pay fifty percent (50%) of an employee's accumulated sick leave credit on termination or retirement after ten years service. This amount has been calculated to be \$626,763 at March 31, 2011 (2010 - \$871,588). Although the Ministry of Training, Colleges and Universities provides annual funding of these expenditures as incurred, these liability amounts have been accrued in the College's consolidated financial statements with no provision for the funding.

THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

(H) 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 the consolidation.

(I) COST ALLOCATIONS

The expenditures are reported, as required, by the Ministry of Training, Colleges and Universities "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.

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.

(J) MANAGEMENT ESTIMATES

The preparation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles 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, payroll accrual, and vacation pay. Actual results could differ from these estimates.

(K) 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 \$3,105,984 (2010 - \$198,202) of gifts in kind were received. Of this amount \$2,815,000 relates to land, \$2,650 relates to artwork and the remaining \$288,334 relates to various small tools, equipment, books and advertising.

THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

(L) FINANCIAL INSTRUMENTS

In 2005, The Canadian Institute of Chartered Accountants released Handbook Section 3855, Financial Instruments – Recognition and Measurement, Section 3865 Hedges and Section 3861, Financial Instruments – Disclosure and Presentation.

Unless otherwise noted, it is management’s opinion that the College is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair market values of its financial instruments approximate their carrying values, unless otherwise noted.

The Canadian Institute of Chartered Accountants (“CICA”) implemented two new handbook sections for fiscal years starting on or after October 1, 2007: 3862 Financial Instruments – Disclosure”; and 3863 “Financial Instruments – Presentation”. These sections replace section 3861 “Financial Instruments – Disclosure and Presentation” for many organizations and require more extensive disclosures including information about risk assessments, risk management procedures, and sensitivity analyses around each type of risk. However, the CICA provided not-for-profit organizations with the option of continuing to use section 3861, and the College has decided to do so.

(i) INTEREST RATE SWAPS:

The College has entered into interest rate swap agreements to manage the volatility to interest rates. The College formally documents all relationships between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking various hedge transactions. This process includes linking the interest rate swaps to specific long-term debt on the statement of financial position. The College also formally assesses, both at the hedge’s inception and on an on-going-basis, whether the interest rate swaps that are used in hedging transactions are highly effective in offsetting changes in cash flows of the hedged items.

The College’s policy is not to utilize derivative financial instruments for trading or speculative purposes. It is management’s intention to hold these to maturity.

These interest rate swaps qualify, and have been designated by the College, as cash flow hedging items against the floating rate long-term debt. The College has assessed the hedging relationship as effective. The fair value (mark to market value) of the interest rate swaps is recorded on the statement of financial position. The mark to market value represents the amount that the College would pay or receive if swaps were cancelled at March 31. This could be positive or negative as they are highly sensitive to changes in interest rates. The mark to market value was obtained from the Canadian Bank holding the swaps. Because the hedging relationship is effective, the change in fair value of the interest rate swaps is recorded in the statement of changes in net assets, with no impact on the College’s excess of revenue over expenditures. This value will fluctuate and will need to be re-valued every year.

(ii) LOANS AND RECEIVABLES

Note receivable, receivable from alumni and long term note receivable are classified as Loans and Receivables and are therefore valued at fair market value at inception. In subsequent years, they will be valued at amortized cost, with the gain or loss being recognized on the statement of excess revenues over expenditures.

**THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011**

(iii) OTHER LIABILITIES

Long term debt is classified as Other Liabilities. At inception these instruments are recognized at fair market value, with subsequent years being valued at amortized cost, with the gain or loss being recognized on the statement of excess revenues over expenditures.

(iv) AVAILABLE FOR SALE

Investments are classified as available for sale, and are recorded at fair value on an aggregate basis with the unrealized gains/losses being recorded in net assets. Unrealized gains/losses are recognized into income when the investments are disposed of.

(v) OTHER FINANCIAL INSTRUMENTS

Cash, restricted cash, grants receivable, accounts receivable, grants payable, accounts payable, accrued liabilities, loans payable and due to student associations are short term in nature and are therefore considered to be at fair market value.

(M) CAPITAL DISCLOSURES

The College's objectives when managing capital are to safeguard the College's ability to continue as a going concern.

The College manages its capital structure in such a manner so as to comply in all material respects with all applicable laws and regulations, including directives of the Minister of Training, Colleges and Universities pursuant to the Ontario College of Applied Arts and Technology Act, 2002.

2. CHANGE IN ACCOUNTING POLICY

(A) AMENDMENTS TO FINANCIAL INSTRUMENTS – RECOGNITION AND MEASUREMENT

The CICA amended Section 3855 "Financial instruments – Recognition and Measurement" to clarify the application of the effective interest method after a debt instrument has been impaired. These amendments are effective for annual and interim financial statements relating to fiscal years beginning on or after July 1, 2009. The amended standard did not have any impact on the College's financial statements.

3. FUTURE ACCOUNTING PRONOUNCEMENTS

(A) GOVERNMENT NOT FOR PROFIT ORGANIZATIONS

The Canadian Accounting Standards Board (AcSB) has decided that an entity's nature will dictate the appropriate set of accounting standards for its financial reporting. Canadian entities must match accounting standards to their organization type. College's have been determined to be Government Not For Profit Organizations and as such will follow Public Sector Accounting Standards. Along with Public Sector Accounting Standards, College's have been given a choice and have accepted to apply the Public Sector 4200 series of standards for not-for-profit organizations effective April 1, 2012 with retroactive application for comparative purposes.

THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

4. GRANTS RECEIVABLE

		2011	2010
MTCU	- Second Career	\$805,655	---
	- General Purpose Operating	---	\$1,943,925
	- Apprenticeship Enhancement	150,005	699,664
	- Ontario Student Opportunity Trust Fund	167,259	244,965
	- Labour Market Dev'l Agreement	---	63,041
	- TP SDB Service Del LMT Programs	---	72,585
	- Preapprenticeship Marine	2,759	---
	- Nurse Led Practitioner Clinic	---	33,812
	- Apprenticeship Plumber	13,050	---
	- CONII	---	37,500
	- Undergrad Nursing University Part York-Seneca	---	190,077
		\$1,138,728	\$3,285,569

5. ACCOUNTS RECEIVABLE

	2011	2010
Student Receivables	\$1,000,469	\$749,618
Staff	81,682	85,817
Kempenfelt Conference Centre	130,026	152,769
Residence	(11,329)	17,243
Trade Balances	5,325,539	3,837,434
	\$6,526,387	\$4,842,881

6. INVENTORY

	2011	2010
Beginning Inventory	\$1,353,372	\$1,092,468
Purchases	11,404,999	8,523,661
Goods Available	12,758,371	9,616,129
Cost of Goods Sold / Adjustments	(10,666,602)	(8,262,757)
Ending Inventory	\$2,091,769	\$1,353,372

THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

7. (A) NOTE RECEIVABLE FROM STUDENT ASSOCIATION

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 receivable. (See Note 16)

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.

The Notes Receivable funded through borrowed monies are charged the same rate of interest as that paid by the College to the lending institution. The portion of Notes Receivable funded by the College from its own resources bear interest at 1.0% (2010- 1.00%). The Student Association in Orillia has had an interest reduction of \$25,000 per year for the first six years of the balance. In 2010-2011, the interest reduction balance of \$9,520 was applied, and as a result, the interest charged was \$4,877.

Note Receivable	Barrie	Orillia	Total
Balance, beginning of year	\$5,489,732	\$1,482,792	\$6,972,524
Payments received	(550,000)	(130,000)	(680,000)
Interest charged	238,723	\$4,877	243,600
Balance, end of year	5,178,455	1,357,669	6,536,124
Less Current Portion	550,000	130,000	680,000
	\$4,628,455	\$1,227,669	\$5,856,124

(B) NOTE RECEIVABLE FROM ALUMNI ASSOCIATION AND FINANCIAL INSTRUMENTS

The Alumni Association has committed \$500,000 to the University Partnership Centre (Previously known as Centre for Technology Enhanced Learning) and an additional \$100,000 towards a fitness centre at the Orillia Campus. Minimum payments for the year are \$57,467 and will be made over a number of years to be completed no later than 2014/15. The current portion of the note outstanding at March 31, 2011 is \$57,467 (2010 - \$57,467), whereas the non-current balance is \$145,833 (2010 - \$190,646). These Notes Receivable are non-interest bearing.

Since the rates that the College charged the Alumni Association were not at market at inception, the carrying value of the instrument has been adjusted as of April 1, 2007 to fair value. The net unamortized balance at March 31, 2011 of the decrease to the financial asset resulting from this adjustment is \$26,565 (2010 - \$39,219).

The Alumni Association agreed to contribute \$500,000 for the Power of Education Campaign on April 1, 2009. The Alumni Association will make annual minimum payments of \$25,000, increasing to \$75,000 in 2015/16 until this balance is reached. The current portion of the note outstanding at March 31, 2011 is \$25,000, with the non-current portion being \$331,183. These Notes Receivable are non-interest bearing.

Since the rates that the College charged the Alumni Association were not at market at inception, the carrying value of the instrument has been adjusted as of April 1, 2009 to fair value. The net unamortized balance at March 31, 2011 of the decrease to the financial asset resulting from this adjustment is \$118,187.

**THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011**

8. RESTRICTED INVESTMENTS

Investments in the amount of \$6,513,932 (2010 - \$4,692,801) are restricted for Endowment purposes and are not available for general operations. Investments are comprised of the following:

	Fair Value	Cost
Cash	\$1,588,713	\$1,588,713
Fixed Income	2,884,763	2,831,406
Canadian Equity	1,351,567	1,055,477
U.S. Equity	337,396	356,866
International Equity	351,493	387,422
	\$6,513,932	\$6,219,884

The total of restricted cash and investments is \$12,866,743 (2010 - \$10,251,124) representing the Endowment funds and the Deferred restricted contributions.

9. LONG TERM RECEIVABLE

The Georgian College Foundation was named as the beneficiary of a residual interest in a trust, and this asset legally remains with the Foundation. Under the trust agreement, all income earned on the funds during the lifetime of the settlers will be paid to them, with the original principal amount payable upon the later death of the income beneficiaries.

For the fiscal year ending March 31, 2011, the receivable is stated at the full principal amount of \$1,500,000, as one of the income beneficiaries has passed away and the other income beneficiary has reached the age of average life expectancy. At March 31, 2011 the fair value of the trust assets net of liabilities was equal to \$1,492,326 (2010- \$1,381,272). As a result of fluctuations in the current market economy, this has not been determined to be a permanent impairment and thus no adjustment for this loss has been recorded in the statements.

10. DEFERRED CHARGES

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 charges. These deferred costs will be capitalized as capital assets in the year when the assets are put in place or expensed in the year when the projects are cancelled. Current projects that have been deferred in 2010/11 and their expected completion dates are as follows.

Project	Expected Completion	2011	2010
Health & Wellness Building	Summer 2011	\$29,803,742	\$6,575,775
Collingwood Campus	Summer 2011	3,486,018	-----
		\$33,289,760	\$6,575,775

THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

11. CAPITAL ASSETS

ASSET	2011			2010
	Cost	Accumulated Amortization	Net book Value	Net book value
Land	4,040,822	----	4,040,822	\$1,225,822
Buildings	123,929,013	45,056,346	78,872,667	82,294,371
Site Improvements	7,440,826	3,709,902	3,730,924	1,948,205
Furniture and Fixtures	3,763,114	3,511,951	251,163	249,319
Equipment and Vehicles	20,381,108	16,223,173	4,157,935	4,501,678
Computers	7,712,027	6,867,916	844,111	1,161,127
Major Equipment	11,689,193	5,424,545	6,264,648	7,330,910
Leased Equipment	4,438,700	2,994,577	1,444,123	1,875,909
	183,394,803	83,788,410	99,606,393	100,587,341

12. 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 .50%. The College had not drawn any funds at March 31, 2011.

13. GRANTS PAYABLE

The College receives various grants which must be spent during the fiscal year. Any unspent portion or overpayment is to be returned. These amounts are included in "Grants Payable".

		2011	2010
MTCU	-Employment Services	\$303,341	\$----
	- Job Connect	240,919	148,928
	- Literacy & Basic Skills	329,283	75,927
	- Summer Job Service	100,814	68,992
	- Interest Earned	15,377	1,085
	- Apprenticeship Enhancement	436	436
		\$990,170	\$295,368

THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

14. ACCOUNTS PAYABLE & ACCRUED LIABILITIES

	2011	2010
Trade Accounts Payables and Accruals	\$15,465,865	9,413,404
Accrued Payroll Liabilities	6,973,917	6,389,837
	\$22,439,782	\$15,803,241

15. LEASE LIABILITIES

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
2011/12	\$719,030	\$1,746,261	\$2,465,291
2012/13	242,984	1,308,112	1,551,096
2013/14	172,368	1,053,146	1,225,514
2014/15	4,511	32,191	36,702
2015/16	---	3,041	3,041
	1,138,893	4,142,751	5,281,644
Less Interest	(54,652)	---	(54,652)
	1,084,241	4,142,751	5,226,992
Less Current Portion	(682,307)	(1,746,261)	(2,428,568)
	\$401,934	\$2,396,490	\$2,798,424

THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

16. LONG-TERM DEBT PAYABLE AND FINANCIAL INSTRUMENTS
(A) LONG TERM DEBT

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

	2011	2010
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%. The Bankers Acceptances will be issued in declining amounts for principal and interest amounts such that the obligation will be paid by September 2027.	\$19,617,000	\$20,261,000
Financing the capital portion for Regional Campus Enhancements, term loan from Ontario Financing Authority bearing interest at a fixed rate of 3.954%, repayable in blended semi annually payments of \$193,231, maturing March 2018.	2,343,425	2,628,570
Financing for the Owen Sound Marine Simulator, term loan from Ontario Financing Authority bearing interest at a fixed rate of 3.715% repayable in blended semi annually payments of \$135,452, maturing March 2019.	1,860,062	2,056,380
Financing for Oracle Equipment/Software, loan from Dell Financial Services bearing interest at a fixed rate of 6.5% repayable in blended annual payments, maturing in June 2012.	428,527	597,179
Financing for the capital portion of the Sustainable Technologies Building, term loan from Ontario Financing Authority bearing interest at a fixed rate of 3.078% repayable in blended semi-annual payments of \$131,263 maturing March 2015	981,679	1,208,034
Financing for the PeopleSoft Human Resources Information system, term loan from Ontario Financing Authority bearing interest at a fixed rate of 3.626% repayable in blended semi-annual payments of \$144,141 maturing March 2020	2,196,918	2,400,000
	\$27,427,611	\$29,151,163
Not Related to Capital Assets Acquisition:		
Financing Note Receivable from Student Association (See Note 7A) Non-revolving term facility through Bankers Acceptances to be issued by the College at BA rate plus 0.3%. The Bankers Acceptances will be issued both quarterly and annually such that the obligation will be paid by September 2029.	4,800,000	5,052,000
Financing the non-capital portion for Regional Campus Enhancements, term loan from Ontario Financing Authority bearing interest at a fixed rate of 3.954%, repayable in blended semi annual payments of \$28,275, maturing March 2018.	342,533	384,390
Financing the non capital portion of the Sustainable Technologies Building, term loan from Ontario Financing Authority bearing interest at a fixed rate of 3.078% repayable in blended semi-annual payments of \$64,322 maturing March 2015	479,972	591,963
	5,622,505	6,028,353
	33,050,116	35,179,516
Less current portion	2,220,787	2,129,519
	\$30,829,329	\$33,049,997

**THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011**

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

Future principal payments over the next 5 years are as follows:

	Total
2011/12	2,220,787
2012/13	2,376,828
2013/14	2,217,102
2014/15	2,312,789
2015/16 and thereafter	23,922,610
Total	\$33,050,116

(B) INTEREST RATE SWAPS

The College has entered into interest rate swap agreements to manage the volatility of interest rates. The floating interest rates on the residence financing and \$4,992,000 of the Financing of the Note Receivable from the Student Association have been converted to fixed rates of 6.315% and 4.73% respectively by entering into the interest rate swaps. Interest expense in respect of the residence financing for 2011 is \$1,324,806 (2010 - \$ 1,359,461) and in respect of the financing on the note receivable for 2011 is \$237,853 (2010 - \$264,055). The maturity dates of the interest rate swaps are 2027 for the residence financing, and 2029 for financing of the Note 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, taking into account interest rates at March 31, 2011. As at March 31, 2011, the interest rate swap agreement was in a net unfavorable position, representing a liability of \$4,428,693 (2010 - \$4,443,902) and a decrease to net assets.

17. DEFERRED REVENUE

	2011	2010
Student Fees Collected	\$4,539,608	\$4,699,530
Grants Related to the Health and Wellness Building	34,405,000	6,530,886
Other Grants	3,769,713	2,149,929
Contract Training & Other Projects	1,000,693	893,545
	\$43,715,014	\$14,273,890

18. DUE TO STUDENT ASSOCIATIONS

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

THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

19. 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:

	2011	2010
Balance, beginning of year	\$63,074,937	\$60,025,977
Contributions received for capital assets		
- Government grants	251,136	5,683,207
- Other	3,440,710	1,211,997
Less: Amount amortized to revenue during the year		
- Government grants	(2,453,113)	(2,639,584)
- Other	(1,308,812)	(1,206,660)
Balance, end of year	\$63,004,858	\$63,074,937

20. DEFERRED REVENUE – FUTURE CAPITAL EXPANSION

The Ministry of Training, Colleges and Universities has paid \$16,990,000 to the College from the SuperBuild Growth Fund. This is for two projects, the Centre for Technology and Enhanced Learning, and University-College Collaborative Programming. This funding along with pledged community support provided 2,750 new student spaces. Construction was substantially completed in the fall of 2003. Management expects to use the remaining \$54,036 to cover financing costs and technology enhancements.

21. DEFERRED RESTRICTED 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.

THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

21. DEFERRED RESTRICTED CONTRIBUTIONS (cont'd)

	2011	2010
Balance, beginning of year	\$6,340,347	\$7,125,467
Add: Contributions Received	3,150,822	2,574,296
Restricted Investment Income	168,675	125,568
Funds Held by Georgian College Foundation	---	(1,653)
	3,319,497	2,698,211
Less: Amount Recognized as Revenue in year	973,614	1,762,242
Student Award Payments	679,890	563,569
Disbursement of Funds	7,020	---
Uncollectible Student Loans	(775)	500
Deferred Capital Contributions	580,762	1,148,134
Transferred to Endowed Funds	16,544	8,886
Realized loss on investment	---	---
	2,257,055	3,483,331
Balance, end of year	\$7,402,789	\$6,340,347
Comprised of:		
Student Emergency Loan Funds	\$55,564	\$54,449
General Donations	26,931	26,931
Employment Stability Funds	329,042	332,518
Ontario College Staff Association	368	368
Special Project / Capital Campaigns	4,433,290	3,522,259
Annual Awards and Scholarships	311,632	353,745
Unspent Endowment Investment Income	400,718	307,631
Contributions and Fundraising	795,477	692,679
Funds Held by Georgian College Foundation	1,049,712	1,049,767
	\$7,402,734	\$6,340,347

22. 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:

	2011	2010
Net book value of capital assets	\$99,606,393	\$100,587,341
Less: Deferred capital contributions (Note 19)	\$63,004,858	\$63,074,937
Long Term Debt Payable (Note 16)	27,427,611	29,151,163
Capital lease obligations (Note 15)	1,084,242	1,536,596
	\$8,089,682	\$6,824,645

THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

23. EMPLOYEE FUTURE BENEFITS, VACATION PAY AND SICK LEAVE ACCRUAL

The College provides certain employee benefits which will require funding in future periods:

	2011	2010
Vacation Pay	\$6,959,295	\$6,707,912
Sick Leave	626,763	871,588
Dental, health and life insurance	636,000	670,000
Parental Leaves	342,095	375,673
Short Term Disability	50,254	39,013
Balance, end of year	\$8,614,407	\$8,664,186

Dental, Health and Life Insurance

The College subsidizes premiums paid by its early retirees who retire prior to September 1, 2005 and its academic early and normal retirees for health, dental and life insurance coverage. The College also either subsidizes or pays the premiums on behalf of its employees on LTD for this same coverage. The College recognizes these post-retirement costs in the period in which the employees rendered the services. The accrued benefit liability was determined by an actuary using a discount rate of 4.75% (2010 – 4.75%). Unamortized plan gains/losses are amortized into income using the “10% corridor” approach whereby only the amount of unamortized gains/losses in excess of the corridor (10% of the accrued benefit obligation at the beginning of the fiscal year) is amortized in the current year’s expense. The unamortized gain for 2011 is \$282,000 (2010 – loss of \$ 217,000).

	2011	2010
Accrued benefit obligation, beginning of year	\$874,000	\$825,000
Expense for the period	26,000	111,000
Plan Amendment	(13,000)	9,000
Benefits paid	(63,000)	(71,000)
Accrued benefit obligation, end of year	824,000	874,000
Plan Assets	(188,000)	(204,000)
Accrued benefit liability, end of year	\$636,000	\$670,000

The valuation of the assets available to offset the liability for the Premium Waiver on Life Insurance benefits was estimated by the actuary based on the amount of funds on deposit with Sun Life Insurance Company of Canada as at June 30, 2007 specifically allocated to the uninsured employer paid portion of the Premium Waiver.

The main assumptions employed for the valuations are as follows:

(a) Mortality Rates

Mortality rates are consistent with the assumptions used in the December 31, 2010 pension valuation for funding purposes, based on the 1994 Uninsured Pensioners Mortality Table.

(b) Medical and dental costs

Hospital and other medical costs were assumed to increase at 4.5% per year, drugs were assumed to increase by 10.5% per year, grading down to 4.5% in 2026 and dental costs were assumed to increase by 7.5% per year, grading down to 4.5% in 2023.

**THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011**

24. INTERNALLY RESTRICTED FUNDS

The College restricts amounts from the net asset balance, as approved by the Board of Governors. The balance of \$69,974 at March 31, 2011 (2010 – \$69,974) is for the Barrie Student Residence.

25. ENDOWMENT FUNDS

The College has the following endowment funds:

	2011	2010
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	4,346,762	3,169,586
Other	1,194,140	963,544
	\$6,219,672	\$4,811,900
Unrealized Market Gain(Loss)	294,048	148,644
Total	\$6,513,720	\$4,960,544

26. STATEMENT OF CASH FLOWS

The net change in non-cash working capital balances consists of the following:

	2011	2010
Grants Receivable	\$2,146,841	\$2,475,555
Accounts Receivable	(1,683,506)	(54,151)
Inventory	(738,397)	(260,904)
Prepaid Expenses	(216,040)	809,206
Grants Payable	694,802	159,879
Accounts Payable	6,636,541	3,503,802
Deferred Revenue	29,441,124	6,311,346
Due to Student Associations	986,448	(35,046)
	\$37,267,813	\$12,909,687

Interest paid by the College during the year was \$1,992,529 (2010 - \$1,965,941).

27. PENSION PLANS

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

Any pension surplus or deficit is the joint responsibility of the members and employers and may affect future contribution rates. The College does not recognize any share of the Plan’s pension surplus or deficit 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, 2011 indicated an actuarial surplus of \$88 million. The College made contributions to the Plan and its associated retirement compensation arrangement of \$6,318,652 in 2011 (\$5,616,917 in 2010), which has been included in the statement of operations.

THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

**28. 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 Ministry of Training, Colleges and Universities (MTCU).

OSOTF PHASE I	Endowment Fund Balance	Expendable Funds Available for Bursaries	2011 Total	2010 Total
Balance, beginning of year	\$624,746	\$23,336	\$648,082	\$644,362
Investment income, net of direct investment related expenses	---	20,508	20,508	17,970
Bursaries Awarded - 23 (2010 - 27)	---	(15,147)	(15,147)	(14,250)
Balance, end of year	\$624,746	\$28,697	\$653,443	\$648,082
The market value of the endowment as at March 31, 2011 was \$657,102 (2010 - \$663,184)				

OSOTF PHASE II	Endowment Fund Balance	Expendable Funds Available for Bursaries	2011 Total	2010 Total
Balance, beginning of year	\$54,024	\$2,138	\$56,162	\$56,036
Investment income (loss), net of direct investment related expenses	---	2,337	2,337	1,626
Contributions received	---	855	855	---
Bursaries Awarded - 1 (2010 - 1)	---	(1,500)	(1,500)	(1,500)
Balance, end of year	\$54,024	\$3,830	\$57,854	\$56,162
The market value of the endowment as at March 31, 2011 was \$58,128 (2010 - \$58,177)				

**THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011**

**28. ONTARIO STUDENT OPPORTUNITY TRUST FUND (OSOTF) and
ONTARIO TRUST FOR STUDENT SUPPORT (OTSS) (cont'd)**

OTSS	ENDOWMENT FUND BALANCE	EXPENDABLE FUNDS AVAILABLE FOR BURSARIES	2011 TOTAL	2010 TOTAL
Balance, beginning of year	\$3,169,586	\$71,952	\$3,241,538	\$2,634,145
Eligible cash donations received	411,363	---	411,363	237,899
Other cash donations received	---	19,137	19,137	25,920
MTCU matching funds received/receivable	765,813	---	765,813	312,612
Investment income (loss), net of direct investment related expenses	---	95,654	95,654	67,222
Bursaries Awarded - 54 (2010 - 36)	---	(53,700)	(53,700)	(36,260)
Balance, end of year	\$4,346,762	\$133,043	\$4,479,805	\$3,241,538
The market value of the endowment as at March 31, 2011 was \$4,514,051 (2010 - \$ 3,173,769)				

29. 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, 2011 is comprised of approximately 4,514 pieces with a value as per charitable receipts issued of \$3,860,095 (2010 - \$3,857,445)

30. 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 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 2010/11 of \$45,082 was spent on salaries and benefits.

31. SUBSEQUENT EVENTS

Subsequent to March 31, 2011 the College was bequeathed \$960,000 and received a gift agreement for the amount of \$1,500,000 of which \$600,000 has been received.



Review Engagement Report

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To the Board of Governors of

The Georgian College of Applied Arts and Technology

We have reviewed the following consolidated Schedules 1 through 7 of The Georgian College of Applied Arts and Technology as at March 31, 2011. Our review was made in accordance with Canadian generally accepted accounting standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the organization.

A review does not constitute an audit and consequently we do not express an audit opinion on these schedules.

Based on our review, nothing has come to our attention that causes us to believe that these consolidated schedules are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Orillia, Canada
June 13, 2011

Chartered Accountants,
Licensed Public Accountant

THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

SCHEDULE 1

CONSOLIDATED SCHEDULE OF OPERATING REVENUE

FOR THE YEAR ENDED MARCH 31, 2011

=====

	<u>2011</u>	<u>2010</u>
GRANTS AND REIMBURSEMENTS		
Operating	43,357,099	\$ 41,973,624
Special Purpose	9,860,311	10,631,055
Grant In Lieu of Taxes	639,225	566,775
Career & Employment Preparation	2,333,173	3,883,311
Ontario Literacy and Basic Skills	3,363,475	3,449,834
Employment Ontario	1,759,733	-
Human Resources Development Canada	805,664	802,429
Apprenticeship	2,423,240	2,421,201
Capital Projects	340,700	489,895
Other	5,972,264	5,181,293
	<u>70,854,884</u>	<u>69,399,417</u>
STUDENT TUITION		
Full-Time Post Secondary Regulated	17,990,579	15,029,975
Tuition Short Regulated	(645)	34,382
Approved Part-Time Regulated	2,726,696	2,508,099
Additional Cost Recovery	8,981,103	7,775,353
Other Unfunded	12,340,544	11,397,844
Incidental Fees	10,601,173	10,168,245
	<u>52,639,450</u>	<u>46,913,898</u>
ANCILLARY OPERATIONS (Schedule 7)	20,012,345	18,731,427
RESTRICTED FUNDS	1,653,505	2,325,810
AMORTIZATION OF DEFERRED CAPITAL CONTRIBUTIONS	3,761,926	3,846,244
OTHER	9,748,304	9,485,950
	<u>158,670,414</u>	<u>\$ 150,702,746</u>

(prepared without audit - see review engagement report)

THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

SCHEDULE 2

CONSOLIDATED SCHEDULE OF ACADEMIC EXPENDITURE

FOR THE YEAR ENDED MARCH 31, 2011

=====

	<u>2011</u>	<u>2010</u>
Salaries - Academic	\$ 40,735,028	\$ 37,723,663
- Administration	4,197,404	4,106,616
- Support Staff	10,548,348	9,857,791
Fringe Benefits	10,135,386	9,224,184
Termination Gratuities	<u>197,333</u>	<u>96,530</u>
SUB-TOTAL	65,813,499	61,008,784
Instructional Supplies	2,873,127	2,961,068
Field Work	188,261	60,480
Office Supplies	89,302	82,659
Other Supplies & Expense	1,225,607	1,178,716
Postage and Courier Charges	163,558	149,240
Staff Employment	2,578	350
Professional Development	158,067	149,154
Travel	930,407	787,491
Advertising and Promotion	1,044,052	1,199,615
Telecommunications	352,538	427,367
Maintenance Office and Instructional Equipment	128,517	107,696
Insurance	5,672	7,011
Vehicle Expense	29,944	18,545
Interest and Bank Charges	2,421	1,958
Bad Debts Written Off	36,000	171,720
Long Term Debt Interest	14,116	29,808
Memberships and Dues	54,598	56,261
Professional Fees	177,544	46,718
Contract Security Services	6,063	6,130
Contract Cleaning Services	108,633	87,344
Contract Teaching Services	298,427	458,046
Other Contract Services	2,803,416	2,306,648
Furniture and Equipment Rentals	872,916	934,367
Furniture and Equipment, not fixed assets	1,268,864	1,276,674
Scholarships and Awards	<u>236,648</u>	<u>246,917</u>
TOTAL	<u>\$ 78,884,775</u>	<u>\$ 73,760,767</u>

(prepared without audit - see review engagement report)

THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

SCHEDULE 3

CONSOLIDATED SCHEDULE OF STUDENT SERVICES EXPENDITURE

FOR THE YEAR ENDED MARCH 31, 2011

=====

	<u>2011</u>	<u>2010</u>
Salaries - Academic	\$ 2,268,210	\$ 2,192,778
- Administration	1,272,878	1,172,489
- Support Staff	6,034,388	5,748,084
Fringe Benefits	<u>1,967,281</u>	<u>2,002,188</u>
SUB-TOTAL	11,542,757	11,115,539
Instructional Supplies	1,150,940	1,364,987
Field Work	2,721	-
Office Supplies	25,363	55,164
Other Supplies & Expense	505,524	618,036
Postage and Courier Charges	194,439	197,020
Professional Development	97,536	162,907
Travel	272,577	225,398
Advertising and Promotion	388,973	355,262
Telecommunications	45,558	59,442
Maintenance Office and Instructional Equipment	67,210	55,845
Vehicle Expense	72,369	77,044
Interest and Bank Charges	5,668	6,293
Memberships & Dues	102,634	73,043
Contract Security Services	680	1,155
Other Contract Services	456,137	366,300
Furniture and Equipment Rentals	181,982	155,477
Furniture and Equipment, not fixed assets	173,737	168,770
Scholarships and Awards	679,890	563,569
Student Assistance	<u>2,288,647</u>	<u>1,811,671</u>
TOTAL	<u>\$ 18,255,342</u>	<u>\$ 17,432,922</u>

(prepared without audit - see review engagement report)

THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

SCHEDULE 4

CONSOLIDATED SCHEDULE OF ADMINISTRATIVE EXPENDITURE

FOR THE YEAR ENDED MARCH 31, 2011

=====

	<u>2011</u>	<u>2010</u>
Salaries - Academic	\$ 351,078	\$ 1,431,454
- Administration	4,428,843	4,424,290
- Support Staff	6,114,682	5,633,329
Fringe Benefits	<u>2,538,755</u>	<u>2,234,663</u>
SUB-TOTAL	13,433,358	13,723,736
Instructional Supplies	23,856	19,851
Office Supplies	24,016	23,463
Other Supplies & Expense	10,926	68,272
Postage and Courier Charges	64,898	59,957
Staff Employment	195,644	51,109
Professional Development	247,350	128,268
Travel	231,221	222,261
Advertising and Promotion	924,263	1,009,115
Telecommunications	254,688	44,286
Maintenance Office and Instructional Equipment	708,981	756,194
Insurance	422,944	410,707
Vehicle Expense	8,180	1,943
Interest and Bank Charges	689,432	696,773
Long Term Debt Interest	652,498	574,884
Memberships and Dues	135,709	115,888
Professional Fees	697,710	898,967
Contract Security Services	45,760	16,212
Contract Cleaning Services	2,609	523
Other Contract Services	599,590	600,884
Furniture and Equipment Rentals	174,307	262,022
Furniture and Equipment, not fixed assets	425,061	381,244
Scholarships and Awards	135,548	180,095
Miscellaneous Expenses		-
TOTAL	\$ <u>20,108,549</u>	\$ <u>20,246,654</u>

(prepared without audit - see review engagement report)

THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

SCHEDULE 5

CONSOLIDATED SCHEDULE OF PLANT & PROPERTY EXPENDITURE

FOR THE YEAR ENDED MARCH 31, 2011

	<u>2011</u>	<u>2010</u>
Salaries - Administration	\$ 534,481	\$ 577,248
- Support Staff	1,174,016	1,096,096
Fringe Benefits	<u>377,322</u>	<u>408,368</u>
SUB-TOTAL	2,085,819	2,081,712
Office Supplies	-	631
Postage and Courier Charges	554	144
Staff Employment	1,079	-
Professional Development	4,332	16,974
Travel	9,449	12,528
Advertising / Promotion	4,453	8,041
Telecommunications	43,659	609,570
Vehicle Expense	87,745	86,056
Long Term Debt Interest	-	376
Bad Debts Written Off	(159,491)	159,491
Professional Fees	9,169	14,914
Contract Security Services	402,527	337,949
Contract Cleaning Services	1,009,946	1,020,033
Other Contract Services	68,039	104,240
Building Maintenance	1,166,160	1,944,146
Building Equipment Maintenance	585,371	960,205
Grounds Maintenance	197,101	145,102
Electricity	1,642,625	1,457,933
Fossil Fuels	658,776	733,407
Water	81,470	63,693
Refuse Removal	163,014	169,295
Municipal Taxes	2,427	7,686
Approved Premises Rental	421,022	424,532
Other Premises Rental	100,754	117,482
Furniture and Equipment Rentals	-	-
Miscellaneous Expenses	-	6,464
TOTAL	\$ <u>8,586,000</u>	\$ <u>10,482,604</u>

(prepared without audit - see review engagement report)

THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

SCHEDULE 6

CONSOLIDATED SCHEDULE OF SUPPLEMENTARY EXPENDITURE

FOR THE YEAR ENDED MARCH 31, 2011

=====

	<u>2011</u>	<u>2010</u>
Special Support Allowances	\$ 46,585	\$ 74,888
Student Insurance	1,752,902	2,141,518
Third Party Payments	1,632,259	1,650,195
Taxes Property and per Capita	639,225	566,775
Scholarships and Awards	1,027,695	1,235,329
	<hr/>	<hr/>
TOTAL	\$ 5,098,666	\$ 5,668,705

(prepared without audit - see review engagement report)

THE GEORGIAN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

SCHEDULE 7

CONSOLIDATED SCHEDULE OF ANCILLARY OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2011

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	BOOKSTORE		KEMPENFELT		OTHER		TOTAL	
	2011	2010	2011	2010	2011	2010	2011	2010
REVENUE								
Operations	\$ 9,189,055	\$ 9,371,620	\$ 2,850,992	\$ 2,549,637	\$ 9,562,743	\$ 8,744,881	\$ 21,602,790	\$ 20,666,138
Internal	-1,159,024	-1,472,578	-183,055	-157,214	-248,366	-304,920	-1,590,445	-1,934,712
TOTAL REVENUE	8,030,031	7,899,042	2,667,937	2,392,423	9,314,377	8,439,961	20,012,345	18,731,427
EXPENDITURE								
Salaries	1,144,217	991,664	1,577,881	1,573,724	2,413,148	2,260,515	5,135,246	4,825,903
Contract Services	17,640	16,868	34,708	31,166	267,948	204,998	320,296	253,032
Fringe Benefits	246,118	231,763	333,763	327,159	361,850	320,063	941,731	878,985
Professional Development	1,451	3,059	1,175	831	16,353	11,903	18,979	15,793
Travel	8,882	6,453	6,231	8,408	9,598	8,420	24,711	23,281
Memberships & Dues	5,061	1,603	2,495	2,676	4,037	5,034	11,593	9,313
Professional Fees	0	0	7,689	6,960	4,569	9,630	12,258	16,590
Advertising & Promotion	6,521	3,958	74,682	56,161	145,793	141,956	226,996	202,075
Equipment Maintenance	0	0	41,168	0	75,972	61,968	117,140	61,968
Telephone	5,423	5,289	31,587	32,901	136,196	167,279	173,206	205,469
Office Supplies	11,034	8,622	6,023	4,758	4,721	6,384	21,778	19,764
Other Supplies & Expense	26,956	34,305	72,047	61,996	230,376	199,259	329,379	295,560
Postage	1,263	359	11,113	17,850	3,900	3,417	16,276	21,626
Vehicle	0	0	5,816	3,541	4,945	2,766	10,761	6,307
Insurance	0	0	11,250	11,250	12,640	12,724	23,890	23,974
Cost of Operation	93,613	72,922	361,679	335,947	2,369,748	2,337,583	2,825,040	2,746,452
Cost of Inventory Sold	6,985,642	7,067,174	400,942	375,246	876,820	820,335	8,263,404	8,262,755
Internal	-1,159,024	-1,472,578	-183,055	-157,214	-248,366	-304,920	-1,590,445	-1,934,712
TOTAL EXPENDITURE	7,394,797	6,971,461	2,797,194	2,693,360	6,690,248	6,269,314	16,882,239	15,934,135
NET EXCESS	\$ 635,234	\$ 927,581	-\$ 129,257	-\$ 300,937	\$ 2,624,129	\$ 2,170,647	\$ 3,130,106	\$ 2,797,292

(prepared without audit - see review engagement report)

Appendix C: KPI Performance Report

2010-2011 KPIs: First Glance

THIS YEAR: 2010-2011 KPI Survey Results					
KPI Measure	Georgian			Province	
	KPI	% change from 2009-10	Provincial Rank	KPI	% change from 2009-10
Graduate Employment	85.7%	-1.4%	10	83.0%	-1.8%
Graduate Satisfaction	82.8%	1.8%	5	79.1%	-0.7%
Employer Satisfaction	93.8%	0.4%	12	93.2%	0.2%
Student Satisfaction	77.2%	-0.7%	12	76.1%	-0.2%
Graduation Rate	61.2%	-1.3%	20	64.2%	-0.9%

LAST YEAR: 2009-2010 KPI Survey Results					
KPI Measure	Georgian			Province	
	KPI	% change from 2008-09	Provincial Rank	KPI	% change from 2008-09
Graduate Employment	87.1%	-5.3%	5	84.8%	-4.1%
Graduate Satisfaction	81.0%	-2.6%	10	79.8%	-2.9%
Employer Satisfaction	93.4%	-0.9%	9	93.0%	-0.3%
Student Satisfaction	77.9%	-2.4%	10	76.3%	-2.1%
Graduation Rate	62.5%	2.0%	17	65.1%	0.7%

PREVIOUS YEAR: 2008-2009 KPI Survey Results					
KPI Measure	Georgian			Province	
	KPI	% change from 2007-08	Provincial Rank	KPI	% change from 2007-08
Graduate Employment	92.4%	-1.3%	5	88.9%	-1.6%
Graduate Satisfaction	83.6%	-1.4%	12	82.7%	-0.1%
Employer Satisfaction	94.3%	-0.1%	8	93.3%	0.2%
Student Satisfaction	80.3%	0.8%	8	78.4%	0.5%
Graduation Rate	60.5%	0.5%	22	64.4%	-0.5%

Appendix D: Summary of Advertising and Marketing Complaints Received

No complaints were received in 2010-11.

Appendix E: University Partnership Centre Report

Established in 2001 and officially endorsed by the Ontario Ministry of Training, Colleges and Universities in 2003, Georgian College's University Partnership Centre (UPC) has steadily grown and now enrolls over 2,400 full- and part-time students. UPC'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 level certificate programs, and expediting transfer credit recognition through seamless pathways to degree completion and articulation agreements. The programs span across the social sciences and humanities, sciences, business and education at both the undergraduate and graduate levels.

In 2010-11, the University Partnership Centre partners included Central Michigan University, Embry-Riddle Aeronautical University, Laurentian University, Nipissing University, University of Windsor, University of Ontario Institute of Technology and York University. Georgian also offered three college degrees in 2010-11.

Institution	Program	Model
Central Michigan University	Master of Arts in Education – Community College concentration	All on campus; cohort model; part-time weekends.
Embry-Riddle Aeronautical University	Bachelor of Science: Technical Management	10 course degree completion; part-time weekends.
Laurentian University	Bachelor of Arts: majors in Anthropology, English, Gerontology, History, Law and Justice, Political Science, Psychology, and Sociology	Three year degree: all on campus; four year degree: plus one year in Sudbury; ENGL Major and HIST Major: four year program on campus; PSYC Major: four year specialization on campus.
	Bachelor of Business Administration	All on campus.
	Bachelor of Social Work	Three years on campus plus one year in Sudbury.
Nipissing University	Master of Education	All on campus; fall, winter, spring intake; part-time weekends.
University of Ontario Institute of Technology	Registered Practical Nursing to Bachelors of Science in Nursing	On-site delivery 50%, distance 50%.
University of Windsor	Master of Social Work for Working Professionals	All on campus; 16 months for BSW graduates; 32 months for other honours degree graduates; weekends plus internships.
York University	Bachelor of Education Consecutive (primary/junior and junior/intermediate)	All on campus.
	Bachelor of Science in Nursing	Two + two.

Institution	Program	Model
Georgian College	Bachelor of Applied Business – Automotive Management Bachelor of Applied Business – Golf Management Bachelor of Applied Human Services – Police Studies	Four year degree; all on campus.

Articulation and transfer agreements exist for 82 Georgian programs with 41 post-secondary institutions.

Program	# of Post-secondary Institutions	# of Articulation/Transfers Available
Administration des Affaires – Marketing Automobile	6	8
Advanced Care Paramedic	1	1
Advertising	10	15
Architectural Technician	2	2
Architectural Technology	1	1
Automotive Business two yr	1	1
Aviation Management	6	8
Business	13	15
Business-Accounting	10	15
Business-Accounting (non co-op)	3	5
Business-Logistics	6	9
Business-Marketing	11	17
Business-Marketing (non co-op)	3	6
Business (non co-op)	3	4
Business Admin-Automotive Marketing	10	16
Business Administration	19	24
Business Administration-Accounting	15	25
Business Administration-Human Resources	10	14
Business Administration-Marketing	14	19
Child and Youth Worker	6	9
Civil Engineering Technician-Construction	1	1
Civil Engineering Technology	2	2
Computer Programmer	4	5
Computer Programmer Analyst	10	12
Computer Systems Technician	1	2
Culinary Management	4	5
Dental Hygiene	7	9
Design and Visual Arts-General	2	2
Developmental Services Worker	10	14
Digital Photography and Imaging	3	3
Early Childhood Education	7	10
Electrical Engineering Technology	4	4

Program	# of Post-secondary Institutions	# of Articulation/Transfers Available
Environmental Technician	1	1
Environmental Technology	5	8
Fine Arts	3	3
Fine Arts Advanced	7	8
Fundraising and Resource Development	2	5
General Arts and Science (one year)	1	1
General Arts and Science (two year)	5	7
Goldsmithing and Silversmithing	1	1
Golf Facilities Operation Management	2	4
Graphic Design	4	4
Graphic Design Production	4	4
Heating, Refrigeration & Air Conditioning Technician	1	1
Hospitality Management-Hotel and Resort	10	11
Hospitality Administration-Hotel and Resort	8	9
Human Resource Management	3	6
Interior Decorating	1	1
Interior Design (two year)	2	2
Interior Design (three year)	4	4
International Business Management	4	7
Jewellery and Metals	3	3
Law and Security Administration	8	10
Law Clerk	2	2
Marine Engineering Technology	2	2
Marine Technology-Navigation	2	2
Massage Therapy	4	4
Massage Therapy Fast Track	2	2
Mechanical Engineering Technology-Automotive Manufacturing	8	10
Mechanical Engineering Technology-Automotive Products Design	6	7
Mechanical Technician-Precision Skills	2	2
Native Education – Community and Social Development	3	3
Networking	4	4
Office Administration-Executive	3	3
Office Administration-Legal	3	4
Office Administration-Medical	4	6
Opticianry	4	4
Paramedic	5	5
Police Foundations	8	10
Power Engineering Technician	1	1
Power Engineering Technology	1	1
Practical Nursing	6	9
Professional Golf Management	5	5
Protection, Security and Investigation	1	1
Recreation and Leisure Services	2	2

Program	# of Post-secondary Institutions	# of Articulation/Transfers Available
Research Analyst	2	5
Snow Resort Operations	6	7
Social Service Worker	8	11
Tourism and Travel	7	8
Tourism Management	9	9
Veterinary Technician	3	3
Web Animation and Design	2	2

Georgian tracks the number of students moving from Georgian to Laurentian’s BA, BBA, and BSW programs as well as to York’s BScN program. Approximately one-half of the students enrolled in York’s program have moved from Georgian programs, while approximately one-third of Laurentian’s BA, BBA, and BSW students came from Georgian programs:

University Partner	Total Enrolment 2010/11	# of Students from Georgian Programs	% of Students from Georgian Programs
York BScN	198	103	52%
Laurentian BA, BBA, BSW	1335	469	35%

Appendix F: Board of Governors

Georgian College Board of Governors, 2010-11

Board Members	Occupation	Term of Office
Brian Tamblyn	President and CEO Georgian College	June 1999 - Present
Charlotte Wallis – Chair	Regional Vice President RBC Insurance	Sept 1/06 – Aug 31/12
Gwen Strachan – Vice Chair	Retired Provincial Commander Ontario Provincial Police	Sept 1/07 – Aug 31/13
Bill Henry – Vice Chair	Retired (property assessment)	Sept 1/05 – Aug 31/11
Sharon Bate – Past Chair	Retired Director of Education Simcoe County District School Board	Sept 1/05 – Aug 31/11
W.R. (Bill) Van Wyck – Chair, Finance and Audit	Owner The W. R. Van Wyck Group Limited	Sept 1/08 – Aug 31/14
Peter Craig	President Healthcare Media Partners	Sept 1/10 – Aug 31/13
Jamie Crichton	Vice President, Finance Elcan Optical Technologies	Sept 1/08 – Aug 31/14
Chris Gariepy	Vice President, International Marketing & Client Services Global Electric Electronic Processing	Sept 1/10 – Aug 31/13
Terry Heittola (academic)	Co-ordinator, General Education Georgian College	Sept 1/06 – Aug 31/12
Sandra Horney	Director, Corporate Services Simcoe Muskoka District Health Unit	Sept 1/09 – Aug 31/12
Stephen Junkin (administration)	Registrar Georgian College	Sept 1/08 – Aug 31/14
Pam Krause	Barrister, Solicitor, Notary	Sept 1/09 – Aug 31/12
Sherry Lawson	Library Co-ordinator Chippewas of Rama First Nation	Sept 1/08 – Aug 31/11
Shaun McCracken (student)	First-year Laurentian Bachelor of Administration student and graduate of Georgian's Professional Golf Management program	Sept 1/10 – Aug 31/12
Doug McKee	Retired Vice Principal and Teacher Peel District Board of Education	Sept 1/06 – Aug 31/12
Debbie-Jane Stansfield (support staff)	Academic Officer, School of Business Georgian College	Sept 1/09 – Aug 31/12
Brandon Lander (ex-officio)	Vice President, Administrative Services and Secretary-Treasurer to the Board Georgian College	June 1999 - Present
Lori McPhee (ex-officio)	Executive Assistant to the President and CEO and Board of Governors Georgian College	Oct 2000 – Present

Appendix G: College Council

College Council met seven times during 2010-2011 and was instrumental in promoting *Vision 2015*, the College's strategic plan for 2010-2015, among the College community. College Council approved procedures as appropriate and received and reviewed reports concerning various operations and initiatives, including the following (list not inclusive):

- Employee accommodations procedure
- Employee engagement strategies
- Braille signage implementation
- Social media use and implementation guidelines
- Corporate branding project
- Library Commons code of conduct
- Employee travel procedure
- Capital projects (Centre for Health and Wellness; John Di Poce South Georgian Bay Campus construction)
- Accessibility for Ontarians with Disabilities@Georgian customer service policy
- Student Experience@Georgian study
- Review of Co-op Services model
- Respect campaign
- Enrolment management reports

Georgian College By-law No. 13 presents the purpose, composition, meeting structure, and chair role of College Council.