ANNUAL REPORT 2016 2017

ACCELERATED SUCCESS
MEANINGFUL COLLABORATION
INSPIRED INNOVATION
STRONG FOUNDATIONS

Georgian

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MESSAGE FROM THE CHAIR, BOARD OF GOVERNORS

At Georgian College, we accelerate success. That promise is at the centre of our strategic plan and provides a touchstone to focus our energies during a time when the needs of our students and communities continue to rapidly evolve and expand. Our vision is to accelerate success through exceptional teaching and learning, innovation and partnerships. Much of our plan builds on our success – as a college system trailblazer in entrepreneurship and social innovation, as Ontario's top co-op college, and as a long-time postsecondary leader in environmental sustainability.

Our strategic plan focuses on quality, market-driven programs – from apprenticeships and academic and career preparation, to diplomas, degrees and graduate certificates – all offering relevant curriculum for in-demand jobs in response to shifting labour market demands. We've woven strong community and industry partnerships throughout as an integral part of our commitment to meaningful collaboration. Bold new measures include working on a guarantee to employers of our graduates' job readiness; a comprehensive degree strategy including Georgian degrees and combined degree-diplomas; a degree pathway for every Georgian diploma program; and enriched learning through meaningful research and scholarship.

We recognize our students are changing and Georgian will continue to change as well. To that end, we will internationalize our campuses to enhance cultural awareness, create greater study abroad opportunities, and support our growing number of international students. Georgian is now home to 1,500 international students from 60 countries – and we must be doing something right! We were ranked first in overall international student satisfaction among 11 Ontario colleges and sixth globally among 182 institutions in the International Student Barometer autumn wave survey; it's the largest and most extensive survey of international students globally.

As part of our plan, we will focus on the Indigenization of our college community. Georgian is working closely with local Indigenous communities and organizations to develop tools and resources to grow awareness and deepen understanding at the college. To start, we're offering a series of knowledge-sharing workshops led by Indigenous leaders and updating curriculum to reflect Indigenous worldviews. We also now acknowledge at every major college event that Georgian campuses are situated on traditional Anishnaabeg land.

This annual report captures many of the outcomes and incredible successes we achieved already with the inspiration of our new strategic plan. I'm confident it will allow us to fully leverage the opportunities ahead and help us mitigate ongoing fiscal and demographic challenges.

In my second term as Board Chair, I continue to be amazed by the support of our college partners, the remarkable achievements of our graduates, and dedication of all Georgian employees. I extend my deepest appreciation to the entire Georgian team for its ongoing contributions and commitment to our students and communities.

Tom McBride
Chair, Georgian College Board of Governors

MESSAGE FROM THE PRESIDENT

As we celebrate Georgian's 50th anniversary, the 50th anniversary of the college sector and Canada's 150th, there is much for our students, graduates and communities to be proud of. Reflecting on the 2016-17 annual report, Georgian is well positioned to move forward with exciting initiatives and opportunities as we continue to transform the student experience.

Our evolving partnership with Lakehead University is fulfilling our commitment to expanding pathways and degree access in Simcoe County. The first of our new degree-diploma programs begin in September: a Bachelor of Engineering (Electrical) with an Electrical Engineering Technology advanced diploma – central Ontario's only engineering degree – and an Honours Bachelor of Arts and Science – Environmental Sustainability (specialization in Ecosystem Management) with an Environmental Technician diploma. New programs planned for the future span such fields as health management, gerontology, industrial design, environmental management, and more.

As a pioneer in co-op education, Georgian continues to be a leader in the field with the most co-op students at an Ontario college and a formal work-integrated learning opportunity embedded in the majority of our 125+ programs. We're proud to partner with 6,200 employers and to have maintained a high graduate employment rate for well over a decade. This year, Georgian became the first college in Ontario to have 12 programs accredited by the Canadian Association for Co-operative Education. Our Electrical Engineering Technician and Technology programs were also recognized for the work we do preparing graduates and partnering with industry. They were bronze recipient of the CICan Program Excellence Award and bronze recipient of the World Federation of Colleges and Polytechnics' International Award of Excellence.

Georgian renewed its commitment to entrepreneurship and social innovation in our new strategic plan. We're producing graduates with skills and mindsets to be innovative thinkers and changemakers. We also committed to fostering a culture of research, scholarship and collaboration that connects students, employers and the community. The new Advanced Technology, Innovation and Research Centre under construction at our Barrie Campus will provide opportunities for enhanced collaboration in each of these areas. The centre will be home to Central Ontario's only Centre for Research, Innovation and Commercialization – a community hub where industry, faculty and students work together to research and develop products and services – and a place where innovation is fostered and celebrated.

We see great potential in moving four of our Design and Visual Arts programs into downtown Barrie in an effort to immerse students in the creative and digital community. Our new space is an excellent location for all we envision: state-of-the-art studio, work and learning space, including a storefront location where students can show – and maybe even sell – the work they create in class. Approximately 250 students will start downtown in September 2017; all years of the Digital Photography and Imaging; Digital Video; Graphic Design; and Graphic Design Production programs. Students will benefit from learning close to professionals, all while helping to invigorate the downtown core.

Being here can lead to amazing things!

MaryLynn West-Moynes
President and CEO

SECTION 1: REPORT ON 2016-17 GOALS AND PERFORMANCE

ACCELERATED SUCCESS

COMMITMENT 1

Quality market-driven programs.

Strategies:

Create degree pathways in every diploma program.

Offer relevant curriculum for in-demand jobs.

Use the Program Assessment process to drive program sustainability.

2016-17 Actions	Outcomes
A1. Map Business programs to BBA Management and Leadership.	Pathways mapped for 12 diploma programs to BBA Management and Leadership, BBA Golf Management, or Bachelor of Police Studies degree programs.
A2. Develop a gap analysis and pilot in one program a protocol for diploma students to move between diploma and degree programs.	Protocol developed and implemented; used to facilitate mapping of all business diplomas to all BBA programs.
A3. Revise curriculum and program renewal processes; integrate curriculum development through automation.	Procedure developed for program closure. Courseleaf's Curriculum Information Management (CiM) and Catalog (CAT) systems acquired and scheduled for implementation.
A4. Enhance and expand use of Program Assessment tools.	Program Assessment model and tools in use by program areas.

COMMITMENT 2

Experiential learning and employer guarantee.

Strategies:

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

Develop an employer guarantee for student job readiness.

2016-17 Actions	Outcomes
A5. Develop tools, resources and training events and integrate processes to support program areas and expand experiential learning opportunities in their courses.	Framework for work integrated learning in development. All programs include experiential learning opportunities tracked through annual Program Assessment.
A6. Increase number of recognized co-curricular record activities and student participation.	Recognized co-curricular activities increased from 233 to 283 in 2016-17. Approximately 1,200 applications received from students for co-curricular recognition.
A7. Develop terms of the employer guarantee and a plan for implementation.	Draft terms and implementation plan developed.

COMMITMENT 3:

Effective student supports and services.

Strategy:

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

2016-17 Actions	Outcomes
A8. Implement Phase 1 of the MyGeorgian student portal, including part-time studies registration options and student services.	Phase 1 of the student portal implemented and in use. Phase 1 completed of “One Card” initiative through which students purchase food on-campus (and by fall 2017, off campus). Software implementation supporting non-funded part-time student registration planning underway.
A9. Hire student advisors to support Holistic Advising process; define the student advisor role.	Student Advisors hired; advising model under review.

COMMITMENT 4:

Internationalized Georgian community.

Strategies:

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

Expand and better integrate supports for international students.

2016-17 Actions	Outcomes
A10. Solidify partnership with new identified partners for domestic student study abroad initiatives.	Full and active exchange agreements in place with VIA Denmark, Shanghai UTCM and Galway Business School.
A11. Offer diversity training to all employees to support cultural awareness.	Cultural diversity program delivered through 36 sessions across various campuses; approximately 650 employees attended. Co-ordinators' training session scheduled for spring 2017.
A12. Implement student supports for Second Language learners.	In-country placement testing, CaMLA, implemented and under review.
A13. Improve the process and systems that support International Agent Management.	International Agent Management system implementation initiated.

COMMITMENT 5:

Enhanced Indigenization.

Strategies:

Enhance curriculum to reflect Indigenous culture and traditions.

Enrich the college community by engaging in Indigenous knowledge sharing.

2016-17 Actions	Outcomes
A14. Develop program-specific Indigenization curriculum resources.	SharePoint site and Indigenization learning objectives development in progress.
A15. Offer Indigenous knowledge-sharing sessions to “start the conversation” to enhance Indigenization of the college.	Indigenous knowledge-sharing sessions underway.

MEANINGFUL COLLABORATION

COMMITMENT 1:

Strong community and industry connections.

Strategy:

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

2016-17 Actions	Outcomes
M1. Track new industry partnerships, work integrated learning opportunities, donor investments, research projects and corporate training engagements.	Industry partners tracked and monitored through the Partner Relationship Management Committee and the office of VP, IWDP. Four-year agreement established with Toronto Hydro to maximize student recruitment through promotion of co-op and potential graduate employment opportunities. Industry donor commitments secured to support the new Marine Emergency Duties Centre and Automotive Business School of Canada renovations. Additional corporate training engagements secured with two partners and under negotiation with one partner. Centre for Applied Research and Innovation (CARI) connected with 100 industry and community partners related to 153 different projects, which led to 76 projects completed with 51 partners.

COMMITMENT 2:

Progressive degree delivery.

Strategy:

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

2016-17 Actions	Outcomes
M2. Develop and implement year-by-year Lakehead-Georgian degree plan (2017-18 to 2020-21).	Degree plan developed.
M3. Launch two new Georgian degrees.	BBA Management and Leadership and Bachelor of Interior Design launched successfully in Fall 2016.

COMMITMENT 3:

Learning for life.

Strategy:

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

2016-17 Actions	Outcomes
M4. Secure additional corporate training clients.	Training delivered to 11 new or past clients. Contracts under negotiation with six new clients.
M5. Plan the implementation of new part-time studies registration system and website that focuses on opportunities for non-direct applicants. Implementation contingent on timing of Banner upgrade.	Part-time studies website improvements completed. Elevate system acquired to simplify navigation and course registration. Testing for corporate clients complete; corporate pilot has begun.
M6. Increase Georgian presence at new events to attract non-direct applicants. Develop and execute a promotional plan.	Social and digital paid media campaigns deployed to attract non-direct applicants and promote new programs. Recruiters attended 34 events to promote graduate certificates and non-direct opportunities; 40 additional events attended to attract both direct and non-direct students.

INSPIRED INNOVATION

COMMITMENT 1:

Entrepreneurship and social innovation.

Strategies:

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

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

2016-17 Actions	Outcomes
I1. Deliver entrepreneurship co-op (eCo-op) to students.	eCo-op completed by first cohort of 10 students; second cohort commenced in September 2016 and third cohort commenced in January 2017.
I2. Link entrepreneurial activities at all Georgian campuses with the student portal.	Entrepreneurship link established in student portal with further links to the Henry Bernick Entrepreneurship Centre and the Ontario Business Service Centre as well as to tools, self-assessments and content.
I3. Secure funding to deliver Indigenous entrepreneurship training.	Two full-day entrepreneurship workshops delivered to 15 Indigenous participants under the Huronia Area Aboriginal Management Board (HAAMB) program. Pursuing funding.
I4. Finalize partnership with CFB Borden for entrepreneurship training.	Two Second Career Assistance Network workshops delivered to 75 CFB Borden transitioning members. Online training for transitioning members in development. CFB Borden Museum employees and Marketing students developed fundraising strategy for WWII equipment restoration. Workshop delivered for Prince’s Operation Entrepreneur (POE), a program of the official Canadian charitable office of HRH The Prince of Wales.
I5. Expand and deliver the community projects initiative.	Expansion of community projects initiatives underway.

2016-17 Actions	Outcomes
I6. Launch the Ashoka Changemaker designation application.	Ashoka application underway. Site visit scheduled for spring 2017.

COMMITMENT 2:

Enriched learning through meaningful research and scholarship.

Strategy:

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

2016-17 Actions	Outcomes
I7. Increase use of online inventory tool for tracking both applied and scholarly research performed within the Georgian community. Increase use of online collaboration tool to engage students and employers in multi-disciplinary research project teams. Offer workshop series to build capacity. Plan the second Research, Scholarship and Innovation Day.	Online inventory tool for tracking both applied and scholarly research performed within the Georgian community made available and promoted. Ten events held to engage faculty and students in research and scholarship, including a Lunch and Learn series, the inaugural Research, Innovation and Scholarship Day and presentations at portfolio and co-ordinator meetings.

COMMITMENT 3:

Flexible and technology-enabled learning.

Strategies:

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

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

2016-17 Actions	Outcomes
I8. Implement process review of online curriculum development.	Process review completed to standardize compensation for all faculty delivering online courses. Funding received from ONCAT to assess the efficacy of the online development process for potential rollout across other PSE institutions.
I9. Provide faculty with support for developing and using technology-enabled options in the classroom. Analyze data regarding proficiency of faculty in technology use.	Forty-four faculty completed Online Course Development Program (OCDP); all OCDP completed courses were measured against the *Quality Matters* rubric.

STRONG FOUNDATIONS

COMMITMENT 1:

Exceptional people.

Strategies:

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

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

2016-17 Actions	Outcomes
S1. Implement the college's succession/ leadership plan.	Tools developed to identify successors and development plans. Pilot in progress and approach will be refined prior to full implementation.
S2. Engage employees through professional development/learning activities.	Eighty-eight full-time employees participated in the Employee Tuition Assistance Program to continue postsecondary studies. Over 1,100 employees (3,900 registrations) registered for college development courses, an increase 26.4% from the previous year.
S3. Enhance new employee onboarding website and orientation program.	New Employee Onboarding Survey showed 95% of respondents were satisfied with their onboarding experience. New employee orientation intranet page and reference guide updated and new *Manager Toolkit For Onboarding* section added. Orientation tools and supports for new part-time faculty made available on the intranet. Review underway of best employee onboarding practices within the CAAT system to inform current practices.
S4. Foster innovative teaching practices and curriculum design through the orientation, development and engagement of faculty. Establish professional development expectations at orientation for all new faculty.	Faculty access to learning activities increased through the development of online modules and face-to-face workshops.

2016-17 Actions	Outcomes
Provide a variety of delivery methods for professional development.	

COMMITMENT 2:

Financial sustainability.

Strategies:

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

Renew campus facilities to ensure they are modernized and updated.

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

Continue focused recruitment and marketing activities.

2016-17 Actions	Outcomes
S5. Review business models for ancillary and other operations to ensure they meet financial targets.	Action plans implemented for Georgian Stores. New Parking Service model identified for different methods of payment at a reduced operational cost while increasing customer service and overall convenience. Following significant due diligence, the decision was made to close Kempenfelt Conference Centre. Action plans currently in place to maintain operations to October 31, 2017. Residence maintenance and capital plan developed.
S6. Conduct zero-based budget reviews to prioritize resources based on risk.	Zero-based budgeting built into Hyperion for academic enrolment, revenues and related expenses; academic area accounts for approximately 65% of the budget. Service areas identified for zero-based budgeting review for 2018-19.
S7. Enhance planning and accountability systems for budget forecasting and variance analysis.	Hyperion launched and used monthly by budget holders for forecasting. Review of saving strategies conducted and risks identified. Line-by-line expense budget review conducted and adjustments completed. Funding model developed for International

2016-17 Actions	Outcomes
	students to adjust for International budget for growth.
S8. Focus limited funding on energy efficiency and other key priority areas identified in multi-year plan.	Investment strategy to reduce utility costs developed. Several energy efficient lighting upgrades completed at the residence and the Barrie, Orillia, Midland and Owen Sound campuses.
S9. Focus additional funds in support of strategic priorities.	Several fundraising projects completed: Algoma Central Corporation Marine Emergency Duties Centre, Automotive Business School of Canada renovations, Segal International Centre and Phase 1 of the Barrie Sports Field. Remaining fundraising goal will focus on the Advanced Technology, Innovation and Research Centre (ATIRC).
S10. Build on results of fit/gap analysis; purchase, integrate and implement new customer relationship management (CRM) system, contingent on business case analysis and funding.	Discovery workshops completed to assess gaps and opportunities. Business case and RFP in development for June 2017, pending budget approval.

COMMITMENT 3:

Environmental responsibility.

Strategy:

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

2016-17 Actions	Outcomes
S11. Research, review and implement sustainability initiatives, including increasing waste diversion rates and reducing paper consumption.	Print strategy produced $100,000 in savings since August 2016. Print guideline in development. New office garbage system implemented whereby employees separate trash and recyclables at centralized locations, increasing

2016-17 Actions	Outcomes
	diversion rates. New waste diversion signage in development.
S12. Upgrade/replace equipment to reduce carbon footprint and costs.	Equipment upgraded or replaced with new, more energy efficient products.

COMMITMENT 4:

Operational excellence.

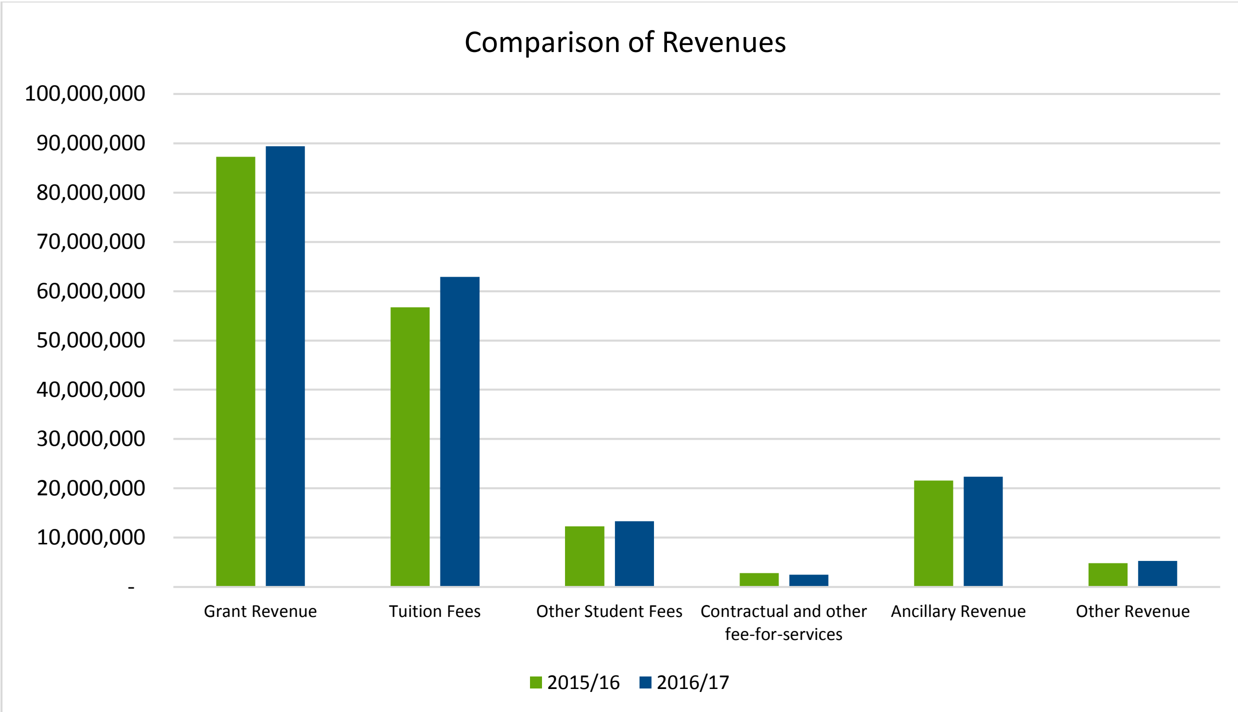
Strategy:

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

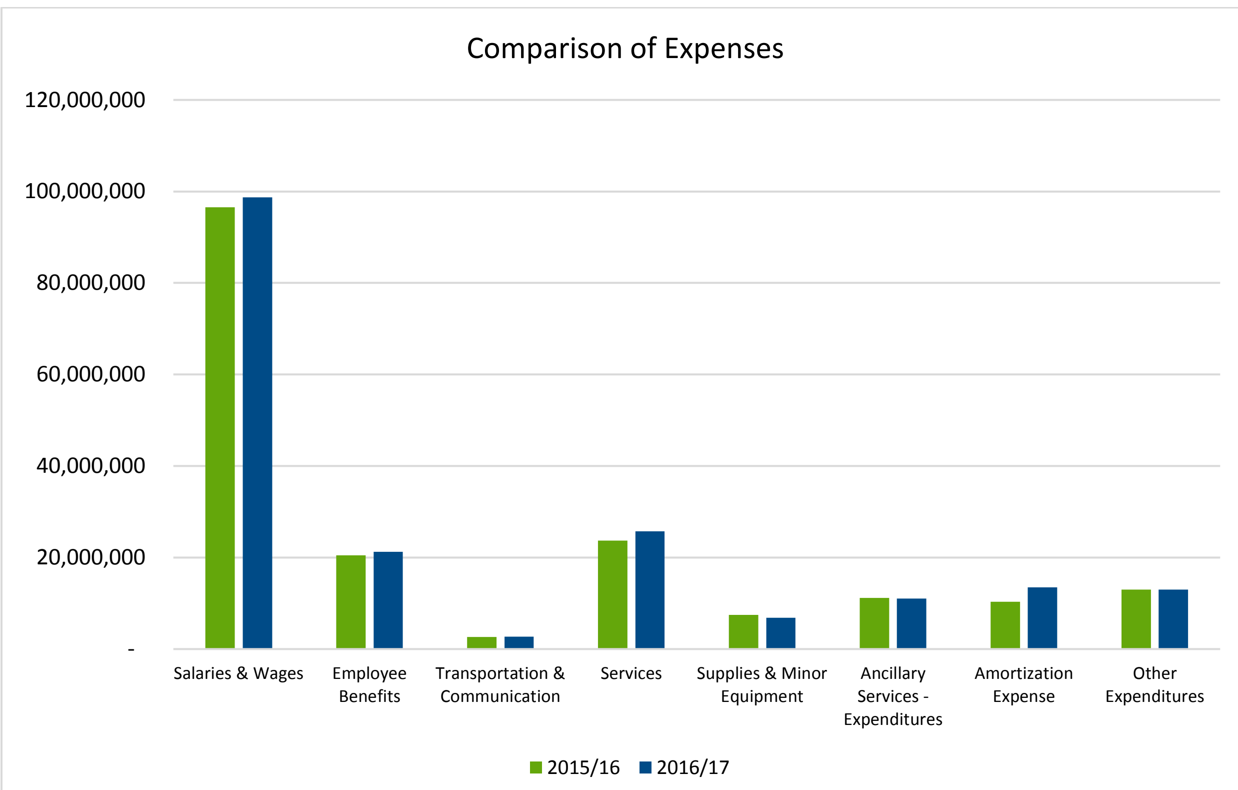
2016-17 Actions	Outcomes
S13. Develop model for service assessments.	Service process improvement review in progress for selected areas across the college.
S14. Stabilize and leverage additional functionality within PeopleSoft HR and Finance that streamlines processes, provides enhanced information for planning and enables improved accountability.	Various system enhancements introduced to improve efficiency and accountability, including vacation reporting, pcard reporting over 30 days, alerts when budget limits are reached and system integration for ordering.
S15. Create a standard, centralized and accessible repository of college procedures.	Framework developed. Templates developed and in use. Area leads identified for policy and procedure renewal.
S16. Conduct reviews and prioritize revisions related to academic processes based on analysis and funding availability.	Clinic review completed. Review underway of Business, Automotive and Hospitality.

SECTION 2: ANALYSIS OF COLLEGE'S FINANCIAL PERFORMANCE

		CFIS FINAL 13/14	CFIS FINAL 14/15	CFIS FINAL 15/16	16/17 CFIS at 04/25/17
	Revenues				
41	Grant Revenue	84,277,280	84,633,723	87,226,566	89,417,768
43	Tuition Fees	52,740,726	54,666,920	56,756,415	62,913,016
44	Other Student Fees	13,350,030	13,096,236	12,276,257	13,348,668
45	Contractual and other fee-for-services	3,643,213	2,898,130	2,842,387	2,487,303
46	Ancillary Revenue	20,252,489	19,867,702	21,611,768	22,334,202
49	Other Revenue	6,333,389	7,657,577	4,851,314	5,263,125
Total Revenue		**180,597,127**	**182,820,288**	**185,564,707**	**195,764,082**
	Expenditures				
51	Salaries & Wages	92,341,812	93,252,558	96,572,713	98,710,427
52	Employee Benefits	18,657,915	20,098,939	20,503,881	21,251,901
53	Transportation & Communication	2,665,103	2,838,225	2,676,686	2,686,399
54	Services	22,687,776	23,697,606	23,687,806	25,761,602
55	Supplies & Minor Equipment	9,732,784	8,903,026	7,446,515	6,832,769
56	Ancillary Services - Expenditures	10,669,680	11,344,831	11,214,576	11,014,905
57	Amortization Expense	10,058,372	9,746,776	10,315,392	13,496,974
59	Other Expenditures	10,330,377	11,369,514	12,994,453	12,996,191
Total Expenses		**177,143,819**	**181,251,475**	**185,412,022**	**192,751,169**
Surplus (Deficit)		**3,453,308**	**1,568,813**	**152,685**	**3,012,913**
Revised 14/15			**1,322,955**		
14/15 will have a prior period adjustment			**(245,858)**		



Comparison of Revenues
100,000,000
90,000,000
80,000,000
70,000,000
60,000,000
50,000,000
40,000,000
30,000,000
20,000,000
10,000,000
-
Grant Revenue
Tuition Fees
Other Student Fees
Contractual and other fee-for-services
Ancillary Revenue
Other Revenue
2015/16
2016/17



Comparison of Expenses
120,000,000
100,000,000
80,000,000
60,000,000
40,000,000
20,000,000
-
Salaries & Wages
Employee Benefits
Transportation & Communication
Services
Supplies & Minor Equipment
Ancillary Services - Expenditures
Amortization Expense
Other Expenditures
2015/16
2016/17

SECTION 3: SUBSIDIARIES AND FOUNDATIONS

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

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

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

APPENDIX A: 2016-17 SMA REPORT BACK

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

APPENDIX B: AUDITED FINANCIAL STATEMENTS

Consolidated Financial Statements of

The Georgian College of Applied Arts and Technology

Year Ended March 31, 2017

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Georgian

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May 2017

Management's Responsibility For Financial Reporting

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

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board (PSAB). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

The College maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the College's assets are appropriately accounted for and adequately safeguarded.

The Finance and Audit Committee is appointed by the Board of Governors and meets regularly with management, as well as the external auditors, to review matters relating to financial sustainability, controllership and auditing matters as well as financial reporting. The Committee vets matters of significance with regards to the budget, financial statements and the external auditor's report to ensure the Board is able to properly discharge its responsibilities.

As part of positioning the college to meet our student and community needs in the future, the college strives to develop alternative revenue generation and efficiency savings strategies as well as make strategic investments to position itself to do so. The college is also committed to build its reserves to ensure its ability to meet unforeseen in-year reductions in revenue or increased costs, strengthen its ability to manage future fiscal risks and/or revitalization opportunities and meet the Ministry of Advanced Education and Skills Development's financial sustainability metric of achieving a year end surplus of 1.5% of net revenue (approximately $3 million).

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

The Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Finance and Audit Committee.

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

MaryLynn WestMoynes
President and CEO

Angela Lockridge
Vice President, Corporate Services and Innovation

BDO

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Independent Auditor's Report

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

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, 2017, and the consolidated statements of operations, changes in net assets, cash flows and remeasurement losses for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated 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 consolidated 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 consolidated 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 financial position of The Georgian College of Applied Arts and Technology as at March 31, 2017, and the results of its operations, its cash flows and its remeasurement losses for the year then ended in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Mississauga, Ontario
June 12, 2017

The Georgian College of Applied Arts and Techonology
Consolidated Statement of Financial Position
As of: March 31, 2017

	2017	2016
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 16,988,039	$ 12,266,733
Restricted Cash	13,726,645	6,783,736
Accounts and Grants Receivable (Note 2)	12,051,700	6,479,250
Inventory (Note 3)	1,772,634	2,007,508
Prepaid Expenses	2,969,734	2,243,238
Current Portion of Notes Receivable (Note 4)	972,011	964,351
Investments (Note 6)	9,579,071	9,219,603
Total Current Assets	58,059,834	39,964,419
Notes Receivable (Note 4)	4,674,873	5,455,943
Construction in Progress (Note 7)	3,410,618	4,711,169
Capital Assets (Note 8)	141,775,847	140,103,435
Service Concession Assets (Note 9)	17,368,838	17,458,232
TOTAL ASSETS	$ 225,290,010	$ 207,693,198
LIABILITIES		
Current Liabilities		
Accounts and Grants Payable and Accrued Liabilities (Note 11)	$ 18,790,356	$ 15,736,137
Current Portion of Capital Leases (Note 14)	14,644	423,816
Current Portion of Long Term Debt Payable (Note 15 A)	1,992,182	2,111,476
Deferred Revenue (Note 12)	16,471,799	8,402,565
Vacation Pay Payable	4,508,354	4,636,039
Due to Student Associations (Note 13)	4,587,151	7,492,474
Total Current Liabilities	46,364,486	38,802,507
Post Employment Benefits and Compensated Absences (Note 19)	6,526,922	6,184,699
Long Term Capital Leases (Note 14)	2,020	16,664
Long Term Debt Payable (Note 15 A)	17,800,100	19,792,282
Long Term Service Concession Deferred Revenue (Note 9)	17,037,677	17,216,465
Deferred Capital Contributions (Note 16)	107,801,839	101,848,056
Deferred Contributions (Note 17)	9,438,075	7,154,683
Interest Rate Swaps (Note 15 B)	4,443,684	5,715,955
TOTAL LIABILITIES	209,414,803	196,731,311
NET ASSETS		
Unrestricted Net Assets		
Unrestricted Operating	49,302	(1,033,568)
Post Employment Benefits and Compensated Absences (Note 19)	(6,526,922)	(6,184,699)
Vacation Pay Accrual	(4,508,354)	(4,636,039)
Total Unrestricted	(10,985,974)	(11,854,306)
Investment in Capital Assets (Note 18)	21,942,974	19,798,391
Internally Restricted Funds (Note 20)	24,991	24,991
Endowment Funds (Note 21)	9,336,901	8,708,766
	20,318,892	16,677,842
Accumulated Remeasurement Losses	(4,443,684)	(5,715,955)
TOTAL NET ASSETS	15,875,208	10,961,887
TOTAL LIABILITIES AND NET ASSETS	$ 225,290,010	$ 207,693,198

See accompanying notes to the consolidated financial statements.

Approved by the Board of Governors:

Chair

President

The Georgian College of Applied Arts and Technology
Statement of Operations
For the Year Ended: March 31, 2017

	2017	2016
Revenues		
Grants and Reimbursements	$ 79,619,906	$ 79,602,451
Tuition Revenue	62,913,016	56,756,415
Ancillary Operations Revenue	22,334,202	21,611,768
Other Student Fees	13,348,668	12,276,257
Amortization of Deferred Capital Contributions	8,197,862	6,346,704
Other Revenues	6,863,125	6,128,725
Contractual and Other Fee-for-Serivce	2,487,303	2,842,387
Total Revenues	**195,764,082**	**185,564,707**
Expenditures		
Salaries and Benefits	119,565,499	117,076,594
Ancillary Operations Non Salary Expenditure	11,014,905	11,214,576
Services	13,147,338	11,013,372
Amortization of Capital Assets	13,496,974	10,315,392
Maintenance, Utilities, and Municipal Taxes	10,077,032	10,290,222
Supplies and Minor Equipment	6,832,769	7,446,515
Interest and Insurance Expenditures	5,630,191	4,753,137
Tranportation and Communication	2,686,399	2,676,686
Rental Expenditures	2,537,232	2,384,213
Other Expenses	7,762,830	8,241,315
Total Expenditures	**192,751,169**	**185,412,022**
Excess Revenue over Expenditure	**$ 3,012,913**	**$ 152,685**

See accompanying notes to the consolidated financial statements.

The Georgian College of Applied Arts and Technology
Consolidated Statement of Changes in Net Assets
For the Year Ended: March 31, 2017

	Unrestricted	Capital	Restricted: Internally Restricted (Note 20)	Restricted: Externally Restricted (Note 21)	Total
Balance - Beginning of Year	$ (11,854,306)	$ 19,798,391	$ 24,991	$ 8,708,766	$ 16,677,842
Endowments received during the year	-	-	-	203,618	203,618
Unrealized Gain on Endowments	-	-	-	424,517	424,517
Excess (Deficiency) of Revenues over Expenditures	8,222,633	(5,209,718)	-	-	3,012,913
Investment in Capital Assets	(7,354,301)	7,354,301	-	-	-
Balance - End of Year	**$ (10,985,974)**	**$ 21,942,974**	**$ 24,991**	**$ 9,336,901**	**$ 20,318,892**

For the Year Ended: March 31, 2016

	Unrestricted	Capital	Restricted: Internally Restricted (Note 20)	Restricted: Externally Restricted (Note 21)	Total
Balance - Beginning of Year	$ (7,402,935)	$ 15,194,335	$ 24,991	$ 8,395,040	$ 16,211,431
Endowments received during the year	-	-	-	313,726	313,726
Excess (Deficiency) of Revenues over Expenditures	4,033,142	(3,880,457)	-	-	152,685
Investment in Capital Assets	(8,484,513)	8,484,513	-	-	-
Balance - End of Year	**$ (11,854,306)**	**$ 19,798,391**	**$ 24,991**	**$ 8,708,766**	**$ 16,677,842**

See accompanying notes to the consolidated financial statements.

The Georgian College of Applied Arts and Techonology
Consolidated Statement of Cash Flows
For the Year Ended: March 31, 2017

Increase (decrease) in cash	2017	2016
OPERATING ACTIVITIES		
Excess Revenue over Expenditure	$ 3,012,913	$ 152,685
Items not involving Cash		
Amortization of capital assets	13,496,974	10,315,392
Amortization of deferred capital contributions	(8,197,862)	(6,346,704)
Amortization of service concession assets	89,394	89,394
Amortization of service concession deferred revenue	(178,788)	(178,788)
Post-employment benefits and compensated absences	342,224	(302,572)
	8,564,855	3,729,407
Changes in Non-Cash Working Capital		
Accounts and grants receivable	(5,572,450)	(716,986)
Inventory	234,874	114,453
Prepaid expenses	(726,496)	(345,402)
Accounts and grants payable and accrued liabilities	3,054,218	337,530
Deferred revenue	8,069,234	1,945,279
Change in vacation pay payable	(127,685)	80,215
Due to student associations	(2,905,323)	1,322,644
	10,591,227	6,467,140
INVESTING ACTIVITIES		
Unrealized (loss) gain on investments	(284,627)	592,421
Repayment of notes receivable	773,410	747,193
	488,783	1,339,614
FINANCING ACTIVITIES		
Repayment of capital leases	(423,816)	(460,252)
Repayment of long term debt payable	(2,111,476)	(2,018,850)
	(2,535,292)	(2,479,102)
CAPITAL ACTIVITIES		
Contributions received for capital purposes	10,045,424	3,689,906
Invested in construction in progress	1,300,551	(1,889,699)
Purchase of capital assets	(15,169,387)	(9,985,605)
	(3,823,412)	(8,185,398)
Increase (decrease) in cash	4,721,306	(2,857,746)
Cash, beginning of year	12,266,733	15,124,479
Cash, end of year	$ 16,988,039	$ 12,266,733

See accompanying notes to the consolidated financial statements.

The Georgian College of Applied Arts and Technology
Consolidated Statement of Remeasurement Losses
As of: March 31, 2017

		2017		2016
Accumulated Remeasurement Losses at beginning of year	$	5,715,955	$	5,993,413
Derivative - interest rate swap		(1,272,271)		(277,458)
Net remeasurement loss for the year		(1,272,271)		(277,458)
Accumulated Remeasurement Losses at end of year	$	4,443,684	$	5,715,955

See accompanying notes to the consolidated financial statements.

GENERAL

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

The Consolidated Financial Statements of the College have been prepared by management in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPOs"). The most significant of which are as follows:

(A) CASH AND CASH EQUIVALENTS

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

(B) REVENUES

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

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

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

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

1. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

iv) Externally restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in endowment net assets.

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

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

(C) VALUATION OF INVENTORIES

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

(D) CAPITAL ASSETS

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

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

1. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

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

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

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

(E) **RETIREMENT AND POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES**

The College provides defined retirement and post-employment benefits and compensated absences to certain employee groups. These benefits include pension, health and dental, vesting sick leave, and non-vesting sick leave. The College has adopted the following policies with respect to accounting for these employee benefits:

(i) The costs of post-employment future benefits are actuarially determined using management's best estimate of health care costs, disability recovery rates and discount rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight line basis. Any calculations relating to any contractual arrangements outside of the above noted circumstances have been determined by management using the same assumptions as the actuary.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(iii) The cost of vesting and non-vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, employees' use of entitlement and discount rates. Adjustments to these costs arising from changes in actuarial assumption and/or experience are recognized over the estimated average remaining service life of the employees.

(iv) Compensated absences are determined by management.

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

(F) RELATED ORGANIZATIONS

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

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

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

(G) COST ALLOCATIONS

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

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(H) MANAGEMENT ESTIMATES

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

(I) GIFTS IN KIND

Contributed materials and services are recorded in the accounts at fair market value when such a value can reasonably be estimated. During the fiscal year, $57,171 (2016 - $94,345) of gifts in kind were received. Included in this amount, $49,599 relates gemstones and a scale. The remaining $7,572 relates to miscellaneous equipment.

The College has built up a permanent study collection of Canadian and International art whereby the value of these pieces has not been included in the books of the College.

(J) FINANCIAL INSTRUMENTS

The College classifies its financial instruments as either fair value or amortized cost. The College's accounting policy for each category is as follows:

FAIR VALUE

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the consolidated statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from consolidated net assets and recognized in the consolidated statement of operations.

AMORTIZED COST
This category includes accounts receivable, grants receivable, notes receivable from the student associations and the alumni association, accounts payable and accrued liabilities, vacation pay payable, grants payable, due to student associations, and long term debt payable. They are initially recognized at fair value and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss in known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

2. ACCOUNTS AND GRANTS RECEIVABLE

	2017	2016
Student Receivables	$(67,300)	$482,729
Staff	38,069	53,491
Trade and Other	2,411,654	3,904,431
Grants Receivable	9,669,277	2,038,599
	$12,051,700	$6,479,250

3. INVENTORY

	2017	2016
Beginning Inventory	$2,007,508	$2,121,961
Purchases	6,112,929	6,518,553
Goods Available	8,120,437	8,640,514
Cost of Goods Sold / Adjustments	6,347,803	6,633,006
Ending Inventory	$1,772,634	$2,007,508

4. NOTES RECEIVABLE

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

The Student Association in Orillia has committed to contribute the construction cost of a Fitness Centre which was completed in 2004/05. The Student Association will make annual minimum payments of $130,000, until the balance, including accrued interest is paid in full. This portion of the note receivable is funded by the College from its own resources and bears interest at 1.00% (2016 - 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 2017, the interest reduction was $Nil (2016 - $Nil) and the interest charged was $7,000 (2016 - $8,299).

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

The Alumni Association has signed a note payable of $500,000 for the Power of Education Campaign on April 1, 2009. The Alumni Association will make annual minimum payments of $75,000 until this balance is reached. The current portion of the note outstanding at March 31, 2017 is $75,000 (2016 - $75,000), with the non-current portion being $134,263 (2016 - $199,080). This Note Receivable is non-interest bearing.

4. NOTES RECEIVABLE (cont'd)

Since the rate that the College charged the Alumni Association was not at market at inception, the carrying value of the instrument has been adjusted to fair value. The net unamortized balance at March 31, 2017 of the decrease to the financial asset resulting from this adjustment is $15,737 (2016 - $25,919).

Note Receivable	Barrie	Orillia	Barrie TLC	Alumni	Total
Balance, beginning of year	$3,476,013	$764,484	$1,905,717	$274,080	$6,420,294
Payments received	(550,000)	(130,000)	(276,572)	(75,000)	(1,031,572)
Interest charged	173,758	7,000	67,222	—	247,980
Amortization of Financial Instrument	—	—	—	10,182	10,182
Balance, end of year	3,099,771	641,484	1,696,367	209,262	5,646,884
Less Current Portion	550,000	130,000	217,011	75,000	972,011
	$2,549,771	$511,484	$1,479,356	$134,262	$4,674,873

5. FINANCIAL INSTRUMENT CLASSIFICATION

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

	2017		
	Fair Value	**Amortized Cost**	**Total**
Cash and Cash Equivalents	$16,988,039	$—	$16,988,039
Restricted Cash	13,726,645	—	13,726,645
Accounts and Grants Receivable	—	12,051,700	12,051,700
Notes Receivable	—	5,646,884	5,646,884
Investments	9,579,071	—	9,579,071
Accounts and Grants Payable and Accrued Liabilities	—	18,790,356	18,790,356
Long Term Debt Payable & Lease Liabilities	—	19,808,946	19,808,946
Interest Rate Swaps	4,443,684	—	4,443,684

5. FINANCIAL INSTRUMENT CLASSIFICATION (cont'd)

	2016		
	Fair Value	Amortized Cost	Total
Cash and Cash Equivalents	$12,266,733	$—	$12,266,733
Restricted Cash	6,783,736	—	6,783,736
Accounts and Grants Receivable	—	6,479,250	6,479,250
Notes Receivable	—	6,420,294	6,420,294
Investments	9,219,603	—	9,219,603
Accounts and Grants Payable and Accrued Liabilities	—	15,736,137	15,736,137
Long Term Debt Payable & Lease Liabilities	—	22,344,238	22,344,238
Interest Rate Swaps	5,715,955	—	5,715,955

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

Maturity profile of bonds held is as follows:

	2017				
	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	Total
Carrying Value	$358,822	$3,687,639	$1,439,226	$678,094	$6,163,781
Percent of Total	5.82%	59.83%	23.35%	11.00%	100.00%

	2016				
	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	Total
Carrying Value	$326,348	$3,799,802	$1,280,423	$767,519	$6,174,092
Percent of Total	5.29%	61.54%	20.74%	12.43%	100.00%

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset of liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

5. FINANCIAL INSTRUMENT CLASSIFICATION (cont'd)

	2017		
	Level 1	Level 2	Total
Cash and Cash Equivalents	$16,988,039	$—	$16,988,039
Restricted Cash	13,726,645	—	13,726,645
Investments	—	9,579,071	9,579,071
Interest Rate Swaps	—	4,443,684	4,443,684
Total	$30,714,684	$14,022,755	$44,737,439

	2016		
	Level 1	Level 2	Total
Cash and Cash Equivalents	$12,266,733	$—	$12,266,733
Restricted Cash	6,783,736	—	6,783,736
Investments	—	9,219,603	9,219,603
Interest Rate Swaps	—	5,715,955	5,715,955
Total	$19,050,469	$14,935,558	$33,986,027

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2017 and 2016. There are no Level 3 financial instruments in 2017 or 2016 and no transfers in or out of Level 3 in either year. For a sensitivity analysis of financial instruments recognized in Level 2, see Note 25 – Interest rate risk, as the prevailing interest rate is the most significant input in the fair value of the instrument.

6. INVESTMENTS

Long-term investments in the amount of $9,579,071 (2016 - $9,219,603) are restricted for Endowment purposes and are not available for general operations. Investments are comprised of the following:

	Fair Value	Cost
Cash	$34,967	$34,967
Fixed Income (Bonds)	6,158,310	6,239,815
Canadian Equity (Mutual Funds)	2,141,389	1,716,928
U.S. Equity (Mutual Funds)	650,869	622,946
International Equity (Mutual Funds)	593,536	539,127
	$9,579,071	$9,153,783

The total of restricted cash and investments is $23,305,716 (2016 - $16,003,339) representing the endowment funds and the deferred contributions.

7. CONSTRUCTION IN PROGRESS

Costs related to certain capital projects where the projects are not complete and therefore the assets have not begun their useful life, are recorded as deferred charges. These deferred costs will be amortized as capital assets in the year when the assets are put in use or expensed in the year when the projects are cancelled. Current projects that have been deferred in 2016/17 and their expected completion dates are as follows.

Project	Expected Completion	2017	2016
Advanced Technology Centre	Apr 2018	$3,101,781	$—
Various Campus Renovations	Various 2017	299,566	202,702
Downtown Building	Aug 2017	9,271	—
OS MED Project	Sept 2016	—	2,623,270
PeopleSoft Hyperion System	April 2016		845,948
Student Sports Field	Sept 2016	—	329,483
IT – Student Portal	Mar 2017	—	333,552
Oracle additional modules for PS	Various 2016	—	206,997
AEF Signature Project	Dec 2016		131,724
CARI – Direct Energy	Jun 2016	—	37,493
		$3,410,618	$4,711,169

8. CAPITAL ASSETS

	2017		
ASSET	Cost	Accumulated Amortization	Net book Value
Land	$3,986,722	$—	$3,986,722
Buildings	190,269,666	75,792,641	114,477,025
Site Improvements	19,500,702	10,978,972	8,521,730
Furniture and Fixtures	1,300,944	1,161,186	139,758
Equipment and Vehicles	12,953,357	10,987,557	1,965,800
Computers	2,573,557	1,142,974	1,430,583
Major Equipment & Enterprise Software	19,103,044	9,950,332	9,152,712
Leased Equipment	2,314,645	2,190,410	124,235
AV Equipment	2,028,391	859,591	1,168,800
Non Enterprise Software	908,653	100,171	808,482
	$254,939,681	$113,163,834	$141,775,847

8. CAPITAL ASSETS (cont'd)

	2016		
ASSET	Cost	Accumulated Amortization	Net book Value
Land	$3,986,722	$---	$3,986,722
Buildings	183,326,432	68,323,473	115,002,959
Site Improvements	17,821,039	9,282,561	8,538,478
Furniture and Fixtures	1,339,181	1,136,595	202,586
Equipment and Vehicles	13,027,501	10,693,124	2,334,377
Computers	1,499,966	769,772	730,194
Major Equipment & Enterprise Software	15,576,769	8,362,774	7,213,995
Leased Equipment	2,314,645	1,750,931	563,714
AV Equipment	1,646,993	236,432	1,410,561
Non Enterprise Software	123,786	3,937	119,849
	$240,663,034	$100,559,599	$140,103,435

Amortization expense for the year is $13,496,974 (2016 - $10,315,392).

9. SERVICE CONCESSION ASSET AND DEFERRED REVENUE

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

At year-end, these buildings have a net book value of $17,368,838 (2016 - $17,458,232).

Included in other revenue is $178,788 (2016 - $178,788) representing the amortization of the service concession deferred revenue and included in other expenses is $89,394 (2016 - $89,394) representing the amortization of the service concession assets.

10. BANK INDEBTEDNESS

The College has arranged for an unsecured five million dollar revolving demand facility to finance general operating requirements. The interest rate is Royal Bank Prime minus .75%. The College had not drawn any funds at March 31, 2017. The College has $165,012 (2016 - $73,244) in letters of credit outstanding as of March 31, 2017.

11. ACCOUNTS AND GRANTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
Trade Accounts Payables and Accruals	$10,947,041	$9,731,816
Accrued Payroll Liabilities	7,774,193	5,939,708
Grants Payable	69,122	64,613
	$18,790,356	$15,736,137

12. DEFERRED REVENUE

	2017	2016
Other Restricted Grants	$8,000,908	$867,257
Student Fees Collected	7,483,952	6,855,328
Contract Training & Other Projects	986,939	679,980
	$16,471,799	$8,402,565

13. DUE TO STUDENT ASSOCIATIONS

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

14. LEASE LIABILITIES AND COMMITMENTS

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

	Capital Leases	Operating Leases	Total
2017/18	$14,989	$1,175,913	$1,190,902
2018/19	2,037	731,157	733,194
2019/20	---	255,719	255,719
2020/21	---	31,993	31,993
2021/22	---	---	---
2022/23 and after	---	---	---
	17,026	2,194,782	2,211,808
Less Interest	(362)	---	(362)
	16,664	2,194,782	2.211.446
Less Current Portion	(14,644)	(1,175,913)	(1,190,557)
	$2,020	$1,018,869	$1,020,889

As at March 31, 2017, $NIL (2016 - $321,912) of the total capital leases carry an interest rate of 0%.

15. LONG-TERM DEBT PAYABLE AND FINANCIAL INSTRUMENTS

(A) LONG TERM DEBT

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

	2017	2016
Related to Capital Assets Acquisition:		
Residence loan being an Agreement for a series of three month Bankers Acceptances to be issued by the College at BA rate plus 0.3% having no security. The Bankers Acceptances will be issued in declining amounts for principal and interest amounts such that the obligation will be paid by September 2027.	$14,744,000	$15,693,000
Financing the capital portion for Regional Campus Enhancements, term loan from Ontario Financing Authority bearing interest at a fixed rate of 3.954%, having no security, repayable in blended semi-annually payments of $193,231, maturing March 2018.	377,683	738,424
Financing for the Owen Sound Marine Simulator, term loan from Ontario Financing Authority bearing interest at a fixed rate of 3.715%, having no security, repayable in blended semi-annually payments of $135,452, maturing March 2019.	517,554	762,389
Financing for the PeopleSoft Human Resources Information system, term loan from Ontario Financing Authority bearing interest at a fixed rate of 3.626%, having no security, repayable in blended semi-annual payments of $144,141 maturing March 2020.	812,515	1,064,462
	$16,451,752	$18,258,275
Not Related to Capital Assets Acquisition:		
Financing Note Receivable from Student Association (See Note 4) Non-revolving term facility through Bankers Acceptances to be issued by the College at BA rate plus 0.3% having no security. The Bankers Acceptances will be issued both quarterly and annually such that the obligation will be paid by September 2029.	3,288,000	3,540,000
Financing the non-capital portion for Regional Campus Enhancements, term loan from Ontario Financing Authority bearing interest at a fixed rate of 3.954%, having no security, repayable in blended semi-annual payments of $28,275, maturing March 2018.	52,530	105,483
	3,340,530	3,645,483
	19,792,282	21,903,758
Less current portion	1,992,182	2,111,476
	$17,800,100	$19,792,282

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

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

	Total
2017/18	$1,992,182
2018/19	2,084,473
2019/20	1,685,627
2020/21	1,482,000
2021/22	1,564,000
2022/23 and thereafter	10,984,000
Total	$19,792,282

(B) INTEREST RATE SWAPS

The College has entered into interest rate swap agreements to manage the volatility of interest rates. The residence financing has a notional value of $23,250,000 with a fixed interest rate of 6.315%, and the notional value of the residence financing of $6,000,000 (portion of the Financing of the Notes Receivable from the Student Association) has been converted to a fixed rate of 4.73% by entering into the interest rate swaps. Interest expense in respect of the residence financing for 2017 is $1,011,479 (2016 - $1,072,965) and in respect of the financing on the notes receivable for 2017 is $160,124 (2016 - $188,981). The maturity dates of the interest rate swaps are 2027 for the residence financing, and 2029 for financing of the Notes Receivable from the Student Association.

The fair value of the interest rate swap agreements is based on amounts quoted by the College's bank to realize favourable contracts or settle unfavourable contracts. The fair value of the interest rate swaps was in a net unfavorable position, representing a liability of $4,443,684 (2016 - $5,715,955) recorded in the statement of financial position with the fluctuations being recorded in the statement of remeasurement losses.

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

	Total
2017/18	$1,264,000
2018/19	1,333,000
2019/20	1,405,000
2020/21	1,482,000
2021/22	1,564,000
2022/23 and thereafter	10,984,000
Total	$18,032,000

16. DEFERRED CAPITAL CONTRIBUTIONS

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

	2017	2016
Balance, beginning of year	$101,848,056	$104,504,855
Contributions received for capital assets		
- Government grants	10,642,981	162,607
- Other	3,508,664	3,527,298
Less: Amount amortized to revenue during the year		
- Government grants	(5,288,828)	(5,045,565)
- Other	(2,909,034)	(1,301,139)
Balance, end of year	$107,801,839	$101,848,056

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

	2017	2016
Unamortized capital contributions	$103,695,618	$101,848,056
Add: Unspent capital contributions	4,106,221	—
Balance, end of year	$107,801,839	$101,848,056

17. DEFERRED CONTRIBUTIONS

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

	2017	2016
Balance, beginning of year	$7,154,683	$7,649,672
Add: Contributions Received	6,436,506	3,433,085
Restricted Investment Income	549,632	458,569
Funds Held by Georgian College Foundation	11	184
	6,986,149	3,891,838
Less: Amount Recognized as Revenue in year	564,548	966,541
Student Award Payments	778,734	682,264
Disbursement of Funds	40	85,764
Student Loans Recovered	480	---
Deferred Capital Contributions	3,177,857	2,059,527
Transferred to Endowed Funds	41,208	310
Change in Unrealized Market Gain	139,890	592,421
	4,702,757	4,386,827
Balance, end of year	$9,438,075	$7,154,683
Comprised of:		
Student Emergency Loan Funds	$49,886	$50,366
General Donations	29,567	28,737
Employment Stability Funds	370,699	367,052
Ontario College Staff Association	368	368
Special Projects	5,728,594	3,864,766
Annual Awards and Scholarships	1,069,467	771,196
Unspent Endowment Investment Income	621,772	632,720
Contributions and Fundraising	1,566,622	1,298,499
Funds Held by Georgian College Foundation	1,100	1,089
Unrealized Market Gain	---	139,890
	$9,438,075	$7,154,683

18. INVESTMENT IN CAPITAL ASSETS

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

	2017	2016
Net book value of capital assets (Note 8)	$141,775,847	$140,103,435
Net book value of service concession assets (Note 9)	17,368,838	17,458,232
Less: Deferred capital contributions (Note 16)	$103,695,618	$101,848,056
Service Concession Deferred Revenue (Note 9)	17,037,677	17,216,465
Long Term Debt Payable (Note 15 A)	16,451,752	18,258,275
Capital lease obligations (Note 14)	16,664	440,480
	$21,942,974	$19,798,391

19. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES LIABILITY

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

	2017				
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Compensated Absences	Total Liability
Accrued employee future benefits obligations	$1,382,831	$4,106,000	$850,000	$697,091	$7,035,922
Value of plan assets	(159,000)				(159,000)
Unamortized actuarial gains (losses)	86,000	286,000	(722,000)		(350,000)
Total Liability	$1,309,831	$4,392,000	$128,000	$697,091	$6,526,922

	2016				
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Compensated Absences	Total Liability
Accrued employee future benefits obligations	$1,538,940	$3,292,000	$169,000	$266,759	$5,266,699
Value of plan assets	(210,000)				(210,000)
Unamortized actuarial gains	27,000	1,092,000	9,000		1,128,000
Total Liability	$1,355,940	$4,384,000	$178,000	$266,759	$6,184,699

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

		2017			
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Compensated Absences	Total Expense
Current year benefit cost (recovery)	$(28,109)	$221,000	$52,000	$430,333	$675,224
Interest on accrued benefit obligation	2,000	59,000	19,000		80,000
Amortized actuarial losses (gains)	(9,000)	(74,000)	99,000		16,000
Total Expense (recovery)	$(35,109)	$206,000	$170,000	$430,333	$771,224

		2016			
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Compensated Absences	Total Expense
Current year benefit cost	$11,578	$217,000	$7,000	$(154,150)	$81,428
Interest on accrued benefit obligation	3,000	55,000	3,000		61,000
Amortized actuarial losses (gains)	(13,000)	(70,000)	13,000		(70,000)
Total Expense	$1,578	$202,000	$23,000	$(154,150)	$72,428

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

(A) RETIREMENT BENEFITS

CAAT Pension Plan

A majority of the College's employees are participants in the defined benefit contributory retirement pension plan of the Colleges of Applied Arts and Technology. The plan is a multi-employer plan and therefore the College's contributions are accounted for as if the plan were a defined contribution plan with the College's contributions being expensed in the period they come due. Any unfunded liability is to be paid directly by the MAESD. The most recent actuarial valuation filed with pension regulators as at January 1, 2017 indicated an actuarial surplus of $1.6 billion (2016 - $1.2 billion). The College made contributions to the Plan and its associated retirement compensation arrangement of $9,528,955 in 2017 ($9,279,286 in 2016), which has been included in the consolidated statement of operations in Salaries and Benefits.

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

(B) POST-EMPLOYMENT BENEFITS

The College extends post- employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The College recognizes these benefits as they are earned during the employees tenure of service. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

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

a) Discount Rate

The present value as at March 31, 2017 of the future benefits was determined using a discount rate of 2.0 % (2016 – 1.70%).

b) Drug Costs

Drug costs were assumed to increase at a 8.25% rate for 2017 (2016 – 8.50%) and decrease proportionately thereafter to an ultimate rate of 4.00% in 2034 for fiscal 2017 (2016 – 4%).

c) Hospital and other medical

Hospital and other medical costs were assumed to increase at 4% per annum in 2017 (2016 – 4.00%). Medical premium increases were assumed to increase at 6.98% per annum in 2017 (2016 – 7.15%) and decrease proportionately thereafter to an ultimate rate of 4.00% in 2034 for the fiscal 2017 (2016 – 4.00%).

d) Dental costs

Dental costs were assumed to increase at 4% per annum in 2017 (2016 – 4.00%).

(C) Compensated Absences

Vesting Sick Leave

The College has provided for vesting sick leave benefits during the year. Eligible employees, after 10 years of service are entitled to receive 50% of their accumulated sick leave credit on termination or retirement to a maximum of 6 months' salary. The program to accumulate sick leave credits ceased for employees hired after March 31, 1991. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

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

Non-Vesting Sick Leave

The College allocates to certain employee groups a specified number of days each year for use as paid absences in the event of illness or injury. These days do not vest and are available immediately. Employees are permitted to accumulate their unused allocation each year, up to the allowable maximum provided in the employment agreements. Accumulated days may be used in future years to the extent that the employees' illness or injury exceeds the current year's allocation of days. Sick days are paid out at the salary in effect at the time of usage. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

The assumptions used in the valuation of vesting and non-vesting sick leave are the College's best estimates of expected rates of:

	2017	2016
Wage and salary escalation	.50%-1.80%	.50%-1.80%
Discount rate	2.00%	1.70%

The probability that employees will use more sick days than the annual accrual and the excess number of sick days used are within ranges of 0% to 23.7% and 0 to 48.0 days respectively for age groups ranging from 0 and under to 65 and over in bands of 5 years.

Compensated Absences

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

20. INTERNALLY RESTRICTED FUNDS

The College restricts amounts from the net asset balance, as approved by the Board of Governors. The balance of $24,991 at March 31, 2017 (2016 – $24,991) is for the Barrie Student Residence.

21. ENDOWMENT FUNDS

The College has the following endowment funds:

	2017	2016
Ontario Student Opportunity Trust Fund Phase 1	$624,746	$624,746
Ontario Student Opportunity Trust Fund Phase 2	54,024	54,024
Ontario Trust for Student Support	5,503,418	5,426,231
Other	2,730,196	2,603,765
Unrealized Gain	424,517	—
Total	$9,336,901	$8,708,766

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

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

OSOTF PHASE I	Endowment Fund Balance	Expendable Funds Available for Bursaries	2017 Total	2016 Total
Balance, beginning of year	$624,746	$70,071	$694,817	$647,249
Investment income, net of direct investment related expenses	---	34,389	34,389	29,328
Bursaries Awarded – 26 (2016 - 18)	---	(17,681)	(17,681)	(8,760)
Balance, end of year	$624,746	$86,779	$711,525	$667,817
The market value of the endowment as at March 31, 2017 was $633,295 (2016 - $629,898)				

OSOTF PHASE II	Endowment Fund Balance	Expendable Funds Available for Bursaries	2017 Total	2016 Total
Balance, beginning of year	$54,024	$8,607	$62,631	$59,450
Investment income, net of direct investment related expenses	---	3,958	3,958	3,381
Bursaries Awarded – 1 (2016 - 1)	---	(400)	(400)	(200)
Balance, end of year	$54,024	$12,165	$66,189	$62,631
The market value of the endowment as at March 31, 2017 was $52,518 (2016 - $54,868)				

OTSS	Endowment Fund Balance	Expendable Funds Available for Bursaries	2017 Total	2016 Total
Balance, beginning of year	$5,426,231	$578,173	$6,004,404	$5,851,809
Eligible cash donations received	77,187	---	77,187	62,993
Other cash donations received	---	9,277	9,277	881
Investment income, net of direct investment related expenses	---	266,833	266,833	222,471
Bursaries Awarded – 118 (2016 - 108)	---	(159,000)	(159,000)	(133,750)
Balance, end of year	$5,503,418	$695,283	$6,198,701	$6,004,404
The market value of the endowment as at March 31, 2017 was $5,658,829 (2016 - $ 5,451,568)				

23. ART COLLECTION HELD

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

Funds received through de-accessioning activities are to be used for the direct benefit of the Collection. The art collection at March 31, 2017 is comprised of approximately 4600 pieces with a value as per charitable receipts issued of $3,916,095 (2016 - $3,916,095).

24. REPORTING ENTITY PROJECT

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

The Ministry of Advanced Education and Skills Development provided funding to the Colleges for eligible expenditures related to this initiative including audit and consulting costs, software costs, training costs and direct staff costs devoted to the project. The funding received for 2017 of $ 47,950 (2016 – $48,110) was spent on salaries and benefits.

25. FINANCIAL INSTRUMENT RISK MANAGEMENT

Credit Risk

Credit risk is the risk of financial loss to the College if a debtor fails to make payments of interest and principal when due. The College is exposed to this risk relating to its cash, debt holdings in its investment portfolio, notes receivable, grants receivable and accounts receivable. The College holds its cash accounts with federally regulated chartered banks who are insured up to $100,000 (2016 -$100,000).

The College's investment policy operates within the constraints of the investment guidelines issued by the MAESD and puts limits on the bond portfolio including portfolio composition limits, issuer type limits, bond quality limits, aggregate issuer limits, corporate sector limits and general guidelines for geographic exposure. All fixed income portfolios are measured for performance on a quarterly basis and monitored by management on a monthly basis. The guidelines permit the College's funds to be invested in bonds issued by the Government of Canada, a Canadian province or a Canadian municipality having a rating of A or better, or corporate investments have a rating of A (R-1) or better.

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

25. FINANCIAL INSTRUMENT RISK MANAGEMENT (cont'd)

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

The College measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the College's historical experience regarding collections. The amounts outstanding at year end were as follows:

	2017				
	Total	0-120 Days	121-240 Days	241-360 Days	361+ Days
Student Receivables	$(67,300)	$(79,180)	$(61,554)	$16,262	$57,172
Staff	38,069	38,069	—	—	—
Residence	—	—	—	—	—
Trade Balances	2,411,654	2,411,654			
Grants Receivable	9,669,277	9,669,277	—	—	—
Net receivables	$12,051,700	$12,039,820	$(61,554)	$16,262	$57,172

	2016				
	Total	0-120 Days	121-240 Days	241-360 Days	361+ Days
Student Receivables	$482,729	$359,310	$(109,242)	$35,164	$197,497
Staff	53,491	53,491	—	—	—
Residence	—	—	—	—	—
Trade Balances	3,904,431	3,904,431	—	—	—
Grants Receivable	2,038,599	2,038,599	—	—	—
Net receivables	$6,479,250	$6,355,831	$(109,242)	$35,164	$197,497

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

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

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

25. FINANCIAL INSTRUMENT RISK MANAGEMENT (cont'd)

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

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

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

Currency Risk

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

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

Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The College is exposed to this risk through its interest bearing investments, bank loans, and term debt.

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

25. FINANCIAL INSTRUMENT RISK MANAGEMENT (cont'd)

At March 31, 2017 a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of bonds in the College and Special Purpose funds of $137,500 and $175,200 respectively, and an impact of $841,913 on the interest rate swap. A 1% fluctuation in interest rates would have an estimated impact on interest income related to the College's notes receivables of $4,624. The College's term debt as described in Note 15 A would not be impacted as the inherent variable rate of the debt has been fixed with the use of the aforementioned derivative interest rate swap.

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

Equity Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The College is exposed to this risk through its equity holdings within its investment portfolio. At March 31, 2017, a 10% movement in the stock markets with all other variables held constant would have an estimated effect on the fair values of the College's equities of $338,600.

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

Liquidity Risk

Liquidity risk is the risk that the College will not be able to meet all cash outflow obligations as they come due. The College mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting analysis. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows of financial liabilities excluding interest):

	2017			
	Within 6 months	6 months to 1 year	1-5 years	>5 years
Accounts and grants payable and accrued liabilities	$18,790,356	$—	$—	$—
Lease Liabilities	14,644	—	2,020	—
Operating Leases	617,795	558,118	1,018,869	—
Current and Long-term debt	966,250	1,025,932	6,816,100	10,984,000
Total Liabilities	$20,389,045	$1,584,050	$7,836,989	$10,984,000

25. FINANCIAL INSTRUMENT RISK MANAGEMENT (cont'd)

	2016			
	Within 6 months	6 months to 1 year	1-5 years	>5 years
Accounts and grants payable and accrued liabilities	$15,736,137	$---	$---	$---
Lease Liabilities	423,816	---	16,664	---
Operating Leases	776,693	640,564	1,869,623	
Current and Long-term debt	916,955	1,194,521	8,808,282	10,984,000
Total Liabilities	$17,853,601	$1,835,085	$10,694,569	$10,984,000

Financial liabilities mature as described in Note 15.

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

26. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the method of presentation adopted for the current year.

APPENDIX C: KPI PERFORMANCE REPORT

Survey Data Collection Timeframes:

- Graduate Employment Rate: 2015-16 graduates six months after graduation
- Graduate Satisfaction Survey: 2015-16 graduates six months after graduation
- Employer Satisfaction Survey: Employers who have hired 2015-16 graduates
- Student Satisfaction Survey: June 2016, November 2016 and February 2017
- The 2016-17 KPI Graduation Rate is based on students who had been funded through the College Funding Framework (CFF) Funding, Second Career or Co-op Diploma Apprenticeship (CODA). It includes students who graduated by 2015-16 and who started:
    - One-year programs in 2014-15 (two years' completion time);
    - Two-year programs in 2012-13 (four years' completion time);
    - Three-year programs in 2010-11 (six years' completion time); and
    - Four-year programs in 2009-10 (seven years' completion time)

2016-2017					
	GEORGIAN			PROVINCE	
KPI Measure	**KPI**	**% change from 2015-16**	**Provincial Rank**	**KPI**	**% change from 2015-16**
Graduate Employment	87.3%	-0.5%	1	83.0%	-0.6%
Graduate Satisfaction	78.3%	-2.2%	16	78.8%	-1.5%
Employer Satisfaction	90.2%	-0.3%	14	91.2%	-0.2%
Student Satisfaction	79.0%	-0.1%	9	76.5%	-0.3%
Graduation Rate	63.3%	-1.2%	21	66.6%	-0.1%

2015-2016					
	GEORGIAN			PROVINCE	
KPI Measure	**KPI**	**% change from 2014-15**	**Provincial Rank**	**KPI**	**% change from 2014-15**
Graduate Employment	87.8%	-0.5%	2	83.6%	+0.4%
Graduate Satisfaction	80.5%	+0.8%	16	80.3%	-0.3%
Employer Satisfaction	90.5%	+0.9%	19	91.4%	-3.3%
Student Satisfaction	79.1%	+1.4%	10	76.8%	-0.6%
Graduation Rate	64.5%	-0.4%	19	66.7%	-0.9%

2014-2015					
	GEORGIAN			PROVINCE	
KPI Measure	**KPI**	**% change from 2013-14**	**Provincial Rank**	**KPI**	**% change from 2013-14**
Graduate Employment	88.3%	+1.4%	5	84.0%	+0.6%
Graduate Satisfaction	79.7%	-1.9%	16	80.0%	-0.1%
Employer Satisfaction	89.6%	-1.9%	6	88.1%	-4.1%
Student Satisfaction	77.7%	+0.5%	13	76.2%	-0.1%
Graduation Rate	64.9%	+2.4%	17	65.8%	+0.4%

2013-2014					
	GEORGIAN			**PROVINCE**	
KPI Measure	**KPI**	**% change from 2012-13**	**Provincial Rank**	**KPI**	**% change from 2012-13**
Graduate Employment	86.9%	-1.2%	6	83.4%	-0.2%
Graduate Satisfaction	81.6%	No change	11	80.1%	+0.1%
Employer Satisfaction	91.5%	-1.8%	16	92.2%	-1.2%
Student Satisfaction	77.2%	-1.6%	11	76.3%	-0.8%
Graduation Rate	62.5%	-0.5%	19	65.4%	+0.6%

2012-2013					
	GEORGIAN			**PROVINCE**	
KPI Measure	**KPI**	**% change from 2011-12**	**Provincial Rank**	**KPI**	**% change from 2011-12**
Graduate Employment	88.1%	+1.3%	4	83.6%	+0.6%
Graduate Satisfaction	81.6%	+1.2%	8	80.0%	+1.1%
Employer Satisfaction	93.3%	-0.2%	14	93.4%	+0.6%
Student Satisfaction	78.8%	+1.0%	11	77.1%	+0.3%
Graduation Rate	63.0%	+0.4%	17	64.8%	-0.2%

2011-2012					
	GEORGIAN			**PROVINCE**	
KPI Measure	**KPI**	**% change from 2010-11**	**Provincial Rank**	**KPI**	**% change from 2010-11**
Graduate Employment	86.8%	+1.1%	7	83.0%	+0.0%
Graduate Satisfaction	80.4%	-2.4%	7	78.9%	-0.2%
Employer Satisfaction	93.5%	-0.3%	7	92.8%	-0.4%
Student Satisfaction	77.8%	+0.6%	11	76.8%	+0.7%
Graduation Rate	62.6%	+1.4%	21	65.0%	+0.8%

2010-2011					
	GEORGIAN			**PROVINCE**	
KPI Measure	**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%

APPENDIX D: SUMMARY OF ADVERTISING AND MARKETING COMPLAINTS

No complaints were received in 2016-17.

APPENDIX E: UNIVERSITY PARTNERSHIP CENTRE REPORT

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

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

In 2016-17, partners included Central Michigan University, Lakehead University, Laurentian University*, University of Ontario Institute of Technology and York University. In addition, Georgian offered five college degrees in 2016-17. The degree programs that accepted applications in 2016-17 are summarized below.

Institution	Program	Model
Central Michigan University	Master of Arts in Education – Community College concentration	All on campus; cohort model; part-time weekends.
Lakehead University	*Prepared for Fall 2017 delivery:* Bachelor of Engineering (Electrical) with Electrical Engineering Advanced Diploma	Integrated.
	Honours Bachelor of Arts and Science – Environmental Sustainability with Environmental Technician Diploma	Integrated.
University of Ontario Institute of Technology	Registered Practical Nursing to Bachelor of Science in Nursing	On-site delivery 50 per cent, distance 50 per cent.
York University	Bachelor of Science in Nursing (Collaborative Program)	Years 1 and 2 at Georgian, Years 3 and 4 at York.
Georgian College	Honours Bachelor of Business – Automotive Management	Four-year degree; all on campus.
	Honours Bachelor of Applied Business – Golf Management	Four-year degree; all on campus.
	Honours Bachelor of Applied Human Services – Police Studies	Four-year degree; all on campus.
	Honours Bachelor of Interior Design	Four-year degree; all on campus.
	Honours Bachelor of Business Administration (Management and Leadership)	Four-year degree; all on campus.

* Partnership expires 2018-19

In 2016-17, Georgian had 660 articulation and transfer agreements with 59 institutions for 89 of our programs, as presented below:

Program	Number of Agreements
Aboriginal Community and Social Development	6
Addictions: Treatment and Prevention	1
Advanced Care Paramedic	1
Advertising and Marketing Communications	10
Anishnaabemowin Language Programming	1
Architectural Technician	2
Architectural Technology	5
Automotive Business	4
Automotive Business AND Business Administration	1
Aviation Management	5
Bachelor of Human Services - Police Studies	2
Business	14
Business - Accounting	20
Business – Accounting (non co-op)	12
Business - Entrepreneurship	6
Business – Marketing	16
Business – Marketing (non co-op)	7
Business (non co-op)	6
Business Administration	36
Business Administration - Accounting	40
Business Administration - Human Resources	20
Business Administration - Marketing	13
Business Administration AND Automotive Business	1
Child and Youth Care	11
Civil Engineering Technician - Construction	3
Civil Engineering Technology	8
Community and Justice Services	8
Computer Programmer	12
Computer Programmer Analyst	22
Computer and Network Systems Security	1
Computer Systems Technician - Networking	11
Culinary Management	5
Dental Hygiene	9
Developmental Services Worker	10
Digital Photography and Imaging	2
Early Childhood Education	9
Electrical Engineering Technician	2
Electrical Engineering Technology	18

Program	Number of Agreements
Environmental Technician	11
Environmental Technology	20
Esthetician	4
Event Management	2
Fine Arts	4
Fine Arts Advanced	17
Fitness and Health Promotion	7
Fundraising and Resource Development	1
General Arts and Science (2 year)	11
Golf Facilities Operation Management	4
Graphic Design	6
Graphic Design Production	4
Heating, Refrigeration & Air Conditioning Technician	1
Honours Bachelor of Business (Automotive Management)	1
Honours Bachelor of Business (Golf Management)	4
Hospitality Management – Hotel and Resort	19
Hospitality Administration – Hotel and Resort	19
Interactive Web Design and Development	6
Interior Decorating	2
Jewellery and Metals	3
Law Clerk	4
Marine Engineering Technology	4
Marine Technology – Navigation	4
Massage Therapy/Massage Therapy Fast Track	8
Mechanical Engineering Technology	9
Mechanical Engineering Technology – Automotive Manufacturing	11
Mechanical Engineering Technology – Automotive Products Design	9
Mechanical Technician – Precision Skills	2
Occupational Therapy Assistant/ Physiotherapy Assistant	4
Office Administration - Executive	4
Office Administration - Legal	3
Office Administration - Medical	6
Opticianry	5
Paramedic	6
Personal Support Worker	1
Pharmacy Technician	7
Police Foundations	12
Power Engineering Technician	2
Power Engineering Technology	4

Program	Number of Agreements
Practical Nursing	10
Protection, Security and Investigation	8
Recreation and Leisure Services	6
Snow Resort Operations	5
Social Service Worker	17
Tourism – Marketing and Product Development	10
Tourism Management	9
Veterinary Technician	3
Web Animation and Design	5

APPENDIX F: 2016-17 BOARD OF GOVERNORS

Board Members	Occupation	Location	Term of Office
Tom McBride *Chair*	President McBride Robillard Financial Solutions Inc.	Barrie	Sept 1/11 – Aug 31/17
Jim Bertram *Vice Chair*	Security Consultant J. R. Bertram Ltd.	Town of the Blue Mountains	Sept 1/12 – Aug 31/18
Brian Davenport *Vice Chair*	Vice President, Portfolio Manager RBC Dominion Securities	Owen Sound	Sept 1/14 – Aug 31/17
Anita Arvast *(faculty)*	Co-ordinator, Liberal Arts and Sciences for Degrees; Professor of Literature Georgian College	Barrie	Sept 1/12 – Dec 16/16
Andrea Lovering *(faculty)*	Co-ordinator, College-Wide Communications, Liberal Arts and Academic Quality; Professor, Health and Wellness Georgian College	Barrie	Feb 21/17 – Aug 31/20
Don Gordon	North American Sales Director CarbonCure Technologies	Midland	Sept 1/13 – Aug 31/19
Gabrielle Koopmans *(Administration)*	Associate Dean, Liberal Arts and Access Georgian College	Barrie	Sept 1/14 – Aug 31/17
Paul Larche	Owner and President Larche Communications Inc.	Barrie	Sept 1/15 – Aug 31/18
Dianne Martin	Executive Director Registered Practical Nurses Association of Ontario	Barrie	Sept 1/15 – Aug 31/18
Bruce Naylor	Retired transportation executive	Orillia	Sept 1/11 – Aug 31/17
Teresa Snelgrove	Serial Entrepreneur	Shanty Bay	Sept 1/15 – Aug 31/18
Lyn McLeod	Retired; Elected Political Official; past Chair of the Board of Governors, Confederation College	Alliston	Sept 1/16 – Aug 31/19
Marilyn Booth	Retired Dean University of Toronto School of Continuing Studies	Wasaga Beach	Sept 1/16 – Aug 31/19
Kirk Sarfo *(student)*	Vice President Athletics Georgian College Students' Association	Orillia	Sept 1/16 – Aug 31/17
Kristin Taylor *(Support Staff)*	Communications Specialist, Communications and Marketing Georgian College	Barrie	Sept 1/15 – Aug 31/18
Kevin Wassegijig	Director of Sustainable Economic Development Mississaugas of the New Credit First Nation	Orillia	Sept 1/14 – Aug 31/17
Angela Lockridge *(ex-officio; Secretary-Treasurer to the Board)*	Vice President, Corporate Services and Innovation Georgian College	Barrie	January 2014 – Present
MaryLynn West-Moynes	President and CEO Georgian College	Oro-Medonte	July 1/12 – Present

APPENDIX G: COLLEGE COUNCIL

College Council met six times during fiscal 2016-17 (May, September, October, November, January and March). College Council approved procedures as appropriate and received, reviewed and provided feedback on reports concerning various operations and initiatives, including the following (list not inclusive):

- Mental health task force
- Strategic enrolment management updates and enrolment reports
- Protective Disclosure (Whistleblower) procedure
- Partner Relationship Management procedure
- Dependent Tuition Subsidy (update) procedure
- Information Technology Acceptable Use procedure
- Sexual Violence procedure and protocol
- Environmental sustainability reports
- Budget and financial reports
- Georgian Scorecard reports
- Technology updates (Degree Works, student portal)
- Lakehead/Georgian Degree Plan

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