



Grande Prairie Regional College

President's Report  
to the Community

2013-2014





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# Mandate

*Approved by the Ministry of Innovation and Advanced Education,  
December 2008.*

Grande Prairie Regional College (GPRC) is a public, board-governed college operating as a comprehensive community institution under the *Post Secondary Learning Act of Alberta*. The College offers regional learners instruction and support services that are learner-centred and responsive to the lifelong educational needs of full-time and part-time students of diverse, multicultural and Aboriginal backgrounds.

As a comprehensive community institution, GPRC is committed to expanding access to post-secondary education in its service area by responding to community and regional demand for both credit and non-credit programming. GPRC has developed a portal access delivery model that encourages other post-secondary institutions to deliver programming on site, enabling the establishment of collaborative partnerships that rapidly and effectively meet the varied needs of regional learners.

GPRC offers university transfer, diploma and certificate programs; apprenticeship and pre-employment training; and adult high school completion. Credit programs are offered in the areas of Liberal Arts, Education, Health and Wellness, Human Services, Fine Arts, Business, Technology, Academic Upgrading, Trades and Technical training, and Agriculture and Environmental Sciences. GPRC also offers baccalaureate degrees, primarily as collaborative degrees.

In response to regional, community and industry demand, GPRC provides a range of customized non-credit pre-employment programming, skills development, safety, and community interest courses. GPRC meets community and industry demand for responsive and specific industry training through the provision of customized programming.

As an educational facility in northwest Alberta, GPRC helps meet the cultural, recreational, athletic and conferencing needs of the region in partnership with service area, community and regional stakeholders. GPRC offers athletic, music, art and science summer camps, and the Douglas J. Cardinal Performing Arts Centre is frequently the site of community music festivals, dance recitals, speakers' series and industrial seminars.

GPRC encourages and supports applied research and scholarly activities, and innovation activities that complement and enhance teaching and learning in program areas and in industry sectors where its academic expertise enables such a contribution.

GPRC is dedicated to providing learners in northwest Alberta with access to high quality and diverse lifelong learning opportunities, and to the responsible educational, fiscal and environmental stewardship of resources.



# Statement of Accountability

The Grande Prairie Regional College Annual Report for the year ended June 30, 2014 was prepared under the Board of Governors' direction in accordance with the *Government Accountability Act* and ministerial guidelines established pursuant to the *Accountability Act*. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.



Original signed by  
Vincent C. Vavrek

Vincent C. Vavrek  
Chair, Board of Governors



Original signed by Don Gnatiuk

Don Gnatiuk  
President and C.E.O.

# Vision, Mission, Values

## **VISION**

GPRC is recognized by its learning communities for leadership in education excellence.

## **MISSION**

Creating connections to knowledge, experience and community one life at a time.

## **CORE VALUES**

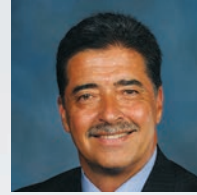
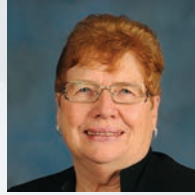
**Student Centred**  
**Integrity**  
**Respect**  
**Accountability**  
**Innovation**  
**Passion**





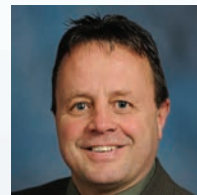
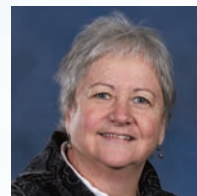
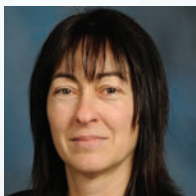
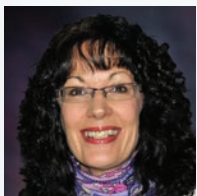
## Grande Prairie Regional College Board of Governors

Top: Vincent Vavrek, Chair  
Middle (L-R): Pete Merlo, Vice Chair, Jackie Clayton, Bryan Gouthro, Drew Lamont, Anita Luck, Doug Morris  
Bottom (L-R): Tab Pollock, Stewart Wilson, Don Gnatiuk, Carla Basarab, Lydia Sadiq, Alan Segal

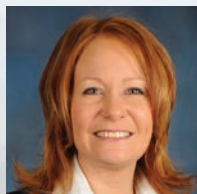


## GPRC Alumni/Foundation Board of Directors

Top (L-R): Kelly Chalmers, Erin Lynch  
Middle (L-R): Kamie Currie, Lorraine Gabriel, Leigh Goldie, Don Gnatiuk, Tina Martel, Wendy McMillan  
Bottom (L-R): Trenton Perrot, Ken Sutherland, Carol McLevin, Robin Watson, Stewart Wilson, Wayne Zack  
Gwen Tegart, Photo Not Available



## Grande Prairie Regional College Executive Team



(L-R): Don Gnatiuk, President and CEO  
Susan Bangsrove, Vice-President Academics and Research  
Carmen Haakstad, Vice-President External Relations  
Laurie Sutherland, Vice-President Administration

# Message from the Board of Governors

The Board of Governors of Grande Prairie Regional College (GPRC) is proud of its work on behalf of this stewardship region which includes Grande Prairie, Fairview and West Yellowhead. We are confident that GPRC is moving steadily in our stated strategic directions through the leadership of President and CEO, Don Gnatiuk, and his Executive Team. We are grateful to the many and varied stakeholders of our region whose interest, involvement, lobbying and support has helped guide our decisions.

GPRC is strong and growing with an exciting future. GPRC has assumed responsibility for an expanded stewardship region, and this Board has been committed to strong linkages with leaders in all of the communities we serve. Facilities are steadily being improved and upgraded. We are continually developing new partnerships with industry and post-secondary institutions to enhance opportunities for our learners. The fundraising efforts of GPRC continue to strengthen the strong and growing awards program thereby increasing learner access.

GPRC provides vital enhancement to the quality of life in the communities we serve. From music festivals to science fairs, from trade camps to sport camps, from fitness centres to art exhibits, GPRC is an integral part of the lifestyle of our region for citizens of all ages.

GPRC is good for the community, for the region, and for the province. During the analysis year of a recent study (Economic Modelling Specialists Intl. Report 2014), GPRC and its students added \$243 million to Alberta's economy.

GPRC's Centre for Research & Innovation is regularly engaged in projects as diverse as carbon capture and traffic behaviour. The National Bee Diagnostic Centre (NBDC) is conducting research that is critical to the success of the honey industry as well as the production of food supply.

GPRC is not just about educating people. We are about keeping people at home and keeping our communities and region strong for the future.



# Message from the President

GPRC is privileged to serve a vast and varied region and to be an integral part of its social, cultural and economic life. Our College is strong, growing, expanding, and steadily increasing service to our stewardship region.

The 2013-2014 Academic year was busy, with renovations and improvements made to classrooms and buildings in Grande Prairie, Fairview and Hinton. Classrooms in all locations were upgraded with new technology and furnishings. Enhancements were made to numerous learning labs including Animal Health and Power Engineering.

We have built a strong partnership with Alberta Health Services as GPRC moves ever closer to the reality of the new regional hospital on the west campus of GPRC. Our teams have been working closely with Alberta Infrastructure and Alberta Health Services as the decisions about the building and adjacent College lands are made. GPRC faculty and staff have been working closely with Alberta Health personnel to ensure a smooth blend of our cultures once we are sharing the new facility for the education of health care professionals.

GPRC was honoured by the The Royal Architectural Institute of Canada (RAIC) as a recipient of its 2013 awards Prix du XXe Siècle award. A news item posted on Canadian Architect today stated: "Grande Prairie Regional College (1974) is an early representative work of Douglas Cardinal, FRAIC. When it opened, it was one of only three Canadian post-secondary institutions north of 55 degrees latitude. Cardinal - a young, maverick architect at the time - blended his structure into the landscape, to achieve a striking aesthetic, both outside and inside."

Wolves Athletes excelled provincially and nationally. Wolves Soccer made history, ranking 5th in Canada for

their season. Men's Volleyball achieved Silver standing at Canadian Collegiate Athletic Association (CCAA) Nationals. Four Wolves athletes were awarded the CCAA Academic All Canadian award based on the student-athlete achieving all conference status and honours standings in the classroom.

In May, GPRC instructor Leigh Goldie was elected to a two-year term as the new CCAA President. Leigh has been involved with the CCAA for over 20 years. He also serves as Chair of the Grande Prairie Sport Council, Chair of Volleyball Alberta's Athlete Development Committee and President of Volleyball Alberta's Board of Directors.

Parts Technician Instructor, Craig Rode, was awarded the 2013 Top Trades Instructor Award for the north region and honoured at the annual banquet held in Edmonton.

GPRC has launched a volunteer program, led by retired faculty member Nancy Campbell. The initiative will coordinate opportunities for retired faculty, staff and community members to provide services such as hosting at events, guiding campus tours and greeting guests at events.

GPRC students are regularly recognized for their success. Nathan Froese earned 2nd place in the Canadian 2013 Outstanding Achievement Award – 4th Class Power Engineering! This national honour recognizes outstanding achievement combined from both the Program courses and Standardization of Power Engineer Examinations Committee (SOPEEC) Exam Marks.

The GPRC Business Case Team placed third in the Ninth Annual Alberta Deans of Business Case Competition in Red Deer. The team consisted of students Braden Armstrong, Mariah Braun, Lucas





Hinks, Erin Hoffmann, and Katey Pedersen. The team is led by faculty advisers Charles Backman, Doris Hoveland and Pat Coristine.

College and Institutes Canada (CICAN) invited member institutions to submit student artwork to decorate the CICAN Secretariat office space in the beautiful Château Laurier in Ottawa. Three GPRC students made successful submissions: Patrick Evans earned second prize for his “Transformations of the Inner Self”; Sheila Shaw was selected for the Regional Award for the province of Alberta; and Marissa (Rizz) Skinner was selected for her winning sculpture. The students’ artwork was showcased at CICAN’s Conference and on CICAN’s website.

GPRC Alumni Bob Waldenberger, Doug Morris, and Jason Haldane were elected to the newly established Alberta Colleges Athletic Conference (ACAC) Hall of Fame which was unveiled to honour ACAC’s history of builders, administrators, coaches and student-athletes. Bob Waldenberger was a GPRC instructor and coach, Doug Morris spent several years coaching badminton, then served on the Alumni/Foundation Board of Directors and is now a member of the GPRC Board of Governors. Wolves athlete Jason Haldane, the most decorated Wolves athlete of all time, went on to play volleyball for Team Canada and then professionally in Europe.

RESEARCH Infosource published Canada’s Innovation Leaders 2013 in November; GPRC ranked well among Canada’s Top 50 Research Colleges of 2013. GPRC ranked #1 for growth, #3 for research intensity, and #15 for research funding.

In June, I met with Alberta Innovates Technology Futures (AITF) President, Stephen Lougheed, and Barry Mehr, AITF VP Forestry, Food and Agriculture to discuss GPRC and AITF applied research and innovation

priorities. I also had the opportunity to express firsthand the important role that GPRC plays within the region as a leader in innovation and applied research. CRI Director, Dr. Bruce Rutley, provided an overview of current partnerships, and tours of the Carbon Capture Solarium on the GP Campus, the Evergreen Centre and the NBDC Technology Access Centre at the Agriculture and Agri-Food Canada Beaverlodge Research Farm.

GPRC was among the 26 Alberta institutions which, on May 1, 2014, indicated their commitment to increasing online access for students in the Province through eCampusAlberta. GPRC and the post-secondary education system will change – we have committed to being part of the solution. We are committed to reducing administration costs, without passing the burden on to students. We all agree that we will work collaboratively to transform the post-secondary system to serve students and Albertans today and into the future.

In our region, GPRC has committed to three key pillars of intent. All our activities are focused on serving our students, strengthening our community, and supporting our industry.

We are confident that the next five years will bring some of the most exciting developments in the history of our College and our region.

**Our College. Our Future. Your GPRC.**

*– Don Gnatiuk  
President and CEO  
Grande Prairie Regional College*

# Goals and Performance Outcomes

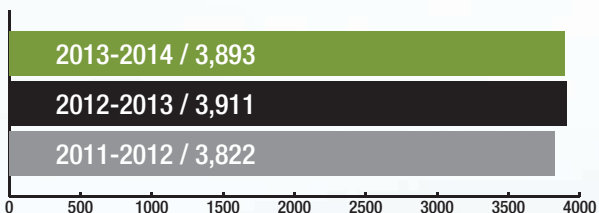
## Access

### Delivering Affordable and Accessible Programming

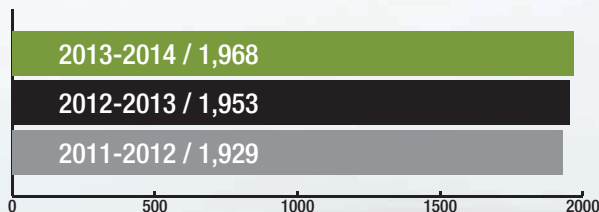
GPRC strives to engage and retain students through initiatives of the Strategic Retention and Enrolment Committee (SERC). In 2013-2014 GPRC reported an increase in Full Load Equivalent (FLE) count from 1,953 in 2012-2013 to 1,968 in 2013-2014, an increase of 0.8%. Alberta Innovation and Advanced Education projected a 0.1% increase in FLE count for Grande Prairie Region in its 10-year projection.

GPRC saw major increases in Apprenticeship FLE enrolments of 20% from the previous year as well as an increase in headcount by 18%. The change reflected an increasing demand in the labour market for skilled workers.

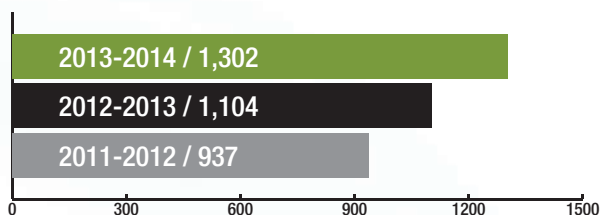
Headcount by Academic Year



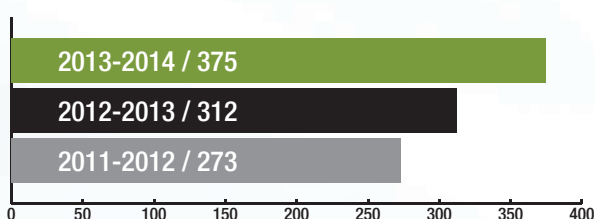
FLE Count by Academic Year



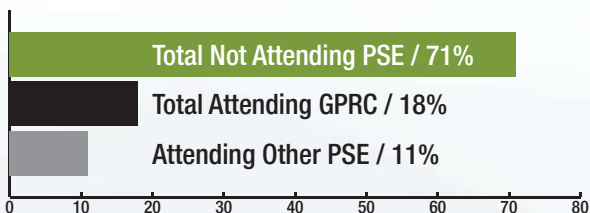
Apprenticeship Headcount by Academic Year



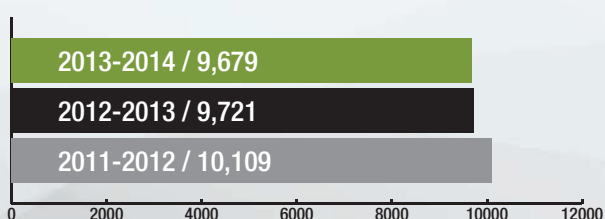
Apprenticeship FLE by Academic Year



High School to Post-Secondary Education Transition Rate (2013 Graduates) (Source: Application Submission Initiative, Ministry of Innovation and Advanced Education) by Academic Year



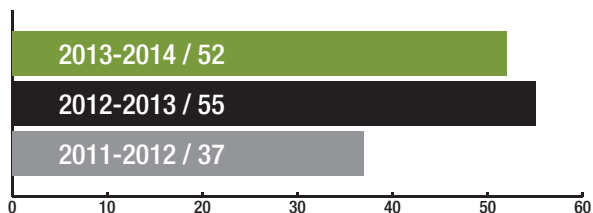
Total Student Headcount Served (includes Credit and Non-Credits) by Academic Year





Prior Learning Assessment and Recognition (PLAR) is a type of assessment that is used to evaluate skills and knowledge learned outside of a formal learning environment. The number of PLAR credits recognized by GPRC slightly decreased in 2013-2014 after having increased by 48% the prior year.

Number of PLAR credits recognized by Academic Year



#### **Committed Partnership with Campus Alberta**

GPRC increased its partnerships with Campus Alberta post-secondary institutions to provide students with greater transfer options towards degree completions. Our latest partner institutions include MacEwan University for transfer of Arts and Science credits and Royal Roads University for transfer of Business Administration credits towards a degree.

GPRC has improved in its provision of distance education to all Albertans through the eCampusAlberta online learning system. There were 88 courses offered in 2013-2014 which is an increase of 175% from the year 2012-2013. These courses varied across multiple programs and provided an opportunity for distant students eager to learn through GPRC.

## Continuing Education's Role as a Non-Credit Provider

### **Transforming Continuing Education at Grande Prairie Regional College**

Responding to the changing demographic and learning needs across the College's service region, the institution undertook a review of Continuing Education operations and programming in 2013. This review resulted in a re-organization of the department, and a rebranding of marketing materials to reflect the strong connection Continuing Education has with College departments and the community.

### **Continuing Education Operations**

Program Operations and Budgeting practices underwent a review, resulting in the implementation of new enterprise risk management systems. Staff from across the College community participated in advanced training on non-base funded program budgeting.

Building on the reorganization of the department, several programs including the College's Achieving Leadership Fundamentals for Application (ALFA) were suspended pending review. In late 2013, this programming was replaced with the Leadership Foundations program and the Leadership Technical Skills program, which were the result of a substantive revision to reflect changes in the regional and provincial workforce.

### **Ensuring a High Quality Learning Environment**

In 2013, plans for the expansion of online registration to Continuing Education (CE) students were undertaken to provide greater access and control to their registration status and lifelong learning goals.

### **Aboriginal Job Shadow**

CE continued its work with industry representatives throughout 2013-2014 to create opportunities for Aboriginal students aged 15-17 to participate in career exploration. More than 20 students participated in two weeks of in-class training followed by work experience at industry partner sites.

### **Video Conferencing Continuing Education Programming**

Responding to inquiries from learners across the service region, CE conducted a feasibility analysis to examine the role of video conference technology in creating access to continuing education programming for all College learning centers and campuses. As a result of this analysis, video conferencing technology was utilized for region-wide delivery of programming beginning in 2014 to our regional communities including Hinton and Fairview, Alberta.

### **Professional Driver Training**

CE partnered with the forestry industry to deliver training for entry level employees entering the log-haul driver profession.

### **Unmanned Aerial Vehicle (UAV) Training**

Responding to the needs of the region, GPRC partnered with the Peace Country UVS Partnership (PCUVSP) to offer the Unmanned Aerial Vehicle (UAV) Ground School course at the Fairview Campus. The course included topics in Aerodynamics, Air Law, Canadian Aviation Regulations, Communications and Weather. Upon completion of the course, students had attained all of the tools necessary to complete Transport Canada Special Flight Operations Certificate submission. Students were also given the opportunity to complete Industry Canada's Restricted Aeronautical Radio Operators Exam, which will allow them to operate a radio on aviation frequencies.

### **Strategic Enrolment and Retention Committee**

The Strategic Enrolment and Retention Committee (SERC) was established to provide direction and initiate programs to increase student enrolment and retention. The committee includes representatives from Community Relations, Student Services and the Academic Division of the College.

### **High Quality Learning Environment**

Online course registration continued in 2013-2014 in select programs, giving students greater access and control over their course selection while reducing labour costs for the Student Services department. Online registration plans were implemented in the Continuing Education department as well, allowing a majority of students to enrol in courses online.

In 2013-2014, Economic Modelling Specialists Intl. (EMSI) conducted an Economic Impact Analysis of the Grande Prairie Region and Grande Prairie Regional College. The findings showed the contribution of GPRC to the regional economy and that of Alberta, as well as the return on investment for students attending GPRC. The analysis concluded that GPRC students would earn on average \$3.70 after graduation for every \$1.00 they invested in their education.



## Effective Student Support Programs

### **Student Advising**

In 2013-2014 GPRC Student Services Advisors helped GPRC students make informed choices about programs and courses. The Student Services' advising team also assisted students with paperwork, academic regulations and procedures, and facilitated student access to a variety of College-provided services throughout the year.

### **Accessibility Supports and Disability Services**

Accessibility Supports and Disability Services (ASDS) ensures that students have equal access to educational opportunities. ASDS offers a wide range of services and supports for students with disabilities and/or medical conditions. These are individually designed and based on the specific needs of each student. Services include Program Coordination, Assistive Technology, Alternate Format, Exam Accommodations, Readers/Scribes, Note Takers, and/or the support of an Educational Aide. In the 2013-14 academic year, 215 students utilized services for students with disabilities, including 70 prospective students and 112 enrolled students with confirmed disabilities. A total number of 506 exam accommodations were provided to GPRC students and apprentices.

### **Student Financial Aid**

The Financial Aid Team at GPRC supports students with all their Financial Aid needs and questions. This team is located in Student Services and provides integral financial support and services to students, enabling them to obtain the requisite financial resources to attend post-secondary education.

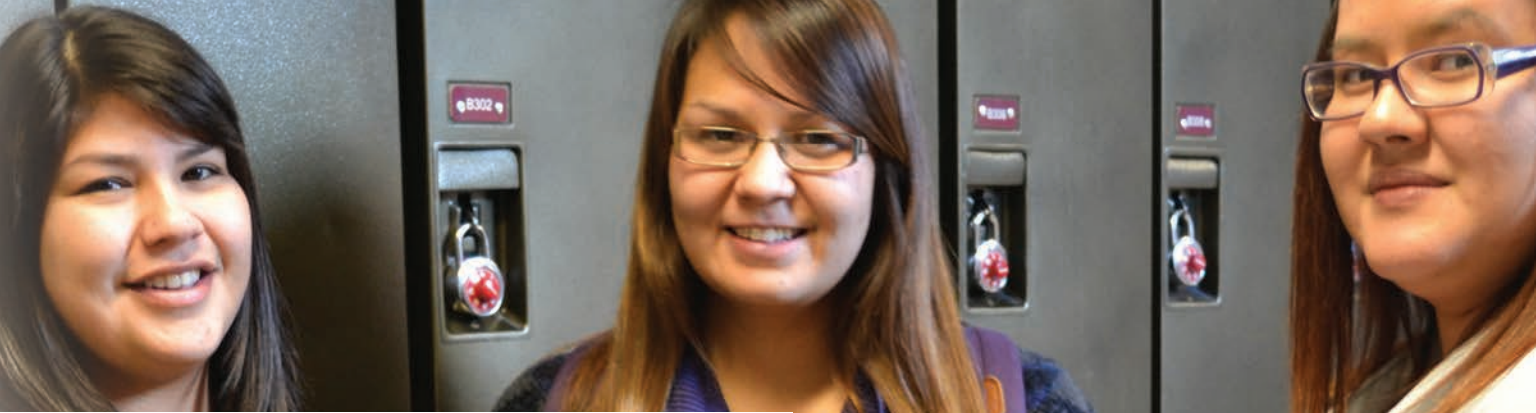
Some of the services include:

- managing the Alberta Works learner benefits program as per our Accountability Framework Agreement with Alberta Human Services
- assisting students with student loans from application through to repayment
- coordinating the GPRC student awards program
- identifying and nominating students for provincial awards
- maintaining the on-campus food bank (Room of Plenty)
- maintaining the emergency student loan fund and liaising with agencies that are sponsoring GPRC students (i.e. FNMI sponsorship, WCB, employer sponsorship).

Our team is committed to providing excellent customer service to our students and strives to explore every avenue of financial aid for students wishing to attend GPRC.

### **Library**

The GPRC Library Department consists of two libraries, one at the Grande Prairie campus and one at the Fairview campus. Each space offers students physical and electronic resources to support their study needs. The library offers various alternatives for studying in groups or individually, as well as computer and printing services. From the Grande Prairie Campus Library, the Learning Support Centre offers GPRC students many additional academic supports. Staffed by a full-time Coordinator, and two part-time Professional Tutors, the Centre offers students workshops ranging from study habits to referencing and citation formats. The tutoring services assist students with writing and grammar as well as math and sciences. Tutoring assistance is offered in person at the Centre, and electronically through the web guides.



### **Grande Prairie Friendship Centre Partnership**

GPRC continued its on-campus partnership with the Grande Prairie Friendship Centre. The Friendship Centre remains the only official Friendship Centre in Canada that is located on a post-secondary campus. The Centre provided cultural learning opportunities, learning assistance resources, and services that helped students from outlying communities adjust to college life. In addition, an Elder-in-Residence, supported by our partnership with the Grande Prairie Friendship Centre, provides cultural education, leadership, guidance and mentoring to students, staff, faculty, and community members.

### **Circle of Aboriginal Students**

GPRC continued to support the Circle of Aboriginal students, a student group that works with the Student Services department and Students' Association to enhance the college experience for Aboriginal students.

In partnership with GPRC, the Circle of Aboriginal Students hosted the annual Student Welcoming Celebration. Elders, students, friends and families gathered for a pipe ceremony, feasting and entertainment. This annual event recognizes and celebrates the commitment of GPRC to students and their respective cultural traditions.

The Circle of Aboriginal Students was also involved in various community partnerships to host events on campus at GPRC such as Community Round Dances, the annual Sisters in Spirit vigil and walk, and the Spirit Seekers Youth Conference.



## Community Engagement

### **Alumni**

GPRC launched an Alumni & Friends quarterly e-newsletter, GPRC InsideOut, with an initial database of 6,600 constituents, to build relationships and sustain contact. Also launched was the GPRC Works Here initiative highlighting the impact of GPRC on the economy of our region. GPRC Works Here stickers are now displayed at numerous businesses that employ or are owned by the alumni of GPRC. The 40th anniversary of the Animal Health Technology Program at Fairview Campus was celebrated in July.

### **Cultural Connections**

GPRC partnered with the Grande Prairie Live Theatre to present the highly successful stage production, *Cats*. The Fine Arts department presented faculty, student and visiting artist concerts throughout the year, including Spring and Fall concerts of the choir, jazz, and wind ensembles. GPRC annually provides the venue for thousands of regional students to perform at music festival, dance recitals and school district concerts.

### **Community Stakeholders**

GPRC hosted a Chamber of Commerce mixer with more than 100 participants. More than 220 people attended the annual President's Awards Luncheon where GPRC recognized the contributions to academic excellence of our community, and extraordinary achievements of our alumni. Personal meetings were held with over 65 community leaders as part of a comprehensive fundraising campaign feasibility study.

The Children's Centre Demonstration Preschool at Grande Prairie Regional College presented a day-long workshop for 90 early childhood professionals from throughout the region, featuring the internationally acclaimed early childhood specialist, Lisa Murphy.

A partnership between Green Island Gardens and Grande Prairie Regional College has brought life back to the greenhouses at GPRC Fairview. Doug and Brenda Trider have been in the greenhouse business in Fairview for several years, and have now added the four greenhouses and the header room on the GPRC Fairview campus to their growing space. The greenhouses have not been used for programming for several years.

GPRC entered into a partnership with Swartz Performance Horses to operate GPRC's Hawker Pavilion (Horse Boarding Facilities and Indoor Riding Arena) located at the campus in Fairview. The agreement has allowed GPRC to continue providing the facility for community use without using resources intended for academic purposes.

### **Partners in Education**

GPRC hosted over 400 grade seven students from school divisions in our region, plus hundreds of high school students at Trade Camps, Fine Arts Student for a Day, Science Open House, and Community Learning Day.

An academic partnership was established between GPRC and the RCMP, opening possibilities for research projects and educational opportunities, which will contribute to community policing and public safety initiatives.

### **Dual Credit**

The College continued to work closely with local school divisions toward a formal agreement regarding dual credit programming.





## Excellence in People

### **Improve Recruitment of Faculty and Staff**

#### *Talent Acquisition*

GPRC continued to evaluate its current recruitment advertising methods and tested new avenues, including several different online resources at a significantly reduced cost. These online resources were incorporated into more recruitment efforts because it produced more employment applications than traditional print media.

### **Actively Maintain Positive Staff Engagement**

#### *Service Recognition*

Every year GPRC thanks the faculty and staff who make this institution great, by hosting the Employee Recognition Ceremonies and luncheon in Fairview and Grande Prairie. Every 5-year increment is celebrated. However, we are honoured to note that this year there were two employees with 35 years of service, and additionally, one other employee recognized for 40 years of service.

#### *Distinguished Employee Award*

The Distinguished Employee Award has been presented annually since 2004 and recognizes one employee on each of the Fairview and Grande Prairie campuses (West Yellowhead employees are eligible for the GP award) for exemplifying the College's core values: student centered, accountability, integrity, respect, innovation and passion. The honourees of the 2013-14 Distinguished Employee Awards were celebrated at the Employee Recognition Ceremonies and luncheons.

### **Provide Quality Professional Development Opportunities for Employees**

#### *Instructional Skills Workshop*

A four-day Instructional Skills Workshop is offered every year to all new faculty members. The workshop provides a strong foundation in the development of instructional skills, learner-centered classrooms and team building. Additionally, the facilitators of the workshop are GPRC faculty members, allowing new staff to interact and build relationships with existing staff.

#### *Professional Development Funding*

GPRC recognizes that professional development benefits both the individual and the organization. Therefore, funding is available for all members of the Academic Staff Association, Alberta Union of Provincial Employees, and Employees' Association. Human Resources has begun the work of providing increased leadership development and succession planning. More specific funding is available to individuals interested in developing further leadership skills and competencies.

#### *Achieving Leadership Fundamentals for Application (ALFA)*

GPRC continued to offer the Foundations of Leadership training program to staff. The program offered three core courses and seven electives; completion of the three core and three elective courses constituted completion of the program. All staff in supervisory roles were required to complete this program within three years of appointment, and the program remained optional for those in non-supervisory roles.

## Sustainability

In June 2013, GPRC's Board of Governors approved the implementation of \$4 million in organizational reductions, due to funding pressures, to achieve a balanced budget in 2013-2014.

### **Ensuring Economic Sustainability by Aligning Resources with GPRC's Vision**

#### *Financial Highlights*

Revenue for 2013-2014 totaled \$72.5 million, a decrease over 2012-2013 of \$3.0 million. Expenses for 2013-2014 totaled \$71.0 million, a decrease over 2012-2013 of \$4.0 million.

#### *Grant Funding*

Overall grant funding was stable, with a reduction of 7.3% (\$3 million) to the Provincial base operating grant in 2013-2014. This reduction in the base grant was offset by increases to the Provincial grant for enrolment pressures, Apprenticeship grants, and Infrastructure Maintenance Program funding. Federal and other government grants decreased by \$500,000 from the previous year.

#### *Tuition and Fees*

Tuition and fee revenue accounted for \$10.4 million or 14.3% of total revenue. This amount, driven by the Consumer Price Index, was up \$120,000 from 2013-2014. It should be noted that this number evidenced an increase to fees collected as there was no tuition increase as legislated in 2013-2014.

#### *Sales of Services and Products*

Income generated from the sale of services and products decreased by \$1.5 million or 18% over 2012-2013. This was primarily due to outsourcing of the Bookstore and enrolment decreases in Workforce Development Courses.

#### *Investment Income*

Investment income decreased by \$500,000 over 2012-2013 due to lower interest rates.

#### *Donations and Other Grants*

Donations and other grants decreased by \$1.3 million in 2013-2014 compared to the previous year.

#### *Salaries and Benefits*

Salaries and benefits account for 62% of the overall operational expenses. During 2013-2014, compensation costs decreased \$3.8 million or 8% compared to 2012-2013. The decrease was attributed to a required reduction of 44 positions to balance the budget.

#### *Materials, Supplies and Services*

Overall costs related to materials and supplies were reduced by \$700,000 as a result of reductions to discretionary spending.

#### *Maintenance and Repairs*

During 2013-2014 maintenance and repairs costs increased by \$2 million or 70% over 2012-2013. This significant increase was attributed to essential parking lot and building maintenance (\$500,000) and Infrastructure Maintenance Program (\$1.5 million) expenditures.

#### *Utilities*

Utility costs for 2013-2014 increased over 2012-2013 by approximately \$225,000 or 11.9%. Higher natural gas and electricity costs contributed to the increase.

#### *Cost of Goods Sold*

The costs of goods sold decreased by \$1.6 million or 91% over 2012-2013. This was a result of the Bookstore inventory write-off related to the agreement entered into with Follett. The company has assumed the operation of both the Grande Prairie and Fairview campus's bookstores.



### *Amortization of Capital Assets*

Amortization costs rose slightly in 2013-2014 over 2012-2013 by \$67,000.

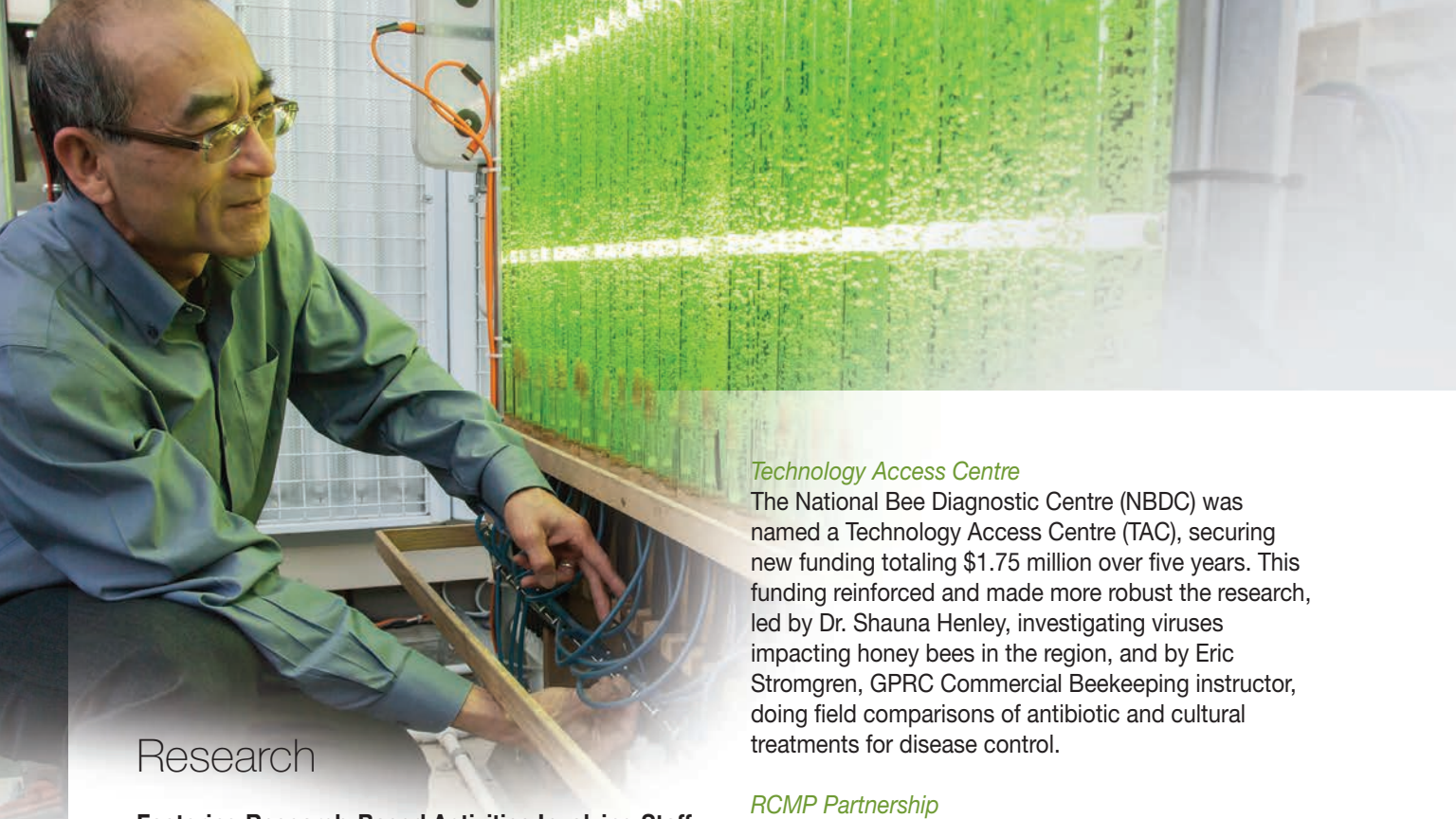
### *Budgeted and Actual Comparisons*

For the year ended June 30, 2014, GPRC experienced a surplus of \$1.5 million, compared to a projected balanced budget.

The surplus was attributed to operational efficiencies and additional position vacancy savings of \$500,000.

### *Go Forward Sustainability*

GPRC did not receive additional base funding for the 2014-2015 year. However, additional apprenticeship seats were funded, resulting in additional revenue of \$700,000. As a result of these additional seats, additional apprenticeship instructors were required at a cost of \$800,000. Other costs, such as employee contractual obligations, resulted in a further \$700,000 cost. To balance its 2014-2015 budget, GPRC was required to find \$800,000 in institutional efficiencies and revenue generating opportunities.



## Research

### **Fostering Research-Based Activities Involving Staff, Students, and Researchers**

#### *Top 20 College for Applied Research*

In October 2013, GPRC was ranked a Top 20 Canadian College for Applied Research by Re\$earch Infosource Inc.'s inaugural ranking. GPRC was also ranked 3rd in Alberta for its Applied Research activities. GPRC was ranked #1 for growth and #3 for research intensity.

GPRC's Involvement in Commercialization Policy was ratified and the Animal Use (Research) Protocol was approved.

#### *Pollutants to Products (P2P)*

GPRC's National Sciences and Engineering Research Council (NSERC) grant funded the Pollutants to Products applied research initiative. Activities included:

- Presentation to Congress of International Society of Applied Phycology conference in Australia
- Decommissioning of the micro-algae alpha prime bioreactor in favour of the Beta-model
- Installation of a new water recycling and harvesting system.

The winter hardening research progressed to final report stage, the effluent to fibre project contributed to the technology transfer Field Day, and Year 3 data was collected for the winter planting (black spruce) project.

#### *Technology Access Centre*

The National Bee Diagnostic Centre (NBDC) was named a Technology Access Centre (TAC), securing new funding totaling \$1.75 million over five years. This funding reinforced and made more robust the research, led by Dr. Shauna Henley, investigating viruses impacting honey bees in the region, and by Eric Stromgren, GPRC Commercial Beekeeping instructor, doing field comparisons of antibiotic and cultural treatments for disease control.

#### *RCMP Partnership*

Coordinated by the Centre for Research & Innovation (CRI), GPRC faculty and the local Grande Prairie Beaverlodge RCMP detachment formed a working partnership for the planning of future community research opportunities that would assist in providing research data leading to more informed decision making and effective programming.

#### *Scholarships*

The Nursing Department completed a Scholarship Development Plan to meet the scholarship requirements of the Canadian Association of Schools of Nursing (CASN) Accreditation Board and to meet the Nursing Education Program Approval Board's (NEPAB) requirements that faculty remain relevant and responsive to the scholarship needs of our students and clinical partners.

#### *Student Engagement*

Nine GPRC students participated in ad hoc applied research activities (data collection and field work) with the P2P initiative, two full time summer students worked within the NBDC-TAC learning both field and laboratory techniques as well a data collection in the field, and one full-time student was engaged within the CRI New Media office contributing to "culture of innovation" activities.

# Enterprise Risk Management

## **Create an Enterprise Risk Management Culture**

- Finalized project with MNP in creating an Enterprise Risk Management (ERM) Framework for GPRC
- Finalized strategic risks finalized and submitted to Executive
- IT Steering Committee meetings took place to provide recommendations for use of technology and electronic information at GPRC and to assist with future planning
- GPRC and the Grande Prairie Regional Emergency Partnership, through their Memorandum of Understanding, continued to share resources to foster community preparedness as well as provide resource sharing during response situations
- Media training was provided to Deans, Directors, Managers and other select GPRC employees to educate them on the value and methods of working with the media

## **Create a System to Better Monitor Regulatory Compliance**

- Commenced work with MNP to update GPRC administrative policies to make sure the documents reflect best practices and standards
- Updated the ERM Legislative Compliance SharePoint site to identify all relevant legislation pertaining to GPRC
- Put in place a legislative compliance system and process to review all pieces of relevant legislations and regulations to ensure compliancy; a schedule of legislative review was created and is reported to Executive throughout the academic year

## **Ensure a Healthy and Safe Environment for Students, Staff, and Visitors**

- Non-Violent Crisis Intervention (NCI) training was provided to students, staff and faculty; NCI is not a self-defence course but a holistic behaviour

- management system based on the philosophy of providing the best care, welfare, safety, and security
- Fairview Campus hosted the Regional Skills Canada Competition – North Zone; for the Safety Skills portion a mock workplace scenario for hazard identification was set up
  - Emergency Response Plan education / awareness sessions covering fire, lockdown and bomb threat response were provided at department meetings
  - Emergency Preparedness and Health & Safety information was provided at the New Employee Orientation
  - Health and Safety Committee meetings took place to proactively raise the level of health and safety awareness throughout GPRC; the Committee reactively assessed incidents to understand trends and create opportunities for improvement
  - Security Subcommittee meetings were held to improve GPRC policies that reflected security; the committee reactively assessed security incidents to understand trends and create opportunities for improvement
  - GPRC is a member of the following safety associations:
    - Alberta Education Health and Safety Association
    - Alberta Industrial Fire Protection Association
    - Alberta Association for Safety Partnerships
      - GPRC is working towards receiving its Certificate of Recognition through the Alberta Association for Safety Partnerships
  - The RCMP toured the Fairview Campus and acquired information to create a SAFE (School Action for Emergencies) plan
  - GeoTrac is a GPS tracking device with an online administration system. This system was installed on all fleet vehicles GPRC to ensure the safety of all users and the cost effective use of fleet vehicles. The GPS cellular modem can track vehicle location, kilometres driven, hours of operation, whether the vehicle is on or off its speed.

The system also shows the vehicle's latitude and longitude, the closest city to the vehicle and any other GPRC fleet vehicles close by. The system's administration reports can show summaries, vehicle utilization, safety record, maximum speeds, and average speeds. GPRC will also be using the GeoTrac administration system to automate the fleet's maintenance schedule and service plan.

- Hazardous waste from GPRC processes was collected and disposed of in accordance with applicable legislations
- Fairview Campus and Grande Prairie Campus annually hold influenza immunization clinics in the fall season. These clinics were open to students, staff, faculty and the public.

## Information Technology

### **Information Technology Advancements**

Multiple projects and process changes in Information Technology (IT) benefited all departments at GPRC. These initiatives collectively help to improve the delivery of learning, reduce energy consumption, enable and enhance collaboration, reduce personal effort through automation, and improve the flow of information.

## Student Services

### **myGPRC**

The new myGPRC web portal brought together several useful tools and information resources for students. The second phase of online registration allowed new and continuing students in all credit programs to complete their course registrations online, effectively eliminating the wait times and travel formerly associated with this process, and greatly reducing the associated paper consumption. The myGPRC project continues to streamline processes for both college staff and students while realizing many improvements in cost and time efficiencies. Among other features on myGPRC, custom development was added to allow students to sign up to attend convocation online.

The third phase of online registration will expand beyond credit registrations to accepting Continuing Education registrations online. This implementation, to be completed in the 2014/2015 year, will expand the benefits of online access and registration to non-credit students.

### **PowerCAMPUS Upgrade**

The Student Services ERP, PowerCAMPUS, was upgraded to the latest version. This allowed GPRC to take advantage of many new features, including the automated entry of application data.

### **College-wide**

#### *Video Information System*

IT replaced all of the hallway TVs on the Grande Prairie campus with new flat screen displays and implemented a new web-based system to manage the displayed content. The displays on Fairview campus were also transitioned to the new system, and new displays were added to the Hinton and Edson learning centers.

#### *Travel Authorization*

IT developed a system to automate travel authorizations, enabling paperless authorization of travel requests, and electronic fleet vehicle bookings. With the fleet vehicle bookings being electronic, IT was also able to develop a system that enabled Finance to input fleet vehicle charges by batch, rather than manually.





## Financial Systems

### **Visa Card Transaction Processing**

IT further developed the procurement card system to also process transactions from Visa cards, enabling Finance to input transactions by batch, rather than by individual manual processing, saving hours of error-prone labour each month. Development has now begun on part two of this project which will enable staff to reconcile their procurement/Visa card transactions electronically.

### **Reporting Automation**

IT assisted Finance by automating several reports that previously took days to compile by hand. Automating reports like the Management Expense Disclosure, the Foundation Summary and Interest Allocation saved several days of labour annually.

### **Agresso Upgrade**

The Finance and Human Resources ERP, Agresso, was upgraded to the latest version. The upgrade was the first step in a project that will enable GPRC to add several enhancements to the Agresso system, further increasing our ability to automate processes.

### **Information Technology**

#### *Backup Systems Transition*

As part of a cost-savings initiative, GPRC's backup systems were consolidated onto a Microsoft platform provided through existing license agreements. With the cancellation of our other backup systems, this initiative saved the College \$17,000 per year.

#### *Spam Filtering Transition*

As part of a cost-savings initiative, GPRC's spam filtering was transitioned to a cloud-based filtering system provided by Microsoft. The licensing for this system was covered by existing license agreements, enabling us to cancel the maintenance of our previous spam filtering solution. This initiative saved GPRC \$9,000 per year.

#### *Video Conferencing Upgrades*

The GPRC Information Technology department created three additional, and upgraded a fourth video conferencing suites on the Grande Prairie campus. The IT department has tripled the number of video conference suites over the past two years. Additionally, systems were implemented to automate video conference calls so that scheduled classes can connect automatically at the beginning of the class. In the Fairview and West Yellowhead regions, IT has upgraded almost all of the existing video conference systems. The remaining few will be upgraded in the 2014-2015 year.

#### *Classroom Upgrades*

As part of the ongoing classroom upgrades, the GPRC Information Technology and Facilities Maintenance and Operations departments worked together to renovate eight additional classrooms in Grande Prairie and 13 in Fairview. Significant improvements were also made in many classrooms in the West Yellowhead region.

#### *Virtual Server Infrastructure*

Along with other upgrades to GPRC IT infrastructure, the GPRC virtual server systems were upgraded to expand their capacity and allow for live migration of servers between campuses. This initiative increases GPRC disaster preparedness by keeping live copies of critical servers on the Fairview campus.



### *Thin Client Deployments*

GPRC's IT department continued its shift towards thin client computers. Thin clients require less time and effort in deployment, require less ongoing support, have a smaller physical footprint, consume fewer materials in construction, produce less noise and heat, consume less energy in operation, have a longer life cycle, cost less to purchase, expose GPRC and user data to lower risk of theft and loss, and provide a more consistent user experience. In addition to the desktop computers and laptops deployed this year, IT increased the number of thin clients to over 600, now representing 34% of the computers at GPRC.





GPRC invested over \$1.0 million in the purchase of new equipment that enhanced programming in many areas, including Trades & Technology and Health Services. These purchases included planned ever-greening expenditures for IT equipment, ensuring that GPRC students are using the latest computer technology. Distance learning opportunities were also expanded through the purchase and installation of eight new videoconference systems on the Grande Prairie, Fairview and West Yellowhead campuses.

In response to high student demand, a significant amount of additional student study space was created within the library on the Grande Prairie campus. Mobile compact shelving was installed, consolidating all of the materials from the library book stacks and opening up most of the upper floor for quiet study space.

GPRC completed over \$3.0 million in deferred maintenance projects through the Infrastructure Maintenance Program. Completed work included the replacement of roofing on the Douglas J. Cardinal building in Grande Prairie. Roofing was also replaced on the Plant Science and Campus Services buildings in Fairview. Energy consumption reduction projects included the investment in building automation systems for Fairview trades and re-lamping a number of classrooms from T12 fluorescent to LED.

Updates for specific projects listed in GPRC's CIP are provided below.

### **EXPANSION PRIORITY PROJECTS**

GPRC completed a number of projects which helped reduce cost, generate new revenue streams, and expand service within the community. These projects helped GPRC meet its goal of sustaining the fiscal and environmental health of the institution.

Follett of Canada opened its doors for business and began offering bookstore services for GPRC on the

Grande Prairie, Fairview & West Yellowhead campuses. This partnership has created operating efficiencies while enhancing services through lower prices, book buy-back, rental or used options and providing downloadable content to electronic devices.

Operation of the Hawker Riding Pavillion and Fairview Campus Greenhouses is now handled through strategic partnerships with Swartz Performance Horses and Green Island Gardens respectively. These partnerships have generated additional resources for GPRC while improving utilization and community outreach in the town of Fairview.

### *Power Engineering Boiler Upgrade*

GPRC committed \$200,000 of funding towards this project on the Fairview campus in 2013-2014. Stantec Engineering has been hired to design the system which consists of a new steam turbine for power generation purposes. This will upgrade the boiler lab to a 3rd class plant status.

GPRC is planning to have the upgrade completed by September 2015.

### **PRESERVATION PROJECTS**

GPRC remains committed to the preservation of its capital assets. In 2013-2014, GPRC completed over \$3.0 million in preservation projects through its Infrastructure Maintenance Program (IMP).

Noteworthy projects completed through the IMP fund are as follows:

- Approximately \$750,000 was spent to address deferred maintenance related to roofing on the Grande Prairie and Fairview campuses
- Progress continued on the trades building automation project in Fairview for approximately \$200,000; expect project to be completed in 2014-2015

- Douglas J Cardinal Theatre stage lift was replaced by Gala Systems, a world leader for lift systems, for approximately \$300,000. The old hydraulic lift was replaced with a new electric spiral lift that will provide many years of low maintenance service.
- GPRC identified preferred consultants to design a lock and access master plan. Security Management Consultants have developed key and access solutions for other PSI's within Alberta and will begin design process with GPRC in 2014-2015.

Updates for key preservation projects are as follows:

#### *Remediation/Development of "Salt Pack" Space*

Salt packs were safely removed and transported to a certified disposal site by CleanHarbors. The affected area was completely decontaminated and tested to ensure space could be safely repurposed. The cost to remove and remediate the space was approximately \$300,000, and plans are being developed for a central storage solution in 2014-2015.

#### *Preservation of GPRC Crawlspace*

GPRC removed all hazardous material from crawl spaces in 2013-2014. Landscaping to correct grade and additional sumps was installed to keep water from penetrating the foundation of the building. Approximately \$600,000 was spent to address these items while GPRC awaits engineered recommendations for structure, HVAC, firewalls and other components.

#### *Classroom Restoration*

GPRC invested approximately \$1.0 million in the modernization of 13 classrooms in Grande Prairie and five in Fairview during 2013-2014. The project team standardized furniture and IT equipment upgrades to provide users with a consistent yet flexible learning environment. This approach has ensured quality and enhanced GPRC's ability to serve its learners.

#### *Animal Health Building Restoration*

Modernizations continued in 2013-2014 on a number of fronts. Surgical labs were completely renovated with new millwork, operating tables, lighting, flooring and heating systems. Substantial upgrades were also made to building HVAC and domestic water supply. Additional improvements are being planned for 2014-2015.

#### *Student Residence Restoration*

\$200,000 of deferred maintenance related to plumbing and doors and security enhancements were addressed in 2013-2014. This has helped improve living conditions and safety within the student residence complex on the Fairview campus. The Facilities team is working with engineering to determine a demolition plan for Waskahigen dormitory.

#### *E401 Egress and Floor Above Finance*

GPRC completed a safety assessment of the E401 office space with the City of Grande Prairie's Fire Safety Inspector. Upon completion of the assessment, it was determined that current fire safety measures, combined with the area's low fire risk, meets the egress requirements for occupancy of fewer than 15 people. A review of conceptual plans and initial cost estimates, suggested that adding a floor above Finance is a less desirable option for the creation of additional space within the facility.

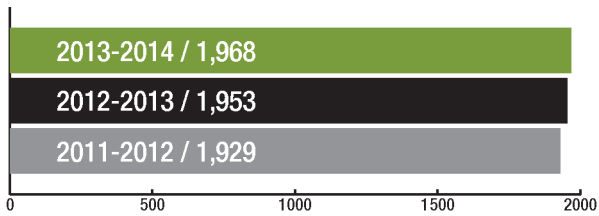
#### *Emergency Preparedness*

David Hyde Security, an international leader in security management solutions, was engaged to develop opportunities for improvement to GPRC's existing student safety policies and security infrastructure. The report provided recommendations based on best practices for the optimal protection of the college community. Funding is planned for work to commence in the 2014-2015 fiscal year.

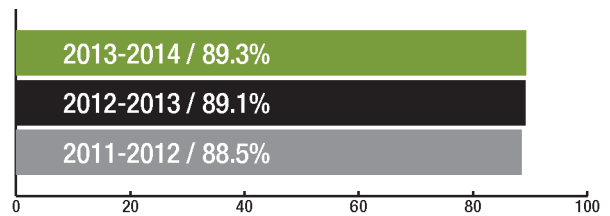
## Statistical Results

GPRC, as stated in its Comprehensive Institutional Plan, creates initiatives for Access, Quality, Research, and Student Support programs. The following statistical summary is an overview of the key performance indicators that encompasses the results and outcomes of these initiatives.

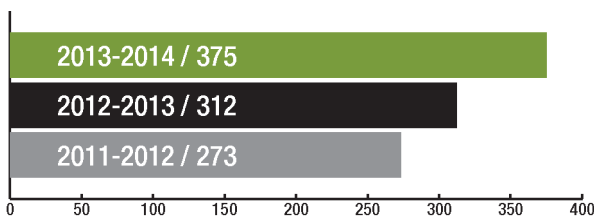
FLE Count by Academic Year



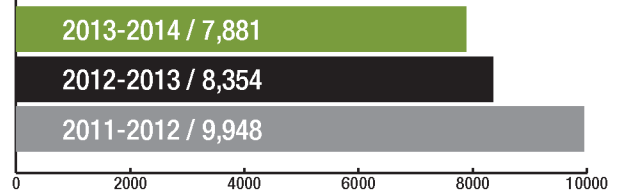
Course Completion Rate by Academic Year



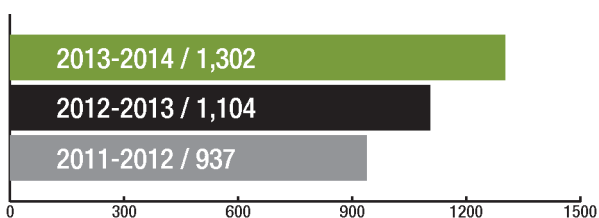
Apprenticeship FLE by Academic Year



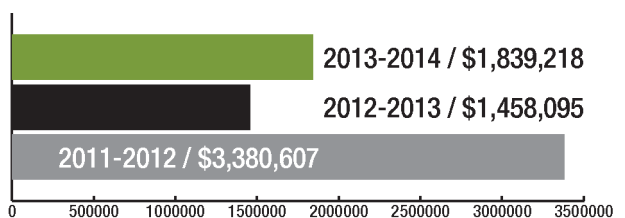
Continuing Education (Course Registration) by Academic Year



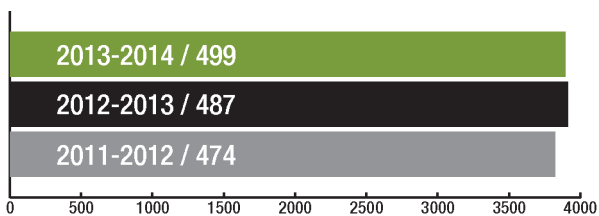
Apprenticeship Headcount by Academic Year



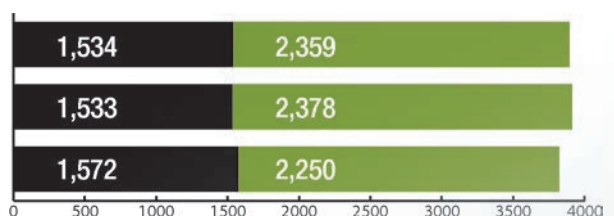
Research Revenue by Academic Year



Aboriginal Student Count by Academic Year



Age Group by Academic Year



■ 25 and Above ■ Under 25



## Independent Auditor's Report

To the Board of Governors of Grande Prairie Regional College

### **Report on the Consolidated Financial Statements**

I have audited the accompanying consolidated financial statements of Grande Prairie Regional College, which comprise the consolidated statement of financial position as at June 30, 2014 and the consolidated statements of operations, remeasurement gains and losses, and cash flows for the year ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Grande Prairie Regional College as at June 30, 2014, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year ended in accordance with Canadian public sector accounting standards.

Original signed by Merwan N. Saher, FCA

Auditor General  
August 26, 2014  
Edmonton, Alberta



## **Statement of Management Responsibility**

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The consolidated financial statements of Grande Prairie Regional College have been prepared by management in accordance with Canadian Public Sector Accounting Standards. The consolidated financial statements present fairly the financial position of the College, as at June 30, 2014 and the results of its operations for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has developed and maintains a system of internal control designed to provide reasonable assurance that College assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the consolidated financial statements.

The Board of Governors is responsible for reviewing and approving the consolidated financial statements, and overseeing management's performance of its financial reporting responsibilities.

The Board of Governors carries out its responsibility for review of the consolidated financial statements principally through its Audit Committee. The majority of the members of the Audit Committee are not employees of the College. The Audit Committee meets with management and the external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to the Audit Committee, with and without presence of management.

These consolidated financial statements have been reported on by the Auditor General of the Province of Alberta, the auditor appointed under the *Post-secondary Learning Act*. The Independent Auditor's Report outlines the scope of the audit and provides the audit opinion on the fairness of presentation of the information in the consolidated financial statements.

Original signed by Don Gnatiuk

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President

Original signed by Laurie Sutherland

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Vice President, Administration



# Grande Prairie Regional College

Consolidated Statement of Financial Position  
As At June 30, 2014

	2014	2013
<b>ASSETS</b>		
Cash	\$ 1,926,771	\$ 4,124,328
Portfolio investments (Note 3)	30,758,382	30,984,058
Accounts receivable	991,074	1,138,670
Inventories and prepaid expenses	752,395	564,646
Tangible capital assets (Note 5)	72,322,579	72,392,193
	<b>\$106,751,201</b>	<b>\$109,203,895</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 7,125,902	\$ 6,582,611
Employee future benefit liabilities (Note 6)	802,833	618,425
Debt (Note 7)	15,341,896	15,746,436
Deferred revenue (Note 8)	50,555,520	54,871,432
	<b>73,826,151</b>	<b>77,818,904</b>
<b>NET ASSETS</b>		
Endowments (Note 9)	5,928,846	5,865,474
Accumulated operating surplus (Note 10)	26,868,522	25,367,310
Accumulated remeasurement gains	127,682	152,207
	<b>\$ 32,925,050</b>	<b>\$ 31,384,991</b>
	<b>\$106,751,201</b>	<b>\$109,203,895</b>

Contingent liabilities and contractual obligations (Notes 11 and 12)

Approved by the Board of Governors:

Original Signed by Don Gnatiuk

President

Original signed by Pete Merlo

Chair, Board of Governors

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



# Grande Prairie Regional College

Consolidated Statement of Operations  
Year Ended June 30, 2014

	Budget 2014	Actual 2014	Actual 2013
	(Note 18)		
<b>Revenue</b>			
Government of Alberta grants (Note 17)	\$ 46,498,307	\$ 51,853,339	\$ 51,231,844
Federal and other government grants	1,994,482	1,246,611	1,783,461
Student tuition and fees	9,897,218	10,362,880	10,240,448
Sales of services and products	6,229,460	7,044,707	8,550,788
Donations and other grants	2,118,200	1,188,494	2,448,697
Investment income (Note 13)	609,973	760,574	1,274,571
	<u>67,347,640</u>	<u>72,456,605</u>	<u>75,529,809</u>
<b>Expenses (Note 14)</b>			
Instruction	30,677,543	29,502,114	31,936,761
Academic and student support	8,552,295	8,880,552	9,313,297
Facility operations and maintenance	11,472,374	15,734,172	13,667,255
Institutional support	9,842,208	9,970,968	10,184,449
Ancillary services	4,404,977	4,539,920	6,680,476
Sponsored research	1,645,032	1,468,990	1,213,650
Special purpose	753,211	858,677	1,857,170
	<u>67,347,640</u>	<u>70,955,393</u>	<u>74,853,058</u>
<b>Operating surplus</b>	-	1,501,212	676,751
<b>Accumulated operating surplus, beginning of year (Note 10)</b>	-	25,367,310	24,690,559
<b>Accumulated operating surplus, end of year</b>	<u>\$ -</u>	<u>\$ 26,868,522</u>	<u>\$ 25,367,310</u>

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





## Grande Prairie Regional College

Consolidated Statement of Remeasurement Gains and Losses  
Year Ended June 30, 2014

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	2014	2013
<b>Accumulated remeasurement gains, beginning of year</b>	<b>\$ 152,207</b>	<b>\$ -</b>
Transfer of accumulated net unrealized gain on investments at beginning of the year	-	345,357
Unrealized losses attributable to:		
Portfolio investments	<b>(18,538)</b>	(94,241)
Amounts reclassified to statement of operations:		
Portfolio investments	<b>(5,987)</b>	(98,909)
<b>Accumulated remeasurement gains, end of year</b>	<b>\$ 127,682</b>	<b>\$ 152,207</b>

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



# Grande Prairie Regional College

Consolidated Statement of Cash Flows  
For the Year Ended June 30, 2014

	2014	2013
<b>Operating transactions</b>		
Operating surplus	\$ 1,501,212	\$ 676,751
Add (deduct) non-cash items:		
Amortization of tangible capital assets	5,436,502	5,369,336
Loss on disposal of tangible capital assets	62,913	71,222
	7,000,627	6,117,309
Decrease in accounts receivable	147,596	143,793
(Increase) decrease in inventories and prepaid expenses	(187,749)	558,745
Increase in accounts payable and accrued liabilities	543,291	845,907
Increase in employee future benefit liabilities	184,408	77,173
Decrease in deferred revenue	(4,277,040)	(1,473,861)
<b>Cash provided by operating transactions</b>	<b>3,411,133</b>	<b>6,269,066</b>
<b>Investing transactions</b>		
Proceeds (purchases) of investments, net of purchases or sale	201,151	(8,029,619)
<b>Cash provided by (applied to) investing transactions</b>	<b>201,151</b>	<b>(8,029,619)</b>
<b>Financing transactions</b>		
Endowment contributions	24,500	7,000
Debt repayment	(404,540)	(388,075)
<b>Cash applied to financing transactions</b>	<b>(380,040)</b>	<b>(381,075)</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(5,432,834)	(4,344,930)
Proceeds on sale of tangible capital assets	3,033	5,954
<b>Cash applied to capital transactions</b>	<b>(5,429,801)</b>	<b>(4,338,976)</b>
<b>Decrease in cash</b>	<b>(2,197,557)</b>	<b>(6,480,604)</b>
<b>Cash, beginning of year</b>	<b>4,124,328</b>	<b>10,604,932</b>
<b>Cash, end of year</b>	<b>\$ 1,926,771</b>	<b>\$ 4,124,328</b>

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

# Grande Prairie Regional College

## Notes to the Consolidated Financial Statements For the Year Ended June 30, 2014

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### 1. Authority and Purpose

The Board of Governors of Grande Prairie Regional College is a corporation which manages and operates Grande Prairie Regional College ("the College") under the *Post-Secondary Learning Act* (Alberta). All members of the Board of Governors are appointed by either the Lieutenant Governor in Council or the Minister of Innovation and Advanced Education, with the exception of the President, who is an *ex officio* member. Under the *Post-Secondary Learning Act*, Campus Alberta Sector Regulation, the College is a comprehensive community institution offering mandated credentials and programs. The College is a registered charity, and under section 149 of the *Income Tax Act* (Canada), is exempt from the payment of income tax.

### 2. Summary of Significant Accounting Policies and Reporting Practices

#### a. General - Canadian Public Sector Accounting Standards (PSAS) and Use of Estimates

These consolidated financial statements have been prepared in accordance with PSAS. The measurement of certain assets and liabilities is contingent upon future events; therefore, the preparation of these consolidated financial statements requires the use of estimates, which may vary from actual results. Management uses judgment to determine such estimates. Employee future benefit liabilities, amortization of capital assets and the revenue recognition for expended capital are the most significant items based on estimates. In management's opinion, the resulting estimates are within reasonable limits of materiality and are in accordance with the significant accounting policies summarized below. These significant accounting policies are presented to assist the reader in evaluating these financial statements and, together with the following notes, should be considered an integral part of the financial statements.

#### b. Net Debt Model Presentation

PSAS require a net debt presentation for the consolidated statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as net debt or net financial assets as an indicator of future revenues required to pay for past transactions and events. The College operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these consolidated financial statements do not report a net debt indicator.

#### c. Valuation of Financial Assets and Liabilities

The College's financial assets and liabilities are generally measured as follows:

<b>Financial Statement Component</b>	<b>Measurement</b>
Cash	Fair Value
Portfolio investments	Fair Value
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Debt	Amortized cost

Unrealized gains and losses from changes in the fair value of unrestricted financial instruments are recognized in the consolidated statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the consolidated statement of remeasurement gains and losses and recognized in the consolidated statement of operations.

Unrealized gains and losses from changes in the fair value of restricted financial instruments are recognized as a liability under deferred revenue.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the consolidated statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

The College does not use foreign currency contracts or any other type of derivative financial instruments for trading or speculative purposes.

Management evaluates contractual obligations for the existence of embedded derivatives and elects to either designate the entire contract for fair value measurement or separately measure the value of the derivative component when characteristics of the derivative are not closely related to the economic characteristics and risks of the contract itself. Contracts to buy or sell non-financial items for the College's normal purchase, sale or usage requirements are not recognized as financial assets or liabilities. The College does not have any embedded derivatives.

# Grande Prairie Regional College

## Notes to the Consolidated Financial Statements For the Year Ended June 30, 2014

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### 2. Summary of Significant Accounting Policies and Reporting Practices (continued)

#### d. Revenue Recognition

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as deferred revenue.

##### i. Government grants, non-government grants and donations

The College recognizes government grants, donations and other contributions as follows:

##### Government transfers

Government transfers are referred to as government grants.

Government transfers and the associated externally restricted investment income are recorded as deferred revenue if the terms for use of the transfer, or the terms along with the College's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the terms are met and, when applicable, the College complies with its communicated use of the transfer.

Government transfers without terms for the use of the transfer are recorded as revenue when the College is eligible to receive the funds.

##### Donations and non-government contributions

Donations and non-government contributions are received from individuals, corporations, and private sector not-for-profit organizations. Donations and non-government contributions may be unrestricted or restricted for operating, capital or research purposes.

Unrestricted donations and non-government contributions are recorded as revenue in the year received or in the year the funds are committed to the College if the amount can be reasonably estimated and collection is reasonably assured.

Restricted donations, non-government contributions, realized and unrealized gains and losses for the associated externally restricted investment income are recorded as deferred revenue if the terms for their use, or the terms along with the College's actions and communications as to the use, create a liability. These resources are recognized as revenue as the terms are met and, when applicable, the College complies with its communicated use.

In-kind donations of services and materials are recorded at fair value when a fair value can be reasonably determined. Volunteers as well as College staff contribute a significant amount of time each year to assist the College in carrying out its mission; the value of these services are not recognized in the consolidated financial statements because fair value cannot be reasonably determined.

##### ii. Grants and donations related to land

The College recognizes grants and donations for the purchase of land as deferred revenue when received, and recognized as revenue when the land is purchased.

The College recognizes in-kind contributions of land as revenue at the fair value of the land when a fair value can be reasonably determined. When the College cannot determine the fair value, it records such in-kind contributions at nominal value.

##### iii. Endowments

Donations that must be maintained in perpetuity are recognized as a direct increase in endowment net assets when received or receivable. Investment income and unrealized gains and losses attributable to restricted portfolio investments are recognized as deferred revenue.

##### iv. Investment income

Investment income includes dividend and interest income, and realized gains or losses on the sale of portfolio investments. Unrealized gains and losses on portfolio investments that are from unrestricted grants and donations are recognized in the consolidated statement of accumulated remeasurement gains and losses until settlement. Once realized, these gains or losses are recognized as investment income in the consolidated statement of operations.

Investment income from restricted grants and donations is recognized as deferred revenue when the terms for use create a liability, and is recognized as investment income when the terms of the grant or donation are met.

#### e. Inventories

Inventories held for resale are valued at the lower of cost and expected net realizable value and are determined using the first in first out basis. Inventories held for consumption are valued at cost.

# Grande Prairie Regional College

## Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2014

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### 2. Summary of Significant Accounting Policies and Reporting Practices (continued)

#### f. Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development.

Construction in progress, which includes facilities and improvement projects and development of information systems, is not amortized until after the project is complete and the asset is in service.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over the estimated useful lives as follows:

Buildings and site improvements	25 - 40 years
Furnishings, equipment and systems	5 - 10 years
Learning resources	10 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the College's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded as revenues at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at the carrying value.

Intangible assets, works of art, historical treasures and collections are expensed when acquired and not recognized as tangible capital assets.

#### g. Employee Future Benefits

##### i. Pension

The College participates with other employers in the Local Authorities Pension Plan (LAPP). This pension plan is a multi-employer defined benefit pension plan that provides pensions for the College's participating employees based on years of service and earnings.

The College does not have sufficient plan information on the LAPP to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension expense recorded for the LAPP is comprised of employer contributions to the plan that are required for its employees during the year, which are calculated based on actuarially pre-determined amounts that are expected to provide the plan's future benefits.

##### ii. Supplementary retirement plans

The College provides non-contributory defined benefit supplementary retirement benefits to executive based on years of service and earnings. The expense for this plan is actuarially determined using the projected benefit method prorated on service. Actuarial gains or losses on the accrued benefit obligation are amortized over the expected average remaining service life.

##### iii. Accumulating non-vesting sick leave liability

Sick leave benefits accumulate with employee service and are provided by the College to all employee groups as defined by employment agreements to cover illness related to absences that are outside of short-term and long-term disability coverage. The maximum accumulated sick leave is 15 to 65 days depending on the employee group. The liability for the accumulated non-vested sick pay benefit is actuarially determined using two models: Excess utilization model and Disability Model. The cost of the accumulating non-vesting sick leave benefits are expenses as the benefits are earned.

##### iv. Long-term disability

The cost of providing non-vesting and non-accumulating employee future benefits for compensated absences under the College's long-term disability plans is charged to expense in full when the event occurs which obligates the College to provide the benefits. The cost of these benefits is actuarially determined using the accumulated benefit method, a market interest rate and administration's best estimate of the retirement ages of employees, expected health care costs and the period of employee disability. Actuarial gains or losses on the accrued benefit obligation are amortized over the average expected period the benefits will be paid.

# Grande Prairie Regional College

## Notes to the Consolidated Financial Statements For the Year Ended June 30, 2014

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### 2. Summary of Significant Accounting Policies and Reporting Practices (continued)

#### g. Employee Future Benefits (continued)

##### v. Leave plans

The leave plans allow employees to make contributions of their salary towards a year of leave. In the year of leave, the College makes a one-time contribution of a portion of the employee's salary and continues to pay the employee's benefits. The cost of these benefits is based on actual costs once the leave plan is approved and commences.

##### vi. Professional leave

Under the collective agreement with the Academic Staff Association, the College is committed to offering 60 months of paid professional leave to members each contract period. The cost of these benefits is based on actual costs once the leave is approved and paid. Any unused months are paid out at the end of the contract period.

#### h. Basis of Consolidation

The financial statements are prepared on a consolidated basis and include the accounts of the following controlled entity:

- Grande Prairie Regional College Alumni/Foundation (the "Foundation")

The Foundation operates under the Alberta Companies Act and is a registered charity for income tax purposes. The Foundation's activities are directed to the support and advancement of the College.

#### i. Funds and Reserves

Certain amounts, as approved by the Board of Governors, are set aside in accumulated surplus for future operating and capital purposes. Transfers to or from funds and reserves are an adjustment to the respective fund when approved.

#### j. Expense by function

The College uses the following categories of functions in its statement of operations:

##### **Instruction**

Expenses directly related to the delivery of programming and training within the College, whether for credit or non-credit programs.

##### **Academic and student support**

Expenses relating to activities directly supporting the academic functions of the College. This includes items such as libraries and galleries and expenses for Deans. Academic and student support also includes expenses for centralized functions that support individual students or groups of students.

##### **Facilities operations and maintenance**

Expenses relating to maintenance and renewal of facilities that house the teaching, research and administrative activities within the College. These include utilities, facilities administration, building maintenance, custodial services, landscaping and grounds keeping, as well as major repairs and renovations.

##### **Institutional support**

Includes expenses for centralized College-wide administration including executive management, public relations, alumni relations and development, corporate insurance premiums, corporate finance, human resources, centralized and core computing, network and data communications.

##### **Ancillary services**

Expenses relating to the College's business enterprises that provide services and products to the College community and to external individuals and organizations.

##### **Sponsored research**

Expenses for all sponsored research activities specifically funded by restricted grants and donations.

##### **Special purpose**

Expenses for scholarships and donations related to the GPRC Alumni/Foundation, and other programs specifically funded by restricted grants and donations.

#### k. Future Accounting Changes

In June 2010 the Public Sector Accounting Board issued PS 3260 Liability for Contaminated Sites effective for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. The College would recognize a liability related to the remediation of such contaminated sites subject to certain recognition criteria. Management is currently assessing the impact of this change in accounting standard on the financial statements effective the next fiscal period.

# Grande Prairie Regional College

## Notes to the Consolidated Financial Statements For the Year Ended June 30, 2014

### 3. Portfolio Investments

The composition and fair value of portfolio investments are as follows:

	2014	2013
<b>Fair value:</b>		
Canadian government and corporate bonds	\$ 5,147,528	\$ 3,110,309
GICs held with Canadian financial institutions	23,051,753	25,794,633
Canadian preferred shares	189,765	183,606
Canadian equity	1,421,082	1,076,609
Foreign equity	948,254	818,901
	<b>\$ 30,758,382</b>	<b>\$ 30,984,058</b>

#### Unrealized gains and losses on restricted funds

Cumulative endowment investment unrealized gains of \$422,254 (2013 - \$98,909) are recorded as restricted deferred revenue.

The following table provides a categorization of investments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the inputs in determining fair value are observable.

	2014			
	Level 1	Level 2	Level 3	Total
<b>Portfolio investments at fair value:</b>				
Canadian government and corporate bonds	\$ -	\$ 5,147,528	\$ -	\$ 5,147,528
GICs held with Canadian financial institutions	-	23,051,753	-	23,051,753
Canadian preferred shares	189,765	-	-	189,765
Canadian equity	1,421,082	-	-	1,421,082
Foreign equity	948,254	-	-	948,254
Total portfolio investments	<b>\$ 2,559,101</b>	<b>\$ 28,199,281</b>	<b>\$ -</b>	<b>\$ 30,758,382</b>
	2013			
	Level 1	Level 2	Level 3	Total
<b>Portfolio investments at fair value:</b>				
Canadian government and corporate bonds	\$ -	\$ 3,110,309	\$ -	\$ 3,110,309
GICs held with Canadian financial institutions	-	25,794,633	-	25,794,633
Canadian preferred shares	183,606	-	-	183,606
Canadian equity	1,076,609	-	-	1,076,609
Foreign equity	818,901	-	-	818,901
Total portfolio investments	<b>\$ 2,079,116</b>	<b>\$ 28,904,942</b>	<b>\$ -</b>	<b>\$ 30,984,058</b>

The fair value measurements are those derived from:

Level 1 – Quoted prices in active markets for identical assets or liabilities;

Level 2 – Market-based inputs other than quoted prices that are observable for the asset or liability either directly as prices or indirectly derived from prices;

Level 3 – Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

# Grande Prairie Regional College

## Notes to the Consolidated Financial Statements For the Year Ended June 30, 2014

### 4. Financial Risk Management

The College is exposed to a variety of financial risks, including market risk, foreign currency risk, interest rate risk, credit risk, and liquidity risk. To manage these risks, the College invests in a diversified portfolio of investments that is guided by established investment policies that outline risk and return objectives. The long term objective of the College's investment policies is to achieve a long term real rate of return in excess of fees and expenses and maintain the real value of the fund.

The College is exposed to the following risks:

#### Market risk

The College is exposed to market risk - the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affecting all securities. To manage this risk, the College has established an investment policy with a target mix that is diversified by asset class with individual issuer limits and is designed to achieve a long-term rate of return that in real terms equals or exceeds total endowment expenditures with an acceptable level of risk.

The College assesses its portfolio sensitivity to a percentage increase or decrease in the market prices. The sensitivity rate is determined using the historical annualized standard deviation for the total fund as determined by the investment advisor. At June 30, 2014, if market prices had a 10% (2013 - 10%) increase or decrease with all other variables held constant, the increase or decrease in remeasurement gains and losses and endowment net assets for the year would have been a total of \$230,979 (2013 - \$192,170).

The primary objectives of the College investment activities for operational funds are security, liquidity and return on investment. The primary objective of the investment activities for Foundation funds is to provide a contribution to the current and long term funding requirements of the College.

#### Foreign currency risk

The College is exposed to foreign exchange risk on investments that are denominated in foreign currencies. The College does not use foreign currency forward contracts or any other type of derivative financial instruments for trading or speculative purposes. The College's exposure to foreign exchange risk is very low due to minimal business activities conducted in a foreign currency.

#### Liquidity risk

The College maintains a portfolio of investments with rolling maturity dates to manage short-term cash requirements.

#### Credit risk

The College is exposed to credit risk on investments arising from the potential failure of a counterparty, debtor or issuer to honor its contractual obligations. To manage this risk the College has established an investment policy with required minimum credit quality standards and issuer limits. The credit risk from accounts receivable is low as the majority of balances are due from government agencies and corporate sponsors.

The credit risks on investments held as a percentage of total bond portfolio are as follows:

Credit Rating	2014	2013
<b>Bonds</b>		
AA	90.10 %	90.78 %
A	9.90 %	9.22 %
	<b>100.00 %</b>	<b>100.00 %</b>

#### Interest rate risk

Interest rate risk is the risk to the College's earnings that arise from the fluctuations in interest rates and the degree of volatility of these rates. This risk is managed by investment policies that limit the term to maturity of certain fixed income securities that the College holds. Interest risk on the College's debt is managed through fixed-risk agreements with Alberta Capital Finance Authority (Note 7).

The maturity of interest bearing investments are as follows:

	Less than 1 year	1 to 5 years	Greater than 5 years	Average effective market yield
Canadian government and corporate bonds	\$ 1,029,506	\$ 4,118,022	\$ -	2.23 %
GICs held with Canadian financial institutions	\$ 6,685,008	\$ 16,366,745	\$ -	2.45 %



# Grande Prairie Regional College

## Notes to the Consolidated Financial Statements For the Year Ended June 30, 2014

### 5. Tangible Capital Assets

	2014				
	Land	Buildings and site improvements	Furnishings, equipment and systems	Learning resources	Total
<b>Cost <sup>(a)</sup></b>					
Beginning of year	\$ 2,753,998	\$ 140,853,477	\$ 32,106,966	\$ 3,349,840	\$ 179,064,281
Acquisitions <sup>(b)</sup>	-	3,356,719	1,898,331	177,784	5,432,834
Disposals	-	-	(697,893)	-	(697,893)
	<u>2,753,998</u>	<u>144,210,196</u>	<u>33,307,404</u>	<u>3,527,624</u>	<u>183,799,222</u>
<b>Accumulated Amortization</b>					
Beginning of year	\$ -	\$ 80,732,713	\$ 23,649,250	\$ 2,290,125	\$ 106,672,088
Amortization expense	-	3,329,398	1,882,703	224,401	5,436,502
Disposals	-	-	(631,947)	-	(631,947)
	<u>-</u>	<u>84,062,111</u>	<u>24,900,006</u>	<u>2,514,526</u>	<u>111,476,643</u>
<b>Net book value at June 30, 2014</b>	<u>\$ 2,753,998</u>	<u>\$ 60,148,085</u>	<u>\$ 8,407,398</u>	<u>\$ 1,013,098</u>	<u>\$ 72,322,579</u>

	2013				
	Land	Buildings and site improvements	Furnishings, equipment and systems	Learning resources	Total
<b>Cost <sup>(a)</sup></b>					
Beginning of year	\$ 2,753,998	\$ 138,691,956	\$ 30,614,334	\$ 3,104,601	\$ 175,164,889
Acquisitions <sup>(b)</sup>	-	2,216,566	1,883,125	245,239	4,344,930
Disposals	-	(55,045)	(390,493)	-	(445,538)
	<u>2,753,998</u>	<u>140,853,477</u>	<u>32,106,966</u>	<u>3,349,840</u>	<u>179,064,281</u>
<b>Accumulated Amortization</b>					
Beginning of year	\$ -	\$ 77,433,719	\$ 22,166,167	\$ 2,071,228	\$ 101,671,114
Amortization expense	-	3,298,994	1,851,445	218,897	5,369,336
Disposals	-	-	(368,362)	-	(368,362)
	<u>-</u>	<u>80,732,713</u>	<u>23,649,250</u>	<u>2,290,125</u>	<u>106,672,088</u>
<b>Net book value at June 30, 2013</b>	<u>\$ 2,753,998</u>	<u>\$ 60,120,764</u>	<u>\$ 8,457,716</u>	<u>\$ 1,059,715</u>	<u>\$ 72,392,193</u>

(a) Included in buildings and site improvements is \$3,151,430 (2013 - \$1,872,207) recorded as construction in progress, which is not amortized as the assets are not in service.

(b) Acquisitions included in kind donations in the amount of \$118,048 (2013 - \$462,570).

The College holds permanent collections which include works of art. These collections are not included in tangible capital assets.

# Grande Prairie Regional College

## Notes to the Consolidated Financial Statements For the Year Ended June 30, 2014

### 6. Employee Future Benefit Liabilities

Employee future benefit liabilities are comprised of the following:

	2014			2013		
	Academic staff	Support staff	Total	Academic staff	Support staff	Total
Leave plans	\$ 190,518	\$ 50,991	\$ 241,509	\$ 92,820	\$ 40,577	\$ 133,397
Long term disability	128,125	136,997	265,122	130,666	57,607	188,273
Sick leave	-	215,000	215,000	-	-	-
Supplementary retirement plan	-	81,202	81,202	-	46,668	46,668
Professional Leave	-	-	-	250,087	-	250,087
	<b>\$ 318,643</b>	<b>\$ 484,190</b>	<b>\$ 802,833</b>	<b>\$ 473,573</b>	<b>\$ 144,852</b>	<b>\$ 618,425</b>

#### Leave plans

There are two leave plans in place. One for the Academic Staff Association (ASA) employees, and one for the Employee Association (EA) employees.

The EA self-initiated leave plan allows the employee to make contributions of their salary to the plan. In the year of leave, the College will make a one-time contribution of 15% of the employee's annual salary and will continue to pay the College's normal premium costs for employee's benefits.

The ASA Four for Five leave plan allows the employee to make contributions up to 14% of their salary to the plan for 4 years. In the year of leave, the College will make a one-time contribution of 24% of the employee's annual salary and will continue to pay the College's normal premium costs for employee's benefits.

The employee's contributions and interest are held by the College and recorded as a liability until the leave period when they are paid to the employee along with the College contributions.

	2014	2013
Employee's contributions held by the College	\$ 231,538	\$ 128,242
Interest held on employee's contributions	9,971	5,155
Balance, end of year	<b>\$ 241,509</b>	<b>\$ 133,397</b>

#### Supplementary retirement plan (defined benefit)

The College provides non-contributory defined supplementary retirement benefits to current executives. An actuarial valuation of these benefits was carried out at June 30, 2014. This showed an aggregate liability of \$81,202 (2013 - \$46,668).

#### Long term disability (LTD) benefits

The College provides non-vesting and non-accumulating employee future benefits for compensated absences under the College's long-term disability plan. Benefits for all employees approved by the group benefits provider for long-term disability include the payment of monthly benefits until approval ceases or the age of 65, and employee and employer LAPP contributions for a total of five years for members of the Academic Staff Association.

#### Sick Leave

Sick leave benefits accumulate with employee service and are provided by the College to all employee groups, as defined by employee agreements, to cover illness related to absences that are outside of short-term and long-term coverage. The maximum accumulated sick leave is 15 - 65 days depending on the employee group.

#### Professional leave

Under the collective agreement with the Academic Staff Association, the College is committed to offering 60 months of paid professional leave to members each contract period. The College had no remaining unutilized months at June 30, 2014.

# Grande Prairie Regional College

## Notes to the Consolidated Financial Statements For the Year Ended June 30, 2014

### 6. Employee Future Benefit Liabilities (continued)

	2014				2013			
	LTD	Sick Leave	SRP <sup>(1)</sup>	Total	LTD	Sick Leave	SRP <sup>(1)</sup>	Total
<b>Expense</b>								
Current service cost	\$ 76,850	\$ 23,000	\$ 31,112	\$ 130,962	\$ 25,849	\$ -	\$ 29,576	\$ 55,425
Interest cost	-	8,000	3,422	11,422	-	-	1,967	1,967
Past service cost	-	206,000	-	206,000	-	-	-	-
	<b>\$ 76,850</b>	<b>\$ 237,000</b>	<b>\$ 34,534</b>	<b>\$ 348,384</b>	<b>\$ 25,849</b>	<b>\$ -</b>	<b>\$ 31,543</b>	<b>\$ 57,392</b>
<b>Financial Position</b>								
Accrued benefit obligation:								
Balance, beginning	\$ 188,272	\$ -	\$ 46,668	\$ 234,940	\$ 214,121	\$ -	\$ 15,125	\$ 229,246
Current service cost	76,850	23,000	31,112	130,962	-	-	29,576	29,576
Interest cost	-	8,000	3,422	11,422	-	-	1,967	1,967
Recognition of past service	-	206,000	-	206,000	-	-	-	-
Benefits paid	-	(22,000)	-	(22,000)	(25,849)	-	-	(25,849)
Actuarial loss	-	-	28,571	28,571	-	-	-	-
Balance, end of year	265,122	215,000	109,773	589,895	188,272	-	46,668	234,940
Unamortized net actuarial loss	-	-	(28,571)	(28,571)	-	-	-	-
	<b>\$ 265,122</b>	<b>\$ 215,000</b>	<b>\$ 81,202</b>	<b>\$ 561,324</b>	<b>\$ 188,272</b>	<b>\$ -</b>	<b>\$ 46,668</b>	<b>\$ 234,940</b>

<sup>(1)</sup>The College plans to use its working capital to finance these future obligations.

The significant actuarial assumptions used to measure the SRP accrued benefit obligation and assumptions used to measure long term disability benefits are as follows:

	2014			2013		
	LTD	Sick Leave	SRP	LTD	Sick Leave	SRP
Accrued benefit obligation:						
Discount rate	3.5 %	3.5 %	4.5 %	2.5 %	- %	4.4 %
Long-term average compensation increase	3.5 %	3.0 %	3.5 %	2.5 %	- %	3.5 %
Benefit cost:						
Discount rate	3.5 %	3.5 %	4.5 %	2.5 %	- %	4.4 %
Long-term average compensation increase <sup>(1)</sup>	3.5 %	3.0 %	3.5 %	2.5 %	- %	3.5 %
Alberta inflation (year 1)	2.3 %	- %	2.3 %	2.5 %	- %	2.5 %
Estimated average remaining service life	14 years	11 years	8 years	10 years		10 years

<sup>(1)</sup> Compensation increases are not applicable for long-term disability (LTD).

# Grande Prairie Regional College

## Notes to the Consolidated Financial Statements For the Year Ended June 30, 2014

### 6. Employee Future Benefit Liabilities (continued)

#### Local Authority Pension Plan

The Local Authority Pension Plan (LAPP) is a multi-employer contributory defined benefit pension plan for support staff members and is accounted for on a defined contribution basis. At December 31, 2013, the LAPP reported an actuarial deficiency of \$4,861,516,000 (2012 - deficiency of \$4,977,303,000). An actuarial valuation of the LAPP was carried out as at December 31, 2012 and was then extrapolated to December 31, 2013. The pension expense recorded in these financial statements is \$3,685,467 (2013 - \$3,606,466). Other than the requirement to make additional contributions, the College does not bear any risk related to the LAPP deficiency.

### 7. Debt

Debt is measured at amortized cost and is comprised of the following:

	2014		2013	
	Maturity	Interest Rate	Amortized Cost	Amortized Cost
Debentures payable to Alberta Capital Finance Authority:				
Loan #1500775	Nov 2026	6.0 %	\$ 208,000	\$ 224,000
Loan #1500778	Jul 2027	6.1	280,000	300,000
Loan #3500015	Sep 2030	4.4	1,815,175	1,888,815
Loan #4000180	Dec 2036	4.4	4,970,925	5,097,814
Loan #4000464	Mar 2038	4.7	3,843,754	3,928,892
Loan #4000728	Jun 2038	5.1	4,224,042	4,306,915
			<b>\$ 15,341,896</b>	<b>\$ 15,746,436</b>

Collateral for all debt is the title to student residence land and buildings.

Interest expense on debt is \$734,167 (2013 - \$752,834) and is included in the consolidated statement of operations.

Principal and interest repayments in each of the next five years and thereafter are as follows:

	Principal	Interest	Total
2015	\$ 422,000	\$ 720,000	\$ 1,142,000
2016	440,000	700,000	1,140,000
2017	459,000	680,000	1,139,000
2018	478,000	660,000	1,138,000
2019	499,000	640,000	1,139,000
Thereafter	13,043,896	6,370,000	19,413,896
	<b>\$ 15,341,896</b>	<b>\$ 9,770,000</b>	<b>\$ 25,111,896</b>

# Grande Prairie Regional College

## Notes to the Consolidated Financial Statements For the Year Ended June 30, 2014

### 8. Deferred Revenue

Deferred revenues are set aside for specific purposes as required either by legislation, regulation or agreement:

	2014				
	Restricted			Tuition and other fees	Total
	Deferred Research and Special purpose	Unspent capital contributions	Spent capital contributions		
Balance, beginning of year	\$ 5,728,531	\$ 4,168,355	\$ 43,355,420	\$ 1,619,126	\$ 54,871,432
Grants, net tuition, donations received during the year	6,177,799	602,021	-	92,178	6,871,998
Restricted investment income	833,136	-	-	-	833,136
Unearned capital acquisition transfers	-	(1,321,509)	1,321,509	-	-
Recognized as revenue	(8,970,685)	-	(3,011,489)	-	(11,982,174)
Transfers	1,637,719	(1,676,591)	-	-	(38,872)
Balance, end of year	\$ 5,406,500	\$ 1,772,276	\$ 41,665,440	\$ 1,711,304	\$ 50,555,520

	2013				
	Restricted			Tuition and other fees	Total
	Deferred Research and Special purpose	Unspent capital contributions	Spent capital contributions		
Balance, beginning of year	\$ 5,519,994	\$ 4,673,979	\$ 44,767,517	\$ 1,409,803	\$ 56,371,293
Grants, net tuition, donations received during the year	7,365,983	1,216,125	-	209,323	8,791,431
Restricted investment income	(179,799)	-	-	-	(179,799)
Unearned capital acquisition transfers	(152,211)	(1,803,509)	1,711,902	-	(243,818)
Recognized as revenue	(6,717,676)	-	(3,123,999)	-	(9,841,675)
Transfers	(107,760)	81,760	-	-	(26,000)
Balance, end of year	\$ 5,728,531	\$ 4,168,355	\$ 43,355,420	\$ 1,619,126	\$ 54,871,432

### 9. Endowments

Endowments consist of externally restricted donations received by the College and internal allocations by the College's Board of Governors, the principal of which is required to be maintained intact in perpetuity.

Investment income earned on endowments must be used in accordance with the various purposes established by the donors or the Board of Governors. Benefactors as well as College policy stipulate that the economic value of the endowments must be protected by limiting the amount of income that may be expended and reinvesting unexpended income.

Under the *Post-Secondary Learning Act*, the College has the authority to alter the terms and conditions of endowments to enable:

- income earned by the endowment to be withheld from distribution to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the endowment.
- encroachment on the capital of the endowment to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the endowment if, in the opinion of the Board of Governors, the encroachment benefits the College and does not impair the long-term value of the fund.

# Grande Prairie Regional College

## Notes to the Consolidated Financial Statements For the Year Ended June 30, 2014

### 9. Endowments (continued)

The composition of endowments is as follows:

	2014	2013
Balance, beginning of year	\$ 5,865,474	\$ 5,832,474
Endowment contributions	24,500	7,000
Transfer from deferred revenue (Note 8)	38,872	26,000
Balance, end of year	<u>\$ 5,928,846</u>	<u>\$ 5,865,474</u>

### 10. Accumulated Operating Surplus

The composition of accumulated operating surplus is as follows:

	Accumulated surplus from operations	Investment in tangible capital assets	Internally restricted surplus	Accumulated surplus
<b>Balance as at June 30, 2012</b>	\$ 10,113,649	\$ 12,591,747	\$ 1,985,163	\$ 24,690,559
Operating surplus	676,751	-	-	676,751
Transfers	61,618	-	(61,618)	-
Acquisition of tangible capital assets	(2,633,028)	2,633,028	-	-
Debt repayment	(388,075)	388,075	-	-
Net book value of tangible capital asset disposals	77,176	(77,176)	-	-
Amortization of tangible capital assets	2,245,337	(2,245,337)	-	-
<b>Balance as at June 30, 2013</b>	10,153,428	13,290,337	1,923,545	25,367,310
Operating surplus	1,501,212	-	-	1,501,212
Transfers	158,059	-	(158,059)	-
Acquisition of tangible capital assets	(4,111,325)	4,111,325	-	-
Debt repayment	(404,541)	404,541	-	-
Net book value of tangible capital asset disposals	65,946	(65,946)	-	-
Amortization of tangible capital assets	2,425,014	(2,425,014)	-	-
<b>Balance as at June 30, 2014</b>	<u>\$ 9,787,793</u>	<u>\$ 15,315,243</u>	<u>\$ 1,765,486</u>	<u>\$ 26,868,522</u>

Investment in tangible capital assets represents the amount of the College's accumulated operating surplus that has been invested in the College's tangible capital assets.

Internally restricted surplus represents amounts set aside by the College's Board of Governors for specific purposes. Those amounts are not available for other purposes without the approval of the Board and do not have interest allocated to them. Internally restricted net assets with significant balances include:

	2014	2013
College appropriations for operating activities	\$ 916,145	\$ 996,155
Education	849,341	927,390
Total	<u>\$ 1,765,486</u>	<u>\$ 1,923,545</u>

# Grande Prairie Regional College

## Notes to the Consolidated Financial Statements For the Year Ended June 30, 2014

### 11. Contingent Liabilities

The College is a defendant in a number of legal proceedings. While the ultimate outcome and liability of these proceedings cannot be reasonably estimated at this time, the College believes that any settlement will not have a material adverse effect on the financial position or the results of operations of the College. Management has concluded that none of the claims meet the criteria for being recorded under PSAS.

The College has identified potential asset retirement obligations related to the existence of asbestos in a number of its facilities. Although not a current health hazard, upon renovation or demolition of these facilities, the College may be required to take appropriate remediation procedures to remove the asbestos. As the College has no legal obligation to remove the asbestos in these facilities as long as the asbestos is contained and does not pose a public health risk, the fair value of the obligation cannot be reasonably estimated due to the indeterminate timing and scope of the removal. The asset retirement obligations for these assets will be recorded in the period in which there is certainty that the capital project will proceed and there is sufficient information to estimate fair value of the obligation.

### 12. Contractual Obligations

The College has contractual obligations which are commitments that will become liabilities in the future when the terms of the contracts or agreements are met. The estimated aggregate amount payable for the unexpired terms of these contractual obligations are as follows:

	Service Contracts	Capital Projects	Information Systems and Technology	Long-term Leases	Total
2015	\$ 1,836,576	\$ 998,809	\$ 353,165	\$ 199,186	\$ 3,387,736
2016	706,650	1,400	131,153	199,870	1,039,073
2017	620,646	1,400	99,220	-	721,266
2018	635,651	1,400	8,000	-	645,051
2019	25,000	-	8,000	-	33,000
Thereafter	600,000	-	-	-	600,000
	<b>\$ 4,424,523</b>	<b>\$ 1,003,009</b>	<b>\$ 599,538</b>	<b>\$ 399,056</b>	<b>\$ 6,426,126</b>

Included in service contracts are electricity contracts in order to manage the College's exposure to volatility in the utility industry. The College has entered into contracts to fix a portion of its electrical costs at an average of \$0.06985 per kilowatt hour. The two contracts total \$605,688 (2013 - \$1,119,450) and expire on April 30, 2015.

### 13. Investment Income

	2014	2013
Restricted funds		
Investment earning on cash and portfolio investments held for endowments and other restricted purposes	\$ 509,791	\$ 376,197
Transferred to deferred revenue	(254,711)	(150,944)
Restricted funds recognized as investment income	<b>255,080</b>	<b>225,253</b>
Unrestricted funds		
Investment earnings on unrestricted cash and portfolio investments	<b>505,494</b>	1,049,318
Unrestricted funds recognized as investment income	<b>505,494</b>	1,049,318
Total investment income	<b>\$ 760,574</b>	<b>\$ 1,274,571</b>

# Grande Prairie Regional College

## Notes to the Consolidated Financial Statements For the Year Ended June 30, 2014

### 14. Expense by Object

The following is a summary of expense by object.

	2014		2013
	Budget	Actual	Actual
	(Note 18)		
Salaries	\$ 44,328,172	\$ 43,901,138	\$ 47,658,345
Materials, supplies and services	14,347,668	14,255,679	14,981,193
Scholarships and bursaries	450,000	345,377	377,959
Maintenance and repairs	939,784	4,731,402	2,778,654
Utilities	1,898,244	2,116,759	1,892,256
Amortization of capital assets	5,273,000	5,436,502	5,369,336
Cost of goods sold	110,772	168,536	1,795,315
	<u>\$ 67,347,640</u>	<u>\$ 70,955,393</u>	<u>\$ 74,853,058</u>

### 15. Funds Held on Behalf of Others

The College holds the following funds on behalf of others over which the Board has no power of appropriation. Accordingly, these funds are not included in the consolidated financial statements.

	2014	2013
Academic Staff Association Professional Growth	\$ 768,058	\$ 567,344
Alberta Union of Public Employees Staff Development	40,994	27,825
Employee Association Staff Development	44,938	3,682
Yellowhead Regional Education Society	94,867	94,867
Other	60,158	54,210
	<u>\$ 1,009,015</u>	<u>\$ 747,928</u>



# Grande Prairie Regional College

## Notes to the Consolidated Financial Statements For the Year Ended June 30, 2014

### 16. Salary and Employee Benefits

	2014				2013
	Base salary <sup>(2)</sup>	Other cash benefits <sup>(3)</sup>	Other non-cash benefits <sup>(4)</sup>	Total	Total
<b>Governance<sup>(1)</sup></b>					
Chair of the Board of Governors	\$ 6,133	\$ -	\$ 130	\$ 6,263	\$ 6,736
Members of the Board of Governors	36,819	-	1,510	38,329	36,092
<b>Executive<sup>(5)</sup></b>					
President <sup>(6)</sup>	318,000	-	29,836	347,836	336,108
Vice-Presidents:					
Vice-President Academic	205,622	5,400	29,836	240,858	233,529
Vice-President Administration	182,797	5,400	29,836	218,033	209,440
Vice-President Fairview Campus <sup>(7)</sup>	-	-	-	-	358,204
Vice-President External Relations	\$ 169,006	\$ 5,400	\$ 29,836	\$ 204,242	\$ 196,179

- The Chair and Members of Board of Governor receive no remuneration for their participation on the Board. Base salary consists only of honorariums.
- Base salary includes pensionable base pay.
- Other cash benefits include automotive allowance.
- Other non-cash benefits include the College's share of all employee benefits and contributions or payments made on behalf of employees including pension, group life insurance, employee family assistance program, critical illness, supplementary health care, short and long-term disability plans, dental plan, accidental disability and dismemberment. Non-cash benefits for some of the executive also include supplementary executive retirement plan, and memberships.
- Under the terms of the supplemental retirement plan (SRP), the executive may receive supplemental retirement payments. Retirement arrangement costs as detailed below are not cash payments in the period but are period expense for rights to future compensation. Costs shown reflect the total estimated cost to provide annual pension income over an actuarially determined post employment period. The SRP provides future pension benefits to participants based on years of service and earnings. The cost of these benefits is actuarially determined using the projected benefit method pro-rated on services, a market interest rate, and management's best estimate of expected costs and the period of benefit coverage. Net actuarial gains and losses of the benefit obligation are amortized over the average remaining service life of the employee group. Current service cost is the actuarial present value of the benefits earned in the current year. Prior service and other costs include amortization of past service costs on plan initiation, amortization of actuarial gains and losses, and interest accruing on the actuarial liability.
- Automobile provided, no dollar amount included in other non-cash benefits.
- In 2013 total compensation included a retiring allowance.

The current service cost and accrued obligation for each executive under the SRP is outlined in the following table.

	Accrued Obligation		Interest cost	Actuarial Loss (Gain)	Accrued Obligation	
	June 30, 2013	Service cost			June 30, 2014	
President	\$ 35,298	\$ 23,532	\$ 2,588	\$ 7,391	\$ 68,809	
Vice-Presidents:						
Vice-President Academic	5,970	3,980	438	8,693	19,081	
Vice-President Administration	3,708	2,472	272	9,674	16,126	
Vice-President External Relations	1,692	1,128	124	2,813	5,757	
	\$ 46,668	\$ 31,112	\$ 3,422	\$ 28,571	\$ 109,773	

The significant actuarial assumptions used to measure the accrued benefit obligation are disclosed in Note 6.

# Grande Prairie Regional College

## Notes to the Consolidated Financial Statements For the Year Ended June 30, 2014

### 17. Related Party Transactions and Balances

The College operates under the authority and statutes of the Province of Alberta. Transactions and balances between the College and the Government of Alberta (GOA) are measured at the exchange amount and summarized below.

	2014	2013
Grants from Government of Alberta		
Innovation and Advanced Education:		
Operating	\$ 41,062,466	\$ 43,083,890
Capital	1,527,419	2,144,026
Alberta Innovates Bio Solutions	3,000	-
Alberta Innovates Technology Futures	173,000	-
Other	4,261,632	3,899,260
Total Innovation and Advanced Education	<u>\$ 47,027,517</u>	<u>\$ 49,127,176</u>
Other Government of Alberta departments and agencies		
Other	640,983	449,965
Total other Government of Alberta departments and agencies	<u>640,983</u>	<u>449,965</u>
Total contributions received	<u>47,668,500</u>	<u>49,577,141</u>
Restricted expended capital recognized as revenue	2,222,779	2,301,450
Restricted contributions spent (deferred)	1,962,060	(646,747)
	<u>\$ 51,853,339</u>	<u>\$ 51,231,844</u>

The College has liabilities with Treasury Board and Finance and Alberta Capital Finance Authority as described in Note 7.

### 18. Budget Figures

Budgeted figures have been provided for comparison purposes and have been derived from the College's Comprehensive Institutional Plan as approved by the Board of Governors on June 19, 2013. Certain budget figures have been reclassified to conform with the presentation adopted in the 2014 consolidated financial statements.

### 19. Approval of Financial Statements

The consolidated financial statements were approved by the Board of Governors.





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