

ANNUAL REPORT

2016-2017



GPRC

GRANDE PRAIRIE REGIONAL COLLEGE





Accountability Statement	5
Management's Responsibility for Reporting	5
Message from the President	6
Public Interest Disclosure	8
Vision, Mission, and Mandate	8
Operational Overview	9
Goals, Priority Initiatives, Expected Outcomes and Performance Measures	16
Internationalization	27
Financial and Budget Information	28
Information Technology	34
Capital Plan	36





ACCOUNTABILITY STATEMENT

The Grande Prairie Regional College (GPRC) Annual Report for the year ended June 30, 2017 was prepared under the Board's direction in accordance with the Fiscal Planning and Transparency Act and ministerial guidelines established pursuant to the Post-Secondary Learning Act. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

Natalia Reiman,
Chair, Board of Governors

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

GPRC's management is responsible for the preparation, accuracy, objectivity and integrity of the information contained in the Annual Report including the financial statements, performance results and supporting management information. Systems of internal control are designed and maintained by management to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, are executed in accordance with all relevant legislation, regulations and policies, reliable financial records are maintained and assets are properly accounted for and safeguarded.

The Annual Report has been developed under the oversight of the institution audit committee, as well as approved by the Board of Governors and is prepared in accordance with the Fiscal Planning and Transparency Act and the Post-Secondary Learning Act.

The Auditor General of Alberta, the institution's external auditor appointed under the Auditor General Act, performs an annual independent audit of the consolidated financial statements which are prepared in accordance with Canadian public sector accounting standards.



Don Gnatiuk,
President and CEO

MESSAGE FROM THE PRESIDENT

GPRC had a lot to celebrate with its community during the 2016–2017 year, which marked GPRC’s 50th Anniversary. Our community is the reason GPRC exists and every opportunity was taken to celebrate all we’ve achieved together and all we look forward to achieving.

GPRC is extremely proud of the Indigenous Education Protocol signed with our Circle of Indigenous Students in January 2017. This is part of the nationwide initiative led by Colleges and Institutes Canada (CICan) to have colleges across Canada

reaffirm their commitment to Indigenous Education. GPRC staff and faculty worked closely with the Circle of Indigenous Students over the course of a year to finalize a protocol that GPRC’s Indigenous students, staff, faculty and the entire community now call their own.

Over the past year, GPRC increased educational opportunities for students. New and renewed agreements with SAIT and Royal Roads University offer GPRC students increasingly flexible degree pathways in several disciplines. A collaborative study completed by GPRC with local community and industry leaders revealed the high potential for the development of a culinary arts program in the community of Jasper. This study revealed there is incredible potential for new programming in Jasper that would meet the needs of the local tourism industry.

GPRC continues to pursue the expansion of its health and allied health care programming to meet both the needs of regional learners and the employer demands of the new regional hospital for an increase in specifically trained employees. In step with GPRC’s commitment to the integration of education and the community, the new hospital will include 40,000 square feet of educational space to be used by GPRC students. These programs will continue to enhance the student experience at GPRC.



GPRC has also demonstrated its ability to adapt well to changing social and economic circumstances. For example, the economic downturn across the province resulted in a decreased number of Apprenticeship and Industry Training student seats in our Apprenticeship programs. In response to this decrease, GPRC shifted its trade programming focus and started offering pre-employment and cooperative trades orientation certificates so students will be better prepared when the economy improves and industry demand for trades training increases. In response to evolving technologies and enhancements in education, GPRC's Educational Technologies department worked with faculty to increasingly incorporate Open Education Resources into the classroom, resulting in faculty having the option to customize texts and lower textbook costs for students.

GPRC also created new opportunities in our Early Learning and Child Care program. GPRC was excited and proud to receive funding as part of the provincial government's \$25-a-day daycare pilot program. This programming provides an opportunity for students to access affordable child care while allowing GPRC's Early Learning and Child Care students to receive exceptional hands-on training right on-campus in Grande Prairie.

GPRC continues to renew and improve our facilities to provide students with the latest education and training opportunities. For example, in Fairview, GPRC completely renovated its Large Animal Handling Lab, including a refit with new equipment. This improvement ensures our students in the popular Animal Health Technology program are fully prepared to operate state-of-the-art equipment upon graduation. Federal government funding for infrastructure improvements (SIF grant) meant the Science labs in Grande Prairie also received an upgrade with the latest equipment.

GPRC's Research & Innovation department reached some significant milestones in 2016–17 including the department's 10th anniversary. As well, Research & Innovation's Community Enhancement Research initiative received a Government of

GPRC has also demonstrated its ability to adapt well to changing social and economic circumstances.

Canada Social Sciences and Humanities Research Council (SSHRC) grant. The research project aims to improve the service model of the Grande Prairie Police and Crisis Team (GP-PACT), in partnership with RCMP, Alberta Health Services and the City of Grande Prairie.

GPRC's Pollutants to Products (P2P) team was also very active, receiving two Canadian patents for their microalgae technology, a system which enables microalgae to be grown more efficiently and sustainably. In June, GPRC was proud to break ground on an expansion of its National Bee Diagnostic Centre – Technology Access Centre (NBDC-TAC) in Beaverlodge. This expansion, which also received Federal government funding (SIF grant) will triple the size of the facility while growing our partnership with Agriculture and Agri-Food Canada and researchers from other institutions across Canada and around the world. This expansion will see the NBDC continue to increase its services to the Canadian beekeeping industry.

GPRC also thanked departing Board of Governors members and Chair Pete Merlo for their contributions and dedication as we warmly welcomed the new board members and Chair Natalia Reiman.

This continued strong leadership will ensure GPRC remains as vital to the community in its next half-century as it was in its first.

Don Gnatiuk,
President and CEO

PUBLIC INTEREST DISCLOSURE, VISION, MISSION, AND MANDATE

WHISTLEBLOWER PROTECTION ACT

GPRC does not have any incidents to report.

VISION

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

MISSION

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

MANDATE

Grande Prairie Regional College 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, Grande Prairie Regional College 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. The College 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.

The College 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, Agriculture and Environmental Sciences. The College also offers baccalaureate degrees, primarily as collaborative degrees.

In response to regional, community and industry demand, Grande Prairie Regional College provides a range of customized non-credit pre-employment programming, skills

development, safety, English as a Second Language and community interest courses. The College meets community and industry demand for responsive and specific industry training through the provision of customized programming.

As an educational facility in northwest Alberta, Grande Prairie Regional College helps meet the cultural, recreational, athletic and conferencing needs of the region in partnership with service area, community and regional stakeholders. The College 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.

The College 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.

Grande Prairie Regional College 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.

Approved by the Minister of Advanced Education (2008)

OPERATIONAL OVERVIEW

NATIONAL, PROVINCIAL, AND REGIONAL REALITIES

Canadian colleges and institutes play an important role in advancing knowledge and integrating within their regional communities. The relationship between colleges and communities has had a positive impact on regional learners and economies. The effect of Canadian colleges and institutes is equal to 12.7% (\$191.2 billion) of the Gross Domestic Product (GDP) on the national business community in Canada (Colleges and Institutes Canada, Analysis of the Return on Investment and Economic Impact of Education, October 2016).

FIGURE 1: CONTRIBUTIONS AND IMPACT OF CANADIAN COLLEGES AND INSTITUTES

\$189.5 BILLION	Income contribution of students to the Canadian economy who attended Canadian colleges and institutes
\$1.6 BILLION	Income contribution of international students to the Canadian economy who attended Canadian colleges and institutes
\$191.2 BILLION	Total income contribution of all students to the Canadian Economy who attended Canadian colleges and institutes
\$3.80	A return on investment for every \$1 students spend on their education at Canada's colleges and institutes
\$122.5 BILLION	Present value of the Canadian society's higher earnings over the course of the students' working lives
\$1.0 BILLION	Benefits due to reduced demand for government-funded social services in Canada
\$3.00	Benefits to taxpayers for every \$1 invested

Source: Colleges and Institutes Canada, Economic Impact Report 2016

The 2012–2013 Analysis of Economic Impact and Return on Investment of Education for GPRC concluded that the added income created by GPRC in 2011–2012 was:

- ▶ \$56.0 Million – Effect of GPRC's operations
- ▶ \$3.4 Million – Effect of GPRC's student spending
- ▶ \$80.0 Million – Effect of student productivity
- ▶ \$139.4 Million – Total effect of GPRC on regional economy

The findings showed the contribution of GPRC to the regional and provincial economy, as well as the return on investment for students attending GPRC. Overall, GPRC students with Two-Year Diplomas earned \$42,200 at the midpoint of their career, which is \$14,200 more than the average earned by someone holding only a high school diploma. GPRC students will earn \$3.70 for every \$1 they invest in their education after high school graduation.

The total economic impact of GPRC totaled 1.3% of the region’s gross domestic product; GPRC positively contributed to our region’s economy, enhanced the socio-economic well-being of community citizens, and created savings for students and taxpayers.

Grande Prairie remains one of the youngest cities in Canada with an average age of 33.5 compared to 37.8 for Alberta and 41.0 for Canada. The 2016 Federal Census indicated that Grande Prairie experienced a 13.5% increase in population from 2011 to 2016. Children aged 0–14 represent 21.1% of the city’s population while seniors aged 65+ represent only 7.1% of the city’s population. This “bubble” of younger population will positively impact regional high schools and GPRC enrolment in the near future. GPRC is well-positioned to absorb and respond

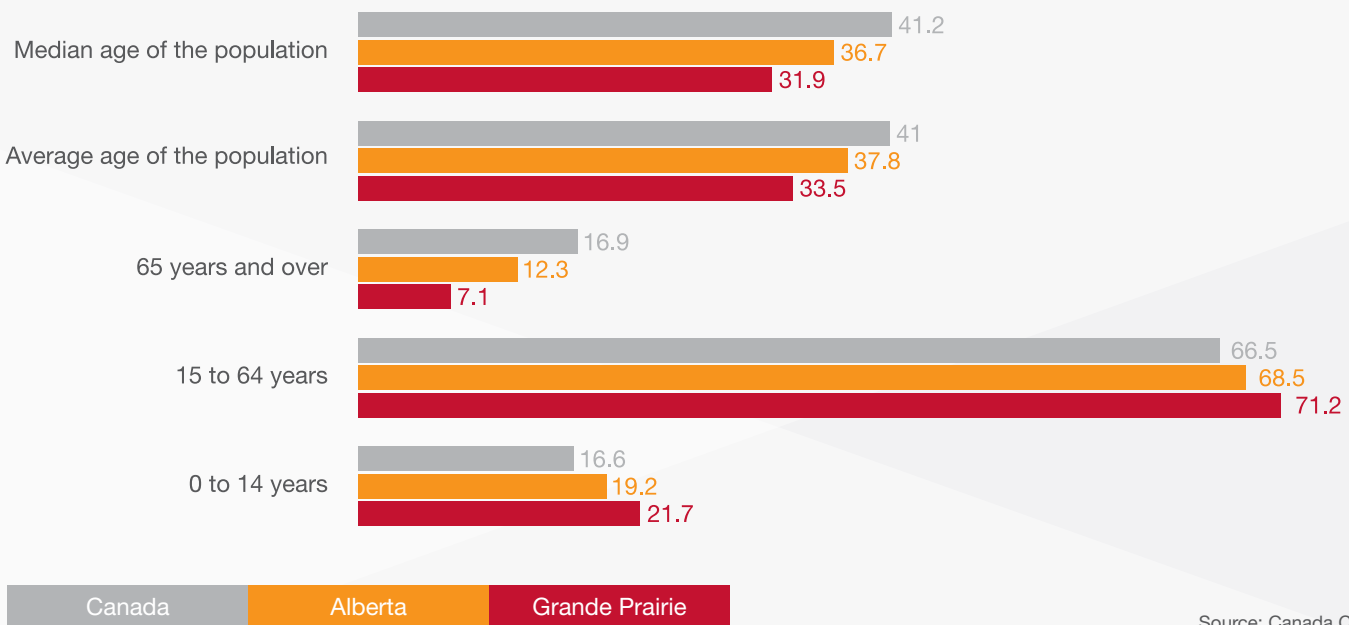
to programming demands and operational changes due to enrolment increases. **(Figure 2)**

Grande Prairie remains the hub of business and opportunity for regional citizens and employers. The city is a trading centre for Northwestern Alberta, Northeastern British Columbia, and the Northwest Territories. Employment opportunities are abundant in the sectors of agriculture, forestry, oil and gas, retail services, and tourism. The average unemployment rate in 2016 was 6.9% in the Athabasca-Grande Prairie-Peace River region compared to 8.1% for Alberta; one of the lowest in Alberta compared to all other regions. **(Figure 4)**

Regional development and new economic projects will further require Grande Prairie to educate highly skilled workers and attract them to the region. The new Grande Prairie hospital will require additional workforce for which GPRC is well-positioned to provide training. New schools are being built in the city and a number of additional infrastructure projects are underway in the region.

These new developments and projects total more than \$3 billion and also include **Figure 3’s** totals.

FIGURE 2: POPULATION AGE DISTRIBUTION (%), AVERAGE AGE, AND MEDIAN AGE FOR CANADA, ALBERTA, AND GRANDE PRAIRIE



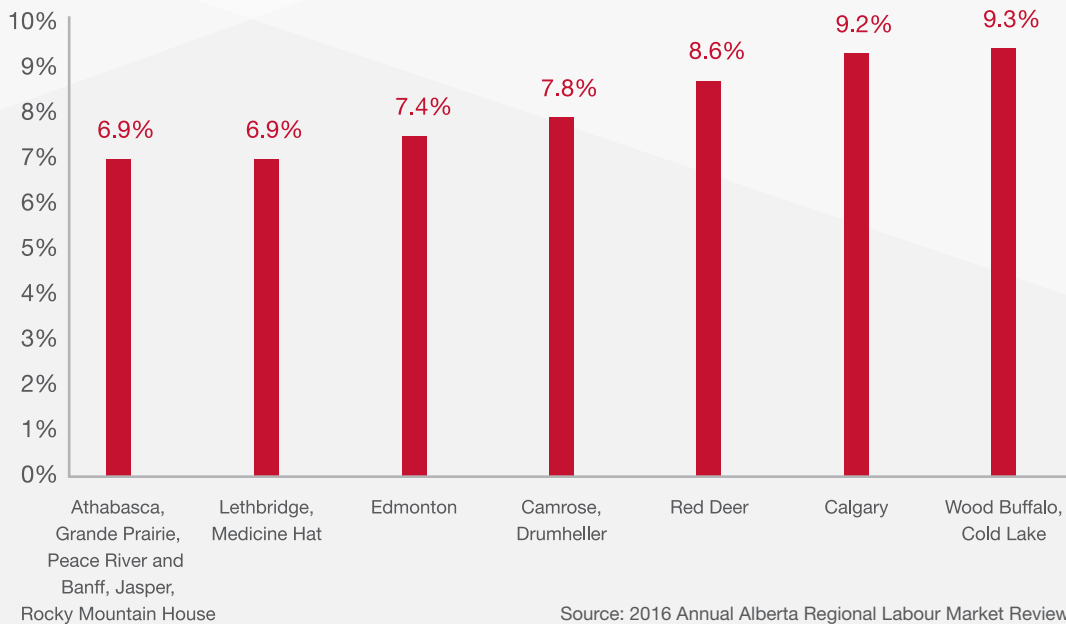
Source: Canada Census 2016

FIGURE 3: REGIONAL DEVELOPMENTS AND PROJECTS

\$1.4 BILLION	HR Milner Generating Station Expansion
\$730 MILLION	Regional Hospital in Grande Prairie
\$54.6 MILLION	Three New Schools
\$54 MILLION	Highway 43x Bypass
\$50 MILLION	Greenview Sour Gas Plant
\$38.9 MILLION	Grande Prairie Hospital Parkade
\$30 MILLION	Clairmont Seniors Complex
\$20 MILLION	Downtown Enhancements
\$17 MILLION	Community Knowledge Campus Sports Field
\$15 MILLION	Canfor Mill Modernization

Source: City of Grande Prairie Economic Profile 2017

FIGURE 4: ALBERTA ECONOMIC REGIONS AND UNEMPLOYMENT RATES (%)



Source: 2016 Annual Alberta Regional Labour Market Review



INSTITUTIONAL RESPONSE

The economic realities of Alberta had a direct impact on enrolment in Apprenticeship programming across all post-secondary institutions. At GPRC, Apprenticeship Full Load Equivalent (FLE) enrolment decreased by 17%, from 423.1 in 2015–2016 to 351.5 in 2016–2017. This sharp decline is reflective of the regional and Alberta-wide economic downturn that is likely to extend to the 2017–2018 academic year.

The decline in Apprenticeship was somewhat offset by an increase in FLE enrolment in credit programs. FLE enrolment increased by 2.6%, from 1,454 in 2015–2016 to 1,492 in 2016–2017. It is historically relevant that at times of economic downturn, enrolment in credit programming increases. GPRC expects the economy to rebound and enrolment in both Apprenticeship and credit programming to stabilize.

GPRC is restructuring and revitalizing current programming in key areas to enhance program delivery and student learning. The Kinesiology Diploma program was launched in 2016–2017, and the Dental Office Clerk program was redesigned resulting in a shortened program and work placement opportunities for learners.

In 2016–2017, the Business Administration Management Diploma and Business Administration Accounting and Investment Management Diploma programs were launched with 7.4 and 3.7 Full Load Equivalents (FLEs) respectively. Furthermore, the Kinesiology Diploma program launched in 2016–2017 saw a further 0.8 FLE enrolment. GPRC anticipates a further increase in FLE enrolment in the above-mentioned programs in 2017–2018.

Credit program FLEs in 2016–2017 were down by 42 FLEs from the 2016–2017 enrolment projections made in the 2016–2019 Comprehensive Institutional Plan (CIP), but FLE enrolment overall has increased by 38 FLE points in comparison with the 2015–2016 enrolment total. Projections from the Academic Upgrading, Open Studies, and University Transfer programs were slightly overestimated, but increases in other programs slightly offset the difference.

In previous years, GPRC reported FLE enrolment by program only (where specializations were bundled together). GPRC has revised its reporting structure based on the 2016–2017 Annual Report Guidelines to report on programs and specializations within each program.



CREDIT PROGRAMS FULL LOAD EQUIVALENT (FLE) ENROLMENT (EXCLUDES APPRENTICESHIP)

Program	Specialization	2015–2016 ACTUALS	2016–2017 PROJECTIONS	2016–2017 ESTIMATES
Aboriginal Administration	Aboriginal Administration	0.3	10	2.8
Academic Upgrading	Academic Upgrading	132.154	150	105.218
Animal Health Technology	Animal Health Technology	45.746	45	53.222
Business Administration Certificate	Business Administration Certificate	105.5	142	117.5
Business Administration Diploma	Management			7.4
Business Administration Diploma	Financial Services	4		8.4
Business Administration Diploma	Accounting and Investment Management			3.7
Business Administration Diploma	Accounting	13.6		15.7
Business Administration Diploma	Marketing	2.5		2.1
Business Administration Diploma	Business Administration General	13.6		5.7
Commercial Beekeeper	Commercial Beekeeper	1.2	0	0
Computer Systems Technology Certificate	Computer Systems Technology Certificate	12.8	20	19
Computer Systems Technology Diploma	Computer Systems Technology Diploma	3.7		3.2
Cooperative Trades Orientation	Cooperative Trades Orientation		0	4.8
Early Learning and Child Care	General	55.783	75	54.909
Early Learning and Child Care	Early Learning and Child Care	17.351		14.318
Educational Assistant	General	11.857	15	28.768
Fitness Leadership	Personal Trainer	11	34	29.4
Fitness Leadership	Fitness Leadership	21.6		0.5
Harley-Davidson Technician	Harley-Davidson Technician	13.5	16	13
Hospitality and Tourism Management	Hospitality and Tourism Certificate	2.8	0	0
Kinesiology	Kinesiology		0	0.8
Motorcycle Mechanic	Motorcycle Mechanic	14	16	11.577
Music Diploma	Music Technology	2.5	12	0.3
Music Diploma	Performance	6.5		4.05
Office Administration Certificate	Office Administration	18.067	48	29.517
Office Administration Certificate	Dental Office	4.75		7.5
Office Administration Certificate	Basic Bookkeeping	20.333		18.883
Office Administration Certificate	Oil & Gas	15.5		3.35
Office Administration Diploma	Microcomputer Office Specialist	0.4	0	0
Office Administration Diploma	Professional Bookkeeping Specialist	0.5	0	0
Office Administration Diploma	Legal Secretary Specialist	0.6	0	0
Office Administration Intensive Diploma	Legal Secretary	0.3	0	0
Office Administration Intensive Diploma	Microcomputer Office Specialist	1.9	0	0.4
Open Studies	Open Studies	171.47	194	175.832
Parts & Materials Technician Certificate	Parts & Materials Technician Certificate	12.231	15	13.064
Perioperative Nursing	Perioperative Nursing	8.329	10	26.869

CREDIT PROGRAMS FULL LOAD EQUIVALENT (FLE) ENROLMENT (EXCLUDES APPRENTICESHIP)

PROGRAM	SPECIALIZATION	2015–2016 ACTUALS	2016–2017 PROJECTIONS	2016–2017 ESTIMATES
Power Engineering	Third Class	9.644	54	19.92
Power Engineering	Fourth Class	42.908		36.572
Pre-Employment Welding	Pre-Employment Welding		0	4.5
ThinkBIG Service Technician	ThinkBIG Service Technician	51.565	55	46.723
Unit Clerk	Unit Clerk	18.577	20	27.139
UT: Bachelor of Arts	UT: Bachelor of Arts	91.316	450	99.877
UT: Bachelor of Commerce	UT: Bachelor of Commerce	63.8		36.501
UT: Bachelor of Education	UT: Bachelor of Education	118.57		123.17
UT: Bachelor of Engineering	UT: Bachelor of Engineering	20.222		15.853
UT: Bachelor of Fine Arts	UT: Bachelor of Fine Arts	6.4		4.7
UT: Bachelor of Music	UT: Bachelor of Music	13.602		11.968
UT: Bachelor of Physical Education	UT: Bachelor of Physical Education	27.5		42.534
UT: Bachelor of Science	UT: Bachelor of Science	74.469		73.101
UT: Bachelor of Science in Computing Science	UT: Bachelor of Science in Computing Science	12.1		8
UT: Bachelor of Science in Nursing	UT: Bachelor of Science in Nursing	143.908		138
Visual Arts and Design	Visual Arts and Design	13.034	15	16.85
	Total	1453.94	1534.00	1492.17

Reactivated Programs effective
July 1, 2016

Terminated Programs effective
July 1, 2016

Suspended and/or Terminated
Programs effective July 1, 2016

TABLE: APPRENTICESHIP FULL LOAD EQUIVALENT (FLE) ENROLMENT

PROGRAM	2015–2016 ACTUALS	2016–2017 PROJECTIONS	2016–2017 ESTIMATES
Automotive Service Technician	24.030		21.093
Carpenter	17.889		14.685
Electrician	113.569		99.283
Heavy Equipment Technician	104.397		80.634
Instrument Technician	3.738		1.335
Millwright	38.715		34.443
Motorcycle Mechanic	21.681		20.147
Parts Technician	18.743		16.742
Plumber	9.879		9.612
Sheet Metal Worker	2.331		1.998
Steamfitter-Pipefitter	22.961		18.957
Welder	45.122		32.574
Total	423.055	390	351.503

Enrolment and retention strategies and activities were also revamped in 2016–2017 with the addition of Student Success Officers who are responsible for transitioning and supporting current and prospective students through their GPRC educational journey. The Strategic Enrolment and Retention Committee formed three working group committees for recruitment, retention and marketing respectively. The Recruitment Committee is solely focusing on recruitment strategies and initiatives within GPRC’s stewardship area and beyond. The Retention Committee is engaging representatives from several departments to collaborate in the enhancement of students’ experience and responsiveness to their concerns and challenges throughout the academic year.

GPRC’s Information Technology department, in alignment with its strategic plan, undertook major projects that resulted in improving efficiencies and processes across all departments. As well, a new student information system, Unit4, was assessed and determined appropriate for implementation at GPRC. Project plans were initiated with several departments. Collectively, these initiatives will help improve the delivery of student learning, reduce energy consumption, enable and enhance collaboration, increase automation, and improve the flow of information now and in the future.

The Campus Master Plan will guide facilities and capital activities for the next 10 to 20 years.

GPRC also looked to the future needs of its physical facilities and completed consultation and research on the Campus Master Plan for the Grande Prairie and Fairview campuses. The plan will guide facilities and capital activities for the next 10 to 20 years. Research and consultations were extensive and included 29 student, faculty, staff, and community meetings to gather input and share ideas about the future of GPRC. An online survey was conducted, resulting in approximately 400 responses. Economic and demographic data were analyzed to determine realistic growth projections for enrolment. Academic plans for new programming were factored into this analysis, including the scenario of GPRC expanding degree completion options. The utilization of GPRC facilities and the need to repair or refurbish these facilities were considered.



GOALS, PRIORITY INITIATIVES, EXPECTED OUTCOMES AND PERFORMANCE MEASURES

ACCESS, QUALITY AND STUDENT EXPERIENCE

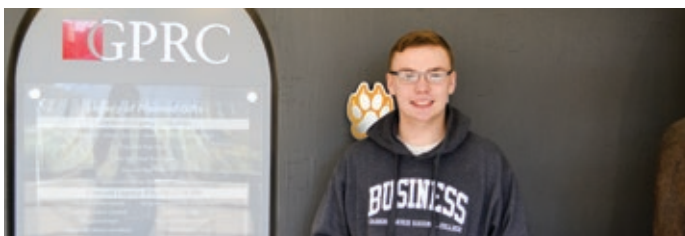
GPRC strives to achieve excellence in delivering high quality and accessible programming to meet the changing needs of regional communities. Regional learners have access to a wide range of certificate, diploma, and university transfer options to major institutions in Alberta and British Columbia. Current academic and trades programming on Grande Prairie and Fairview campuses allow learners to stay close to home and achieve their educational dreams in the region. GPRC remains committed to educating and retaining learners to enhance the socio-economic status of the region.

The GPRC Program Review Committee reviews all credit programs, with the goal of improving delivery anticipating and overcoming potential challenges.

As a result, in 2016–2017, the Business Administration Management Diploma and Business Administration Accounting and Investment Management Diploma programs were launched. In addition, based on regional realities and student demand, the Kinesiology Diploma program was launched in 2016–2017 and saw a 0.8 FLE enrolment.

GPRC was proud to enter into an agreement with Southern Alberta Institute of Technology (SAIT) for the delivery of Bachelor of Business Administration (Accounting Major) on GPRC's Grande Prairie campus. Consequently, GPRC enhanced student access to high-quality degree completion

SAIT Business Administration student Mykel Lewsaw



programming within a regional context. Additionally, GPRC renewed and increased agreements with Royal Roads University, offering students more options to study for the first two years of their degree at GPRC and transfer to a partner institution for degree completion.

GPRC also continued to explore new programming opportunities to meet regional needs. In collaboration with regional organizations and employers, GPRC explored the viability of establishing a Culinary Arts program in Jasper. Initial needs assessments and consultation with local organizations and employers were completed and GPRC is finalizing a business case to present to stakeholders. If this programming is implemented, learners will have access to the necessary education while community organizations will have access to an appropriately educated workforce.

GPRC continues to pursue the expansion of its health and allied health care programming through research and program development as construction continues on the new regional hospital in Grande Prairie. The new facility will include 40,000 square feet of education space dedicated to GPRC. GPRC has established regional connections with Alberta Health Services and community organizations, and further committees were formed to ensure a smooth transition of GPRC programming to the new hospital.

Indigenous Education Protocol Signing

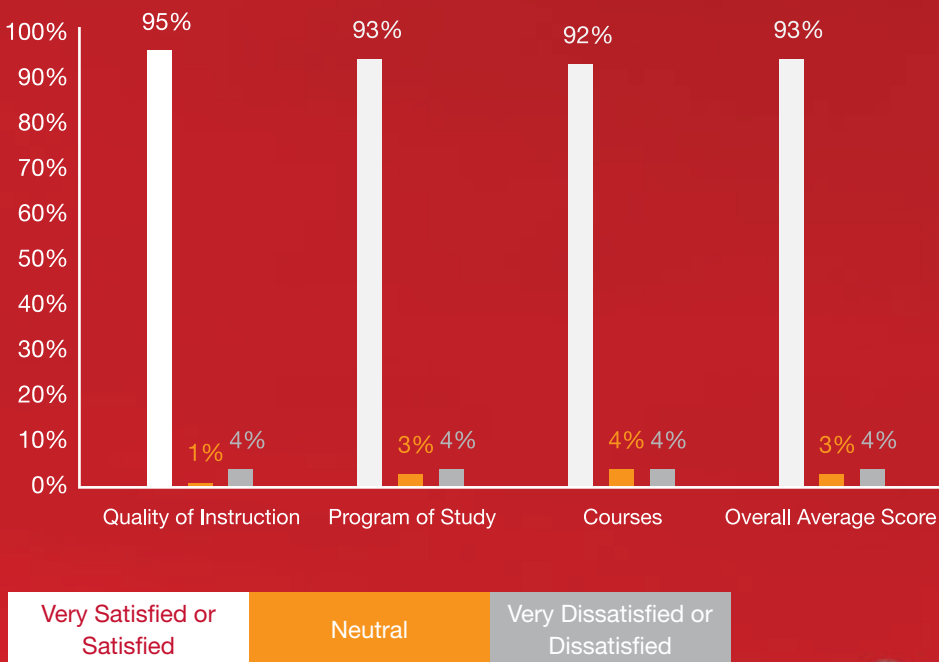


Improvements to GPRC systems that support students' experience are also being improved. GPRC assessed current software and student information systems options that would ensure currency and service to meet learner demands. Thus, GPRC invested in Unit4, an integrated and comprehensive student information system that will provide a better student experience and enhance student learning. Initial assessment and project plans were established and work is underway for the two-year project with a planned completion date of Fall 2019.

Student satisfaction with current programming and support services is vital to GPRC. The winter 2017 Student Satisfaction Survey revealed that students are overwhelmingly satisfied with the quality of instruction, program of study, and courses at GPRC. In fact, on average, 95% of students are very satisfied or satisfied with the quality of instruction, followed by 93% for program of study, and 92% for courses; overall average student satisfaction was 93% in these three areas.

FIGURE 5: STUDENT SATISFACTION

Source: Student Satisfaction Survey Winter 2017



COMMUNITY

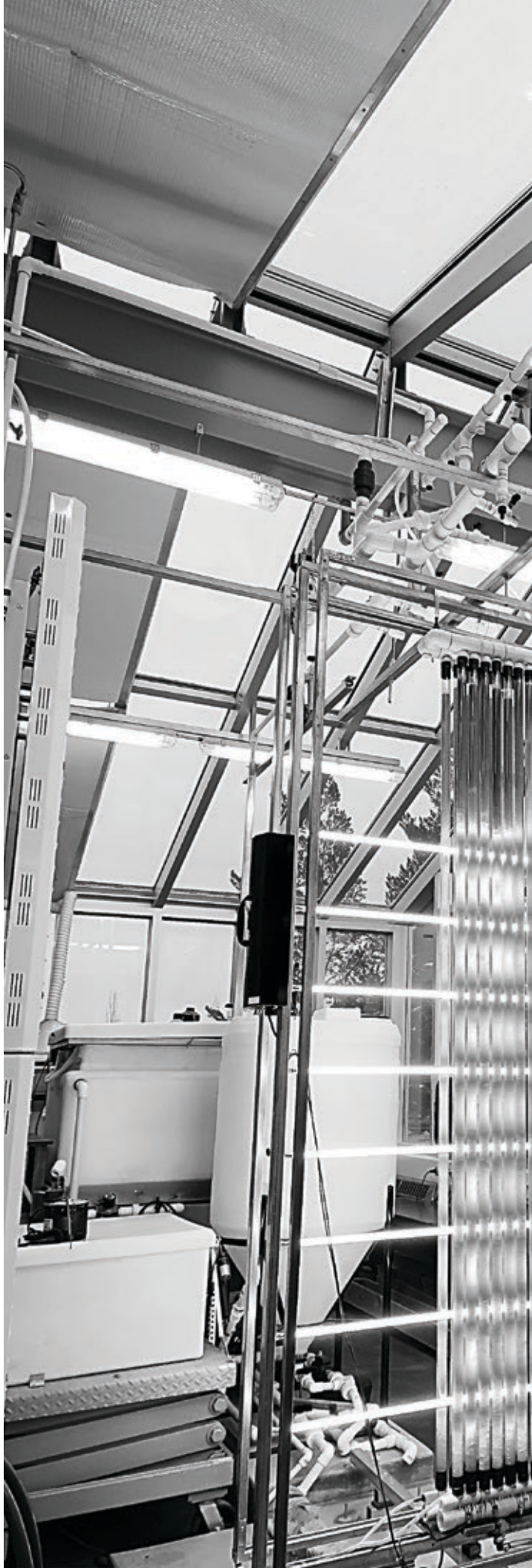
GPRC is integral to the Grande Prairie community and the stewardship region. Collaborations, consultations, and partnerships with regional community organizations and industry partners lead to better support and services for learners. In January of 2017, GPRC President and CEO, Don Gnatiuk, signed the Indigenous Education Protocol with GPRC's Circle of Indigenous Students. This national initiative led by Colleges and Institutes Canada (CICan) allowed colleges across Canada to reaffirm their commitment to Indigenous Education. Indigenous students at GPRC have access to a wide variety of support services that include the Indigenous Liaison Coordinator, the Elder in Residence, Circle of Indigenous Students, and the on-campus Friendship Centre.

GPRC's dual credit program has seen tremendous growth as it has developed partnerships with communities, high schools, and industry over the past four years. The goal of the program is to increase high school graduation and transition to post-secondary rates in the region. Twelve partnership agreements involving industries and school divisions across Alberta continue to contribute significantly to the program's success. These agreements affected and will continue to affect students and the delivery of dual credit programming at GPRC. GPRC anticipates a funding formula change by Advanced Education where funding is available for delivery of this program.

GPRC's Academic Upgrading and Continuing Education departments offered a wide range of personal and career development programming to individuals, communities, and businesses. Through these courses, the departments connect with thousands of local residents and businesses annually. The Academic Upgrading department enabled regional adult learners to finish their high school courses and achieve General Education Development (GED) certificates. Academic Upgrading continued to be a program in high demand with approximately 250 students in each academic year.

Courses and training in GPRC's Continuing Education department are tailored specifically to meet the needs of individuals and businesses. Courses and programming are focused on community, health, safety and industry, business and professional, and environmental/forestry/agriculture.

GPRC submitted to the Ministry of Advanced Education a proposal for the reinstatement of the highly-enrolled Transitional Vocational Program (TVP). The TVP is a crucial program to the region and GPRC will continue to consult with Advanced Education on funding of this program.





RESEARCH, APPLIED RESEARCH AND SCHOLARLY ACTIVITIES

Developing research and innovation capacity remains a priority at GPRC. Substantial progress has been made in each of the three major initiatives. The Pollutants to Products (P2P) Microalgae photobioreactor has progressed to the stage that a pre-commercial prototype will be ready for high-volume continuous testing by Spring 2018. The National Bee Diagnostic Centre (NBDC) has increased annual throughput to approximately 20,000 diagnostics per year, and has secured \$6 million in Strategic Infrastructure Funds to increase the physical lab space. The Community Enhancement Research (CER) initiative has completed data collection on the Social Sciences and Humanities Research Council (SSHRC)-funded Police and Crisis Team evaluation, and is now undertaking analyses with expected project completion in early 2018. Multi-stakeholder community enhancement partnerships have been enshrined to further research issues of mental health, substance misuse and homelessness within the region.

Substantial progress has been made towards building staff and student capacity in undertaking research and innovation projects. A cross-disciplinary faculty Scholarship Committee has been struck to define scholarly activities for all disciplines, professions, and trades. In order to better align with Tri-Council and other funder requirements, work continues on the updating and aligning of internal research and innovation policies with Tri-Council requirements. Three policies have moved to final approval stage, and frameworks for the responsible conduct of research and financial compliance training were recently adopted. Student engagement in research was greatly increased with the awarding of the first three \$5,000 Student Research Awards. Award recipients will carry out applied community based research projects of their own design, mentored by faculty.

NBDC Core Staff



ENGAGEMENT AND COMMUNITY PARTNERSHIPS

GPRC's External Relations division undertook restructuring during the 2016–17 year and saw the creation of three cross-functioning units within External Relations: Communications and Marketing, Event Services, and Development and Alumni Services.

While this restructuring work was underway, the division led the celebration of GPRC's 50th Anniversary throughout the 2016–17 Academic year. In addition to GPRC's annual events, External Relations also hosted several special events throughout the year including:

- ▶ The launch of the 50th Anniversary Song "Mark on You" on September 22, the anniversary of the first day of classes in 1966.
- ▶ A Charter Faculty and Student Tea on November 28, which marked the anniversary of the Official Inauguration of GPRC held in 1966.
- ▶ In partnership with Postmedia, publication of a 50th Anniversary newspaper supplement that was distributed in all GPRC communities through campuses and learning centres.
- ▶ Opening of the 1992 Time Capsule sealed during GPRC's 25th Anniversary.
- ▶ The Celebrating Dreams gala event.
- ▶ Sealing of the Time Capsule with memories of our 50th Anniversary.

The 50th Anniversary provided an opportunity to connect with our community, donors and alumni.

Development activities with donors and alumni increased significantly in 2016–17 as GPRC continued in the quiet phase of its comprehensive Vital campaign. The number of prospective donors both identified and contacted increased in 2016–17, as did dollars raised. The impact of new donations on programs and services for students are evident in the RBC Centre for Student Wellbeing, the TD Integrated Indigenous Education Fund and the CIBC Accessibility Supports and Disability Services support.

GPRC's premier fundraising events, the College Classic Golf Tournament and the President's Ball, resulted in significant funds for GPRC, an elevated profile of the organization and an opportunity for our President, Executive Council, Board of Governors and key staff and volunteers to build upon solid relationships with many donors and alumni.

Alumni are key to the success of GPRC. By engaging and communicating with these key stakeholders, the College creates mutually beneficial relationships that result in improved support for current students and increased partnerships. Examples of such events hosted in the past year by departments across GPRC include the Business Student Conference, Business Student Trade Fair, Thriving in the City hosted through GPRC's recruitment office, and the Visitor in the Arts series, hosted by GPRC's Fine Arts department. These events offer opportunities for alumni to come back to campus to speak directly to current students and our community.

A new Alumni initiative started in 2016–17 and included three new events that invited alumni to meet and socialize with the GPRC Executive team members and the Board of Governors. Events were held in Calgary, Edmonton and Fairview in 2017. Finally, the GPRC Alumni/Foundation underwent an extensive review of its articles of association in 2016. The Alumni/Foundation Board memberships were consistent, with no new members joining during 2016–17. Recruitment is underway to replace three members whose terms expired at the end of the 2016–17 fiscal year. The board also undertook an endowment review that resulted in disbursing \$10,000 in additional student award funds.

GPRC Event Services expanded its focus from managing and programming the Douglas J. Cardinal Performing Arts Centre to providing a single point of access for internal departments and users along with external community users to host events and activities in GPRC-owned facilities. This expanded level of service generates increased revenues and creates opportunities for the community to experience GPRC, which enhances GPRC's presence and reputation in the community.

In 2016–17, Event Services established GPRC's facility rentals, expanded the service levels provided, and created a customer service focused team to lead and meet the needs of our

community. Event Services also started working with staff at the Fairview campus to understand GPRC facility and technology usage and to meet the needs of the Fairview community.

The Event Services team developed new service levels and coordination in event services and requirements to provide a stress-free, all-inclusive client experience. The department will continue to build the level of services provided by GPRC by researching market options and pricing to support a new rental structure for external users of GPRC's services. This includes researching the needs of our region as well as venue options to ensure that our pricing and policies support the continued needs of our region and our partners in the community offering similar services.

GPRC Communications and Marketing also implemented its new structure during 2016–17. The department consolidated communication and marketing functions that existed within other departments in GPRC into a single department, improving consistency and collaboration. As well, GPRC's recruitment positions were transitioned into GPRC's Student Experience department, where the positions are better aligned with Academic Advisors, GPRC retention initiatives and other Student Experience functions. Communications and Marketing continues to support recruitment and retention initiatives through GPRC's Strategic Enrollment and Retention Committee.

The transition helped the Communications and Marketing team to focus on executing clear and consistent communication and marketing initiatives that enhanced GPRC's brand. This included consolidating legacy websites from GPRC's Research & Innovation department that had been hosted externally at additional expense to GPRC. The consolidation resulted in updated web content about GPRC's research and innovation activities becoming integrated into GPRC's website and is now sustainably maintained and supported by existing GPRC resources.

Communications and Marketing led the development of new marketing material built on the existing brand that supports the current phase of GPRC's Vital campaign as well as institution-wide marketing activity. The new material consolidated various legacy materials and logos that were outside GPRC's brand

structure into a more consistent visual identity for GPRC. A quiet rollout of the new marketing materials began and work continues to refresh branding and guideline material for all GPRC users.

GPRC's digital presence expanded with new and enhanced social media and more timely and consistent content shared on social media. Communications and Marketing launched a new student-focused blog as well as an Instagram account to reach students and community in a timely, engaging and flexible manner. The broader reach on social media was supported by an increase in student-centred content produced and published by GPRC in 2016–17. This has increased awareness and community engagement among prospective students and stakeholders regarding GPRC's progress towards its goals.

WELL-ENGAGED STAFF AND FACULTY

GPRC remains strongly committed to a culture of engagement, innovation and excellence. In 2016–2017, Human Resources continued its transition to a strategic, collaborative and service based operation in support of the GPRC's strategic direction and goal of maintaining excellence in well-engaged staff and faculty.

To support these ends, GPRC launched the staff and faculty engagement survey and made a commitment to hold this survey every two years. On the years that the engagement survey is not held, GPRC completes leadership index checks. In the 2016–2017 fiscal year, we worked to ensure the inaugural engagement survey results were shared and discussed throughout GPRC.

Future action plans were developed to address any areas identified as needing improvement. The information received from the surveys was invaluable and we look forward to continuing to act on survey results. Other work completed by Human Resources within the 2016–2017 year included recruitment (i.e. the launch of HR Smart, an applicant tracking system), strategic collective bargaining, professional development and training, and organizational development for all staff and faculty at GPRC.

ENTERPRISE RISK MANAGEMENT

In 2016–2017 the activities of the ERM unit directly supported initiatives of the 2016–2019 CIP through the following activities:

ENSURE A HEALTHY AND SAFE ENVIRONMENT FOR STUDENTS, STAFF AND VISITORS

- ▶ 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.
- ▶ Non-Violent Crisis Intervention (NCI) training was provided to students.
- ▶ Fairview Campus and Grande Prairie Campus held influenza immunization clinics in the fall season, which were open to students, staff, faculty, and the public.
- ▶ Provided safety, security, and preparedness education sessions to GPRC committees, departments, and during new employee orientation sessions.
- ▶ Level 2 Violence and Threat Risk Assessment training was provided to 37 GPRC employees. The success of this training will lead to another Level 1 session.
- ▶ Security camera systems at the Grande Prairie and Fairview Campuses were expanded through a capital project.
- ▶ GPRC Executive participated in tabletop emergency response scenarios throughout the Academic Year.



- ▶ A new Crisis Communication Plan was started. It will be completed during the 2017–2018 year.
- ▶ GPRC website was updated with the Active Shooter Response Video.
- ▶ A proactive Long Term Radon Survey was conducted at various locations at the Grande Prairie and Fairview campuses.
- ▶ Worked with local municipal emergency preparedness and safety organizations on improving shared knowledge and response processes.
- ▶ Provided campus tours to external emergency responders.
- ▶ Reduced dangerous chemical / waste inventories.
- ▶ Conducted fire drills.
- ▶ The following GPRC policies were updated:
 - ▷ Safe Disclosure Policy
 - ▷ Liquor Policy
 - ▷ Vehicle Use Policy
 - ▷ Campus Security Policy
 - ▷ Clean Air Policy
 - ▷ Respectful Workplace Policy

STRENGTHEN RISK PREPAREDNESS CULTURE AT GPRC

- ▶ GPRC's Executive quarterly reviewed risks and legislative compliance reports. An enterprise risk management awareness session was presented to the Board of Governors.
- ▶ Meetings took place with administrative directors to evaluate risk register information.

One-on-one legislative assessments took place, which further built the culture and awareness of regulatory compliance.

In accordance with the stated goals and priority initiatives in the 2016–2019 Comprehensive Institutional Plan, the following initiatives are presented and the progress made in the last 12 months.

EXCELLENCE IN QUALITY PROGRAMMING

PRIORITY INITIATIVES	STATUS	DEADLINE	PROGRESS MADE IN LAST 12 MONTHS
Develop and/or complete strategic plans in the School of Health, Wellness, and Career Studies, the School of Arts, Science, and Upgrading, and the School of Trades, Agriculture and Environment	In Progress	Fall 2018	<ul style="list-style-type: none"> ▶ Initial planning and meetings held ▶ Future roadmap established
Develop two new programs and/or specializations as well as additional collaborative degree opportunities	Completed	Fall 2019	<ul style="list-style-type: none"> ▶ Kinesiology Diploma program launched ▶ Dental Office Clerk Certificate program approved
Update Academic policies according to College process	In Progress	Ongoing	<ul style="list-style-type: none"> ▶ Workflow chart completed ▶ Two policies updated
Increase faculty and students' scholarly activity through the Research & Innovation department	Completed	Ongoing	<ul style="list-style-type: none"> ▶ Faculty "Scholarly Committee" implemented ▶ 12 student researchers and interns worked on research projects ▶ Student hired on a CIGan internship

EXCELLENCE IN ACCESSIBLE RESOURCES FOR STUDENTS AND COMMUNITY

PRIORITY INITIATIVES	STATUS	DEADLINE	PROGRESS MADE IN LAST 12 MONTHS
Obtain Polytechnic University status	In Progress	Fall 2019	<ul style="list-style-type: none"> ▶ Further research conducted on institutional preparedness ▶ Evaluated further degree collaborations with universities
Establish a Centre for Student Wellbeing in partnership with external agencies	Completed	Fall 2016	<ul style="list-style-type: none"> ▶ Finalized agreement with external agency ▶ Peer Counselling, GPRC Education Ambassador, and Experience GPRC support services implemented
Develop a strategic plan for the department of Continuing Education	Completed	Fall 2017	<ul style="list-style-type: none"> ▶ Strategic plan implemented ▶ Future projects planned
Increase dual-credit program offerings with regional and district school boards	Completed	Fall 2018	<ul style="list-style-type: none"> ▶ Three new courses/programs offered

EXCELLENCE IN STUDENT EXPERIENCE

PRIORITY INITIATIVES	STATUS	DEADLINE	PROGRESS MADE IN LAST 12 MONTHS
Develop a Student Services strategic plan	Completed	Winter 2017	<ul style="list-style-type: none"> ▶ Consultations and discussions completed ▶ Future tasks and projects initiated
Develop a student communication policy and plan	In Progress	Fall 2018	<ul style="list-style-type: none"> ▶ Initial discussions held ▶ Current processes of communication with students improved
Increase student scholarship and bursary opportunities	Completed	Fall 2017	<ul style="list-style-type: none"> ▶ New entrance awards introduced ▶ “Funding your Future” booklet created on scholarships and bursaries
Implement a student success policy and plan	In Progress	Winter 2017	<ul style="list-style-type: none"> ▶ Consultations completed with internal staff and faculty ▶ Revisions implemented

EXCELLENCE IN RESEARCH & INNOVATION

PRIORITY INITIATIVES	STATUS	DEADLINE	PROGRESS MADE IN LAST 12 MONTHS
Secure funding for the National Bee Diagnostic Centre (NBDC)	In Progress	Spring 2018	<ul style="list-style-type: none"> ▶ \$6 million secured for lab expansion ▶ TAC-Access 5 year funding renewal request submitted late 2017
Complete, then pre-commercialize Photobioreactor (PBR)	In Progress	Fall 2018	<ul style="list-style-type: none"> ▶ Pre-commercial prototype in final development stage
Establish Community Enhancement Research	In Progress	Fall 2018	<ul style="list-style-type: none"> ▶ Development of Community Enhancement Research (funding and partnerships) proceeding at accelerated rate ▶ Partnerships and funding secured
Faculty and students are engaged in scholarly activities, research and innovation projects	In Progress	Fall 2020	<ul style="list-style-type: none"> ▶ Faculty and student engagement initiatives established through research projects and scholarly activities
Complete and operationalize policy and support processes	In Progress	Spring 2019	<ul style="list-style-type: none"> ▶ Three policies updated; several in revision/alignment process
Establish Grande Prairie Regional Innovation Network (GPRIN) in response to regional demand for innovation services	Completed	Fall 2018	<ul style="list-style-type: none"> ▶ Operations and processes completed
Increase marketing of GPRC research and innovation capacity and activities	Completed	Spring 2017	<ul style="list-style-type: none"> ▶ Marketing coordinator hired and active

EXCELLENCE IN ENGAGEMENT AND COMMUNITY PARTNERSHIPS

PRIORITY INITIATIVES	STATUS	DEADLINE	PROGRESS MADE IN LAST 12 MONTHS
Increase and improve communications and marketing	In Progress	June 2018	<ul style="list-style-type: none"> ▶ Consolidation of three legacy websites into GPRC website ▶ New college-wide Vital marketing material developed ▶ Increased audience on College social media channels by 1,913 ▶ New GPRC student-focused blog received 41,687 page views in its first year ▶ Doubled the amount of content (News Releases, Success Stories and Blog posts) produced promoting GPRC from 32 pieces in 2015–16 to 73 in 2016–17
Increase and improve event services	In Progress	June 2018	<ul style="list-style-type: none"> ▶ Added two new event coordinators to meet the increased service levels ▶ Technicians working with Fairview campus staff to provide technical training on the equipment and developing procedures to provide college-wide event services support ▶ Onsite service options increased and response rates increased for clients' needs
Increase and improve development and alumni relations	In Progress	June 2020	<ul style="list-style-type: none"> ▶ Improved donor relations through enhanced donor recognition activities and policies ▶ Increased alumni engagement through enhanced communications and through 50th Anniversary celebrations led by External Relations ▶ Increased number of prospective donors identified and contacted; more fundraising proposals were approved ▶ Increased engagement from volunteers involved in Alumni/Foundation board and campaign

EXCELLENCE IN ENTERPRISE RISK MANAGEMENT

PRIORITY INITIATIVES	STATUS	DEADLINE	PROGRESS MADE IN LAST 12 MONTHS
Complete Risk Register	Completed	June 2017	▶ Risk Register completed
Compliant with Legislation	86% Complete	June 2017	▶ As of June 2017, only 13 pieces of legislation were identified as non-compliant. Action plans are underway to meet compliance
Viable Health, Safety, and Environmental Program	75% Complete	June 2017	<ul style="list-style-type: none"> ▶ Emergency response plan information was submitted for updating the Safety & Security portion of the GPRC website during the 2017–2018 year. This has been completed ▶ New building egress information was created and posted in certain areas
Facility Access Control	50% Complete	June 2017	▶ Draft portions of the new Health, Safety, and Environmental manual were created
Updated Emergency Preparedness Program	25% Complete	September 2016	<ul style="list-style-type: none"> ▶ Meetings took place to update the Facility Access Control Policy. The Policy will go through the approval process during the 2017–2018 year ▶ Data was collected for the Re-key project including assessing all doors and locks at the Grande Prairie and Fairview Campuses

EXCELLENCE IN WELL-ENGAGED STAFF AND FACULTY

PRIORITY INITIATIVES	STATUS	DEADLINE	PROGRESS MADE IN LAST 12 MONTHS
HR Smart	Completed	August 2016	▶ HR Smart implemented
Interview Skills Training	Completed	October 2016	▶ Training sessions held
Engagement Survey results rollout	Completed	November 2016	▶ Engagement Survey results were shared across the organization
Leadership Index check	Completed	December 2016	▶ Leadership Index Score (engagement) implemented
Career Development Plans	Completed	Ongoing	▶ Career Development Plans finalized for all staff
360 Degree Performance Review	Completed	Ongoing	▶ Administrative Group participate in 360 Degree Performance Review feedback process every two years



INTERNATIONALIZATION

Although GPRC and Advanced Education do not have a formalized international strategy, GPRC continues to serve international students. International students often require additional academic and social support services and strategies and the provision of these supports impact GPRC's operational and human resources capacity. Approximately 60 international students were served in the 2016–2017 academic year.

The partnership with Holmesglen Institute School of Nursing in Melbourne, Australia continued to develop during 2016–2017. Like GPRC, Holmesglen Institute is a college that has located its health programming, including its baccalaureate nursing programming, in a hospital located on college property.

In May of 2017, two GPRC faculty members visited Holmesglen Institute for a study tour, which included visiting clinical sites and simulation labs and explored opportunities for collaborative scholarly activities and professional development. The faculty members kept extensive records of their experiences and gave a presentation at GPRC that included both a discussion of their experiences and a comparison of the Australian health care system to that of Canada. In the next three years, GPRC plans to expand this partnership to include a student exchange program and joint scholarship activity.



FINANCIAL AND BUDGET INFORMATION

The following information should be read in conjunction with the Grande Prairie Regional College audited consolidated financial statements and accompanying notes for the year ended June 30, 2017.

GPRC's consolidated financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards and represent the consolidated financial results of operations of Grande Prairie Regional College and the Grande Prairie Regional College Alumni/Foundation.

The discussion and analysis provides an overview of GPRC's:

- ▶ Financial Results
- ▶ Revenue and Expenses
- ▶ Capital Acquisitions
- ▶ Net Assets
- ▶ Areas of Significant Financial Risk
- ▶ Future Accounting Pronouncements

FINANCIAL RESULTS

In May 2016, the Board of Governors approved the 2016–2017 operational budget, which projected a surplus of \$980,000. GPRC ended the year with an actual surplus of \$1,629,000, due mostly to the receipt of unanticipated grant revenue, contributing to an increase in net assets to \$37,617,000.

REVENUE AND EXPENSES

Revenue for the 2016–2017 fiscal year totaled \$73.0 million, an increase of approximately \$1.6 million from 2015–2016 and \$0.9 million greater than budgeted. Government of Alberta grant revenue is the most significant source of revenue for GPRC, with \$52.2 million in total recognized in 2016–2017, \$0.4 million greater than budgeted and \$1.5 million greater than the previous year.

FIGURE 6: 2016–2017 REVENUE

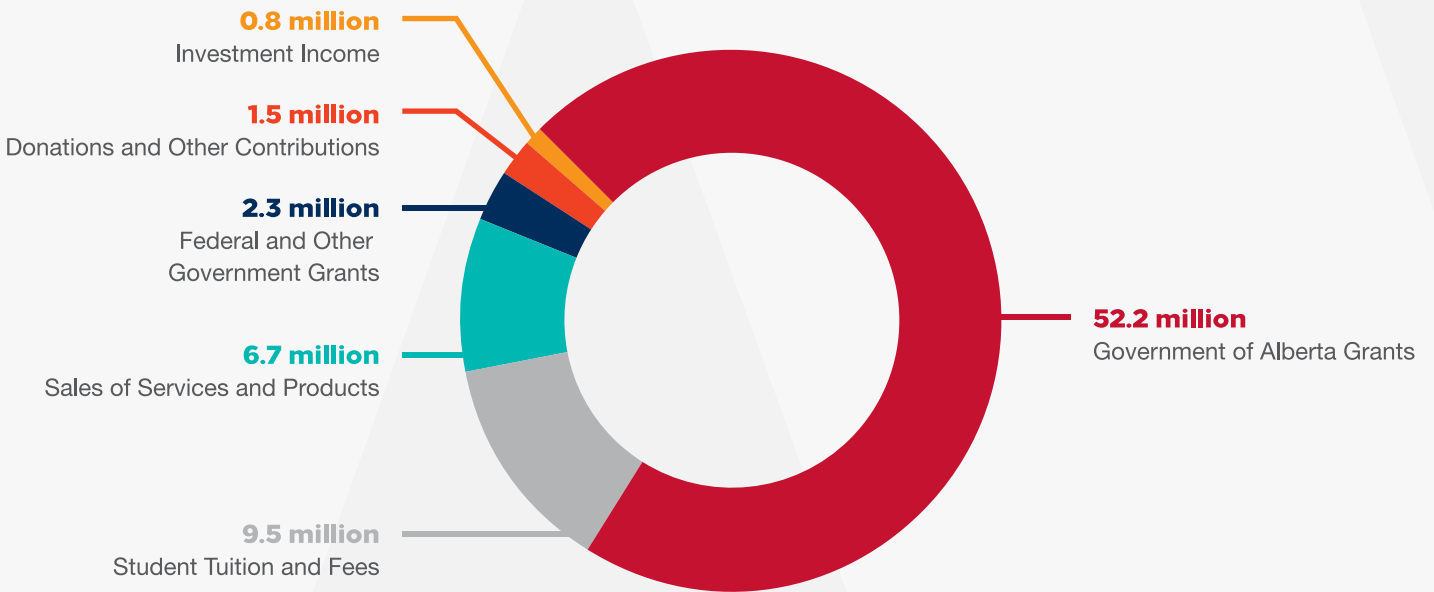


FIGURE 7: REVENUE BY SOURCE - 2015–2016 AND 2016–2017 ACTUAL AND BUDGET (IN MILLIONS)

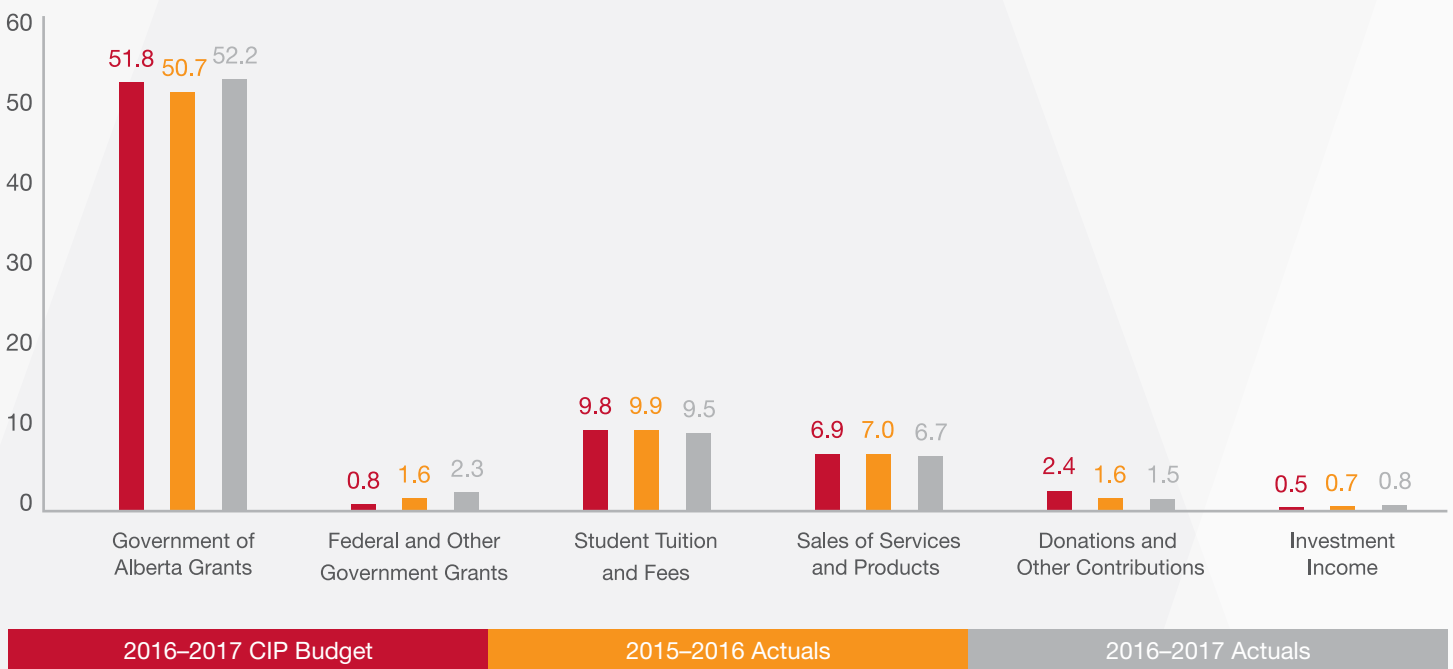
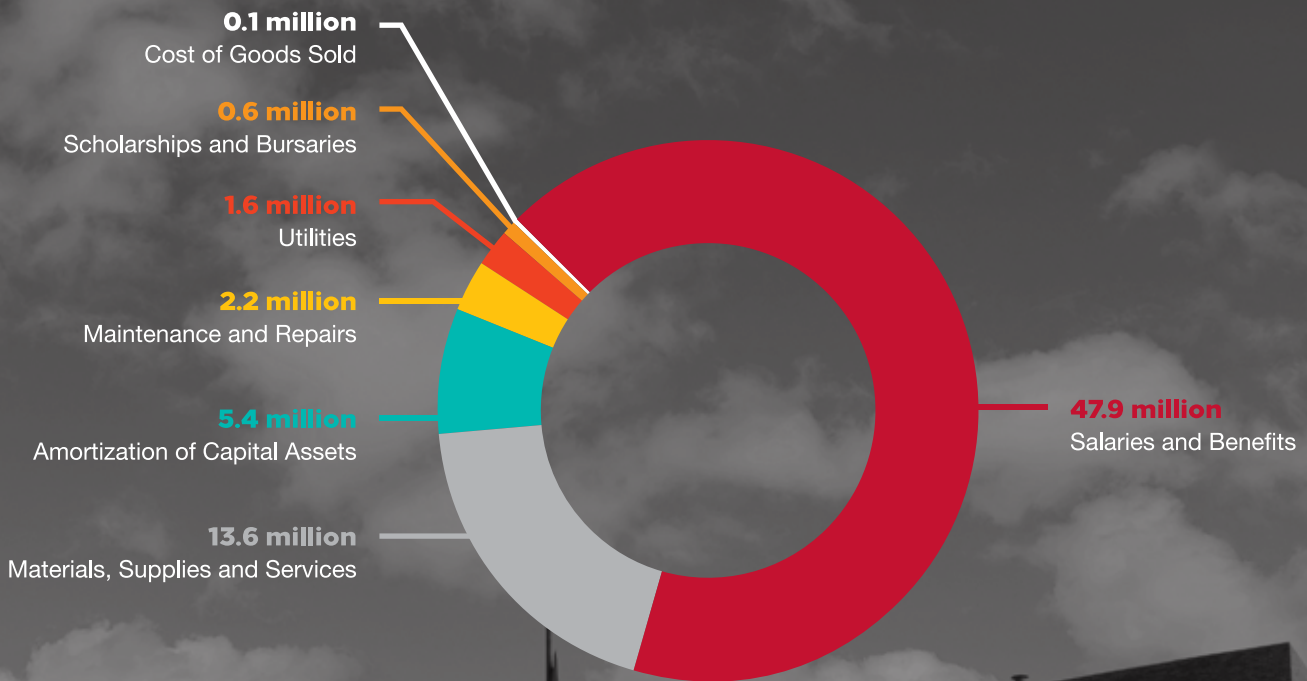


FIGURE 8: 2016–2017 EXPENSES BY FUNCTION



FIGURE 9: 2016–2017 EXPENSES BY OBJECT



The increase of overall revenue compared to budget can mostly be attributed to additional federal funding not yet granted when the 2016–2017 operational budget was developed. This included support for both credit and non-credit programs. Additionally, Infrastructure and Maintenance revenue from the Government of Alberta was unbudgeted for the 2016–2017 year and therefore caused a variance from budget in both revenue and expenses.

The increase in revenue in 2016–2017, when compared to that of the prior year, is due to increased federal grant funding for various programs, as well as a 2% increase to the Government of Alberta operating grant.

Expenses for the 2016–2017 fiscal year totaled \$71.4 million. This was only \$0.3 million more than originally budgeted and \$4.5 million greater than 2015–2016.

Although the budget closely approximated overall spending, salary and benefit costs were greater than budgeted by \$1.4 million. This increase was due to severances and settlements accrued for budget efficiencies found, an increase in long-term disability costs, as well as support required for additional federal funding received during the year.

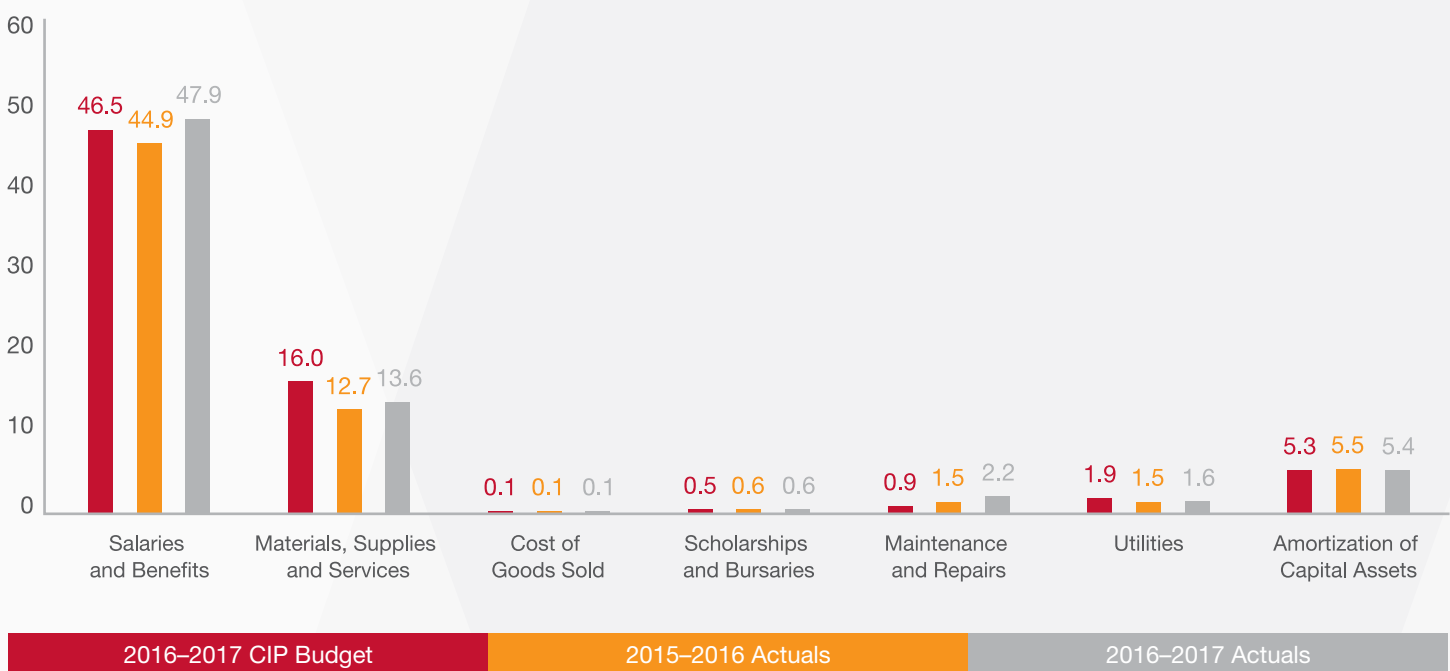
Additionally, unbudgeted IMP revenue and expenses caused repairs and maintenance to be over budget. These averages net with significant college-wide materials, supplies and services savings, as contingency for potential unplanned expenditures was budgeted but not required during the year.

The most notable increases from the prior year were in salary and benefit costs, as well as materials, supplies and services, and repairs and maintenance. Increased investment in staff development, as well as the need for increased administrative contracted services and large maintenance and repair projects covered by IMP revenue, contributed to the increased costs when compared to the prior fiscal year.

Research & Innovation - PACT SSHRC funding announcement



FIGURE 10: EXPENSE BY OBJECT - 2015–2016 AND 2016–2017 ACTUAL AND BUDGET (IN MILLIONS)



CAPITAL ACQUISITIONS

During the 2016–2017 fiscal year, acquisitions of tangible capital assets totaled \$4.1 million, of which \$3.1 million was funded internally. The most significant acquisitions and construction projects included Information Technology replacements, classroom and department renovations, theatre concession improvements, upgrades to the large animal handling system, library materials, as well as purchases of other instructional equipment.

NET ASSETS

GPRC ended the 2016–2017 fiscal year with a net asset balance of \$37.6 million, an increase from \$36.0 million at the end of 2015–2016. The increase was almost entirely due to the annual operating surplus of \$1.6 million. Net assets are comprised of:

Endowments	\$6.1
Internally restricted surplus	\$1.2
Investment in tangible capital assets	\$17.0
Accumulated surplus from operations	\$13.3
Net assets	\$37.6

Endowments consist of externally restricted donations received by GPRC and internal allocations by GPRC’s Board of Governors, the principal of which is required to be maintained intact in perpetuity. During 2016–2017, \$40,000 of new donations were received.

Internally restricted surplus represents amounts set aside by GPRC’s Board of Governors for specific reasons. During 2016–2017, \$0.3 million of operating expenses were funded from internally restricted surplus.

Investment in tangible capital assets represents the amount of GPRC’s accumulated surplus invested in capital assets. During the year, there was \$3.1 million of internally funded acquisitions, \$0.5 million of debt repayment and \$2.8 million of amortization related to internally funded tangible capital assets.





AREAS OF SIGNIFICANT FINANCIAL RISK

BUDGETARY PRESSURE

Although GPRC is presenting a balanced budget for 2017–2018, deficits are anticipated for 2018–2019 and 2019–2020. These deficits are being forecasted as a result of uncertainty related to provincial operating funding. No anticipated increases to provincial operating funding, combined with mandated tuition freezes, means that GPRC expects there will be insufficient revenue to cover inflationary costs. GPRC has committed to reducing organizational discretionary spending, as well as seeking opportunities to generate revenue. However, budgetary pressure remains a significant risk for GPRC.

DEFERRED MAINTENANCE

GPRC estimates deferred maintenance costs at approximately \$30 million. Due to provincial budgetary constraints, Infrastructure Maintenance Program (IMP) funding from the province is around \$2.4M, compared to \$1.7 million in 2015–16. The combination of budgetary pressure and insufficient IMP funding could impact GPRC’s ability to appropriately manage and address deferred maintenance risk.

SALARIES AND BENEFITS

The province has passed legislation to bring all academic employees under the Labour Relations Code, which grants GPRC’s Academic Staff Association (ASA) all the rights and remedies granted to unions under the Code. These rights and remedies include both the right to strike and the right to lockout. These changes may impact GPRC’s future salary negotiations with the ASA.

FUTURE ACCOUNTING PRONOUNCEMENTS

The Public Sector Accounting Board has issued a number of new accounting standards effective for fiscal years starting on or after April 1, 2017, with the exception of one effective for fiscal years starting on or after April 1, 2018. These include: related party disclosures, inter-entity transactions, assets, contingent assets, contractual rights and restructuring transactions. GPRC’s management is currently assessing the impact of these new standards on the consolidated financial statements and already discloses transactions and balances related to the Government of Alberta.

INFORMATION TECHNOLOGY

INFORMATION TECHNOLOGY ADVANCEMENTS

More than 100 Information Technology projects were completed in 2016–2017, benefiting all departments at GPRC. These initiatives collectively helped to improve the delivery of learning, reduce energy consumption, reduce personal effort through automation, improve the flow of information, and mitigate exposure to IT security risks.

These activities were completed in alignment with the Information Technology Strategic Plan, ensuring optimal alignment of IT projects and services with College priorities.

The following summarizes some of the major projects undertaken or completed in 2016–2017.

IT SYSTEMS REVIEW

GPRC continued with year-two of our IT systems review in 2016–2017. The process includes a review of IT processes and consultation with all users of GPRC IT systems. In 2016–2017 and 2017–2018, IT will implement changes recommended by the review process, with the final review occurring in 2018–2019. The three-part process will help IT gain a better understanding of customer needs and improve IT services and processes.

CHANGE MANAGEMENT PROCESSES

Information Technology implemented change management processes to improve internal controls and methodologies across GPRC. While the implementation of this is largely complete, further enhancements to our change management processes will continue in 2017–2018.

IT SECURITY AWARENESS

IT added several new training resources to the staff video training library in 2016–2017. Notably, there is now a selection of IT Security Awareness videos available for all GPRC staff and faculty to watch. 2017–2018 will see continued growth in this area, along with a campaign to encourage use of these resources and increase staff awareness of IT Security.

CLASSROOMS

As part of ongoing classroom upgrades, the GPRC Information Technology and Facilities Maintenance and Operations departments worked together to renovate 12 technology rooms, including the renovations of the GPRC science labs, which continue into early 2017–2018. Information Technology also replaced the technology in an additional six rooms, bringing the available technology in those rooms up to the same level as that in the fully renovated rooms.

WIRELESS NETWORKING

The GPRC wireless network was expanded to include the GPRC Fairview Residences, ensuring that students are able to access learning resources and computing services throughout GPRC campuses and learning centres.

SUPERNET / INTERNET

The available bandwidth at all GPRC campuses saw significant increases in 2016–2017, thanks to the availability of the NGN supernet network. At minimum, bandwidth was increased by a factor of four, with campuses receiving a network 10 times its former speed.

VIRTUAL DESKTOP INFRASTRUCTURE

GPRC Information Technology's ongoing project to implement virtual desktops continued in 2016–2017. This multi-year project will eventually replace many existing end user devices with the clients connected to dedicated virtual computers. Long-term, this project is expected to both reduce the IT resource requirement for supporting staff/ student computers, and provide greater flexibility for students accessing GPRC computing resources.

INFRASTRUCTURE MAINTENANCE

Continued investment in IT infrastructure is necessary to ensure that infrastructure is current, stable, and capable of meeting the current and future technological requirements of GPRC. 2016–2017 was the first year of our newly developed maintenance and capital replacement schedule; this schedule enabled replacement of UPS, network, servers, storage, backup, copiers and video conferencing equipment. The schedule is designed to ensure that GPRC IT infrastructure is capable of supporting the future needs of our students and to reduce the administrative overhead required to manage the ongoing replacement cycle.

EVENT LOGGING SYSTEMS

GPRC IT event logging systems were upgraded with additional capacity and capabilities in 2016–2017, providing greater monitoring of systems and possible security incidents.

DISASTER RECOVERY SITE

Equipment was purchased for the creation of an expanded disaster recovery site located on our Fairview campus. The implementation of the site will continue into 2017–2018.

INNOVATION AND AUTOMATION

Several innovation and automation projects were completed in 2016–2017, including automation of signing authority delegation, centralization of notes for GPRC academic advisors, and the implementation of new recruitment and onboarding software for HR. Additionally, Information Technology worked on the implementation of a system to enable GPRC Apprenticeship students to register online through MyTradesecrets (MTS). GPRC's MTS implementation will be going live in early 2017–2018.

ROOM SCHEDULING

Effective and efficient allocation and scheduling of classrooms is a priority for GPRC. A project to upgrade and improve classroom scheduling software was completed in 2016–2017, increasing the speed and effectiveness of room scheduling processes. In 2017–2018, Information Technology will work with Student Services to begin Part Two of this project, increasing the utilization and effectiveness of the system.

STUDENT MANAGEMENT SYSTEM UPGRADE

In 2016–2017, GPRC initiated a project to migrate our student management software, consolidating all major business applications onto the Unit4 platform. GPRC has established an implementation team to manage this project, which will include revision and enhancements to student-focused business processes throughout GPRC. This is a significant implementation that will continue through to the end of 2018–2019.



CAPITAL PLAN

GPRC's capital management activities, including facilities and capital planning and projects, continue to maintain the current physical assets of GPRC in support of GPRC's teaching and research mandates, and to plan for future needs, including replacement or refurbishment of current facilities, and planning for new facilities required by enrolment growth or new programming.

Capital management in 2016–2017 responded to GPRC needs through short-term and longer-term projects and planning. In terms of immediate needs, spending of approximately \$1.3 million was directed towards maintenance needs through Infrastructure Maintenance Program funding from the Province of Alberta. \$3.0 million of internally funded capital was spent on renovations and new equipment to enhance programming.

On the mid-term horizon, capital planning continued on 40,000 square square feet of learning space being allocated to GPRC in the new Regional Hospital in Grande Prairie. Opening is projected for 2019. The space will be primarily for the delivery of health programming.

In the fall of 2016, GPRC began the extensive process of updating its campus master plan for the Grande Prairie and Fairview campuses. The master plan will guide facilities and capital activities for the next 10 to 20 years and be completed by fall 2017. Research and consultations have been extensive: 29 student, faculty, staff, and community meetings were held to gather input and share ideas about the future of GPRC. An online survey yielded almost 400 responses. Economic and demographic data was analyzed to determine realistic growth projections for enrolment. Academic plans for new programming were factored into this analysis, including the scenario of GPRC expanding degree completion options. The utilization of GPRC facilities and the need to repair or refurbish these facilities was also considered.

In response to the identification of long-term needs, work was undertaken to streamline capital planning and approval processes at GPRC as part of the larger ServiceSmart initiative. Included in these improvements will be the introduction of an “evergreen” policy to enhance budget forecasting and standardize capital asset replacement. These changes will continue to be implemented in 2017–2018.





2016–2017 PROJECTS:

1. TWO SIF PROJECTS –

NATIONAL BEE DIAGNOSTIC CENTRE (NBDC) EXPANSION

The NBDC is being expanded by approximately 665 square metres. The project includes Levels 1 and 2 laboratories and administrative space.

GPRC – SCIENCE WING UPGRADES

J-wing (Science Wing) of Grande Prairie Regional College main building is being completely renovated. Lab spaces include two chemistry laboratories, one physics lab, one earth science lab, one instruments lab, six storage rooms and preparation rooms. Newly updated fume hoods and casework, complete with an upgraded mechanical and electrical component, have been provided to enhance these spaces.

2. CLASSROOM RESTORATION –

2016–2017 CLASSROOM RESTORATION PROJECT

The Douglas J. Cardinal building on the Grande Prairie Campus received upgrades to nine classrooms. Upgrades varied in nature, from minor and major maintenance repairs to technology and furnishings. The Fairview Campus had three classrooms updated with new learning technology.

3. E401 RENOVATION

The 4th floor of E-wing in the Douglas J. Cardinal Building has been completely renovated and equipped with a new Do It Right This Time (DIRTT) wall office system for the Research & Innovation department. The renovation includes new flooring, sound masking, LED lighting, and ceiling and wall finishes.

4. MAIN CONCOURSE THEATRE KIOSK RENOVATION

The main concourse, located in C-wing, adjacent to the Douglas J. Cardinal Performing Arts Centre, has a newly-renovated beverage kiosk. The new kiosk is designed to enhance service in the theatre and concourse area. It has new cabinets, refrigerators, electronic displays, security gate, dishwasher and a new spacious quartz counter top.

5. ANIMAL SCIENCE –

LARGE ANIMAL LAB RENOVATION

The Animal Health Building located on the Fairview Campus has a newly developed and equipped Large Animal Handling Facility. The renovation includes a new epoxy non-permeable floor, non-permeable wall finish, animal handling equipment for 10 animals (bovine), a padded room for equine x-ray and sedation, new darkroom, stainless steel cabinets and a new pressure washing system.





GRANDE PRAIRIE REGIONAL COLLEGE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017

<u>Statement of Management Responsibility</u>	03
<u>Consolidated Statement of Financial Position</u>	04
<u>Consolidated Statement of Operations</u>	05
<u>Consolidated Statement of Change in Net Financial Assets</u>	06
<u>Consolidated Statement of Remeasurement Gains and Losses</u>	07
<u>Consolidated Statement of Cash Flows</u>	08
<u>Notes to the Consolidated Financial Statements</u>	08

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

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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, 2017, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]

Auditor General

August 31, 2017

Edmonton, Alberta

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, 2017 and the results of its operations, remeasurement gains, changes in net financial assets and cash flows 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 controls 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. With the exception of the President, an *ex officio* member, none of the members of the Audit Committee are 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 the presence of management.

These consolidated financial statements have been reported on by the Auditor General 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, MBA, ICD.D

Don Gnatiuk

President and CEO

Original signed by Angela Logan, CPA, CA

Angela Logan

Interim Vice-President Administration

**GRANDE PRAIRIE REGIONAL COLLEGE**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2017

	<u>2017</u>	<u>2016</u>
Financial assets excluding portfolio investments restricted for endowments		
Cash and cash equivalents (Note 3)	\$ 7,841,662	\$ 1,712,484
Portfolio investments - non-endowment (Note 4)	25,725,652	24,722,579
Accounts receivable	1,800,141	1,207,063
Inventories for resale	261,534	267,879
	<u>35,628,989</u>	<u>27,910,005</u>
Liabilities		
Accounts payable and accrued liabilities	6,678,336	5,422,325
Employee future benefit liabilities (Note 6)	1,857,721	994,085
Debt (Note 7)	14,125,293	14,628,498
Deferred revenue (Note 8)	13,772,816	8,696,711
	<u>36,434,166</u>	<u>29,741,619</u>
Net financial assets excluding portfolio investments restricted for endowments	(805,177)	(1,831,614)
Portfolio investments - restricted for endowments (Note 4)	6,102,890	6,060,590
	<u>\$ 5,297,713</u>	<u>\$ 4,228,976</u>
Non-financial assets		
Tangible capital assets (Note 9)	68,214,367	69,607,304
Inventories of supplies	36,665	42,529
Prepaid expenses	1,200,171	818,631
	<u>69,451,203</u>	<u>70,468,464</u>
Net assets before spent deferred capital contributions	74,748,916	74,697,440
Spent deferred capital contributions (Note 10)	(37,131,862)	(38,708,832)
	<u>\$ 37,617,054</u>	<u>\$ 35,988,608</u>
Net assets are comprised of:		
Accumulated surplus	37,512,384	35,883,146
Accumulated remeasurement gains	104,670	105,462
	<u>\$ 37,617,054</u>	<u>\$ 35,988,608</u>

Contingent liabilities and contractual obligations (Notes 12 and 13)

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

	Budget (Note 18)	2017	2016
Revenues			
Government of Alberta grants (Note 15)	\$ 51,803,680	\$ 52,194,953	\$ 50,699,321
Federal and other government grants	828,427	2,287,611	1,585,154
Student tuition and fees	9,760,626	9,496,099	9,857,406
Sales of services and products	6,853,247	6,691,232	6,971,134
Donations and other grants	2,352,134	1,534,896	1,608,742
Investment income	460,000	787,622	719,354
	<u>72,058,114</u>	<u>72,992,413</u>	<u>71,441,111</u>
Expenses (Note 16)			
Instruction	29,771,883	28,584,553	27,253,660
Academic and student support	10,351,587	10,655,838	9,925,819
Facility operations and maintenance	11,680,255	12,708,053	12,423,502
Institutional support	10,664,883	11,715,757	10,454,601
Ancillary services	4,159,124	4,436,551	4,172,118
Sponsored research	2,351,823	2,188,051	1,513,230
Special purpose	2,098,559	1,116,672	1,134,930
	<u>71,078,114</u>	<u>71,405,475</u>	<u>66,877,860</u>
Annual operating surplus	980,000	1,586,938	4,563,251
Endowment contributions (Note 11)	-	42,300	4,089
	<u>980,000</u>	<u>1,629,238</u>	<u>4,567,340</u>
Annual surplus	980,000	1,629,238	4,567,340
Accumulated surplus, beginning of year	35,883,146	35,883,146	31,315,806
	<u>36,863,146</u>	<u>37,512,384</u>	<u>35,883,146</u>
Accumulated surplus, end of year	<u>\$ 36,863,146</u>	<u>\$ 37,512,384</u>	<u>\$ 35,883,146</u>

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

**GRANDE PRAIRIE REGIONAL COLLEGE**

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

Year Ended June 30, 2017

	2017	2016
Annual surplus	\$ 1,629,238	\$ 4,567,340
Acquisition of tangible capital assets (Note 9)	(4,057,162)	(4,380,111)
Proceeds from sale of tangible capital assets	178,500	47,341
Amortization of tangible capital assets (Note 9)	5,389,449	5,472,697
(Gain) loss on sale of tangible capital assets	(117,850)	1,860
Change in inventories of supplies	5,864	3,273
Change in prepaid expenses	(381,540)	142,792
Change in spent deferred capital contributions	(1,576,970)	(1,569,234)
Net remeasurement losses	(792)	(1,631)
Increase in net financial assets	1,068,737	4,284,327
Net financial assets (net debt), beginning of year	4,228,976	(55,351)
Net financial assets, end of year	\$ 5,297,713	\$ 4,228,976

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, 2017

	<u>2017</u>		<u>2016</u>
Accumulated remeasurement gains, beginning of year	\$ 105,462	\$	107,093
Unrealized (losses) gains attributable to:			
Portfolio investments - non-endowment	(250)		12,759
Amounts reclassified to consolidated statement of operations:			
Portfolio investments - non-endowment	(542)		(14,390)
Accumulated remeasurement gains, end of year	\$ 104,670	\$	105,462

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

**GRANDE PRAIRIE REGIONAL COLLEGE**

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended June 30, 2017

	<u>2017</u>	<u>2016</u>
Operating transactions		
Annual surplus	\$ 1,629,238	\$ 4,567,340
Add (deduct) non-cash items:		
Amortization of tangible capital assets (Note 9)	5,389,449	5,472,697
(Gain) loss on sale of portfolio investments	(27,543)	51,997
(Gain) loss on disposal of tangible capital assets	(117,850)	1,860
Expended capital recognized as revenue (Note 10)	(2,572,503)	(2,817,566)
Increase (decrease) in employee future benefit liabilities	863,636	(51,827)
Increase in accounts receivable	(593,078)	(126,861)
Decrease in inventories for resale	6,345	16,662
Increase (decrease) in accounts payable and accrued liabilities	1,256,011	(1,920,219)
Increase (decrease) in deferred revenue	5,076,105	(583,791)
Increase in spent deferred capital contributions, less expended capital recognized as revenue (Note 10)	995,533	1,248,332
Decrease in inventories of supplies	5,864	3,273
(Increase) decrease in prepaid expenses	(381,540)	142,792
Cash provided by operating transactions	<u>11,529,667</u>	<u>6,004,689</u>
Investing transactions		
Purchase of portfolio investments	(6,180,103)	(8,967,354)
Proceeds on sale of portfolio investments	5,161,481	7,099,067
Cash applied to investing transactions	<u>(1,018,622)</u>	<u>(1,868,287)</u>
Financing transactions		
Debt - repayment	(503,205)	(472,188)
Debt - new financing	-	180,567
Cash applied to financing transactions	<u>(503,205)</u>	<u>(291,621)</u>
Capital transactions		
Acquisition of tangible capital assets (Note 9)	(4,057,162)	(4,380,111)
Proceeds on sale of tangible capital assets	178,500	47,341
Cash applied to capital transactions	<u>(3,878,662)</u>	<u>(4,332,770)</u>
Increase (decrease) in cash and cash equivalents	6,129,178	(487,989)
Cash and cash equivalents, beginning of year	<u>1,712,484</u>	<u>2,200,473</u>
Cash and cash equivalents, end of year	<u>\$ 7,841,662</u>	<u>\$ 1,712,484</u>

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

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 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 Canadian Public Sector Accounting Standards (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 tangible 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 consolidated financial statements and, together with the following notes, should be considered an integral part of the consolidated financial statements.

b. Valuation of Financial Assets and Liabilities

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

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and cash equivalents	Amortized cost
Portfolio investments	Fair value
Inventories for resale	Lower of cost or net realizable 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 assets and liabilities are recognized in the consolidated statement of remeasurement gains and losses. When the restricted nature of a financial instrument and any related changes in fair value create a liability, unrealized gains and losses are recognized as 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 assets and liabilities 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. Investment management fees are expensed as incurred. The purchase and sale of cash, cash equivalents and portfolio investments are accounted for using trade-date accounting.

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 that require separate measurement in the financial statements.

2. Summary of Significant Accounting Policies and Reporting Practices (continued)**c. 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 are referred to as government grants.

Restricted grants and donations are recognized as deferred revenue if the terms for the use, or the terms along with the College's actions and communications as to the use, create a liability. These grants and donations are recognized as revenue as the terms are met. If the grants and donations are used to acquire or construct tangible capital assets, revenue will be recognized over the useful life of the tangible capital assets.

Government grants without terms for the use of the grant are recorded as revenue when the College is eligible to receive the funds. Unrestricted non-government grants and donations 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.

In-kind donations of services, materials and tangible capital assets are recorded at fair value when such value can reasonably be determined. Transfers of tangible capital assets from related parties are recorded at the carrying value.

ii. Grants and donations related to land

Grants and donations for the purchase of land are recognized 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. Endowment donations

Endowment donations are recognized in the consolidated statement of operations in the year in which they are received, and are required by donors to be maintained intact in perpetuity.

iv. Investment income

Investment income includes dividends, interest income, and realized gains or losses on the sale of portfolio investments. 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. The endowment spending allocation portion of investment income earned by endowments is recognized as deferred revenue when the terms for the use by the endowment create a liability.

d. 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.

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.

e. Inventories

Inventories 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 of supplies are valued at cost.

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. Work 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.

Capital lease obligations are recognized at the present value of the minimum lease payments excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of lease payments is the lower of the College's rate for incremental borrowing or the interest rate implicit in the lease.

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 asset write-downs are recorded when conditions indicate that they no longer contribute to the College's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. Net write-downs are recognized as expenses in the consolidated statement of operations.

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 predetermined amounts that are expected to provide the plan's future benefits.

ii. Supplementary retirement plans (SRP)

The College maintains defined benefit supplementary retirement plans for senior 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 16 to 81 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 expensed 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.

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. 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.

vi. Professional leave

Under the collective agreement with the Academic Staff Association (ASA), the College is committed to offering a total of 60 months of paid professional leave to be shared by ASA 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 to the group at the end of the contract period.

h. Basis of Consolidation

The consolidated financial statements are prepared on a line by line consolidated basis and include the financial results of the 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 on its consolidated statement of operations:

Instruction

Expenses relating to support for the academic functions of the College both directly and indirectly.

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 instruction, 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

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 services and products provided to the College community and to external individuals and organizations. Services include the College bookstore, parking services, food services and student residences.

Sponsored research

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

Special purpose

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

2. Summary of Significant Accounting Policies and Reporting Practices (continued)**k. Future Accounting Changes**

In March 2015, the Public Sector Accounting Board issued PS 2200 Related party disclosures and PS 3420 Inter-entity transactions. In June 2015, the Public Sector Accounting Board issued PS 3210 Assets, PS 3320 Contingent assets, PS 3380 Contractual rights, and PS 3430 Restructuring transactions. These accounting standards are effective for fiscal years starting on or after April 1, 2017, with the exception of PS 3430, which is effective for fiscal years starting on or after April 1, 2018.

- PS 2200 - Related party disclosures defines a related party and identifies disclosures for related parties and related party transactions, including key management personnel and close family members.
- PS 3420 - Inter-entity transactions, establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.
- PS 3210 - Assets provides guidance for applying the definition of assets set out in PS 1000, Financial statement concepts, and establishes general disclosure standards for assets.
- PS 3320 - Contingent assets defines and establishes disclosure standards for contingent assets.
- PS 3380 - Contractual rights defines and establishes disclosure standards on contractual rights.
- PS 3430 - Restructuring transactions defines a restructuring transaction and establishes standards for recognizing and measuring assets and liabilities transferred in a restructuring transaction.

Management is currently assessing the impact of these new standards on the consolidated financial statements. The College discloses transactions and balances related to the Government of Alberta in note 15.

3. Cash and Cash Equivalents

	2017	2016
Cash	\$ 7,841,662	\$ 109,104
Cash equivalents	-	1,603,380
	<u>\$ 7,841,662</u>	<u>\$ 1,712,484</u>

Cash equivalents consist of money in an investment savings account with no maturity terms, earning interest at a variable rate.

4. Portfolio Investments

	2017	2016
Portfolio investments - non-endowment	\$ 25,725,652	\$ 24,722,579
Portfolio investments - restricted for endowments	6,102,890	6,060,590
	<u>\$ 31,828,542</u>	<u>\$ 30,783,169</u>

The composition of portfolio investments measured at fair value is as follows:

	2017			
	Level 1	Level 2	Level 3	Total
Portfolio investments at fair value				
Fixed income				
Canadian bonds	\$ -	\$ 7,257,175	\$ -	\$ 7,257,175
Preferred shares	2,324,068	-	-	2,324,068
GICs	-	20,019,076	-	20,019,076
Equities				
Canadian equities	1,167,655	-	-	1,167,655
Foreign equities	1,060,568	-	-	1,060,568
Total portfolio investments	<u>\$ 4,552,291</u>	<u>\$ 27,276,251</u>	<u>\$ -</u>	<u>\$ 31,828,542</u>
	14 %	86 %	-	100 %
	2016			
	Level 1	Level 2	Level 3	Total
Portfolio investments at fair value				
Fixed income				
Canadian bonds	\$ -	\$ 6,734,077	\$ -	\$ 6,734,077
Preferred shares	1,035,816	-	-	1,035,816
GICs	-	21,038,452	-	21,038,452
Equities				
Canadian equities	1,058,038	-	-	1,058,038
Foreign equities	916,786	-	-	916,786
Total portfolio investments	<u>\$ 3,010,640</u>	<u>\$ 27,772,529</u>	<u>\$ -</u>	<u>\$ 30,783,169</u>
	10 %	90 %	-	100 %

The fair value measurements are those derived from:

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

Level 2 – Fair value measurements are those derived from inputs other than quoted prices included with level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the assets that are not based on observable market data (unobservable inputs).

5. Financial Risk Management

The College is exposed to a variety of financial risks, including market price risk, foreign currency risk, liquidity risk, credit risk, and interest rate risk. To manage investment 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 objectives of the College's investment policies are to achieve a long term real rate of return in excess of fees and expenses and maintain the real value of the fund. To manage debt risks, the College utilizes fixed-rate agreements.

Market price risk

The College is exposed to market price 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 asset 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 the sensitivity of the shares component in its portfolio to a percentage increase or decrease in the market prices. At June 30, 2017, if the common share component market value increased or decreased by 10% (2016 - 10%) with all other variables held constant, the increase or decrease in market value of the endowment assets would be a total of \$222,642 (2016 - \$197,483).

In the fixed income category, if the preferred share component market value increased or decreased by 10% (2016 - 10%) with all other variables held constant, the increase or decrease in market value of the endowment assets would be \$232,407 (2016 - \$103,582).

The market value of coupons and bonds fluctuate in direct relationship to interest rates. As such, the sensitivity of the bond and GIC component of the portfolio to a change in interest rate levels across the yield curve would have the following effect on the value of the endowment portfolio at June 30, 2017:

- 1% rise in interest rates = 2.29% (2016 - 2.76%) decrease in market value of coupons and bonds in the portfolio - \$161,651 lower (2016 - \$186,177)
- 1% drop in interest rates = 2.38% (2016 - 2.88%) increase in market value of coupons and bonds in the portfolio - \$168,059 higher (2016 - \$193,684)

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

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. 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

Liquidity risk is the risk that the College will encounter difficulty in meeting obligations associated with its financial liabilities. The College maintains a portfolio of investments with rolling maturity dates to manage short-term cash requirements.

Credit risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty to fully honour its financial obligations with the College. The College is exposed to credit risk on investments and has established an investment policy with required minimum credit quality standards and issuer limits to manage this risk. 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 bonds are as follows:

Credit Rating	2017		2016	
	\$	%	\$	%
AA	\$ 2,971,416	40.94	\$ 376,586	5.59
A	4,285,759	59.06	6,357,491	94.41
	\$ 7,257,175	100.00	\$ 6,734,077	100.00

5. Financial Risk Management (continued)**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-rate agreements with Alberta Capital Finance Authority (Note 7).

The maturity and effective market yield of interest bearing investments are as follows:

	Less than 1 year	1 - 5 years	Greater than 5 years	Average effective market yield
Canadian bonds	\$ 401,158	\$ 6,066,110	\$ 789,907	1.68 %
GICs	\$ 6,749,489	\$ 13,269,587	\$ -	2.36 %

6. Employee Future Benefit Liabilities

Employee future benefit liabilities are comprised of the following:

	2017			2016		
	Academic staff	Support staff	Total	Academic staff	Support staff	Total
Leave plans	\$ 547,659	\$ 59,102	\$ 606,761	\$ 349,135	\$ 55,958	\$ 405,093
Long term disability	349,812	233,392	583,204	74,212	79,653	153,865
Sick leave	-	243,000	243,000	-	226,000	226,000
Supplementary retirement plan	-	289,936	289,936	-	209,127	209,127
Professional Leave	134,820	-	134,820	-	-	-
	\$ 1,032,291	\$ 825,430	\$ 1,857,721	\$ 423,347	\$ 570,738	\$ 994,085

Leave plans

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

The ASA Four for Five leave plan allows the employee to make contributions up to 14% of their annual 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 the employee's benefits.

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 the employee's benefits.

	2017	2016
Employees' contributions held by the College	\$ 584,383	\$ 392,162
Interest held on employees' contributions	22,378	12,931
Balance, end of year	\$ 606,761	\$ 405,093

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.

6. Employee Future Benefit Liabilities (continued)**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 16 - 81 days depending on the employee group.

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, 2017. This showed an aggregate liability of \$289,936 (2016 - \$209,127)

Professional leave

Under the collective agreement with the Academic Staff Association, the College is committed to offering 60 months of paid professional leave to the group each contract period. The College had 24 remaining unutilized months at June 30, 2017 (2016 - 0 months).

The expense and financial position of these defined benefit plans are as follows:

	2017				2016			
	LTD	Sick Leave	SRP ^(a)	Total	LTD	Sick Leave	SRP ^(a)	Total
Expense								
Current service cost	\$ 495,738	\$ 34,000	\$ 58,734	\$ 588,472	\$ (257,113)	\$ -	\$ 55,097	\$ (202,016)
Interest cost	24,324	7,000	10,425	41,749	-	-	8,192	8,192
Amortization of net actuarial (gain) loss	-	(6,000)	15,443	9,443	-	-	10,239	10,239
Past service cost	-	-	-	-	-	226,000	-	226,000
	\$ 520,062	\$ 35,000	\$ 84,602	\$ 639,664	\$ (257,113)	\$ 226,000	\$ 73,528	\$ 42,415
Financial Position								
Accrued benefit obligation:								
Balance, beginning	\$ 153,865	\$ 226,000	\$ 229,606	\$ 609,471	\$ 410,978	\$ 226,000	\$ 166,317	\$ 803,295
Current service cost	495,738	34,000	58,734	588,472	(257,113)	-	55,097	(202,016)
Interest cost	24,325	7,000	10,425	41,750	-	-	8,192	8,192
Benefits paid	(90,724)	(80,000)	(24,272)	(194,996)	-	-	-	-
Actuarial loss	-	14,000	(50)	13,950	-	-	-	-
Balance, end of year	583,204	201,000	274,443	1,058,647	153,865	226,000	229,606	609,471
Unamortized net actuarial loss	-	42,000	15,493	57,493	-	-	(20,479)	(20,479)
	\$ 583,204	\$ 243,000	\$ 289,936	\$ 1,116,140	\$ 153,865	\$ 226,000	\$ 209,127	\$ 588,992

^(a)The College plans to use its working capital to finance these future obligations.

6. Employee Future Benefit Liabilities (continued)

The significant actuarial assumptions used to measure the accrued benefit obligation are as follows:

	2017			2016		
	LTD	Sick Leave	SRP	LTD	Sick Leave	SRP
Accrued benefit obligation:						
Discount rate	2.6 %	3.0 %	3.3 %	3.5 %	3.5 %	3.7 %
Long-term average compensation increase	N/A	3.0 %	3.0 %	N/A	3.0 %	3.0 %
Benefit cost:						
Discount rate	2.6 %	3.0 %	3.3 %	3.5 %	3.5 %	3.7 %
Long-term average compensation increase	N/A	3.0 %	3.0 %	N/A	3.0 %	3.0 %
Alberta inflation	N/A	N/A	2.3 %	N/A	N/A	2.3 %
Estimated average remaining service life	N/A	11 years	1 year	N/A	11 years	3 years

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, 2016, the LAPP reported an actuarial deficit of \$637.3 million (2015 - deficit of \$923.4 million). An actuarial valuation of the LAPP was carried out as at December 31, 2015 and was then extrapolated to December 31, 2016. The pension expense recorded in these financial statements is \$4,088,167 (2016 - \$3,959,662). Other than the requirement to make additional contributions, the College does not bear any direct risk related to the LAPP deficit.

7. Debt

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

	2017			2016	
	Maturity	Interest Rate (%)	Amortized Cost	Amortized Cost	
Debentures payable to Alberta Capital Finance Authority:					
Loan #1500775	Nov 2026	6.0	\$ 160,000	\$	176,000
Loan #1500778	Jul 2027	6.1	220,000		240,000
Loan #3500015	Sep 2030	4.4	1,574,047		1,657,939
Loan #4000180	Dec 2036	4.4	4,555,156		4,699,857
Loan #4000464	Mar 2038	4.7	3,563,272		3,661,141
Loan #4000728	Jun 2038	5.1	3,949,108		4,045,360
			14,021,583		14,480,297
Liability under capital lease			103,710		148,201
			\$ 14,125,293	\$	14,628,498

Collateral for all loans, excluding the capital lease, is the title to student residence land and buildings. Collateral for the liability under capital lease is title to the related equipment having a net book value of \$97,004 (2016 - \$121,771).

7. Debt (continued)

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

	Principal	Interest	Total
2018	\$ 523,740	\$ 657,150	\$ 1,180,890
2019	545,217	633,488	1,178,705
2020	533,325	609,029	1,142,354
2021	543,577	584,110	1,127,687
2022	567,340	558,161	1,125,501
Thereafter	11,412,094	4,634,822	16,046,916
	<u>\$ 14,125,293</u>	<u>\$ 7,676,760</u>	<u>\$ 21,802,053</u>

Interest expense on debt is \$675,163 (2016 - \$696,449) and is included in the consolidated statement of operations.

8. Deferred Revenue

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

	2017			2016
	Unspent externally restricted contributions	Tuition and other fees	Total	Total
Balance, beginning of year	\$ 7,238,106	\$ 1,458,605	\$ 8,696,711	\$ 9,280,502
Grants, tuition, donations received during the year	13,818,315	1,534,485	15,352,800	9,308,015
Restricted investment income	262,544	-	262,544	188,610
Unrealized gains (losses)	329,726	-	329,726	(77,257)
Transfers to spent deferred capital contributions	(995,533)	-	(995,533)	(1,248,332)
Recognized as revenue	(8,402,734)	(1,458,605)	(9,861,339)	(8,754,827)
Transfers	(12,093)	-	(12,093)	-
Balance, end of year	<u>\$ 12,238,331</u>	<u>\$ 1,534,485</u>	<u>\$ 13,772,816</u>	<u>\$ 8,696,711</u>

9. Tangible Capital Assets

	2017					2016
	Land	Buildings and site improvements (a)	Furnishings, equipment and systems (c)	Learning resources (d)	Total	Total
Cost						
Balance, beginning of year	\$ 2,753,998	\$ 147,808,958	\$ 36,946,311	\$ 1,158,208	\$ 188,667,475	\$ 185,319,084
Acquisitions ^(b)	-	1,533,378	2,463,448	60,336	4,057,162	4,380,111
Disposals, including write downs	(34,765)	-	(220,963)	-	(255,728)	(1,031,720)
	<u>2,719,233</u>	<u>149,342,336</u>	<u>39,188,796</u>	<u>1,218,544</u>	<u>192,468,909</u>	<u>188,667,475</u>
Accumulated Amortization						
Balance, beginning of year	\$ -	\$ 90,413,459	\$ 27,843,766	\$ 802,946	\$ 119,060,171	\$ 114,569,993
Amortization expense	-	3,110,219	2,198,823	80,407	5,389,449	5,472,697
Effects of disposals, including write downs	-	-	(195,078)	-	(195,078)	(982,519)
	<u>-</u>	<u>93,523,678</u>	<u>29,847,511</u>	<u>883,353</u>	<u>124,254,542</u>	<u>119,060,171</u>
Net book value at June 30, 2017	<u>\$ 2,719,233</u>	<u>\$ 55,818,658</u>	<u>\$ 9,341,285</u>	<u>\$ 335,191</u>	<u>\$ 68,214,367</u>	
Net book value at June 30, 2016	<u>\$ 2,753,998</u>	<u>\$ 57,395,499</u>	<u>\$ 9,102,545</u>	<u>\$ 355,262</u>		<u>\$ 69,607,304</u>

(a) Included in buildings and site improvements is \$3,731,004 (2016 - \$3,160,539) recorded as work in progress, which is not amortized as the assets are not in service.

(b) Acquisitions included in kind donations in the amount of \$15,499 (2016 - \$30,399).

(c) Furnishings, equipment and systems includes vehicles, heavy equipment, office equipment, computer and electronic equipment, instruction equipment, furniture and other equipment.

(d) Learning resources consist of library holdings.

10. Spent Deferred Capital Contributions

Spent deferred capital contributions are comprised of restricted grants and donations spent on tangible capital acquisitions (not yet recognized as revenue).

	2017	2016
Spent Deferred Capital Contributions		
Balance, beginning of year	\$ 38,708,832	\$ 40,278,066
Transfers from unspent externally restricted grants and donations	995,533	1,248,332
Expended capital recognized as revenue	(2,572,503)	(2,817,566)
Balance, end of year	<u>\$ 37,131,862</u>	<u>\$ 38,708,832</u>

11. Net Assets

The composition of net assets is as follows:

	Accumulated surplus from operations	Investment in tangible capital assets	Internally restricted surplus	Endowments	Total
Net assets as at June 30, 2015	\$ 8,184,464	\$ 15,550,907	\$ 1,631,027	\$ 6,056,501	\$ 31,422,899
Annual operating surplus	4,567,340	-	-	-	4,567,340
Endowments					
Transfer to endowments	(4,089)	-	-	4,089	-
Tangible capital assets					
Amortization of internally funded tangible capital assets	2,655,132	(2,655,132)	-	-	-
Internally funded acquisition of tangible capital assets	(3,131,779)	3,131,779	-	-	-
Debt - repayment	(472,188)	472,188	-	-	-
Debt - new financing	180,567	(180,567)	-	-	-
Net book value of tangible capital asset disposals	49,201	(49,201)	-	-	-
Operating expenses funded from internally restricted surplus	169,847	-	(169,847)	-	-
Change in accumulated remeasurement gains	(1,631)	-	-	-	(1,631)
Net assets, June 30, 2016	\$ 12,196,864	\$ 16,269,974	\$ 1,461,180	\$ 6,060,590	\$ 35,988,608
Annual operating surplus	1,629,238	-	-	-	1,629,238
Endowments					
New donations	(42,300)	-	-	42,300	-
Tangible capital assets					
Amortization of internally funded tangible capital assets	2,816,946	(2,816,946)	-	-	-
Internally funded acquisition of tangible capital assets	(3,061,629)	3,061,629	-	-	-
Debt - repayment	(503,205)	503,205	-	-	-
Net book value of tangible capital asset disposals	60,650	(60,650)	-	-	-
Operating expenses funded from internally restricted surplus	287,281	-	(287,281)	-	-
Change in accumulated remeasurement gains	(792)	-	-	-	(792)
Net assets, June 30, 2017	\$ 13,383,053	\$ 16,957,212	\$ 1,173,899	\$ 6,102,890	\$ 37,617,054

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

11. Net Assets (continued)

Internally restricted surplus represents amounts set aside by the College's Board of Governors for specific purposes. These 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:

	2017	2016
College appropriations for operating activities	\$ 722,872	\$ 792,711
Foundation	451,027	668,469
	<u>\$ 1,173,899</u>	<u>\$ 1,461,180</u>

12. 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 Institution. Administration 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.

13. 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	Information Systems and Technology	Long-term Leases	Total
2018	\$ 3,150,351	\$ 781,605	\$ 240,327	\$ 4,172,283
2019	508,033	697,279	54,519	1,259,831
2020	495,000	195,768	37,138	727,906
2021	41,667	24,200	20,949	86,816
2022	25,000	6,050	-	31,050
Thereafter	512,500	-	-	512,500
	<u>\$ 4,732,551</u>	<u>\$ 1,704,902</u>	<u>\$ 352,933</u>	<u>\$ 6,790,386</u>

Included in service contracts is an electricity contract in order to manage the College's exposure to volatility in the utility industry. The College has entered into a contract to fix a portion of its electrical costs at an average of \$ 0.04801 per kilowatt hour. The contract total is \$1,110,000 (2016 - \$1,480,000) and expires on July 30, 2020.

14. 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.

	2017	2016
Academic Staff Association Professional Growth	\$ 779,921	\$ 727,417
Alberta Union of Public Employees Staff Development	36,619	28,748
Yellowhead Regional Education Society	94,867	94,867
Other	41,870	76,980
	<u>\$ 953,277</u>	<u>\$ 928,012</u>

15. Government of Alberta Transactions

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.

	2017	2016
Grants from Government of Alberta		
Advanced Education:		
Operating	\$ 44,714,334	\$ 43,638,895
Apprenticeship	3,436,840	3,702,269
Capital	2,431,169	1,720,674
Special Funds Agreement	3,879,003	-
Other	721,000	399,643
Total Advanced Education	<u>\$ 55,182,346</u>	<u>\$ 49,461,481</u>
Other Government of Alberta departments and agencies	<u>831,264</u>	<u>437,964</u>
Total contributions received	56,013,610	49,899,445
Restricted expended capital recognized as revenue	1,728,475	1,808,595
Restricted contributions deferred	(5,547,132)	(1,008,719)
	<u>\$ 52,194,953</u>	<u>\$ 50,699,321</u>
Accounts receivable		
Advanced Education	\$ 43,302	\$ 22,132
Other Government of Alberta departments and agencies	31,250	31,250
	<u>\$ 74,552</u>	<u>\$ 53,382</u>
Accounts payable		
Advanced Education	\$ 331,051	\$ -

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

16. Expense by Object

The following is a summary of expense by object:

	2017		2016
	Budget	Actual	Actual
Salaries and benefits	\$ 46,462,027	\$ 47,880,326	\$ 44,933,124
Materials, supplies and services	16,046,456	13,580,971	12,711,040
Cost of goods sold	75,429	132,333	83,749
Scholarships and bursaries	450,000	616,104	629,599
Maintenance and repairs	870,965	2,206,707	1,540,075
Utilities	1,900,237	1,599,585	1,507,576
Amortization of tangible capital assets	5,273,000	5,389,449	5,472,697
	<u>\$ 71,078,114</u>	<u>\$ 71,405,475</u>	<u>\$ 66,877,860</u>

17. Salary and Employee Benefits

	2017				2016
	Base salary ^(a)	Other cash benefits ^(b)	Other non-cash benefits ^(c)	Total	Total
Governance					
Chair of the Board of Governors	\$ -	\$ 6,538	\$ 150	\$ 6,688	\$ 6,074
Members of the Board of Governors	-	33,706	1,516	35,222	26,244
Executive					
President ^(d)	358,000	-	32,655	390,655	389,981
Vice-Presidents:					
Vice-President Academic	213,929	5,400	32,655	251,984	251,310
Vice-President Administration ^(e)	197,520	361,816	30,830	590,166	251,310
Vice-President External Relations	190,182	5,400	32,655	228,237	227,563
Total	<u>\$ 959,631</u>	<u>\$ 412,860</u>	<u>\$ 130,461</u>	<u>\$ 1,502,952</u>	<u>\$ 1,152,482</u>

(a) Base salary includes pensionable base pay.

(b) Other cash benefits include earnings such as honoraria, automotive allowance, severance, and supplementary retirement plan payout.

(c) 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 coverage, accidental disability and dismemberment, professional memberships and tuition.

(d) Automobile provided, no dollar amount included in other non-cash benefits.

(e) This position was occupied by two individuals at different times during the year. Occupancy of the position changed in May 2017. Included in other cash benefits is \$300,000 in severance benefits as a result of a termination agreement, \$24,272 supplementary retirement plan and \$32,525 vacation pay.

17. Salary and Employee Benefits (continued)

Under the terms of the supplemental retirement plan (SRP), executive officers may receive supplemental retirement payments. Retirement arrangement costs as detailed below are not cash payments in the period but are period expenses 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. The current service cost and accrued obligation for each executive officer under the SRP is outlined in the following table.

	Accrued obligation June 30, 2016	Service cost	Interest cost	Actuarial loss (gain)	Accrued obligation June 30, 2017
President	\$ 154,063	\$ 37,078	\$ 6,730	\$ 2,473	\$ 200,344
Vice-Presidents:					
Vice-President Academic	45,387	10,385	1,885	(5,491)	52,166
Vice-President Administration ^(a)	8,231	6,418	929	(15,578)	-
Vice-President External Relations	21,925	4,853	881	(5,726)	21,933
	<u>\$ 229,606</u>	<u>\$ 58,734</u>	<u>\$ 10,425</u>	<u>\$ (24,322)</u>	<u>\$ 274,443</u>

(a) Actuarial loss (gain) includes a payout of \$24,272 and an actuarial loss of \$8,694.

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

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. Certain budget figures have been reclassified to conform with the presentation adopted in the 2017 consolidated financial statements.

19. Approval of Financial Statements

The consolidated financial statements were approved by the Board of Governors of Grande Prairie Regional College.

GPRC

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