



GPRC 2017 - 2018

ANNUAL REPORT





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ACCOUNTABILITY STATEMENT

The Grande Prairie Regional College (GPRC) Annual Report for the year ended June 30, 2018 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.

Original signed by
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.

Original signed by
Don Gnatiuk,
PRESIDENT AND CEO

VISION, MISSION, AND MANDATE

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

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

As a comprehensive community institution, GPRC is committed to expanding access to post-secondary education in its service area by responding to community and regional demand for both credit and non-credit programming. The College has developed a portal access delivery model that encourages other post-secondary institutions to deliver programming in our region, enabling the establishment of collaborative partnerships that rapidly and effectively meet the varied needs of our 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, Fine Arts, Business, Technology, Human Services, Academic Upgrading, Trades and Technical training, and Agriculture. The College also offers baccalaureate degrees, primarily as collaborative degrees. In response to regional, community and industry

demand, GPRC provides a range of customized non-credit pre-employment programming, skills development, safety, and community interest courses. 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, GPRC 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.

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

APPROVED BY THE MINISTER OF ADVANCED EDUCATION (2008)

PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT

GPRC does not have any incidents to report.

MESSAGE FROM THE PRESIDENT

GPRC marked a milestone in its history this year by achieving its 50-year dream of becoming a post-secondary institution that will grant university degrees for northwestern Alberta students.

GPRC staff, faculty, community and, most importantly, our students greeted the Government of Alberta's February 2018 announcement with gratitude and pride. GPRC is now on the path to becoming a university.

Achieving this goal took a half-century of advocacy from past and present boards, executive teams, faculty, students, staff and community. I want to thank all those who worked tirelessly over the years to keep moving us toward this goal.

Now, the work begins as GPRC connects with our communities to inform and guide our transition. GPRC will rely on the knowledge and ability of our faculty and staff to continue to deliver exceptional post-secondary education to our students while we move towards granting our first GPRC degrees in the coming years.

GPRC has created an academic coalition that includes faculty representation from across all departments. The coalition will lead our transition process with the support of our staff.

This work will continue to support the high quality learning environment that is the hallmark of what GPRC students

experience at our campuses and learning centres throughout the region.

Although degree-granting status was the most noteworthy achievement of the past year, much progress was also made in many other areas at GPRC in the 2017–2018 academic year.

To name just a few of GPRC's successes:

- ▶ New trades programming in partnership with the local public school board launched in Edson
- ▶ The first students of the collaborative SAIT Bachelor of Business Administration accounting major began their studies
- ▶ The upgraded large animal handling lab was unveiled to the community in Fairview
- ▶ The community-based proposal to launch a culinary program in Jasper was submitted to government
- ▶ A new High Performance Training Centre opened in Grande Prairie
- ▶ The agreement to offer a Bachelor of Social Work with the University of Calgary in Edson and Hinton was finalized
- ▶ Community supporters invested in GPRC students with new equipment for programs such as accessibility services, trades programs and professional driver training

As GPRC transitions into a degree-granting institution, it will continue to serve the students of today so they have the skills, intellect and understanding to lead us into tomorrow.



The upgraded large animal handling lab in Fairview



High Performance Training Centre

GPRC will proudly continue to offer certificates, diplomas and trades programming. This programming is essential to learners in our stewardship region and, therefore, essential to GPRC's mandate.

The addition of university degrees to GPRC's offerings mean the students of our region will have the same access to high-quality education that their counterparts in other parts of the province enjoy. Northwestern Alberta students will no longer face the additional financial burdens of having to leave the region to complete the degrees they need.

The degrees these students receive at GPRC will reflect the needs of the communities in which they will live and work. Their education will serve their community, and continue to support the growth and success of northwestern Alberta.

Don Gnatiuk,
PRESIDENT AND CEO

A black and white photograph of Don Gnatiuk, President and CEO of GPRC, speaking at a podium. He is wearing a dark suit, a white shirt, and a patterned tie, and has glasses. The podium is dark with a large white sign that reads "WORKING TO MAKE LIFE BETTER" in bold, uppercase letters. Below the sign is the "Alberta" logo in a script font. A small "Amen-Vox" logo is visible on the podium's base. The background is a solid red color with a white diagonal shape on the right side.

**WORKING TO
MAKE LIFE BETTER**

Alberta

GPRC President and CEO Don Gnatiuk speaks during the announcement that GPRC will start the transition to become degree-granting.

OPERATIONAL OVERVIEW

EXPANDING ACCESS TO AND THE QUALITY OF EDUCATION

GPRC has long advocated for accessible and high-quality education for regional learners. The prospect of degree-granting status continues to generate excitement for regional learners who will be able to complete their four-year degrees at GPRC. GPRC will continue to offer certificates, trades, diplomas and degrees demanded by learners across the stewardship region.

GPRC pursued the expansion of its health and allied health care programming to meet the needs of regional learners and the demand of employers. Allied Health Memorandum of Understandings (MOUs) were completed for the Occupational Therapy Assistant/Physiotherapy Assistant Diploma program brokered from Medicine Hat College and the Pharmacy Technician Diploma Program brokered from Bow Valley College. These program offerings will align with the opening of the regional hospital in Grande Prairie, with Occupational Therapy Assistant/Physiotherapy Assistant Diploma program offered first, and the Pharmacy Technician Diploma program offered the following year. Costing for both programs has been completed for capital, equipment, supplies, faculty and staff.

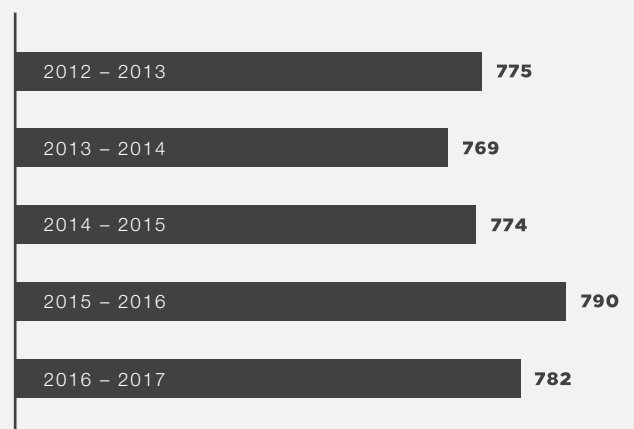
Research surrounding elder, palliative and end-of-life care was initiated. This research focused on programming opportunities, types of credentials needed by students for employment, the current availability of education opportunities facilitated by community agencies, and what is happening in the field of study collectively. A final report was completed in June 2018.

Community consultations have taken place for a proposed culinary arts program in Jasper, Alberta. A Community Advisory Committee has been formed to review possible programming scenarios, along with some curriculum programming frameworks. A final report on the proposed Culinary Arts program was completed in 2018 and submitted to Advanced Education for approval.

The first cohort of the third year Bachelor of Business Administration (Accounting Major) brokered from SAIT has been completed. The fourth year of the program will begin in September 2018. This program will continue to help students to access degree opportunities locally while serving the community's need for accounting degree graduates. Early discussions are underway to add a Management Major to this degree program beginning in September 2019.

GPRC understands that mental health is critical to quality education and student success. GPRC received \$375,000 in government grant funding to establish a mental health program plus an additional \$10,000 for Indigenous student mental health. GPRC hired two full-time mental health counsellors, who will provide services to all GPRC campuses and learning sites, and a part-time grant administrator. Additionally, GPRC created the Regional Post-Secondary Mental Health Planning Committee and recruited internal (Students' Association, Indigenous Liaison, LGBTQ+ student representatives) and external stakeholders (AHS, PACE, HIV North) to participate and collaborate on reaching mental health objectives. The

Figure 1: University Transfer Students (Headcount)

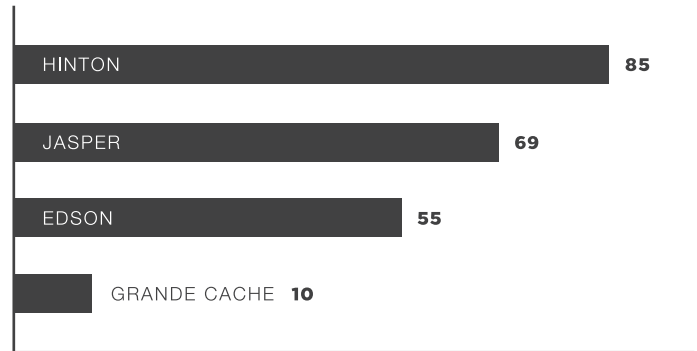


mental health counselling services on the Grande Prairie and Fairview campuses successfully de-escalated several instances of student distress within the first month of operation. GPRC has also hired a registered psychologist to lead mental health initiatives and strategies.

The West Yellowhead (WY) Learning Centres registered multiple students in all four locations with an 18% overall increase in credit registrations from the previous academic year. Learning Centres embraced Continuing Education programming in all four communities totalling 219 registrations (Hinton, 85; Jasper, 69; Edson, 55; and Grande Cache, 10). Continuing Education courses ranged from air brakes and bookkeeping to babysitter training and creative writing. Thirty-six classes ran in WY in the 2017–2018 academic year, 53% of which were delivered face-to-face by instructors in the region. Face-to-face regional deliveries accounted for 76% of the total registrations.

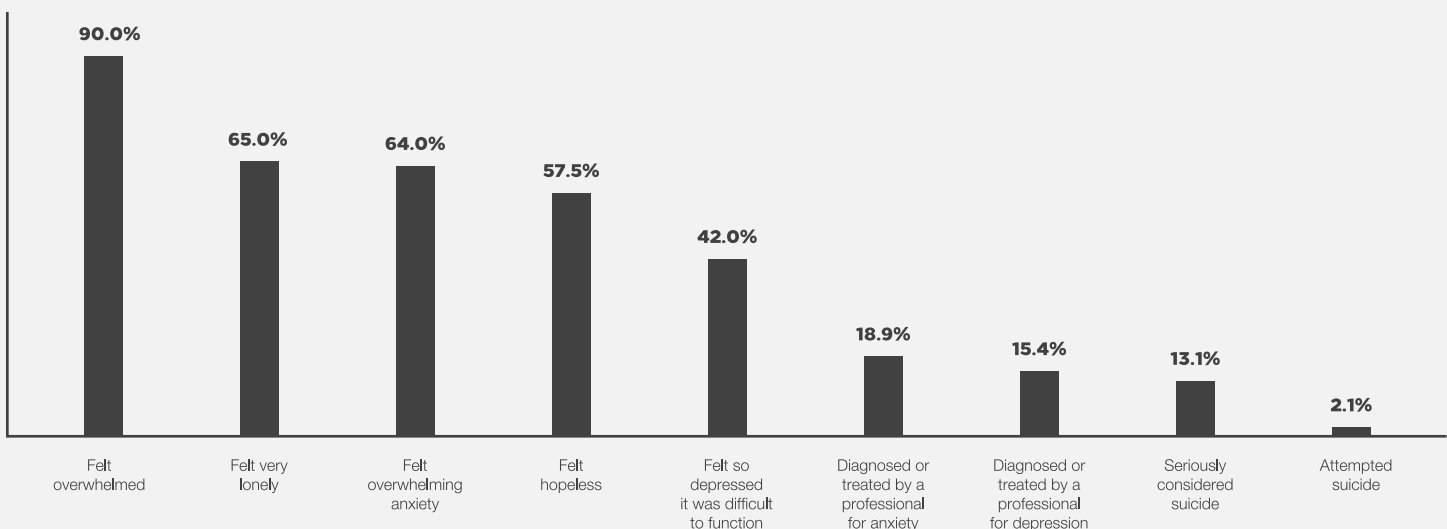
A Memorandum of Understanding with the Grande Yellowhead Public School Division (GYPSD) was signed in June 2017, which outlined a process for GPRC and GYPSD to share

Figure 3: Continuing Education Student Registrations West Yellowhead Learning Centres



facilities for program delivery. This MOU addressed both the need for trades training and the importance of collaboration to achieve unique and innovative programming in the WY region and paved the way for the Pre-Employment Welding course delivered at Parkland Composite High School in the winter 2018 term. Eight seats were available to a combination of public adult students and dual credit high school students.

Figure 2: Student Mental Health in Alberta Post-Secondary 2017 SOURCE: ALBERTA GOVERNMENT



INCREASING COLLABORATIONS AND ENGAGING COMMUNITIES

GPRC requested and successfully obtained the University of Calgary community-based learning circle model Bachelor of Social Work Degree completion cohort in the West Yellowhead Region. This was in response to considerable community demand for this degree completion programming. Registration began in October 2018 with delivery slated for September 2019.

A three-year contract, signed with Grande Cache Community Programs Society in Grande Cache, outlined sharing costs of both facilities and administrative services, which resulted in a seamless and cost-effective adult learning support for the community of Grande Cache.

GPRC's Research and Innovation department reached some significant milestones in 2017–2018. GPRC's Community Enhancement Research initiative received significant support from the Government of Canada Social Sciences and Humanities Research Council (SSHRC). This 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 has also consulted with Economic Development and Trade and Alberta Innovates to work towards a renewed regional innovation network proposal to better align GPRC innovation support activities with the 2017 Alberta Research and Innovation Framework.

Three GPRC psychology major students received funding in 2017 in the form of the GPRC Undergraduate Student Research Award to develop community-based research projects tackling complex social issues. These awards were made possible by Social Sciences and Humanities Research Council funding received by Dr. Connie Korpan, psychology instructor and research mentor to the students. One of the projects, entitled Mental Health Needs of Adolescents and Available School-Based Resources in a Remote Rural Community, was accepted to be displayed at the Student Innovation Showcase on Parliament Hill. The showcase consisted of a poster session featuring student work in a variety of disciplines, from colleges

across Canada. It was attended by cabinet ministers, members of Parliament, directors of funding agencies, administrators and academics at colleges and institutes spanning the nation.

GPRC in partnership with Keyano College trained heavy equipment students on a state-of-the-art heavy equipment simulator, giving students the skills they need to enter in-demand careers in local industry. The Heavy Equipment Operator (HEO) program was held in October 2017 for the first time in Grande Prairie through GPRC Continuing Education. The HEO program is held in a 53-foot mobile unit from Keyano College, which holds the simulators for the heavy equipment training. The comprehensive five-week simulator program not only provided students with the training they need to safely operate heavy equipment, but also ensured they received the safety tickets necessary to get them industry workforce ready.

After a successful grant application to the Ministry of Children's Services, the GPRC Children's Preschool Demonstration Centre transitioned to a \$25 per day Daycare Centre. Operations began in August 2017. The Daycare Centre accommodates children of community members and of GPRC students. This initiative will support recruitment and retention at GPRC and improve accessibility of post-secondary education for learners who are also parents.

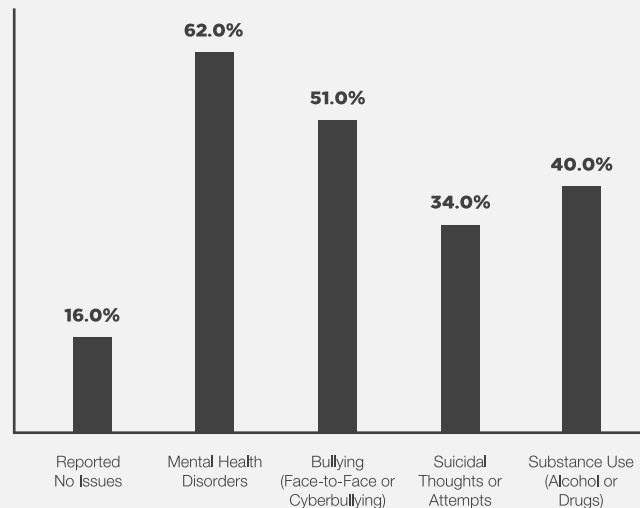
GPRC's External Relations division completed its restructure into three cross-functioning units: Communications and Marketing, Event Services, and Development and Alumni Services. Development activities with donors and alumni increased in 2017–2018 as GPRC prepared for the Fall 2018 public phase of its comprehensive campaign. The number of prospective donors identified and contacted increased in 2017–2018, as did dollars raised. The positive results of new donations included the FluidPRO Oilfield Services donation of a tractor and trailer unit to Continuing Education; the opening of a facility that now houses the High Performance Training Centre for Sport, Fitness and Wellness; and the announcement of a partnership with Motion Canada to upgrade and equip GPRC's Millwright shop.

GPRC’s premier fundraising events, the College Classic Golf Tournament and the GPRC President’s Ball, raised funds for GPRC, elevated the profile of the organization and created an opportunity for our President, Executive, Board of Governors and key staff and volunteers to build upon relationships with donors and alumni who are key to the success of GPRC. In 2018, a campaign was launched to connect with more GPRC Alumni and planning started to establish new and effective connections to former GPRC students.

GPRC Event Services continued to expand 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 as well with external community customers to host events and activities in GPRC-owned facilities. This expanded level of service generates revenues and creates opportunities for the community to experience GPRC, which enhances GPRC’s presence and reputation. In 2017–2018, Event Services established GPRC’s facility rentals, expanded service levels, and created a customer service focused team to meet the needs of the community. Event Services continued working with staff at the Fairview campus to understand GPRC facility and technology usage and to meet the needs of the Fairview community.

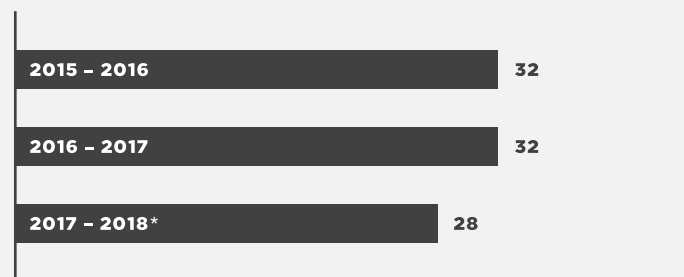
GPRC Communications and Marketing team continued to engage with programs and departments to improve GPRC’s communication and marketing. This included direct Communications and Marketing support and leadership to the Strategic Recruitment and Retention Committee, Recruitment Working Team, Continuing Education, Athletics, and Research and Innovation. GPRC’s digital presence in the community continued with new and enhanced social media content. New initiatives were launched which gave GPRC students opportunities to share their experiences directly with GPRC social media followers. Existing GPRC social media accounts were improved and outdated GPRC social media accounts were discontinued.

Figure 4: Student Mental Health Issues



SOURCE: EARLY RESULTS OF A COMMUNITY-BASED RESEARCH PROJECT CONDUCTED BY THE 2017 WINNERS OF THE UNDERGRADUATE RESEARCH AWARD

Figure 5: Children Registrations – GPRC Daycare Centre



*In 2017–2018, the Children’s Preschool Demonstration Centre was upgraded to a Daycare Centre. This resulted in the Centre accepting toddlers in addition to preschool children.

INSTITUTIONAL REALITIES AND CHALLENGES

The recent degree-granting announcement from Advanced Education allowed GPRC to work on the initial phase of the institutional readiness assessment. GPRC introduced the Academic Coalition, which consists of academic faculty and administrative leaders who are involved in evaluating and developing the first degrees that GPRC will offer.

On May 25, 2018 GPRC experienced a small fire on the roof of B Wing. The fire required B Wing to be repaired while wings A and C were fully sanitized to ensure the health and safety of our students, staff and members of the public. Work continued into the summer of 2018 to ensure all affected spaces were safe and functional by fall semester.

GPRC Research and Innovation (RI) department had a key transition year. The overarching theme has been to align GPRC research activity to match institutional and provincial goals aimed at supporting economic development, and facilitating research and innovation projects that respond to community needs throughout the GPRC service region. Building on existing research strengths in agricultural health, clean technology, and social and human health innovation, GPRC received three new federal-industry funding packages amounting to a minimum of \$5.3 million over the next five years.

GPRC RI has encouraged new scholarly activity in a number of diverse fields including business, fine arts, construction trades,

and education. The mandate to pursue degree-granting status has placed the focus on developing institutional research capacity and administrative support that meets or exceeds the requirements of Campus Alberta Quality Council handbook. Administrative supports have been realigned to better meet Tri-Council requirements related to research ethics and financial administration.

Enterprise Risk Management is integral to GPRC's physical and financial sustainability. In 2017–2018, the Enterprise Risk Management team directly supported GPRC through the following undertakings:

- ▶ Hosted a mock workplace scenario for hazard identification at the Northwest Regional Skills Canada Competition.
- ▶ Provided Non-Violent Crisis Intervention training to GPRC students.
- ▶ Held influenza immunization clinics at the Fairview and Grande Prairie campuses in the fall season, which were open to students, staff, faculty, and the public.
- ▶ Provided safety, security, and preparedness education sessions to GPRC committees and departments, as well as during new employee orientation.
- ▶ Worked with local 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 emergency drills.



Crowd reacts to the announcement that GPRC will move toward degree-granting status

GOALS, PRIORITY INITIATIVES, EXPECTED OUTCOMES AND PERFORMANCE MEASURES

In accordance with the stated goals and priority initiatives in the 2017–2020 Comprehensive Institutional Plan, the following initiatives and the progress made in the last twelve months are presented.

EXCELLENCE IN THE STUDENT EXPERIENCE THROUGH QUALITY PROGRAMMING AND SUPPORT SERVICES

PRIORITY INITIATIVES	STATUS	EXPECTED COMPLETION	PROGRESS MADE IN THE LAST 12 MONTHS
Develop Water and Waste Water Management Diploma Program	In Progress	Fall 2020	<ul style="list-style-type: none"> ▶ Project is delayed due to staffing changes ▶ Project will be reviewed and will work towards target of Fall 2020
Power Engineering – Boiler Time Accreditation from Alberta Boilers' Safety Association	Completed	January 2018	<ul style="list-style-type: none"> ▶ An audit was performed in May 2018 and accreditation was received in July 2018 for the 4th Class Power Engineer program ▶ 3rd Class Power Engineer Program Boiler Time accreditation has been delayed because of equipment issues ▶ ABSA performed an audit and is reviewing the findings ▶ We anticipate having finalized results in October 2018, which will result in a curriculum change for 2019–2020
Launch Occupational/ Physical Therapy Assistant Diploma Program	In Progress	Fall 2019	<ul style="list-style-type: none"> ▶ Memorandum of Understanding completed to broker the program from Medicine Hat College ▶ Memorandum of Agreement under preparation
Launch Pharmacy Technician Diploma Program	In Progress	Fall 2020	<ul style="list-style-type: none"> ▶ Memorandum of Understanding completed to broker the program from Bow Valley College ▶ Memorandum of Agreement to be prepared
Launch Culinary Arts Program in Jasper	In Progress	Fall 2018	<ul style="list-style-type: none"> ▶ Final report completed for the proposed Culinary Arts Program in Jasper ▶ Report submitted to Alberta Advanced Education ▶ GPRC continued to work with the Community Advisory board to address Alberta Advanced Education's response to final report
Offer Four Drama Courses	Completed	Fall 2017	<ul style="list-style-type: none"> ▶ Five-year Fine Arts strategic plan completed ▶ New drama courses were reviewed and approved through Curriculum Committee ▶ Seven drama courses are now offered

PRIORITY INITIATIVES	STATUS	EXPECTED COMPLETION	PROGRESS MADE IN THE LAST 12 MONTHS
Reinstate the Drama Program	In Progress	Fall 2019	<ul style="list-style-type: none"> ▶ Music student liaison and visual arts student liaison hired ▶ Drama program offerings increased to seven courses in preparation for full program offering ▶ Five courses in music technology received transfer credit from several institutions
Develop a Student Services Strategic Plan	Completed	Winter 2017	<ul style="list-style-type: none"> ▶ Finalized draft of Student Services Strategic Plan ▶ Presented Strategic Plan to Executive on September 11, 2018
Develop a Student Communication Policy and Plan	Completed	Fall 2018	<ul style="list-style-type: none"> ▶ Assessed communication processes and procedures for efficiency ▶ Tested electronic communication with learners and students ▶ Communicated course and policy changes to students through various channels
Implement a Student Success Policy and Plan	Completed	Winter 2017	<ul style="list-style-type: none"> ▶ Initiated the policy in the Student Experience Strategic Plan ▶ Awaiting Executive approval for implementation
Develop a Recruitment and Retention Strategic Plan	Completed	Fall 2018	<ul style="list-style-type: none"> ▶ Researched regional trends, realities and demographics of students ▶ Developed goals, initiatives, and processes for efficient reporting ▶ Plan was presented to and approved by Executive in 2017–2018 academic year



EXCELLENCE IN ACCESSIBLE EDUCATIONAL OPPORTUNITIES AND RESOURCES FOR ALL LEARNERS

PRIORITY INITIATIVES	STATUS	EXPECTED COMPLETION	PROGRESS MADE IN THE LAST 12 MONTHS
Increase student scholarship and bursary opportunities	Completed	Fall 2017	<ul style="list-style-type: none"> ▶ Presented \$663,000 in GPRC student awards ▶ Provided Christmas hampers (consisting of full trimmings for traditional holiday meal and a board game) to over 50 students in need and their families ▶ Assisted over 300 students and their children with groceries through our Room of Plenty on-campus food bank ▶ Struck a Donor Recognition Committee in collaboration with External Relations to work on the creation of an event to recognize Awards and Bursary Donors in February 2019
Increase dual credit program offerings with regional and district school boards	Completed	Fall 2018	<ul style="list-style-type: none"> ▶ Delivered Pre-Employment Welding to Dual Credit students at Parkland Composite High School in Edson ▶ Dual Credit Program enrolment has decreased due to new funding framework released in fall of 2017 ▶ Only six courses are being funded by local school districts (Public, Catholic, Peace Wapiti) while the number of courses GPRC offers stays the same
Apply for, receive, and sustain provincial, federal and external stakeholder funding resources in Continuing Education department	Completed	Ongoing	<ul style="list-style-type: none"> ▶ Submitted application for Community and Regional Economic Support (CARES) grant funding to support the development of an Entrepreneurship certificate with eligibility for Blue Seal Certification ▶ Submitted for a TD Ready Challenge grant application for the implementation of an Advanced Class 1 Professional Driver program ▶ Reached training agreement with Caron Transportation Systems and Rosenau Transportation for Class 1 driving training project ▶ Completed Management Essentials Certificate (\$15,000 in funding from GPRIN) ▶ Currently developing an Entrepreneurship Certificate (\$15,000 in funding from GPRIN)
Establish new Continuing Education programming and/or courses that meet the needs of the community	Completed	Fall 2019	<ul style="list-style-type: none"> ▶ Delivered Home Alone and Babysitter Training for the first time in the West Yellowhead ▶ Developed programming including: Art Welding, Level 2 Welding Camp, Recreational Welding, Blue Seal Certificate, Entrepreneurship Certificate, Permaculture Certificate, Online and Video Conferencing-accessible Programming, PACE partnership to deliver a Crisis Response Management Certificate, Recreational Cannabis Workshops
Partner with Indigenous communities and organizations in Continuing Education department	Completed	Ongoing	<ul style="list-style-type: none"> ▶ Partnered with Indigenous Employment Society (IES) to deliver Aboriginal Job Shadow program ▶ Delivered Kids' Summer Camps to Horse Lake First Nation ▶ Provided custom contract training to the Western Cree Tribal Council

EXCELLENCE IN RESEARCH AND ENTREPRENEURSHIP OPPORTUNITIES IN ACADEMIC PROGRAMMING AND IN OUR STEWARDSHIP REGION COMMUNITIES

PRIORITY INITIATIVES	STATUS	EXPECTED COMPLETION	PROGRESS MADE IN THE LAST 12 MONTHS
Transformation of the National Bee Diagnostic Centre into the National Center of Excellence for Bees (NCE-Bees)	Cancelled	Spring 2018	<ul style="list-style-type: none"> ▶ NCE – Bees concept indefinitely suspended following review of NCE guidelines and consultation with partner agencies
Complete and pre-commercialize photobioreactor	In Progress	Fall 2018	<ul style="list-style-type: none"> ▶ \$1.6 million NSERC and industry funding received ▶ Funding will be used to proceed with scaled commercial pilot plant ▶ Plant expected to be operational by Fall 2020
Community Enhancement Research	Complete	Fall 2018	<ul style="list-style-type: none"> ▶ Police and Crisis Team project complete ▶ \$200,000 SSHRC funding received to initiate a two-year Youth Civic Engagement study
Faculty and students are engaged in scholarly activities, research and innovation projects	In Progress	Fall 2020	<ul style="list-style-type: none"> ▶ Established guidelines and definitions for scholarly activity endorsed by GPRC ▶ Scholarly activity plans submitted by the departments of Business, Physical Education, and Nursing
Refresh existing research policy and develop new policy and support processes	In Progress	Fall 2018	<ul style="list-style-type: none"> ▶ Revised policy according to current guidelines ▶ Submitted revised policy for academic review and approval
Administer and partner with the Grande Prairie Regional Innovation Network (GPRIN)	In Progress	Fall 2018	<ul style="list-style-type: none"> ▶ Continued collaboration with GPRIN ▶ Developed a new relationship with GPRIN to better align with the new Government of Alberta Framework on Innovation
Comprehensive marketing of GPRC Research and Innovation	Complete	Spring 2018	<ul style="list-style-type: none"> ▶ Collaborated with GPRC communications and marketing department ▶ Established new web, multimedia, and social media marketing initiatives ▶ Focused on highlighting disciplinary breadth and opportunities for new researchers

EXCELLENCE IN COMMUNITY ENGAGEMENT AND PARTNERSHIPS

PRIORITY INITIATIVES	STATUS	EXPECTED COMPLETION	PROGRESS MADE IN THE LAST 12 MONTHS
Increase and improve communications and marketing	Completed	June 2018	<ul style="list-style-type: none"> ▶ Launched a West Yellowhead specific eNewsletter (MailChimp) ▶ Web advisory committee launched ▶ GPRC-wide social media advisory committee launched
Improve quality and consistency of GPRC external digital presence	In Progress	June 2019	<ul style="list-style-type: none"> ▶ 18 out-of-date, redundant or abandoned social media accounts discontinued ▶ Major department web content projects completed including Athletics, Sport, Fitness and Wellness, Recruitment and Retention and Occupational Health and Safety
Ensure staff and faculty have access to communicate effectively internally	In Progress	June 2019	<ul style="list-style-type: none"> ▶ Created department process documents to outline roles and responsibilities when West Yellowhead interacts with departments at other campuses ▶ West Yellowhead working on process documents with Continuing Education, Communications and Marketing, and Business and Office Administration ▶ Communications and Marketing launched SharePoint site that provides staff and faculty templates and tools to communicate effectively ▶ Insider Today continues to be used and managed as a key internal communication tool ▶ New Our Future forum launched to keep staff and faculty up-to-date on the work of the Academic Coalition that will lead GPRC's transition to degree-granting status as well as the work of the Integrated Student Management System team
Increase and improve event services	In Progress	June 2020	<ul style="list-style-type: none"> ▶ Non-academic bookings continued to be referred to event services ▶ Event services staff facilitated GPRC academic and non-academic events such as Convocation and Grade 7 Day
Increase revenue and recognition to GPRC through event services	In Progress	June 2020	<ul style="list-style-type: none"> ▶ Work continued across GPRC's departments to track and define revenue and recognition generated through event services ▶ GPRC continued to improve processes to support Community events such as Alberta Summer Games and Bear Creek Folk Fest to ensure costs to GPRC were recovered and GPRC received recognition of offset revenue contributed to the community events
Secure grants, investments, donations and pledged support	In Progress	June 2020	<ul style="list-style-type: none"> ▶ Caron Transportation Systems Trailer donation supported the Continuing Education department in the Driver Training program ▶ \$109,000 donation for a tractor-trailer unit from FluidPRO Oilfield Services for Continuing Education in the Driver Training program ▶ Development team supported GPRC Research and Innovation to secure industry partners that resulted in continued government grant funding
Increase industry partnerships	In Progress	June 2019	<ul style="list-style-type: none"> ▶ Motion Canada committed \$100,000 to the Millwright program to upgrade and add equipment
Increase number of valid Alumni contacts	In Progress	June 2019	<ul style="list-style-type: none"> ▶ Campaign launched in January 2018 to increase number of valid alumni addresses ▶ Campaign resulted in an increase of 400 up-to-date addresses

EXCELLENCE IN STAFF AND FACULTY ENGAGEMENT IN COLLEGE AND COMMUNITY INITIATIVES

PRIORITY INITIATIVES	STATUS	EXPECTED COMPLETION	PROGRESS MADE IN THE LAST 12 MONTHS
Partner with Alberta Health Services and Alberta Infrastructure on building the new hospital	In Progress	Fall 2019	<ul style="list-style-type: none"> ▶ Operational Agreement with Alberta Health Services and GPRC for the new regional hospital in Grande Prairie being negotiated
West Yellowhead Regional Stewardship staff to collaborate with area school districts and Chamber of Commerce	Completed	Ongoing	<ul style="list-style-type: none"> ▶ MOU with Grande Yellowhead Public School Division was finalized in June 2017 ▶ Pre-employment Welding program offered in the Edson High School ▶ Community partnerships with the school districts and the Chamber of Commerce remain a priority
Collaborate with and represent GPRC on the Grande Prairie Regional Innovation Network (GPRIN) and the Police and Crisis Team (PACT)	Completed	Ongoing	<ul style="list-style-type: none"> ▶ Continued partnership with PACT and GPRIN ▶ Faculty research highlighted a social return of \$2.4 per \$1 invested in PACT ▶ PACT de-escalated 60% of situations falling within their mandate ▶ Sponsored the annual Growing the North conference, the largest gathering of innovators and entrepreneurs in the Peace Region ▶ GPRIN sponsored the Youth Entrepreneurship Summer Camp for students aged 6 to 12 years old ▶ GPRIN sponsored the GPRC student business conference
Establish a three-year Human Resources strategic plan that shifts HR activities from a transactional focus to a strategic operating model	Completed	Fall 2018	<ul style="list-style-type: none"> ▶ Human Resources department worked on strategic planning sessions ▶ Goals and initiatives for the department were drafted ▶ Strategic Plan will be submitted to the President and CEO in the Fall 2018
Establish a Student Innovation Lab – Makers Space	In Progress	Fall 2018	<ul style="list-style-type: none"> ▶ Interim space for social innovation student work has been identified and is in the process of being converted for student use ▶ A larger space for long-term use will be identified over the coming year
Develop faculty self-identification with a College Scholarship Model	In Progress	Fall 2020	<ul style="list-style-type: none"> ▶ An institutional scholarship model has been defined and approved by GPRC ▶ An awareness campaign has been initiated by GPRC Communications to encourage individual faculty to identify scholarly activities in progress or of interest
Continue to hold the Employee Recognition Awards	Completed	Ongoing	<ul style="list-style-type: none"> ▶ Awards ceremony for 2017–2018 has been planned and dates set ▶ Values award recipient will be determined in August 2018 for the recognition ceremony
Deliver the Winter Song- Fine Arts staff and faculty performance	Completed	Winter 2017	<ul style="list-style-type: none"> ▶ Performance delivered on February 10, 2018: Wintersong IX Recital ▶ Faculty and students participated in the production and performance delivery

EXCELLENCE IN ENTERPRISE RISK MANAGEMENT THROUGH ANTICIPATORY AND RESPONSIVE INITIATIVES

PRIORITY INITIATIVES	STATUS	EXPECTED COMPLETION	PROGRESS MADE IN THE LAST 12 MONTHS
Facility Access Control	Completed	September 2018	<ul style="list-style-type: none"> ▶ Rekeying project contract awarded July 2017 ▶ Rekeying of classrooms at the Grande Prairie campus took place in August of 2018 ▶ Facility Access Policy is being updated and will be vetted through and approved by the GPRC community by July 2019
Update ERM Processes	Completed	June 2018	<ul style="list-style-type: none"> ▶ Updated GPRC website with risk management information ▶ Provided risk management reports to Executive, and the Board of Governors ▶ The ERM Policy and Guidelines are still being updated
Updated Emergency Preparedness Program	Completed	September 2017	<ul style="list-style-type: none"> ▶ Provided emergency response scenario training to Executive ▶ Updated GPRC website with emergency preparedness information ▶ Launched GPRC Security and Safety App ▶ Naloxone kits distributed at the Grande Prairie and Fairview Campuses
Compliant with legislation	Completed	September 2018	<ul style="list-style-type: none"> ▶ Legislative compliance was assessed quarterly. Mitigating controls are almost in place to reduce instances of non-compliance
Implement Viable Health, Safety, and Environmental Program	Completed	September 2018	<ul style="list-style-type: none"> ▶ Updated GPRC website with occupational health and safety information ▶ Provided audiometric testing to employees ▶ Updated the Health and Safety Committee's terms of reference ▶ Launched Globally Harmonized System training online, available for employees and students ▶ With new Bill 30 requirements, the completion of the Health, Safety, and Environmental manual is being scheduled for June 2019



FINANCIAL AND BUDGET INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS

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, 2018.

GPRC's consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards and represent the consolidated financial results 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 2017, the Board of Governors approved a balanced operational budget for 2017–2018. GPRC ended the year with an annual deficit of \$410,728 contributing to a decrease in net assets to \$37.2 million (2016 - \$37.6 million). The annual operating deficit for 2017–2018 was \$471,128 as a result of endowment contributions received during the year.

REVENUE AND EXPENSES

Revenue for the 2017–2018 fiscal year totalled \$71.7 million, a decrease of \$1.2 million from the prior year and \$0.6 million less than budgeted. Government of Alberta grants are the most significant source of revenue for GPRC, with \$53.5 million recognized in 2017–2018, an increase of \$1.1 million from the previous year and \$2.5 million greater than budgeted.

The decrease of overall revenue when compared to budget and offsetting the increase in Government of Alberta grants revenue is attributed to Federal grants budgeted for Research and Innovation projects that were not spent during the year, fewer student registrations decreasing student tuition and fees and sales in ancillary services and reduced demand for programs in Continuing Education.

The decrease in overall revenue when compared to the previous year is mainly due to a decrease in student enrolment in both credit and apprenticeship training, resulting in reduced sales in ancillary services and reduced demand for programs in Continuing Education.

Expenses for the 2017–2018 fiscal year totalled \$72.2 million, an increase of \$0.8 million from the prior year and \$0.2 million less than budgeted.

Salaries and benefits is the largest expense representing 68% of total expenditures for a total \$48.8 million for 2017–2018, which was comparable to budget. Savings were found in the materials, supplies and services budget of \$1.1 million during the year. However, maintenance and repairs were \$0.7 million greater than budget due to expenses incurred as a result of additional funding received for the Infrastructure Maintenance Program (IMP).

The most notable increase from the previous year was in salaries and benefits due to the annual step and grid increases which were budgeted. Any savings experienced during the year were offset by the settlement and retirement payments made to employees to create efficiencies for the 2018–2019 budget.

Figure 6: 2017–2018 Revenue

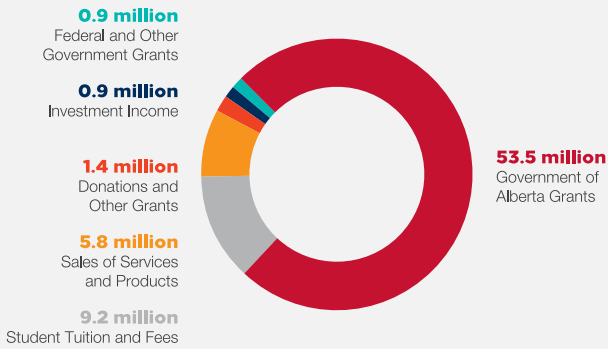


Figure 7: Revenue by Source - 2016–2017 and 2017–2018 Actual and Budget (in millions)

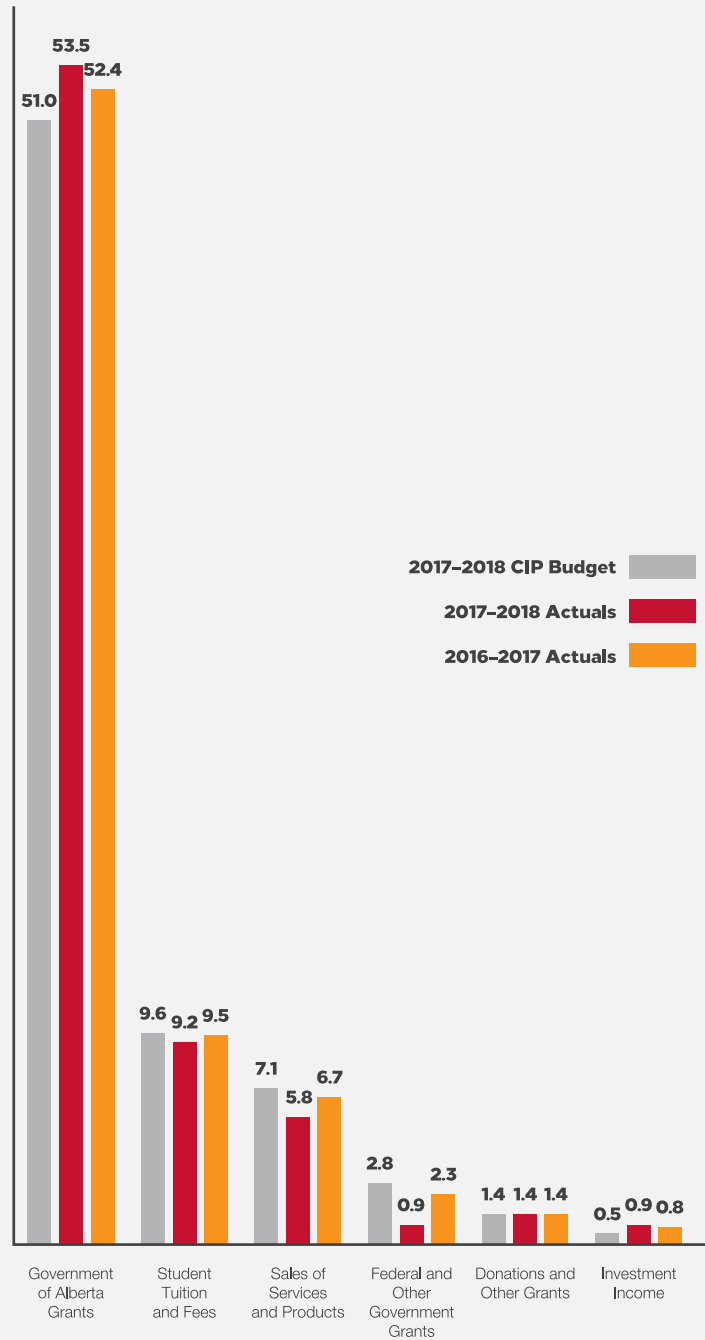


Figure 8: 2017–2018 Expenses by Object

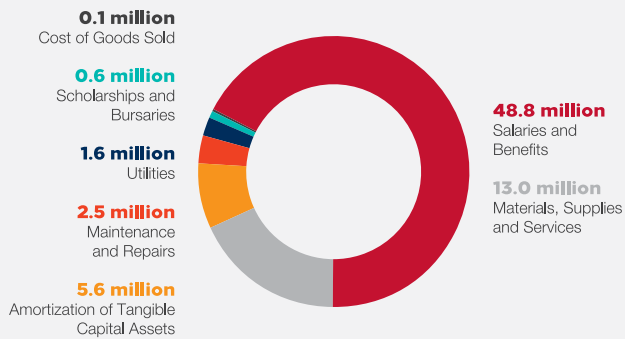


Figure 9: 2017–2018 Expenses by Function

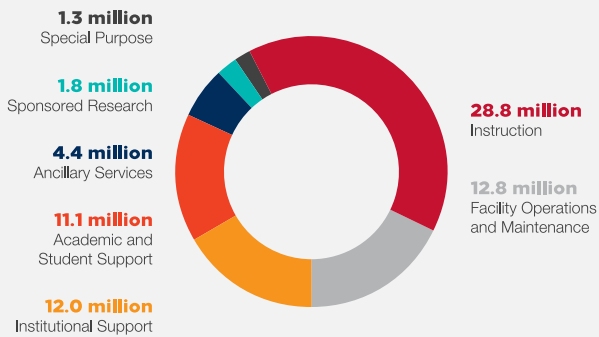
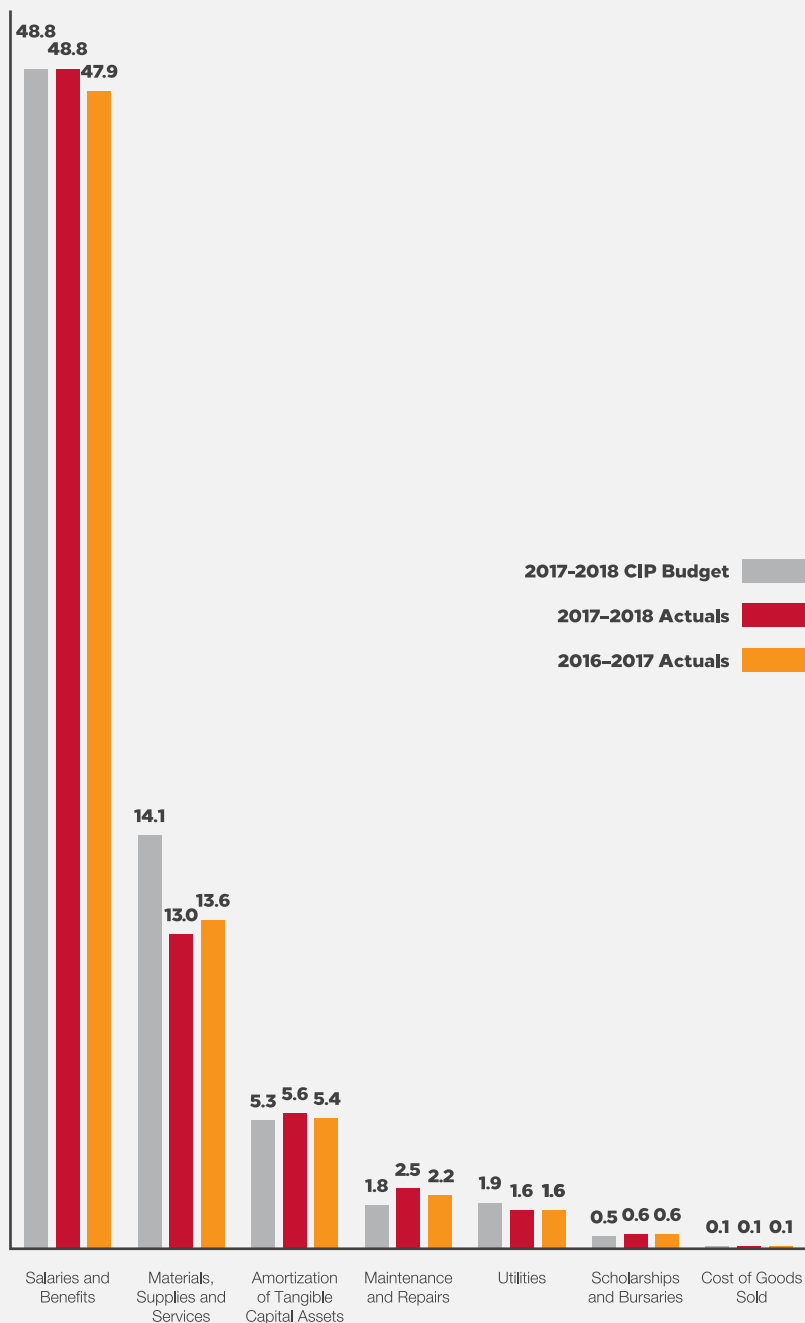


Figure 10: Expense by Object - 2016–2017 and 2017–2018 Actual and Budget (in millions)



CAPITAL ACQUISITIONS

During the 2017–2018 fiscal year, acquisitions of tangible capital assets totalled \$12.9 million, of which \$6.1 million was funded internally. The most significant construction projects included the Science Wing modernization of \$3.8 million and the National Bee Diagnostic Centre expansion of \$7.8 million. Other significant acquisitions included classroom and department restorations including the upgrading of information technology and instructional equipment, purchases of library materials and automotive equipment purchased for fleet, maintenance and instructional purposes.

NET ASSETS

GPRC ended the 2017-2018 fiscal year with a net asset balance of \$37.2 million, a decrease from \$37.6 million at the end of 2016–2017. The decrease was due to the annual deficit of \$0.4 million. Net assets are comprised of (in millions):

Endowments	\$6.2
Internally restricted surplus	\$1.0
Investment in tangible capital assets	\$20.5
Accumulated surplus from operations	\$9.5
Net assets	\$37.2

Endowments consist of externally restricted donations received by GPRC and internal allocations by the GPRC Board of Governors, the principal of which is required to be maintained intact in perpetuity. During the year, \$60,400 of new donations were received.

Internally restricted surplus represents amounts set aside by the GPRC Board of Governors for specific reasons. During the year, \$0.2 million of operating expenses were funded from internally restricted surplus.

Investment in tangible capital assets represents the amount of the GPRC's accumulated surplus that has been invested in capital assets. During the year, there were \$6.0 million of acquisitions and disposals, \$0.5 million of debt repayment and \$3.0 million of amortization relating to internally funded tangible capital assets.

AREAS OF SIGNIFICANT FINANCIAL RISK

BUDGETARY PRESSURE

GPRC has presented a three-year balanced budget for 2018–2021. An increase in base funding of 2% was confirmed for 2018–2019. However, GPRC is anticipating funding to remain static for the following two years from 2019–2021. Without future base funding increases along with the anticipation of static enrolment and continuation of the tuition freeze, GPRC will need to work diligently to ensure that any operational efficiencies and costs savings are met as budgeted. As GPRC continues toward degree-granting status, there is potential for significant costs associated with this process. As a result, budgetary pressure remains a significant risk for GPRC.

DEFERRED MAINTENANCE

GPRC estimates that deferred maintenance costs are approximately \$66.5 million over the next five years, including replacement of capital assets nearing the end of their useful life. The Infrastructure Maintenance Program (IMP) funding from the province for 2018–2019 is \$3.4 million. If this program funding remains static over the five-year period, there will be insufficient funds of \$49.5 million for deferred maintenance costs. As a

result, GPRC is focusing on ensuring proper prioritization of deferred maintenance items in order to maximize benefit and minimize negative impact to GPRC and its students. However, the combination of budgetary pressure as well as insufficient IMP funding could impact the ability for GPRC to appropriately manage and address deferred maintenance risk.

SALARIES AND BENEFITS

In June 2016, the Federal and Provincial Finance Ministers agreed to enhance the Canada Pension Plan (CPP). Starting in 2019 and over a seven-year period, the contributions to CPP will gradually increase and have a financial impact on GPRC.

The new Alberta Employment Standards Code came into effect on January 1, 2018 and the new Alberta Occupational Health and Safety Act came into effect on June 1, 2018. There were many changes to the minimum standards required by Alberta employers which could potentially have a significant financial impact on GPRC.

FUTURE ACCOUNTING PRONOUNCEMENTS

The Public Sector Accounting Board has issued two new accounting standards; PS 3430 Restructuring transactions, effective for fiscal years starting on or after April 1, 2018, and PS 3280 Asset Retirement Obligations, effective for fiscal years starting on or after April 1, 2021. GPRC's management is currently assessing the effect of these new standards on the consolidated financial statements.



ENROLMENT PLAN AND PROGRAM CHANGES

Having achieved permission to move toward degree-granting status, GPRC assembled the Academic Coalition, responsible for evaluating and introducing new degrees in accordance with Campus Alberta Quality Council program standards. GPRC will carefully prioritize degree offerings based on labour market demand, regional realities, and institutional readiness.

The Business Administration Diploma Program offered a Work-Integrated Learning elective course in the spring of 2018. This course began as a pilot for 12–15 students, who were selected to be placed with an organization in the community for paid work experience.

The first cohort of the third year Bachelor of Business Administration (Accounting Major) brokered from SAIT has been completed. The fourth year of the program will begin in Fall 2018. There is a strong need for accounting degree graduates in the community and region. This program will continue to grow and help students access degree opportunities locally. Early discussions are underway to add the Bachelor of Business Administration (Management Major) brokered from SAIT beginning in Fall 2019.

Allied Health Memorandum of Understandings (MOUs) were completed for the Occupational Therapy Assistant/Physiotherapy Assistant Diploma Program brokered from Medicine Hat College and the Pharmacy Technician Diploma Program brokered from Bow Valley College. These program offerings will align with the opening of the new regional hospital in Grande Prairie, with Occupational Therapy Assistant/Physiotherapy Assistant Diploma Program offered first and the Pharmacy Technician Diploma Program offered the following year. Costing for both programs has been completed for capital, equipment, supplies, faculty and staff.

GPRC and its partners at the University of Calgary will offer a Bachelor of Social Work degree completion opportunity in the

West Yellowhead region starting September 2019. The Bachelor of Social Work program has been offered on GPRC's Grande Prairie campus for more than 20 years and has been hosted in several communities throughout northwestern Alberta. The program's unique community-based learning circle model is tailored to students in the region and accommodates students currently working in the profession as well as distance students.

GPRC partnered with the University of Alberta (U of A) to bring the online Master of Education program in Education Studies (MES) to the region. The master's program is blended between online and face-to-face learning. GPRC offers an on-campus space to the U of A to deliver the face-to-face component. The program will allow educators to stay in the region while completing their master's degree.

All GPRC programs are developed in consultation with community and industry stakeholders. Commencing in 2017–2018, the department of Physical Education and Kinesiology offered a new Kinesiology Diploma program in which students are able to graduate after two years of study or transfer to a university. Enrolment in the program was 800% above projected enrolment. The Kinesiology Diploma enhanced and diversified program offerings in the department of Physical Education and Kinesiology.

The Business Administration department introduced the Dental Office Clerk certificate program and a Legal specialization with the Business Administration Certificate program. Dental Office Clerk is a standalone 20-week full-time program designed to prepare students for a future in the dental health care field. The older specialization from Office Administration Certificate – Dental Office was terminated effective July 1, 2018 and replaced with this standalone program. The program is designed to be similar to the Unit Clerk program with focused curriculum.

With university status on the horizon, the Department of Science has made progress toward reinstating several second-year University Transfer courses that were lost due to budget pressures several year ago. In Biology, ZO2410 (Animal Physiology I, Homeostasis) and ZO2420 (Animal Physiology II, Intercellular Communications) have been reinstated, and a new course, BI2210 (Mechanism of Evolution), will be offered in Winter 2019. Students now have enough approved options to complete two full years at GPRC before completing their BSc in biology at any of our transfer institutions within four years.

Trades programming including Apprenticeship and Power Engineering are directly tied to economic realities of Alberta

and the employment market. Power Engineering enrolment 3rd and 4th class declined 68% on average from 2016–2017 to 2017–2018. Apprenticeship enrolment again saw a decline in the number of seats offered and total student registrations. 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 three years in a row from 423.1 in 2015–2016 to 351.5 in 2016–2017 to 287.9 in 2017–2018. This sharp decline is reflective of the regional and Alberta-wide economic downturn that is likely to extend to the 2018–2019 academic year.

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

PROGRAM	SPECIALIZATION	2016–2017 ACTUALS	2017–2018 PROJECTIONS	2017–2018 ESTIMATES
Aboriginal Administration	Aboriginal Administration	2.800	2.7	
Academic Upgrading	Academic Upgrading	105.218	109.6	115.552
Animal Health Technology	Animal Health Technology	53.222	54.4	46.564
Business Administration Certificate	Business Administration Certificate	117.500	119.4	115.401
Business Administration Diploma	Management	7.400	7.0	2.9
Business Administration Diploma	Financial Services	8.400	9.1	6.9
Business Administration Diploma	Accounting and Investment Management	3.700	2.9	0.4
Business Administration Diploma	Accounting	15.700	15.0	20.1
Business Administration Diploma	Marketing	2.100	2.1	1.7
Business Administration Diploma	Business Administration General	5.700	6.9	4.5
Commercial Beekeeper	Commercial Beekeeper		0.0	0.0
Computer Systems Technology Certificate	Computer Systems Technology Certificate	19.000	20.1	16.4
Computer Systems Technology Diploma	Computer Systems Technology Diploma	3.200	2.3	3.8
Cooperative Trades Orientation	Cooperative Trades Orientation	4.8	10.0	1.6
Early Learning and Child Care	General	54.909	55.6	73.256
Early Learning and Child Care	Early Learning and Child Care	14.318	14.5	17.944

PROGRAM	SPECIALIZATION	2016-2017 ACTUALS	2017-2018 PROJECTIONS	2017-2018 ESTIMATES
Educational Assistant	General	28.768	29.4	28.345
Fitness Leadership	Personal Trainer	29.4	30.3	21.3
Fitness Leadership	Fitness Leadership	0.5	0.0	0.0
Harley-Davidson® Technician	Harley-Davidson® Technician	13.0	13.2	10.0
Hospitality and Tourism Management	Hospitality and Tourism Certificate		0.0	0.0
Kinesiology	Kinesiology	0.8	0.8	8.8
Motorcycle Mechanic	Motorcycle Mechanic	11.577	11.7	16.462
Music Diploma	Music Technology	0.3	0.3	0.0
Music Diploma	Performance	4.05	4.1	4.667
Office Administration Certificate	Office Administration	29.517	30.8	17.95
Office Administration Certificate	Dental Office	7.5	0.0	0.0
Office Administration Certificate	Basic Bookkeeping	18.883	19.3	11.5
Office Administration Certificate	Oil & Gas	3.35	3.4	11.05
Dental Office Clerk	Dental Office Clerk	0.0	6.5	3.264
Office Administration Certificate	Legal	0.0	5.0	7.2
Office Administration Diploma	Microcomputer Office Specialist	0.4	0.0	0.0
Office Administration Diploma	Professional Bookkeeping Specialist		0.0	0.0
Office Administration Diploma	Legal Secretary Specialist		0.0	0.0
Office Administration Intensive Diploma	Legal Secretary		0.0	0.0
Office Administration Intensive Diploma	Microcomputer Office Specialist		0.0	0.0
Open Studies	Open Studies	175.832	180.1	172.113
Parts & Materials Technician Certificate	Parts & Materials Technician Certificate	13.064	13.2	11.431
Perioperative Nursing	Perioperative Nursing	26.869	8.0	9.773
Power Engineering	Third Class	19.92	20.2	5.72
Power Engineering	Fourth Class	36.572	35.0	12.616
Pre-Employment Welding	Pre-Employment Welding	4.5	4.6	9.5
ThinkBIG Service Technician	ThinkBIG Service Technician	46.723	48.1	43.68
Unit Clerk	Unit Clerk	27.139	36.0	32.446
UT: Bachelor of Arts	UT: Bachelor of Arts	99.877	100.1	107.361
UT: Bachelor of Commerce	UT: Bachelor of Commerce	36.501	46.5	31.034

PROGRAM	SPECIALIZATION	2016-2017 ACTUALS	2017-2018 PROJECTIONS	2017-2018 ESTIMATES
UT: Bachelor of Education	UT: Bachelor of Education	123.170	124.8	134.237
UT: Bachelor of Engineering	UT: Bachelor of Engineering	15.853	16.0	24.29
UT: Bachelor of Fine Arts	UT: Bachelor of Fine Arts	4.700	6.3	3.3
UT: Bachelor of Music	UT: Bachelor of Music	11.968	11.1	4.7
UT: Bachelor of Kinesiology	UT: Bachelor of Kinesiology	42.534	43.1	40.567
UT: Bachelor of Science	UT: Bachelor of Science	73.101	74.0	58.703
UT: Bachelor of Science in Computing Science	UT: Bachelor of Science in Computing Science	8.000	8.1	8.3
UT: Bachelor of Science in Nursing	UT: Bachelor of Science in Nursing	142.987	144.7	138.689
Visual Arts and Design	Visual Arts and Design	16.850	16.6	23.434
SOURCE: INTERNAL DATA REPOSITORY	TOTAL	1492.17	1523.01	1439.45
Suspended and/or Terminated Programs	New programs	Reactivated Programs effective July 1, 2016		

APPRENTICESHIP FULL LOAD EQUIVALENT (FLE) ENROLMENT

SPECIALIZATIONS	2016-2017 ACTUALS	2017-2018 PROJECTIONS	2017-2018 ESTIMATES
Automotive Service Technician	21.093	20.0	24.029
Carpenter	14.685	14.7	12.548
Electrician	99.283	99.5	86.604
Heavy Equipment Technician	80.634	80.6	64.609
Instrument Technician	1.335	1.1	2.403
Millwright	34.443	34.4	23.229
Motorcycle Mechanic	20.147	20.3	16.874
Parts Technician - Parts Technician	16.742	16.3	11.805
Plumber	9.612	9.6	9.879
Sheet Metal Worker	1.998	2.0	1.998
Steamfitter-Pipefitter	18.957	19.0	13.348
Welder	32.574	32.6	20.559
SOURCE: INTERNAL DATA REPOSITORY	351.503	350.2	287.9

RESEARCH, APPLIED RESEARCH AND SCHOLARLY ACTIVITIES

GPRC Research and Innovation (GPRC RI) activity for the past year is reported in three areas: progress within major-funded initiatives, development of GPRC's capacity to undertake and support faculty and student research and innovation, and support for regional innovation.

MAJOR INITIATIVES

NATIONAL BEE DIAGNOSTIC CENTRE (NBDC)

The past year marked a tremendous transition for NBDC with the building of a new laboratory funded by the Strategic Infrastructure Fund and GPRC. The newly expanded facility opened September 2018 and is shared with Agriculture and Agri-Food Canada's Beaverlodge Research Farm, with a new emphasis on hosted faculty, visitor, and student research, advanced genomic and microbiological diagnostics protocol development, international reference lab certification, and a capacity for testing innovative apparatus, treatments, and processes.

With the new lab, NBDC received a renewed five-year mandate from Natural Sciences and Engineering Research Council (NSERC) to operate as a Technology Access Centre. This renewal has marked a shift from the diagnostics focus to a broader mandate of partnered research and innovation. These developments are attracting new opportunities for innovation investment in northern Alberta while helping to maintain a robust beekeeping industry provincially and nationally.

COMMUNITY ENHANCEMENT RESEARCH (CER)

The two-year collaboration between Social Sciences and Humanities Research Council (SSHRC), Alberta Health Services (AHS), and the City of Grande Prairie-funded Police and Crisis Team (PACT) evaluation came to a close in early 2018, marked by several important findings and recommendations for improved front-line and street level mental health interventions. AHS and the RCMP are disseminating these recommendations to other locations in Alberta, with a key outcome being

measurably reduced police, court, and mental health clinical costs for Alberta and its communities.

Building on the PACT evaluation success, GPRC was recently awarded another two-year SSHRC-funded study to examine youth disengagement in northern resources communities. Leading social science techniques in Youth Participatory Action Research are being developed to create new understanding and response tools for bettering youth civic engagement within Grande Prairie and Jasper.

A highlight of CER activities was the presentation of three undergraduate research awards to students to undertake intensive year-long self-defined, community engaged research projects examining mental health supports for youth and women. The findings and recommendations of these research projects have been disseminated amongst academic audiences, regional public and separate school divisions, and community-based organizations, potentially resulting in more effective mental health supports.

POLLUTANTS TO PRODUCTS (P2P) CLEAN TECHNOLOGY

GPRC's third major research initiative also received new Tri-Council and industry funding. The funding, amounting to \$1.6 million over three years, has allowed further development of the initiative's signature microalgae photobioreactor. Work in the past year has focused on the continued development and refinement of system automation processes and algorithms. This work, heavily involving undergraduate student research, has proved adaptable to spin-off technology development in other photovoltaic and photothermal applications, and is being examined specifically for inclusion in a new municipal solar-electric project. The Pollutants to Products initiative has also focused on building national industry and academic collaborations with partners in Alberta, British Columbia, Quebec and Nova Scotia.

FACULTY AND STUDENT SCHOLARSHIP

GPRC RI continued to work towards increased institutional research capacity. Efforts focused on two main areas: further development of policy and processes related to responsible conduct of research and financial accountability; and creating incentives and support systems for new faculty-driven research and innovation initiatives. New or revised policies and training in the areas of intellectual property, grants management, research ethics, internal research funding, and innovation commercialization were submitted for institutional review.

Improved processes in research tracking were implemented, with emphasis placed on closer working relationships with GPRC financial services to streamline the administration of grants and contracts. GPRC RI also undertook internal research to assess institutional research strengths and opportunities, aligning these with a new framework for scholarly work. Faculty members from several departments, including Nursing, Business, Physical Education and Kinesiology, undertook internal scholarly activity assessments, the results of which reveal a growing culture of scholarship across the institution.


To maintain the momentum generated by this internal reflection, GPRC RI sought to strengthen internal and external promotion and celebration of research and innovation by enacting a comprehensive research marketing plan.

SUPPORT FOR REGIONAL INNOVATION

In response to the Government of Alberta mandate of Comprehensive Community Institutions (CCIs) to support innovation, GPRC RI continued with several targeted activities. GPRC remained a committed member of the Grande Prairie Regional Innovation Network (GPRIN), working collaboratively with provincial, municipal, and community partners to support local innovators and regionally important projects in emerging technologies.

A key outcome was the funding of a student projects coordinator to help connect skilled students with local businesses and organizations to work on projects that would not only build employable skills, but help stem the talent drain the region regularly experiences. GPRC also maintained support for provincial and regional innovation networks, such as the Alberta Rural Organic Waste to Resources Network, as well as taking on participatory roles in the West Yellowhead Synergy group and the Hinton Energy Alternative Team (HEAT).

In anticipation of the 2017 Alberta Research and Innovation Framework, GPRC RI initiated planning for new support roles developing training for innovators and entrepreneurs and supporting emerging networks in the areas of clean technology and agricultural innovation.



The National Bee Diagnostic Centre expansion construction in May, 2018

COMMUNITY OUTREACH AND UNDERREPRESENTED LEARNERS

REGIONAL ENGAGEMENT

One of GPRC's most successful annual recruiting events, Science Open House, was held in December 2017. More than 400 high school students from the Grande Prairie region and beyond attended presentations and demonstrations given by our science faculty.

Student Orientation was reformatted to meet the new academic calendar. Attendance at general on-campus recruitment events has increased. Student Ambassadors contributed over 1,000 hours of volunteer time to meetings, events, and professional development in the academic year.

The Fine Arts department collaborates with regional high schools through student visits, Fine Arts Student for a Day, Executive Fine Arts Days, and Fall student orientation. Fine Arts participated in numerous community initiatives such as the Glass Art Gallery exhibitions, GP Orchestra, Festival of Carols, Great War Gala, Sexsmith Remembrance Day, GP Chamber Hour Concert, and Boys' Choir.

SERVING UNDERREPRESENTED LEARNERS SPIRIT SEEKERS YOUTH CONFERENCE / WALKING WITH OUR SISTERS:

GPRC's Elder in Residence Loretta Parenteau-English was a keynote speaker at the largest youth conference in the North, having grown from 18 youth attendees to approximately 300 youth in 20 years. Speakers addressed the issue facing our nation of Murdered and Missing Indigenous Women and Girls. The platform Parenteau-English used was the event called Walking With our Sisters, which allowed GPRC to build awareness in the workshops. The result of the workshops was a series of "Youth Tapestries" displayed during Walking with our Sisters Event in June at the Art Gallery of Grande Prairie. The community was very touched by the insightful display of artwork. Supporting such important events as Spirit Seekers and Walking with our Sisters provide our youth with a

sense of safety. They also help to build confident and supported students in coming to our campus for future post-secondary education.

SPRING FEAST FOR CIRCLE OF INDIGENOUS STUDENTS:

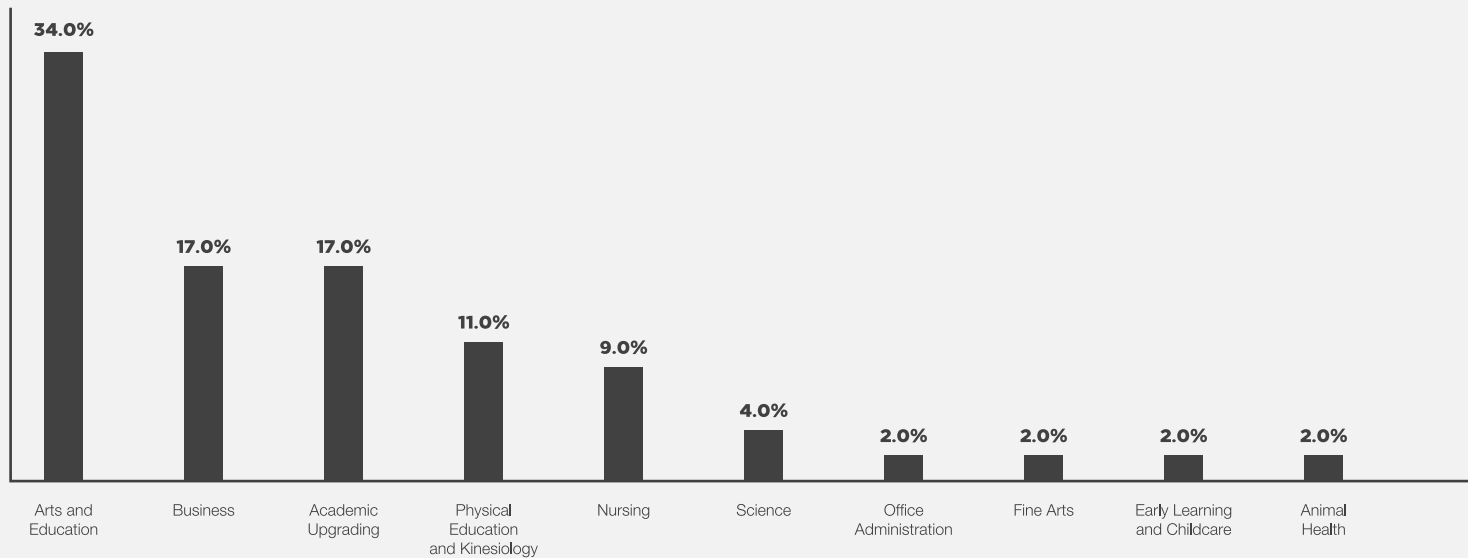
At the request of the Circle of Indigenous Students (CIS), GPRC hosted a spring feast in which the teachings were many. The event was an opportunity for students to learn protocols for the feast, such as food gathering, preparation, cooking and presentation. Teachings came along with the pipe, smudge, and prayers that were offered, including sincere gratitude. It was an incredible way for the CIS to close off the academic year.

ALBERTA STUDENT SERVICE CONFERENCE 2018:

The new Indigenous Liaison Coordinator attended her first Alberta Services for Students (ASSC) conference as a delegate. She took the opportunity to meet and network with peers across the province. It was great to see other learning institutions that have such a strong Indigenous voice, and it was interesting seeing different institutional ways of working with Indigenous students. Our Elder in Residence also attended the conference as it was hosted in her home nation. While the First Nations have a strong voice at Red Crow Community College, great pride can be taken in how GPRC welcomes all Indigenous people to its campus and provides them with an equal voice.

Over the course of the academic year, the GPRC library accepted 707 Grammar and Writing Tutor appointments and 729 Math and Science Tutor appointments. These numbers are a testament to the needs of our students. Individual research appointments were 165 in total and 47 Library Instruction sessions were held, reaching 1,034 student participants. Departments using Library Instruction sessions included Arts and Education, 34%; Business, 17%; Academic Upgrading, 17%; PEAK, 11%; Nursing, 9%; Science, 4%;

Figure 11: Library Instruction Sessions by Department (% Usage)



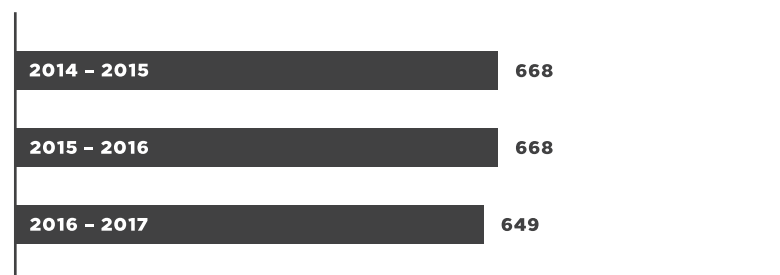
Office Administration, 2%; Fine Arts, 2%; Early Learning and Childcare, 2%; Animal Health, 2%.

The new Accessibility Supports and Disability Services (ASDS) Clockwork software implementation took place this academic year. Outreach and collaboration with local school districts (special education teachers, educational assistants and guidance counsellors) took place to aid students with disabilities in the transition from high school to post-secondary education. ASDS provided services and supports to a total of 233 students with disabilities this academic year.

The Department of Academic Upgrading continues to offer pre-high school and high school equivalency courses and GED (General Educational Development) testing. A new tenure-track position (Biology/Science) was created in Academic Upgrading. This position has allowed the department to expand its course offerings for 2018–2019. The department continues to monitor enrolment and identify and address areas

of concern. Math modules and placement assessment tests have been reviewed and updated. The department actively participates in recruitment and retention efforts and responds to community feedback through its Program Advisory Committee. The department continues to monitor and respond to any provincial K–12 curriculum changes proposed by Alberta Education.

Figure 12: Academic Upgrading and Open Studies Student Headcount

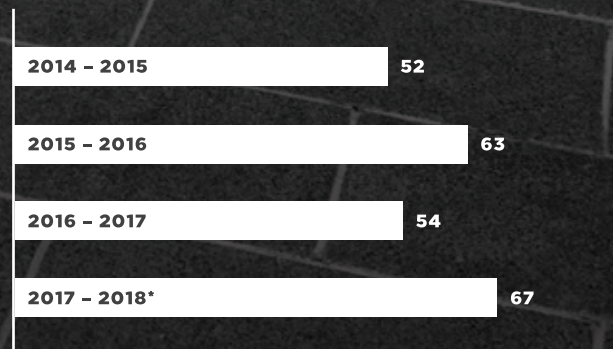




INTERNATIONALIZATION

In 2017, two nursing faculty members visited Holmesglen Institute in Australia on a study tour which included visits to clinical sites and simulation labs, where they engaged in discussions surrounding opportunities for scholarly activity. Two Holmesglen nursing faculty members visited GPRC in May, 2018 for a study tour, further strengthening the relationship between our two institutions.

Figure 13: International Student Headcount
SOURCE: LEARNER AND ENROLMENT REPORTING SYSTEM (LERS), *ESTIMATE



INFORMATION TECHNOLOGY

INFORMATION TECHNOLOGY ADVANCEMENTS

More than 50 Information Technology projects were completed in 2017–2018, benefiting all departments at GPRC. These initiatives collectively helped to improve the delivery of learning, reduce energy consumption, enable and enhance collaboration, reduce personal effort through automation, and improve the flow of information.

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

The following summarizes some of the major projects undertaken or completed in 2017–2018.

CHANGE MANAGEMENT PROCESSES

Information Technology continued to improve 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 2018–2019.

CLASSROOMS

As part of ongoing classroom upgrades, the GPRC Information Technology and Facilities Maintenance and Operations departments worked together to renovate fifteen technology rooms which continue into early 2018–2019. IT also upgraded the technology in an additional nine rooms, continuing our efforts to have state-of-the-art technology in every GPRC classroom.





Incorporating technology into the classroom



Third-year GPRC student Casey Caines uses an interactive map of Canada

VIDEOCONFERENCING

IT changed the underlying technology used for video conferencing classes at GPRC. Starting in the 2018–2019 academic year, faculty will be less reliant on IT and have access to many new features to enhance the experience of remote learners. This project significantly reduces the IT resources required to support the videoconferencing infrastructure.

VIRTUAL DESKTOP INFRASTRUCTURE

IT's ongoing project to implement virtual desktops continued in 2017–2018 and has now entered a user acceptance testing phase. This multi-year project will eventually replace many existing end-user devices with clients connected to dedicated virtual computers. Long term, this project is expected to both reduce the IT resource requirement for supporting staff and 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. In 2017–2018, GPRC IT's maintenance and capital replacement schedule enabled replacement of UPS, network, servers, storage, backup and videoconferencing 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.

DISASTER RECOVERY SITE

An expanded disaster recovery site was brought online on the Fairview campus in 2017–2018. While development and testing of the site will continue in 2018–2019, over 90% of our servers are replicated in real time to the Fairview campus.

INNOVATION AND AUTOMATION

Several innovation and automation projects were completed in 2017–2018, including an upgrade to our ApplyAlberta systems, availability of online T4 reports, and the implementation of new software to assist accessibility services with providing services to students. Additionally, Information Technology launched a system to enable GPRC Apprenticeship students to register online with My Trade Secrets (MTS).

ROOM SCHEDULING

Effective and efficient allocation and scheduling of GPRC's classrooms is a priority for GPRC. Working with Student Services, phase two of the scheduling project was started in 2017–2018, with the goal of increasing the utilization and effectiveness of the system. Work on this project will continue in 2018–2019.

STUDENT MANAGEMENT SYSTEM UPGRADE

In 2016–2017, GPRC started a new project to migrate its student management software, consolidating all major business applications onto the Unit 4 platform. The project, which will include revision and enhancements to student-focused business processes throughout GPRC, is well underway. This project represents a significant investment that will continue through to the end of 2019–2020.

CAPITAL PLAN

CAPITAL ACQUISITIONS

During the 2017–2018 fiscal year, acquisition of tangible capital assets totalled \$12.9M, of which \$6.1M was funded internally. The most significant acquisitions and construction projects included the 665 square metre expansion of the National Bee Diagnostic Centre. The expanded facility improves collaboration by sharing diagnostic laboratory space with Agriculture and Agri-Food Canada’s Honey Bee Research Program. The science wing of the Grande Prairie campus was also fully modernized, providing new chemistry, physics and geology learning spaces. Completion of these projects was made possible by generous support from our federal and provincial government partners under the Strategic Investment Fund.

CAPITAL PLAN

GPRC’s capital management activities, including facilities, 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 2017–2018 responded to GPRC needs through significant investment in short-term and long-term projects and planning. In terms of immediate needs, approximately \$12.9M was spent on expanding the National Bee Diagnostic Centre, modernizing science laboratories and learning spaces as well as acquiring new equipment to enhance programming. Of this, \$2.8M was directed toward maintenance needs through GPRC’s Infrastructure Maintenance Program funding from the Province of Alberta.



On the mid-term horizon, capital planning continued on 4,000 square metres of learning space being allocated to GPRC in the new regional hospital in Grande Prairie. The space will be used 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. This planning work was completed in 2017–2018 and will help guide facilities and capital activities for the next 10 to 20 years. The master plan highlights a number of key priorities for GPRC moving forward including decanting the Cardinal Building to meet student demand and improve utilization, expanding fitness facilities, and improving residence facilities on GPRC's campus in Fairview. These initiatives are supported by extensive research and community stakeholder consultation throughout the master planning process. Academic plans for new programming are also factored into the master plan, including the expansion of degree completion options.

In response to the identification of long-term needs, work has been ongoing to streamline capital planning and approvals. Introducing an “evergreen” policy will enhance budget forecasting and standardize capital asset replacement. This initiative will be implemented in 2018–2019.

2017–2018 PROJECTS:

TWO STRATEGIC INVESTMENT FUND PROJECTS – NATIONAL BEE DIAGNOSTIC CENTRE (NBDC) EXPANSION

The NBDC was expanded by approximately 665 square metres. The project included Levels 1 and 2 laboratories and administrative space.

GPRC – SCIENCE WINGS UPGRADES

J-wing (Science Wing) of Grande Prairie campus was completely renovated. Lab spaces included 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.

FIRE RESTORATION – DOUGLAS CARDINAL BUILDING

On May 25, 2018, GPRC experienced a small fire on the roof of B Wing on Grande Prairie campus. The fire required B Wing to be repaired while wings A and C were fully sanitized to ensure the health and safety of our students, staff and members of the public. This incident has affected over 100 locations within the building and work continued into the summer of 2018 to ensure all affected spaces were safe and functional for the fall 2018 semester.

STUDENT TESTING CENTRE

Planning of a new testing centre facility was completed during 2017–2018 fiscal year. The testing centre will provide a new 20-seat testing environment that meets Pearson Vue standards and increases capacity for computerized testing. The renovation includes a complete technology and furniture upgrade while positioning the centre to meet increasing demand for testing services. Construction started in July, 2018.

DEAN SUITE RENOVATION

Planning of a new Dean Suite space was finalized in the spring of 2018. The renovation will provide dedicated office and meeting space for the Dean of Arts, Science and Upgrading and the Dean of Health, Wellness and Career Studies. Additional group study areas will be built on the perimeter of the new office space and library staff will be consolidated into a newly constructed open office plan on the main level. Construction started in July, 2018.



CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018





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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, 2018, 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, 2018, 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 W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General

September 27, 2018
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, 2018 and the results of its operations, remeasurement gains and losses, 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, all members of the Audit Committee are not employees of the College. The Audit Committee meets with management and the external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to the Audit Committee, with and without 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

President and CEO

Original signed by

Angela Logan CPA, CA

Vice-President Administration



	2018	2017
Financial assets excluding portfolio investments restricted for endowments		
Cash	\$ 4,601,391	\$ 7,841,662
Portfolio investments - non-endowment (Note 4)	26,393,932	25,725,652
Accounts receivable	1,967,215	1,800,141
Inventories held for sale	242,633	261,534
	33,205,171	35,628,989
Liabilities		
Accounts payable and accrued liabilities	10,321,215	6,678,336
Employee future benefit liabilities (Note 6)	1,748,453	1,857,721
Debt (Note 7)	13,601,553	14,125,293
Deferred revenue (Note 8)	11,570,322	13,772,816
	37,241,543	36,434,166
Net debt excluding portfolio investments restricted for endowments	(4,036,372)	(805,177)
Portfolio investments - restricted for endowments (Note 4)	6,163,290	6,102,890
Net financial assets	2,126,918	5,297,713
Non-financial assets		
Tangible capital assets (Note 9)	75,442,932	68,214,367
Inventories of supplies	24,695	36,665
Prepaid expenses	905,966	1,200,171
	76,373,593	69,451,203
Net assets before spent deferred capital contributions	78,500,511	74,748,916
Spent deferred capital contributions (Note 10)	(41,314,916)	(37,131,862)
Net assets (Note 11)	\$ 37,185,595	\$ 37,617,054
Net assets are comprised of:		
Accumulated surplus	\$ 37,101,656	\$ 37,512,384
Accumulated remeasurement gains	83,939	104,670
	\$ 37,185,595	\$ 37,617,054

Contingent assets and contractual rights (Notes 12 and 14)

Contingent liabilities and contractual obligations (Notes 13 and 15)

Original signed by
Natalia Reiman,
CHAIR, BOARD OF GOVERNORS

Original signed by
Don Gnatiuk,
PRESIDENT AND CEO

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

**GRANDE PRAIRIE REGIONAL COLLEGE**

CONSOLIDATED STATEMENT OF OPERATIONS | YEAR ENDED JUNE 30, 2018

	Budget (Note 21)	2018	2017
Revenues			
Government of Alberta grants (Note 18)	\$ 51,005,808	\$ 53,464,108	\$ 52,350,953
Federal and other government grants (Note 18)	2,816,890	902,955	2,287,611
Student tuition and fees	9,550,313	9,225,380	9,496,099
Sales of services and products	7,066,290	5,825,731	6,691,232
Donations and other grants	1,400,448	1,404,131	1,378,896
Investment income	539,000	920,462	787,622
	<u>72,378,749</u>	<u>71,742,767</u>	<u>72,992,413</u>
Expenses (Note 19)			
Instruction	28,146,334	28,799,304	28,584,553
Academic and student support	10,817,780	11,049,940	10,655,838
Facility operations and maintenance	12,788,036	12,791,831	12,708,053
Institutional support	13,425,644	12,044,589	11,715,757
Ancillary services	4,188,605	4,432,330	4,436,551
Sponsored research	2,276,822	1,810,109	2,188,051
Special purpose	735,528	1,285,792	1,116,672
	<u>72,378,749</u>	<u>72,213,895</u>	<u>71,405,475</u>
Annual operating (deficit) surplus	-	(471,128)	1,586,938
Endowment contributions (Note 11)	-	60,400	42,300
Annual (deficit) surplus	-	(410,728)	1,629,238
Accumulated surplus, beginning of year	37,512,384	37,512,384	35,883,146
Accumulated surplus, end of year	<u>\$ 37,512,384</u>	<u>\$ 37,101,656</u>	<u>\$ 37,512,384</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, 2018

	Budget (Note 21)	2018	2017
Annual (deficit) surplus	\$ -	\$ (410,728)	\$ 1,629,238
Acquisition of tangible capital assets (Note 9)	(4,000,000)	(12,888,415)	(4,057,162)
Proceeds from sale of tangible capital assets	-	61,528	178,500
Amortization of tangible capital assets (Note 9)	5,273,000	5,581,651	5,389,449
Loss (gain) on sale of tangible capital assets	-	16,671	(117,850)
Change in inventories of supplies	(39,584)	11,970	5,864
Change in prepaid expenses	(149,244)	294,205	(381,540)
Change in spent deferred capital contributions	(1,435,790)	4,183,054	(1,576,970)
Change in accumulated remeasurement gains	-	(20,731)	(792)
(Decrease) increase in net financial assets	(351,618)	(3,170,795)	1,068,737
Net financial assets, beginning of year	5,297,713	5,297,713	4,228,976
Net financial assets, end of year	\$ 4,946,095	\$ 2,126,918	\$ 5,297,713

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, 2018

	<u>2018</u>	<u>2017</u>
Accumulated remeasurement gains, beginning of year	\$ 104,670	\$ 105,462
Unrealized losses attributable to:		
Portfolio investments - non-endowment	(14,679)	(250)
Amounts reclassified to consolidated statement of operations:		
Portfolio investments - non-endowment	(6,052)	(542)
Accumulated remeasurement gains, end of year	\$ 83,939	\$ 104,670

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



	<u>2018</u>	<u>2017</u>
Operating transactions		
Annual (deficit) surplus	\$ (410,728)	\$ 1,629,238
Add (deduct) non-cash items:		
Amortization of tangible capital assets (Note 9)	5,581,651	5,389,449
Gain on sale of portfolio investments	(101,392)	(27,543)
Loss (gain) on disposal of tangible capital assets	16,671	(117,850)
Expended capital recognized as revenue (Note 10)	(2,619,509)	(2,572,503)
(Decrease) increase in employee future benefit liabilities	(109,268)	863,636
Increase in accounts receivable	(167,074)	(593,078)
Decrease in inventories held for sale	18,901	6,345
Increase in accounts payable and accrued liabilities	3,642,879	1,256,011
(Decrease) increase in deferred revenue	(2,202,494)	5,076,105
Decrease in inventories of supplies	11,970	5,864
Decrease (increase) in prepaid expenses	294,205	(381,540)
Cash provided by operating transactions	<u>3,955,812</u>	<u>10,534,134</u>
Investing transactions		
Purchase of portfolio investments	(8,762,426)	(6,180,103)
Proceeds on sale of portfolio investments	8,114,407	5,161,481
Cash applied to investing transactions	<u>(648,019)</u>	<u>(1,018,622)</u>
Financing transactions		
Debt - repayment	(523,740)	(503,205)
Increase in spent deferred capital contributions, less expended capital recognized as revenue, less in kind donations	6,689,563	995,533
Cash provided by financing transactions	<u>6,165,823</u>	<u>492,328</u>
Capital transactions		
Acquisition of tangible capital assets	(12,775,415)	(4,057,162)
Proceeds on sale of tangible capital assets	61,528	178,500
Cash applied to capital transactions	<u>(12,713,887)</u>	<u>(3,878,662)</u>
(Decrease) increase in cash and cash equivalents	<u>(3,240,271)</u>	<u>6,129,178</u>
Cash and cash equivalents, beginning of year	<u>7,841,662</u>	<u>1,712,484</u>
Cash, end of year	<u>\$ 4,601,391</u>	<u>\$ 7,841,662</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.

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	Cost
Portfolio investments	Fair value
Inventories held for sale	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 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 recognized as deferred revenue.

i. Government grants, non-government grants and donations

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 recognized as revenue when the College is eligible to receive the funds. Unrestricted non-government grants and donations are recognized 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 recognized at fair value when such value can reasonably be determined. Transfers of tangible capital assets from related parties are recognized 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 recognizes 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 held for sale 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, as well as interest costs that are directly attributable to the acquisition or construction of the asset. 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 future minimum lease payments at the inception of the lease, 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 - 15 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 because a reasonable estimate of the future benefits associated with such property cannot be made.

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 recognized 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 provides a non-contributory defined benefit supplementary retirement plan for 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 are provided by the College to all employee groups and accumulate with employee service as defined by employment agreements to cover illness related to absences that are outside of long-term disability coverage. The maximum accumulated sick leave is up 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 (LTD)

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. All transactions between these organizations are eliminated upon consolidation.

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.

Facility 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 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 June 2015, the Public Sector Accounting Board issued PS 3430 Restructuring transactions. This accounting standard is effective for fiscal years starting on or after April 1, 2018. PS 3430 Restructuring transactions defines a restructuring transaction and establishes standards for recognizing and measuring assets and liabilities transferred in a restructuring transaction.

In March 2018, the Public Sector Accounting Board issued PS 3280 Asset Retirement Obligations. This accounting standard is effective for fiscal years starting on or after April 1, 2021. PS 3280 Asset Retirement Obligations provides guidance on how to account for and report a liability for retirement of a tangible capital asset.

Management is currently assessing the impact of these new standards on the consolidated financial statements.

3. Adoption of New Accounting Standards

The College has prospectively adopted standards from April 1, 2017:

- 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.

The effect of adopting these standards results in changing disclosure of Note 12, Note 14 and Note 17.

4. Portfolio Investments

	2018	2017
Portfolio investments - non-endowment	\$ 26,393,932	\$ 25,725,652
Portfolio investments - restricted for endowments	6,163,290	6,102,890
	\$ 32,557,222	\$ 31,828,542

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

	2018			
	Level 1	Level 2	Level 3	Total
Portfolio investments at fair value				
Fixed income				
Canadian bonds	\$ -	\$ 9,508,852	\$ -	\$ 9,508,852
Preferred shares	2,355,914	-	-	2,355,914
GICs	-	18,341,346	-	18,341,346
Equities				
Canadian equities	1,212,608	-	-	1,212,608
Foreign equities	1,138,502	-	-	1,138,502
Total portfolio investments	\$ 4,707,024	\$ 27,850,198	\$ -	\$ 32,557,222
	14 %	86 %	- %	100 %

	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	4,552,291	27,276,251	-	31,828,542
	14 %	86 %	- %	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, 2018, if the common share component market value increased or decreased by 10% (2017 - 10%) with all other variables held constant, the increase or decrease in market value of the endowment net assets would be a total of \$234,816 (2017 - \$222,642).

In the fixed income asset class, if the preferred share component market value increased or decreased by 10% (2017 - 10%) with all other variables held constant, the increase or decrease in market value of the total portfolio net assets would be \$235,591 (2017 - \$232,407).

The market value of coupons and bonds fluctuate in direct relationship to interest rates. As such, the sensitivity 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, 2018:

- 1% rise in interest rates = 2.22% (2017 - 2.29%) decrease in market value of coupons and bonds in the portfolio - \$165,966 lower (2017 - \$161,651)
- 1% drop in interest rates = 2.29% (2017 - 2.38%) increase in market value of coupons and bonds in the portfolio - \$171,428 higher (2017 - \$168,059)

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 and uses foreign currency investment limits to manage this risk. 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	2018		2017	
	\$	%	\$	%
AA	\$ 5,919,114	62.25	\$ 2,971,416	40.94
A	3,589,738	37.75	4,285,759	59.06
	\$ 9,508,852	100.00	\$ 7,257,175	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. If interest rates increased by 1%, across all points of the yield curve and all other variables are held constant, the potential loss in fair value to the College would be approximately 2.07% of total investments (2017 - 1.84%). 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	\$ 2,999,543	\$ 5,518,676	\$ 990,633	2.31 %
GICs	\$ 1,898,056	\$ 16,443,290	\$ -	2.50 %

6. Employee Future Benefit Liabilities

Employee future benefit liabilities are comprised of the following:

	2018			2017		
	Academic staff	Support staff	Total	Academic staff	Support staff	Total
	Long-term disability	\$ 354,711	\$ 272,244	\$ 626,955	\$ 349,812	\$ 233,392
Sick leave	-	244,000	244,000	-	243,000	243,000
Supplementary retirement plans	-	335,045	335,045	-	289,936	289,936
Leave plans	535,697	6,756	542,453	547,659	59,102	606,761
Professional leave	-	-	-	134,820	-	134,820
	\$ 890,408	\$ 858,045	\$ 1,748,453	\$ 1,032,291	\$ 825,430	\$ 1,857,721

a. Defined benefit accounted for on a defined benefit basis
Long-term disability (LTD)

The College provides non-vesting and non-accumulating employee future benefits for compensated absences under the College's long-term disability plan. An actuarial valuation for these benefits was carried out as at June 30, 2018. 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 Local Authority Pension Plan (LAPP) contributions for a total of five years for members of the Academic Staff Association (ASA).

Sick leave

Sick leave benefits are provided by the College to all employee groups and accumulate with employee service, as defined by employment agreements, to cover illness related to absences that are outside of long-term disability coverage. The maximum accumulated sick leave is up to 81 days depending on the employee group. An actuarial valuation of these benefits was carried out as at June 30, 2017, with a calculated projection as at June 30, 2018.

Supplementary retirement plans (SRP)

The College provides non-contributory defined benefit supplementary retirement benefits to executives. An actuarial valuation of these benefits was carried out as at June 30, 2018.

6. Employee Future Benefit Liabilities (continued)

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

	2018				2017			
	LTD ⁽¹⁾	Sick leave ⁽¹⁾	SRP ⁽¹⁾	Total	LTD ⁽¹⁾	Sick leave ⁽¹⁾	SRP ⁽¹⁾	Total
Expense								
Current service cost	\$ 163,621	\$ 28,000	\$ 49,899	\$ 241,520	\$ 495,738	\$ 34,000	\$ 58,734	\$ 588,472
Interest cost	15,530	7,000	10,703	33,233	24,324	7,000	10,425	41,749
Amortization of net actuarial (gain) loss	-	(4,000)	(15,493)	(19,493)	-	(6,000)	15,443	9,443
Total expense	179,151	31,000	45,109	255,260	520,062	35,000	84,602	639,664
Financial Position								
Balance, beginning of year	583,204	201,000	274,443	1,058,647	153,865	226,000	229,606	609,471
Current service cost	163,621	28,000	49,899	241,520	495,738	34,000	58,734	588,472
Interest cost	15,530	7,000	10,703	33,233	24,325	7,000	10,425	41,750
Benefits paid	(135,400)	(30,000)	-	(165,400)	(90,724)	(80,000)	(24,272)	(194,996)
Actuarial loss (gain)	54,892	-	7,987	62,879	-	14,000	(50)	13,950
Balance, end of year	681,847	206,000	343,032	1,230,879	583,204	201,000	274,443	1,058,647
Unamortized net actuarial (loss) gain	(54,892)	38,000	(7,987)	(24,879)	-	42,000	15,493	57,493
Accrued benefit liability	\$ 626,955	\$ 244,000	\$ 335,045	\$ 1,206,000	\$ 583,204	\$ 243,000	\$ 289,936	\$ 1,116,140

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

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

	2018			2017		
	LTD	Sick leave	SRP	LTD	Sick leave	SRP
Accrued benefit obligation:						
Discount rate	3.3%	3.0%	3.4%	2.6%	3.0%	3.3%
Long-term average compensation increase ⁽¹⁾	N/A	3.0%	0.0 - 3.0%	N/A	3.0%	3.0%
Benefit cost:						
Discount rate	3.3%	3.0%	3.4%	2.6%	3.0%	3.3%
Long-term average compensation increase ⁽¹⁾	N/A	3.0%	0.0 - 3.0%	N/A	3.0%	3.0%
Alberta inflation (long-term)	N/A	N/A	2.0%	N/A	N/A	2.3%
Estimated average remaining service life	5.5 years	10 years	6.4 years	N/A	11 years	1 year

⁽¹⁾ Compensation increase for SRP as at June 30, 2018 consists of a 0% increase for the next three years and a 3.0% increase each year thereafter.

6. Employee Future Benefit Liabilities (continued)
b. Defined benefit plan accounted for on a defined contribution basis
Local Authority Pension Plan (LAPP)

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, 2017, the LAPP reported an actuarial surplus of \$4,835,515,000 (2016 - deficit of \$637,357,000). An actuarial valuation of the LAPP was carried out as at December 31, 2016 and was then extrapolated to December 31, 2017. The pension expense recorded in these financial statements is \$3,879,231 (2017 - \$4,088,167). Other than the requirement to make additional contributions, the College does not bear any direct benefit or risk related to the LAPP surplus or deficit.

c. Defined contribution
Leave plans

The College provides two leave plans, one for the Academic Staff Association (ASA) employees, and one for the Employee Association (EA) employees.

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

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

	2018	2017
Employee's contributions held by the College	\$ 520,032	\$ 584,383
Interest held on employee's contributions	22,421	22,378
Balance, end of year	<u>\$ 542,453</u>	<u>\$ 606,761</u>

Professional leave

Under the collective agreement with the ASA, the College is committed to offering 60 months of paid professional leave to members each contract period. The College had zero unutilized months at June 30, 2018 (2017 - 24 months).

7. Debt

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

	2018		2017	
Maturity	Interest Rate (%)	Amortized Cost	Amortized Cost	
Debentures payable to Alberta Capital Finance Authority:				
Loan #1500775	Nov 2026	6.0	\$ 144,000	\$ 160,000
Loan #1500778	Jul 2027	6.1	200,000	220,000
Loan #3500015	Sep 2030	4.4	1,486,431	1,574,047
Loan #4000180	Dec 2036	4.4	4,403,978	4,555,156
Loan #4000464	Mar 2038	4.7	3,460,748	3,563,272
Loan #4000728	Jun 2038	5.1	3,847,933	3,949,108
			<u>13,543,090</u>	<u>14,021,583</u>
Liability under capital lease			58,463	103,710
			<u>\$ 13,601,553</u>	<u>\$ 14,125,293</u>

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 \$72,237 (2017 - \$97,004).

7. Debt (continued)

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

	Principal	Interest	Total
2019	\$ 545,217	\$ 633,488	\$ 1,178,705
2020	533,325	609,029	1,142,354
2021	543,576	584,110	1,127,686
2022	567,340	558,162	1,125,502
2023	594,610	531,097	1,125,707
Thereafter	10,817,485	4,103,725	14,921,210
	<u>\$ 13,601,553</u>	<u>\$ 7,019,611</u>	<u>\$ 20,621,164</u>

Interest expense on debt is \$652,379 (2017 - \$675,163) 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:

	2018			2017
	Unspent externally restricted contributions	Tuition and other fees	Total	Total
Balance, beginning of year	\$ 12,238,331	\$ 1,534,485	\$ 13,772,816	\$ 8,696,711
Grants, tuition, donations received during the year	12,469,584	1,416,053	13,885,637	15,352,800
Investment income	285,756	-	285,756	262,544
Unrealized (losses) gains	(41,586)	-	(41,586)	329,726
Transfers to spent deferred capital contributions	(6,802,563)	-	(6,802,563)	(995,533)
Recognized as revenue	(7,981,835)	(1,534,485)	(9,516,320)	(9,861,339)
Transfers	(13,418)	-	(13,418)	(12,093)
Balance, end of year	<u>\$ 10,154,269</u>	<u>\$ 1,416,053</u>	<u>\$ 11,570,322</u>	<u>\$ 13,772,816</u>

9. Tangible Capital Assets

	2018					2017
	Land	Buildings and site improvements (a)	Furnishings, equipment and systems (c)	Learning resources (d)	Total	Total
Cost						
Balance, beginning of year	\$ 2,719,233	\$ 149,342,336	\$ 39,188,796	\$ 1,218,544	\$ 192,468,909	\$ 188,667,475
Acquisitions ^(b)	-	10,668,493	2,155,815	64,107	12,888,415	4,057,162
Disposals, including write downs	-	-	(933,630)	-	(933,630)	(255,728)
	<u>2,719,233</u>	<u>160,010,829</u>	<u>40,410,981</u>	<u>1,282,651</u>	<u>204,423,694</u>	192,468,909
Accumulated Amortization						
Balance, beginning of year	\$ -	\$ 93,523,678	\$ 29,847,511	\$ 883,353	\$ 124,254,542	\$ 119,060,171
Amortization expense	-	3,151,520	2,355,662	74,469	5,581,651	5,389,449
Effects on disposals, including write downs	-	-	(855,431)	-	(855,431)	(195,078)
	-	96,675,198	31,347,742	957,822	128,980,762	124,254,542
Net book value at June 30, 2018	<u>\$ 2,719,233</u>	<u>\$ 63,335,631</u>	<u>\$ 9,063,239</u>	<u>\$ 324,829</u>	<u>\$ 75,442,932</u>	
Net book value at June 30, 2017	\$ 2,719,233	\$ 55,818,658	\$ 9,341,285	\$ 335,191		\$ 68,214,367

(a) Included in buildings and site improvements is \$10,361,034 (2017 - \$3,731,004) 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 \$113,000 (2017 - \$15,499).

(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).

	2018	2017
Balance, beginning of year	\$ 37,131,862	\$ 38,708,832
Transfers from unspent externally restricted grants and donations	6,802,563	995,533
Expended capital recognized as revenue	(2,619,509)	(2,572,503)
Balance, end of year	<u>\$ 41,314,916</u>	<u>\$ 37,131,862</u>

11. Net Assets

The composition of net assets is as follows:

	Accumulated surplus from operations	Investment in tangible capital assets (a)	Internally restricted surplus (b)	Endowments	Total accumulated surplus
Net assets as at 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 as at June 30, 2017	\$ 13,383,053	\$ 16,957,212	\$ 1,173,899	\$ 6,102,890	\$ 37,617,054
Annual operating deficit	(410,728)	-	-	-	(410,728)
Endowments					
New donations	(60,400)	-	-	60,400	-
Tangible capital assets					
Amortization of internally funded tangible capital assets	2,962,142	(2,962,142)	-	-	-
Internally funded acquisition of tangible capital assets	(6,085,852)	6,085,852	-	-	-
Debt - repayment	(523,740)	523,740	-	-	-
Net book value of tangible capital asset disposals	78,199	(78,199)	-	-	-
Operating expenses funded from internally restricted surplus	214,782	-	(214,782)	-	-
Change in accumulated remeasurement gains	(20,731)	-	-	-	(20,731)
Net assets as at June 30, 2018	\$ 9,536,725	\$ 20,526,463	\$ 959,117	\$ 6,163,290	\$ 37,185,595
Net assets are comprised of:					
Accumulated surplus	\$ 9,452,786	\$ 20,526,463	\$ 959,117	\$ 6,163,290	\$ 37,101,656
Accumulated remeasurement gains	83,939	-	-	-	83,939
	\$ 9,536,725	\$ 20,526,463	\$ 959,117	\$ 6,163,290	\$ 37,185,595

11. Net Assets (continued)

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

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

	2018	2017
College appropriations for operating activities	\$ 535,269	\$ 722,872
Foundation	423,848	451,027
Total	\$ 959,117	\$ 1,173,899

12. Contingent Assets

The College has initiated an insurance claim in which the outcome may result in assets in the future. The outcome of this claim cannot be reasonably estimated at this time and is not recognized in the consolidated financial statements.

13. Contingent Liabilities

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

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.

14. Contractual Rights

Contractual rights are rights of the College to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

Estimated amounts that will be received or receivable for each of the next five years and thereafter are as follows:

	Operating Leases	Other Contracts	Total
2019	\$ 83,256	\$ 43,100	\$ 126,356
2020	82,292	15,850	98,142
2021	80,763	2,100	82,863
2022	58,198	350	58,548
2023	9,700	-	9,700
	\$ 314,209	\$ 61,400	\$ 375,609
Total at June 30, 2017	\$ 101,408	\$ 242,750	\$ 344,158

15. Contractual Obligations

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

	Service Contracts	Capital Projects	Information Systems and Technology	Long-term Leases	Total
2019	\$ 2,954,770	\$ 1,606,737	\$ 653,826	\$ 255,796	\$ 5,471,129
2020	1,630,424	-	295,611	255,037	2,181,072
2021	1,186,624	-	37,808	239,498	1,463,930
2022	-	-	19,658	219,200	238,858
2023	-	-	12,474	219,851	232,325
Thereafter	-	-	-	491,242	491,242
	\$ 5,771,818	\$ 1,606,737	\$ 1,019,377	\$ 1,680,624	\$ 10,078,556
Total at June 30, 2017	\$ 4,502,387	\$ 230,164	\$ 1,704,902	\$ 352,933	\$ 6,790,386

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 \$740,000 (2017 - \$1,110,000) and expires on July 30, 2020.

16. 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.

	2018	2017
Academic Staff Association Professional Growth	\$ 944,730	\$ 779,921
Alberta Union of Public Employees Staff Development	33,241	36,619
Yellowhead Regional Education Society	-	94,867
Other	183,763	41,870
	\$ 1,161,734	\$ 953,277

17. Related Parties

The College is a related party with organizations within the Government of Alberta reporting entity. Key management personnel of the College and their close family members are also considered related parties. The College may enter into transactions with these entities and individuals in the normal course of operations and on normal terms.

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

During the year, the College received the following service at a nominal amount:

The College operates its Edson learning center on premises leased from the Alberta Ministry of Infrastructure under a 5 year lease agreement, expiring January 31, 2021.

18. Government transfers

	2018	2017
Government of Alberta grants		
Advanced Education:		
Operating	\$ 45,233,549	\$ 44,714,334
Apprenticeship	2,406,655	3,436,840
Capital	3,194,552	2,431,169
Advanced Education Special Funds Agreement	2,220,997	3,879,003
Other	1,215,839	877,000
Total Advanced Education	\$ 54,271,592	\$ 55,338,346
Other Government of Alberta departments and agencies:		
Other	1,138,171	831,264
Total contributions received	55,409,763	56,169,610
Restricted expended capital recognized as revenue	2,075,699	1,728,475
Restricted contributions deferred	(4,021,354)	(5,547,132)
	\$ 53,464,108	\$ 52,350,953
Federal and other government grants		
Natural Sciences and Engineering Research Council	\$ 500,000	\$ 500,000
Social Sciences and Humanities Research Council	96,446	100,344
Other	84,721	950,305
Total contributions received	681,167	1,550,649
Restricted expended capital recognized as revenue	382,186	610,955
Restricted contributions deferred	(160,398)	126,007
	\$ 902,955	\$ 2,287,611

19. Expense by Object

The following is a summary of expense by object:

	2018		2017
	Budget	Actual	Actual
Salaries and benefits	\$ 48,814,590	\$ 48,846,499	\$ 47,880,326
Materials, supplies and services	14,096,473	12,979,946	13,580,971
Cost of goods sold	81,850	123,694	132,333
Scholarships and bursaries	450,000	583,797	616,104
Maintenance and repairs	1,763,715	2,479,997	2,206,707
Utilities	1,899,121	1,618,311	1,599,585
Amortization of tangible capital assets	5,273,000	5,581,651	5,389,449
	\$ 72,378,749	\$ 72,213,895	\$ 71,405,475

20. Salary and Employee Benefits

	2018				2017
	Base salary ^(a)	Other cash benefits ^(b)	Other non-cash benefits ^(c)	Total	Total
Governance					
Chair of the Board of Governors	\$ -	\$ 7,611	\$ 200	\$ 7,811	\$ 6,688
Members of the Board of Governors	-	38,836	620	39,456	35,222
Executive					
President ^(d)	358,000	-	32,687	390,687	390,655
Vice-Presidents:					
Academics and Research ^(e)	244,907	6,300	37,822	289,029	251,984
Administration	187,467	5,400	34,633	227,500	590,166
External Relations	190,182	5,400	32,687	228,269	228,237
Total	\$ 980,556	\$ 63,547	\$ 138,649	\$ 1,182,752	\$ 1,502,952

(a) Base salary includes pensionable base pay.

(b) Other cash benefits include earnings such as honoraria and 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, supplementary health care, long-term disability plans, dental coverage, accidental death and dismemberment, flexible health and wellness spending accounts, professional memberships and tuition.

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

(e) This position was occupied by two individuals from May 1, 2018 to June 30, 2018. The outgoing Vice-President, Academics and Research is retiring effective September 13, 2018 and Interim Vice-President, Academics and Research was appointed on May 1, 2018.

Under the terms of the supplemental retirement plan (SRP), executive members 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 member under the SRP is outlined in the following table.

	Accrued Obligation June 30, 2017	Service cost	Interest cost	Actuarial Loss (Gain)	Accrued Obligation June 30, 2018
President	\$ 200,344	\$ 36,426	\$ 7,814	\$ (19,012)	\$ 225,572
Vice-Presidents:					
Academics and Research	52,166	9,485	2,034	20,482	84,167
Administration	-	-	-	1,817	1,817
External Relations	21,933	3,988	855	4,700	31,476
Total	\$ 274,443	\$ 49,899	\$ 10,703	\$ 7,987	\$ 343,032

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



21. 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.

22. Approval of Financial Statements

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

23. Comparative Figures

Certain comparative figures have been reclassified to conform to current year presentation.



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