

# ANNUAL REPORT 2015/2016







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## ACCOUNTABILITY STATEMENT

The Grande Prairie Regional College (GPRC) Annual Report for the year ended June 30, 2016 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.

**Pete Merlo**



## MANAGEMENT'S RESPONSIBILITY FOR REPORTING

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

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

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

**Don Gnatiuk**





# MESSAGE FROM THE PRESIDENT

**DON GNATIUK**

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Grande Prairie Regional College embarked on a path of transformational change in 2015–2016, preparing GPRC to start its 50th academic year in September 2016 with the bold, future-focused vision our founders held for GPRC in 1966.

GPRC's first president, Henry Anderson, laid out a vision of GPRC growing from its initial offerings of a few first-year university courses to providing a broad range of programming leading to GPRC becoming a university.

Now, 50 years later, GPRC's proposal to achieve Polytechnic University status is with the Ministry of Advanced Education. GPRC's proposal would meet the region's needs for trades and degree completion opportunities in northwestern Alberta. Albertans will benefit from GPRC's ability to create degree programs that meet the needs of northern Alberta communities while continuing its vital role in providing apprenticeship, certificate, diploma, and continuing education opportunities.

Our focus on students continued to guide GPRC in 2015–2016 highlighted with the launch of our new RBC Centre for Student Wellbeing. This initiative supported by RBC's five-year, \$250,000 investment with GPRC is aimed at the mental health and wellness needs of today's student. The new centre is an umbrella under which a number of programs such as Peer Counselling, Education Ambassadors, and Experience GPRC will continue to build GPRC's reputation as a safe and welcoming environment to current and future students.

GPRC continued to develop new programming

opportunities to meet the needs of students, the community and industry. The community of Jasper identified a potential opportunity to develop world-class culinary arts programming to support the local tourism industry. GPRC is working with the community and researching the real demand and requirements to create such programming.

Meanwhile GPRC continues to work with our partner post-secondary institutions and government to develop programs such as Health Care Aide, Paramedic, Occupational Therapy Assistant, Physical Therapy Assistant and Health Information Management that will meet the health care staffing needs of the region and the new hospital in Grande Prairie.

GPRC is very proud that it launched its new Aboriginal Administration Diploma during the 2015–16 academic year. The diploma program, and the individual credit courses that are open to all students, showed a lot of potential for growth among students interested in developing the knowledge needed to work in an Indigenous context.

GPRC is also working closely with the Government of Alberta to create a sustainable and appropriately funded Trans-Vocational Program to return this program to GPRC in 2017. GPRC's goal is to see Alberta offer a consistent level of support so these students achieve their level of independence.

Aligned with our founders' broad vision, GPRC continues to build its strong research and innovation presence nationally and internationally. GPRC received

a \$232,488 Social Sciences and Humanities Research Council Grant from the federal government to start its first social sciences research initiatives in partnership with the City of Grande Prairie, Alberta Health Services and Grande Prairie RCMP.

GPRC scientists, Dr. Weixing Tan and Dr. Abigail Adebusuyi, published world-first research of how to best grow greenhouse gas consuming algae in the scientific journal *Algal Research*. The GPRC National Bee Diagnostic Centre – Technical Access Centre continues to see exponential increases in demand from industry for its services and attracts researchers from around the world who are doing research into the health of honey bees and global food security. The need to expand and fully realize GPRC’s potential in this important area of research was presented to our provincial and federal government partners.

approved and created early support for the adoption of the updated policies and procedures.

GPRC is not only looking at the administrative functions that act as the foundation of how it serves students and community but also its physical infrastructure. While more than 4,000 square meters of new GPRC health education space is under construction in the regional hospital in Grande Prairie on our west campus, GPRC is already planning for the future. GPRC initiated the project to update its Campus Master Plan which will forecast our needs and aspirations for new and renewed facilities for the next 10 to 20 years. GPRC also continues to work closely with the Alberta Government to establish an asset trust to realize the value of GPRC’s land for students and the community.

Another key area for GPRC has been the succession

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**This year GPRC, its students, staff, faculty and community will celebrate all we have accomplished in our first 50 years while we look ahead to our next half century.**

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Internally, GPRC staff, faculty and senior leadership are working together to develop robust new policies and procedures that ensure GPRC continues to live its values of Accountability and Integrity. The initiative, which we’ve called Service Smart, is reaching into all areas of GPRC and engaging staff and faculty in strategic planning, improving business processes and comprehensive policy and procedure reviews.

Service Smart is the continuation of work that has been underway at GPRC to engage and empower staff and faculty to serve the needs of students effectively with the support of senior leaders. One example is our new policy review process. GPRC launched an open and transparent feedback tool in which all staff and faculty can comment and engage in discussion about proposed new policies. The level of awareness identified areas for improvement before the policies were

and recruitment work to ensure the GPRC Board of Governors continue to be successful and responsive to the needs of students and the community. GPRC and its Board of Governors worked closely with government to ensure highly-qualified people that represent our diverse communities continue to be on the GPRC Board of Governors.

This year GPRC, its students, staff, faculty and community will celebrate all we have accomplished in our first 50 years while we look ahead to our next half century.

**Don Gnatiuk, President and CEO**



# PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT

GPRC does not have any incidents to report.

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## 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.

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### 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)*

# OPERATIONAL OVERVIEW

## EXTERNAL REALITIES

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The economic downturn in Alberta commenced in 2013 and continued into the 2015–2016 academic year, affecting regional and provincial policy changes in education, health care, and social support programs. The newly elected provincial government reversed its predecessors' proposed cuts to Health Care, Human Services, Education, and implemented a three-year tuition freeze across post-secondary institutions in Alberta. In particular, the government reversed the proposed 1.4% cut to post-secondary institutions, instead increasing base funding by 2% (GOA, Annual Report 2015–2016). Students across Alberta received a three-year tuition freeze and a further \$89 million was awarded in scholarships to over 50,000 Alberta students (GOA, Annual Report 2015–2016) to ease the financial burden of post-secondary education.

Economic diversification increased Alberta's GDP from \$67.6 billion in 1985 to \$375.8 billion in 2014; the energy sector accounted for only 26.7% of the Alberta GDP in 2014 compared to 36.1% in 1985 (Highlights of the Alberta Economy, 2016). Alberta's NDP government has created policies and programs with the intent of revitalizing and diversifying the energy reliant economy; the \$500 million Petrochemical Diversification Program aims to build petrochemical plants which will turn raw energy resources into materials and products that are in high demand across the globe.

In the Grande Prairie region, new forestry and agricultural initiatives partially mitigated the effects of employment and economic challenges in the region. The Grande Prairie region represents 13.6% (Grande Prairie Economic Profile (GPEP), 2016) of Alberta's cropland, making agriculture a significant factor in a diverse regional economy.

The Alberta Infrastructure and Alberta Health Services are building a new hospital on GPRC land and GPRC expects the hospital name will include "Learning" and/or "Education".

### **Other Grande Prairie regional projects of note:**

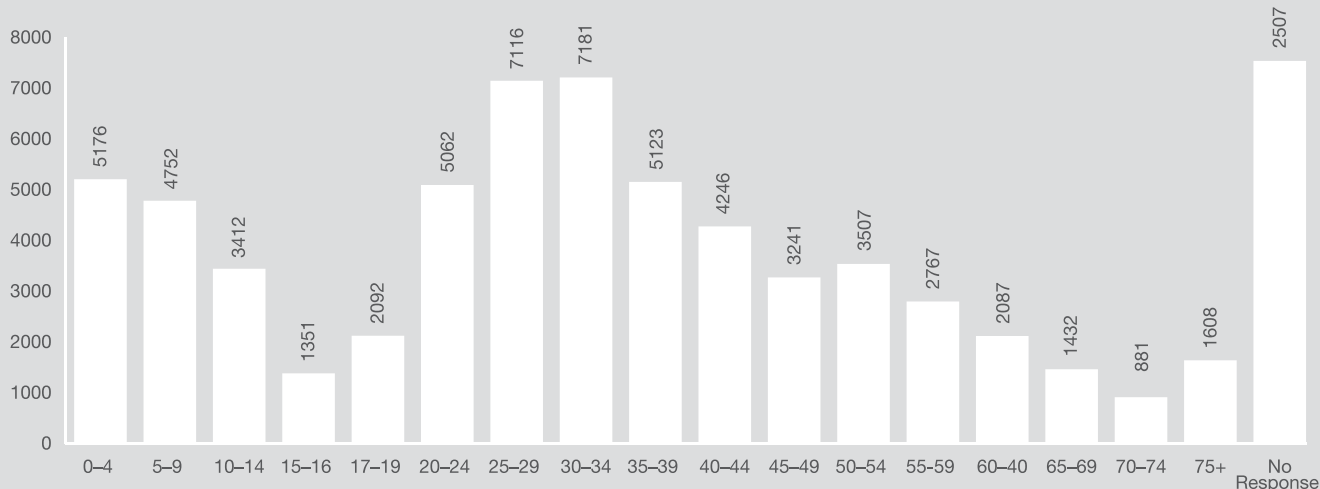
- ▶ \$1.4 billion HR Milner Generating Station Expansion
- ▶ \$94.2 million, five new schools
- ▶ \$50.0 million, Greenview Sour Gas Plant

In 2015, the unemployment rate in Grande Prairie was 5.5% compared to the Albertan average of 5.8%. At the same time, the labour force participation rate for Grande Prairie was 73.9% compared to the Albertan average of 73. (GPEP, 2016). Furthermore, the National Household Survey for 2015 indicates that Grande Prairie had an average family income of \$106,933 in 2015.

Grande Prairie remains "the youngest city in Canada" with a median age of 30.3; the population continues to grow at an average rate of 4% annually. It is significant to note that the 2015 Grande Prairie Municipal Census reported a population of approximately 70,000 for the city; when smaller regional communities and municipalities are included in the count, the trading population in the region increases to approximately 170,000 (GPEP, 2016). The city continues to have more residents under the age of five than over sixty-five, indicating a trend of young families migrating to the region and increasing births within the population.

## GRANDE PRAIRIE POPULATION BY AGE GROUP

Source: Custom Tabulation - Grande Prairie Municipal Census 2015

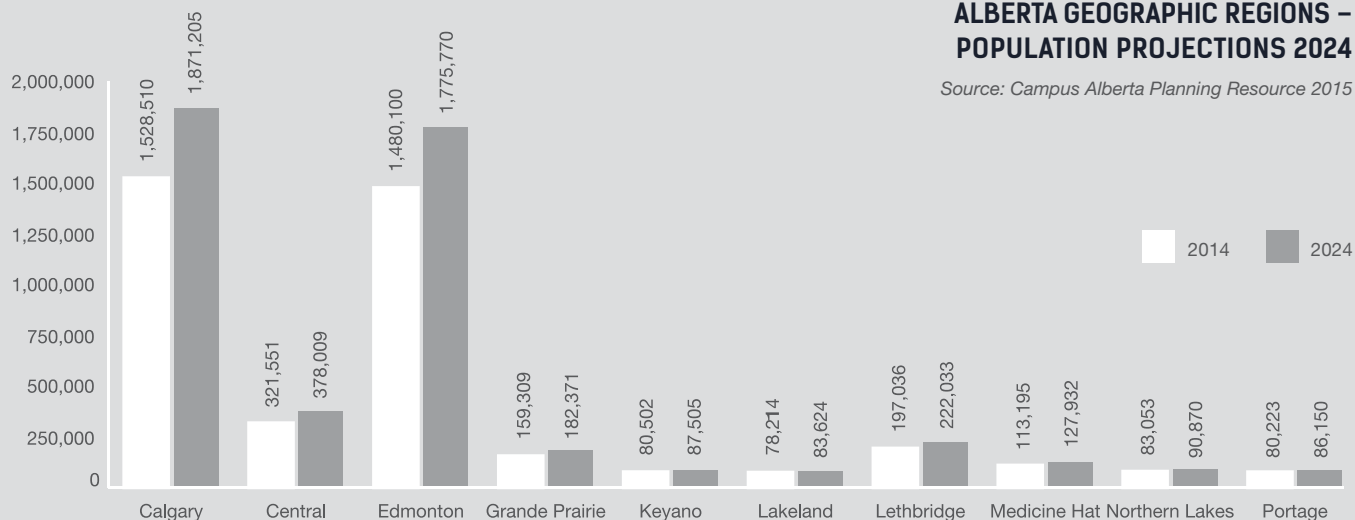


Post-secondary participation in Grande Prairie is affected by population growth, high employment rates, and interprovincial migration. Campus Alberta Planning Resource (CAPR) 2015 indicates that Alberta's population is projected to increase by 19% from 4,121,692 in 2014 to 4,905,470 by 2024. CAPR

further indicates a 14% population increase for the Grande Prairie region from 159,309 in 2014 to 182,371 by 2024. It should be noted that the 18-34 age group population in Grande Prairie region is projected to decline by 5.0%, and 60+ age group population is projected to increase by 2024.

## ALBERTA GEOGRAPHIC REGIONS – POPULATION PROJECTIONS 2024

Source: Campus Alberta Planning Resource 2015



GPRC's student enrolment in credit and non-credit programming continues to reflect regional employment rates, regional high school to post-secondary transition rates, and regional post-secondary participation rates amongst youth. Recent regional high school graduates tend to migrate to larger urban cities for post-secondary

education or to seek immediate employment opportunities in the region. GPRC continues to work with regional high school district school boards, and community organizations to increase regional awareness of GPRC's certificate, diploma, university transfer, degree completion, apprenticeship, and academic upgrading opportunities.



## INTERNAL RESPONSE

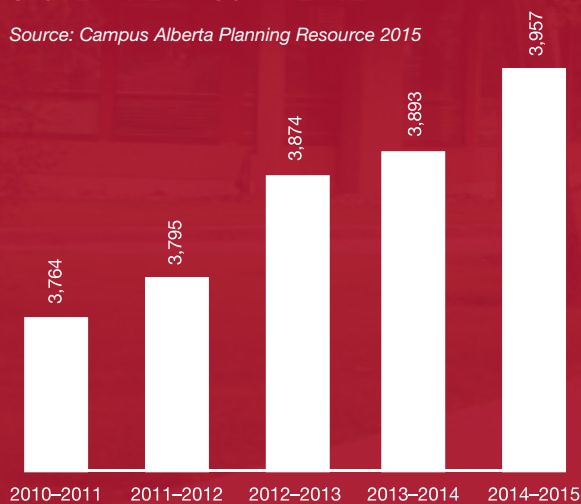
GPRC was established to offer programming in response to regional economic, cultural, and population changes. In 2015, GPRC approached the City of Grande Prairie, the Chamber of Commerce, regional district school boards, and regional towns to endorse GPRC's application for Polytechnic University status. GPRC, represented by Pete Merlo (Board Chair), Don Gnatiuk (President and CEO), Susan Banskroft (Vice President, Academics and Research), Bill Given (Mayor, City of Grande Prairie), Thomas Petersen (President, Students' Association) and Chris Seppola-Podsada (2nd Vice Chair, Grande Prairie & District Chamber of Commerce), presented the GPRC Polytechnic University business case to the previous Minister of Advanced Education, the Honourable Lori Sigurdson, in January, 2016.



GPRC's application for Polytechnic University status is aligned with the Ministry's strategic priorities of delivering quality programming, while being both fiscally accountable and responsive to community needs. Attaining Polytechnic University status would enable GPRC to provide programming in highly enrolled baccalaureate programs including Education, Nursing, Commerce and Social Work.

### STUDENT HEADCOUNT PER YEAR

Source: Campus Alberta Planning Resource 2015



GPRC will continue to engage in discussions with the Minister of Advanced Education, the Honourable Marlin Schmidt, around GPRC's desire to meet learner demand through the attainment of Polytechnic University status.

GPRC has experienced a steady increase in student headcount over the past five years, although Full Load Equivalent (FLE) numbers have declined slightly. This is due in part to a provincial reduction of Trades seats as well as the temporary suspension of Trans-Vocational programming. The decline in FLEs also reflects the increasing number of students who are enrolled in part time studies.



GPRC is mandated to establish high quality programming that is responsive to student and community demand. In 2015, GPRC launched the Accounting and Investment Management diploma specialization as well as the Management diploma specialization in the Business Administration program. In early 2016, GPRC also submitted the Kinesiology diploma proposal to the Ministry of Advanced Education. The program proposal was approved by Advanced Education and GPRC will commence offering the program in the 2016–2017 academic year. The launch of these new programs will increase the mobility of GPRC students to sister institutions in Alberta while also increasing enrolment and retention in the Business Administration program.

Along with the development of further allied health programming, GPRC is also exploring the feasibility of establishing a Culinary Arts School in Jasper.

Students across Canadian post-secondary institutions require greater support in coping with mental health challenges. GPRC student well-being is a high priority; this recognition led to the launch of the Centre for Student Wellbeing on the Grande Prairie campus. Funds permitting, the intention is to hire a registered psychologist and to support peer counselling workshops, an Education Ambassador program, and an Experience GPRC program.

In recognition of the needs of regional communities and learners, GPRC submitted to the Ministry of Advanced Education a proposal for the reinstatement of our highly enrolled Transitional Vocational Program (TVP). GPRC understands how crucial TVP is to our regional communities and will continue to consult with Advanced Education on how best to deliver this important programming.

The Ministry of Advanced Education requires institutions to be both compliant and accountable in their strategic directions. To this end, GPRC embarked on our Service Smart initiative, a platform for reviewing internal processes, workflows, systems, and establishing guidelines and/or improvements for policy review and business case development in all Academic and Administration departments. GPRC's Administration understands the necessity of ensuring GPRC has in place, fully operational systems and processes that increase productivity using GPRC's limited financial and human resources.



# GOALS

## PRIORITY INITIATIVES, EXPECTED OUTCOMES & PERFORMANCE MEASURES

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In 2015–2016, GPRC experienced program, staffing, and policy changes across all academic and administrative departments. Through strategic decision-making, GPRC established policies that mitigated risk and positioned GPRC for future success and growth through a student-centric vision. New programming, policy implementation, technology system upgrades, and upgraded business processes are ensuring GPRC can plan effectively for future projects and increase in student enrolment.

In the 2015–2016 academic year, GPRC implemented the strategic directions from the GPRC 2015–2018 Comprehensive Institutional Plan; these strategic directions reflect Advanced Education’s focus on the delivery of accessible, high quality and affordable programming. GPRC will continue to work with Advanced Education on developing and delivering high quality programming that meets the demand identified by the stewardship region. Currently, GPRC’s mandate allows GPRC to deliver academic upgrading, certificate, diploma, trades, and university transfer options along with collaborative and hosted degrees; GPRC is currently seeking to become a Polytechnic University, which will allow GPRC to better serve its region through the delivery of GPRC granted degrees.

GPRC’s Academic Upgrading department provides adult upgrading programming that enables mature students to complete their high school diploma or courses that are required for entry into post-secondary programming.

Ongoing partnerships with industry and government have allowed for expanded delivery of workforce training and Continuing Education courses such as Airbrakes, Class 1 driver training, and custom programming. The region also supports online students from other institutions by providing exam invigilation

services. More than 600 exams were supervised in the 2015–2016 academic year.

The GPRC Continuing Education Department has an established reputation for being the first choice for people who wish to enhance their skills, career, or personal goals. The Department enables businesses and individuals to succeed and grow through high quality, accessible educational programs and courses. With more than 800 online and more than 160 face to face course offerings, the commitment is to continue to grow and evolve, ensuring the Department meets the needs of our communities.

GPRC is proud to host, in collaboration with the Grande Prairie Friendship Centre, the only nationally recognized Friendship Centre on a college campus. The centre helps students to connect with each other and to ease the transition for new students to college life. Among other support services, Aboriginal students have access to a wide variety of services that include:

- ▶ **Aboriginal Liaison Coordinator** – works with bands, councils and elders to create educational opportunities and supports for students to find and utilize resources
- ▶ **Elder in Residence program** – an approachable elder who guides students through college life and provides teachings about aboriginal culture
- ▶ **Circle of Aboriginal Students** – provides support to aboriginal students on campus through cultural and social events

In compliance with the 2015–2018 Comprehensive Institutional Plan’s strategic directions and stated goals, the following related sections represent expected outcomes and performance measures.



# STRATEGIC DIRECTION 1

## Citizens have accessible resources to improve the quality of life

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**Goal 1.1** Deliver affordable, accessible credit and continuing education programming (including Health and Trades related programming and degree completion opportunities) relevant to the changing needs, context and diversity of students in the region.

- ▶ Launched Accounting & Investment Management as well as Management specializations in Business Administration diploma program
- ▶ Received approval from the Ministry of Advanced Education for a new Kinesiology diploma
- ▶ Conducted preliminary demand surveys for degree programs in various areas including English, Psychology, and Forestry as well as diploma programs in areas of Petroleum Engineering and Allied Health programming
- ▶ Completed proposal for reinstatement of Transitional Vocational Program
- ▶ Commenced assessment of demand for a Culinary Arts school in Jasper
- ▶ Increased dual credit opportunities for regional high school students with three new agreements signed with regional district schools
- ▶ Created dual credit course opportunities in all programming with the exception of some Trades programming for which dual credit would not be feasible

**Goal 1.2** Continue to expand GPRC's role as an active and committed partner within Campus Alberta.

- ▶ Reviewed Advanced Education guidelines and policies in creating program proposals and submitting the 2016–2019 Comprehensive Institutional Plan
- ▶ Participated in the annual Alberta institutional meetings to improve collaborations, partnerships and discuss data improving strategies
- ▶ Launched two new programs in Business Administration that were transferable and coordinated with sister institutions in Alberta

**Goal 1.3** Transform Continuing Education's role as a non-credit training provider in the region.

- ▶ Established partnerships and collaborations with Lakeland College, Providing Assistance, Counselling, & Education (PACE), Ironstone Resources, ERCO Worldwide, Horse Lake First Nation, Grande Prairie Regional Tourism Association, Revolution Auto Group, Philip J Currie Museum, LERN online Resources, RCMP, and Apprenticeship and Industry Training (AIT)
- ▶ Continued partnership with University of Alberta
- ▶ Applied and was granted Blue Seal certification status
- ▶ Applied and was awarded courses towards a Gold Seal Certification
- ▶ Started offering new courses (Front-line Customer Service Excellence, Service Excellence for Supervisors, Food Safety and Hygiene, Payroll Compliance Legislation, Payroll Fundamentals, New Versions on Microsoft: Excel 2016, Word 2016, Windows 10, and Microsoft OneNote 2013)
- ▶ Established responsive community programming in Beekeeping I and II, Creative Writing: Pen to Paper, and ColourSpectrums
- ▶ Established Kid's summer camps and Industry Readiness Training Program with Horse Lake resulted in increased revenue for GPRC

# STRATEGIC DIRECTION 2

Students throughout the stewardship region have the knowledge and skills for success in any path they choose

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**Goal 2.1** Implement ongoing processes and activities to ensure the College learning environment is of high quality.

- ▶ Submitted Bachelor of Nursing program changes to the Ministry of Advanced Education
- ▶ Reported graduate satisfaction with GPRC quality of programming and worth of financial investment at a rate of 90%
- ▶ Conducted Program Reviews in all Academic departments, resulting in improvement and changes in curriculum and program content (e.g. Animal Health Technology, Personal Trainer, Bachelor of Physical Education)

**Goal 2.2** Promote and enhance effective and comprehensive student support programs.

- ▶ Launched the new Centre for Student Wellbeing
- ▶ Launched Education Ambassador Student Mentorship Program with initial membership of ten students
- ▶ Developed and installed the #GPRCCampustracks self-guided tour and Art Walk
- ▶ Provided approximately \$130,000 in scholarships and bursaries to qualified students
- ▶ Increased development of the Experience GPRC program for rural youth in the region through an RBC grant
- ▶ Welcomed new students to student housing with the assistance of staff, faculty and the Students' Association
- ▶ Launched Fresh Fruit Fridays—a collaboration between Education Ambassadors and Athletics sponsored by Save-On Foods
- ▶ Used the results of Vocantas student success survey to increase guidance and help to students on financial and academic challenges
- ▶ Revitalized and revised program curriculum for the Aboriginal Administration Diploma program for transferability to sister institutions

**Goal 2.3** Promote and enhance effective and comprehensive student engagement in faculty led Scholarly Activities.

- ▶ The Research Planning Committee advanced the development and implementation of quality control processes by:
  - ▶ creating a framework that clearly identifies policy, processes, and responsibilities
  - ▶ implementing a formal annual work plan to enable greater focus on gaps and needs
  - ▶ implementing a committee wide engagement process
- ▶ GPRC was audited by the Natural Sciences and Engineering Research Council and an audit committee was created to develop processes to address recommendations.
- ▶ The Director, Research & Innovation continues as the Intellectual Property Officer
- ▶ The Manager Scholarship Innovation Research has been assigned responsibility to work directly with the Research Ethics Board (REB) and the Animal Care Committee (ACC). The Manager will also lead the development of student engagement and quality control processes; and the development and implementation of enhanced Responsible Conduct of Research training
- ▶ The ACC drafted scientific merit review processes for animal subject research

# STRATEGIC DIRECTION 3

## Economic well-being of the stewardship region is enhanced

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### **Goal 3.1** Maintain and enhance networks, partnerships, and community consultations.

- ▶ Increased range of partnerships, networks, and stakeholders
  - ▶ Created a Campaign Cabinet of 15 committed regional volunteers to assist with our fundraising goals
- ▶ Identified priorities that recognize the interests of GPRC stakeholders
  - ▶ GPRC Board of Governors holds Ownership Linkages meetings with community stakeholders throughout the region
- ▶ Expanded engagement with K–12 education system
  - ▶ Created a new program called “Experience GPRC” aimed at bringing young regional learners to campus
  - ▶ Initiated an Education Ambassador program
  - ▶ Created a GPRC self-guided tour booklet for regional residents who visit the Grande Prairie Campus. Plan to launch similar booklet for Fairview Campus underway.
  - ▶ Expanded Dual Credit program to include eight participating school divisions and now offers courses in the Arts, Business, Office Administration, Educational Assistant, Early Learning and Child Care, Computer Science, Parts and Materials, Harley-Davidson® Technician, and Animal Health Technician programs.
  - ▶ Partnered with three regional school divisions and the Reading University
- ▶ Increased responsiveness to regional Aboriginal communities’ post-secondary educational needs
  - ▶ Raised funds to increase capacity of leadership training for the GPRC Circle of Aboriginal Students and to provide cultural teachings and ceremonies throughout the year

### **Goal 3.2** Expand community involvement.

- ▶ GPRC is a visible and valued community resource for community continuing education programming, recreation, culture, research, and economic development
  - ▶ The GPRC Research and Innovation Department received a \$232,488 Social Sciences and Humanities Research Council Grant for community research project in partnership with Alberta Health Services, City of Grande Prairie and Grande Prairie Royal Canadian Mounted Police
  - ▶ Increased participation in fitness, health and wellness, cultural and non-credit education activities
  - ▶ Held over 10 youth camps on campus throughout the summer through Athletics, Continuing Education and the Fine Art Conservatory targeting the K–12 education system
  - ▶ Be Fit for Life Centre provided workshops throughout the region to K–12 Educators on Physical Literacy and the Canadian Sport for Life Movement.
- ▶ Increased community and regional opportunities to partner with GPRC on mutually beneficial initiatives and activities
  - ▶ Partnered with the Bear Creek Folk Festival Society
  - ▶ Held six summer camps on campus with 467 participants under the age of 16
  - ▶ Held 122 event dates in Douglas J Cardinal Performing Arts Centre that entertained 38,989 people



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- ▶ GPRC faculty and staff hosted:
    - More than 400 Grade 7 students and their teachers from across the region for Grade 7 Day at GP Campus
    - More than 180 Grade 9 students for Trades Camp at Fairview Campus
    - More than 120 Grade 10–12 students for the Northwest Skills Regionals at Fairview Campus
    - More than 240 indigenous youth from across Northern Alberta, Yukon, and the NWT attended the annual Spirit Seekers conference on campus
  - ▶ Enhanced public support and participation in GPRC corporate and departmental events and committees
  - ▶ Enhanced alumni benefits and involvement
    - ▶ Ongoing alumni engagement activities include invitations to special events, upcoming 50th anniversary events, President's Awards Luncheon and increased involvement with the newly established Education Ambassador program

**Goal 3.3** Develop and promote the newly developed distinctive image for the College.

- ▶ Increased public awareness and recognition within the service region of GPRC's quality, distinctiveness, learner successes, and achievements
  - ▶ Integrated GPRC Research & Innovation communications and marketing activities and brand within GPRC to raise the profile of GPRC Research & Innovation internally as well as externally to the public
- ▶ Increased public awareness of GPRC's values and priorities
  - ▶ Published Report to the Community in March 2015 defining GPRC's goals and initiatives
  - ▶ Increased number of proactive student-focused success stories in GPRC's online and print publications
- ▶ A single distinctive GPRC identity
  - ▶ Guided by the updated External Relations strategy the GPRC Communications and Marketing team have initiated a review of its online (web and social media) presence to ensure there is a quality of consistent identity for GPRC
  - ▶ Includes projects to review policy, procedure and guidelines documents to successfully implement the consistent identity on social media, the GPRC website and in print publications. Work on these projects started in 2016 and will continue into 2017



# STRATEGIC DIRECTION 4

## Economic and Environmental Sustainability

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**Goal 4.1** Increase enrolment and retention rates through Strategic Enrolment and Retention Committee (SERC) efforts.

- ▶ Held quarterly SERC meetings with discussions around increasing student support and retention initiatives
- ▶ Education Ambassador Student Mentorship Program was launched with 10 student registrations
- ▶ Two summer ambassadors were hired to develop the Education Ambassador recruitment and training modules for 2016–2017 academic year
- ▶ Five Education Ambassadors attended the University of Alberta Leadership Summit
- ▶ GPRC banners were showcased and installed throughout the campus
- ▶ Approximately \$130,000 of Access to the Future funds were awarded to students in scholarships and bursaries
- ▶ Collaborations initiated between faculty and staff to develop program specific recruitment strategy for the Aboriginal Administration Diploma program
- ▶ Vocantas student supports awareness campaign was conducted with phone calls to students about GPRC academic services, financial aid, and peer counselling

**Goal 4.2** Generate new revenue streams.

- ▶ Kid's summer camps and Industry Readiness Training Program with Horse Lake resulted in increased revenue for GPRC
- ▶ Increased course offerings in dual credit program by thirteen and signed three new agreements with district school boards
- ▶ Increased course offerings by seven (e.g. Front-line Customer Service Excellence, Food Safety and Hygiene) in Continuing Education department that will increase revenue
- ▶ Intentional fundraising (VITAL! Campaign) increased number of donors, large gifts, and contribution amounts
  - ▶ Vital! Campaign is currently in the quiet phase and increased activity is apparent with prospect identification and solicitation.
- ▶ Emphasized workplace training, career related training, and lifelong learning increases non-credit revenues



**Goal 4.3** Ensure a healthy and safe environment for students, staff and visitors.

- ▶ Level 1 Violence and Threat Assessment Training was provided to over 56 GPRC employees. The success of this training will lead to another Level 1 session as well as Level 2 training
- ▶ GPRC presented an awareness video and education sessions on how to respond to an active shooter on campus. Robbery response presentations were also provided to GPRC employees who work with money
- ▶ RCMP canine training took place in the Waskahigan Residence at the Fairview Campus. This training included interior canine chase and engagement activities
- ▶ Capital projects expanded the security camera systems at the Grande Prairie and Fairview Campuses
- ▶ Grande Prairie Campus hosted the Grande Prairie Regional Emergency Partnership's tabletop exercise
- ▶ GPRC participated in the Safe Communities (Grande Prairie and Area) Priority Setting exercise
- ▶ GPRC Executive participated in tabletop emergency response scenarios throughout the academic year
- ▶ Fairview Campus hosted the Regional Skills Canada Competition—North Zone. For the Safety Skills portion a mock workplace scenario for hazard identification was set up
- ▶ Non-Violent Crisis Intervention (NCI) training was provided to students
- ▶ Fairview Campus hosted the Regional Skills Canada Competition—North Zone. For the Safety Skills portion, a mock workplace scenario for hazard identification was set up
- ▶ Fairview Campus and Grande Prairie Campus held influenza immunization clinics in the fall season, which were open to students, staff, faculty, and the public
- ▶ The Enterprise Risk Management (ERM) Department provided safety, security, and preparedness education sessions to GPRC committees, departments, and during new employee orientation sessions

**Goal 4.4** Develop environmental awareness (Green Initiative) and measure, monitor, and transform our practices.

- ▶ Pop-up message for "Green Initiative" advertised for every colour print job
- ▶ Vehicle usage reports encouraged the employment of good driving skills by staff and faculty
- ▶ New lighting projects or lighting renovations included installation of efficient LED systems
- ▶ Installed new water fountains at the Grande Prairie and Fairview campuses that encouraged refills of beverage containers to reduce water bottle plastic in landfills



# ENROLMENT PLAN

In 2015, GPRC proposed program cuts to align with provincial directive and budget constraints. Therefore, GPRC projected a decline in Full Load Equivalent (FLE) from 1947 in 2014–2015 to 1880 in 2015–2016. The recent 2015–2016 FLE estimate indicates that GPRC is in line with projected FLE and will therefore finalize the 2015–2016 FLE reporting to Advanced Education.

The 2015–2016 FLE count reveals an increase in enrolment in Academic Upgrading, ensuring that our overall FLE enrolment stayed consistent with projected FLE enrolment. GPRC anticipated a slight decrease in FLE enrolment in Power Engineering due mainly to GPRC’s relocation of 3rd class Power Engineering to

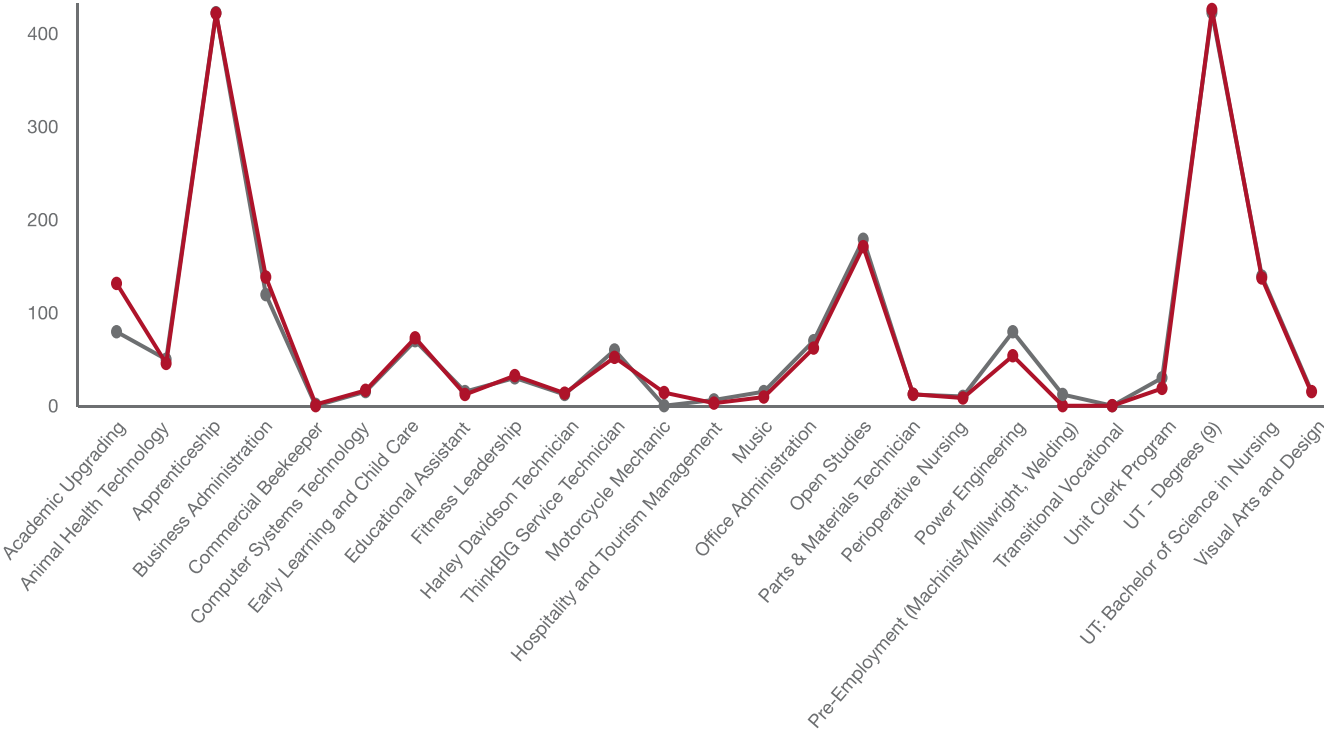
the Fairview campus. It is expected that enrolment in Power Engineering will normalize in future years after marketing and recruitment initiatives are undertaken in Fairview and the Grande Prairie region. The FLE projection for Pre-Employment (Machinist/Millwright, Welding) occurred before the program was suspended, thus inflating the 2015–2016 FLE projection by 12 FLE points.

GPRC continues to work with Advanced Education to reinstate some of the programs lost to budget constraints to fulfill the obligation to our community and students. Listed below are the FLE projections from the 2015–2016 academic year and the current estimated 2015–2016 FLE count.

## FULL LOAD EQUIVALENT PROJECTIONS AND ACTUALS 2015–2016

Source: Campus Alberta Planning Resource 2015

- 2015–2016 Projections
- 2015–2016 Actual



## FIGURE: FULL LOAD EQUIVALENT (FLE) ENROLMENT

PROGRAM NAME	2014-2015 ACTUALS	2015-2016 PROJECTIONS	2015-2016 ESTIMATES
Academic Upgrading	129.675	80	132.15
Animal Health Technology	47.565	50	45.746
Apprenticeship	425.66	425	424.09
Business Administration	116.2	120	139.2
Commercial Beekeeper	3.201	0	1.2
Computer Systems Technology	13.6	15	16.5
Early Learning and Child Care	71.881	70	73.134
Educational Assistant	12.912	15	11.857
Fitness Leadership	25.8	30	32.6
Harley Davidson Technician	10	12	13.5
ThinkBIG Service Technician	61.207	60	52.052
Motorcycle Mechanic*	8.577	8	14
Hospitality and Tourism Management	11.8	6	2.8
Music	10.567	15	9.2
Office Administration	99.834	70	62.3
Open Studies	183.743	180	171.82
Parts & Materials Technician	10.598	12	12.231
Perioperative Nursing	9.689	10	8.329
Power Engineering	77.45	80	53.879
Pre-Employment (Machinist/Millwright, Welding)	11	12	0
Transitional Vocational	24.72	0	0
Unit Clerk Program	17.111	30	18.577
UT - Degrees (9)	416.72	425	428.43
UT: Bachelor of Science in Nursing	134.068	140	137.85
Visual Arts and Design	13.1	15	13.334
<b>GRAND TOTAL</b>	<b>1946.678</b>	<b>1880.00</b>	<b>1874.78</b>

\*Correction: This program FLE was excluded from 2015-2018 CIP and accounted for in this Annual Report

# RESEARCH, APPLIED RESEARCH & SCHOLARLY ACTIVITIES

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## **GOAL 1: Collaborate with the Campus Alberta system to develop a robust Pan-Alberta applied research network and system**

**Goal 1.1** Actively participate in both Government of Alberta (GOA) developments as appropriate, and Campus Alberta research administration and research based activities that involve staff, students, and other researchers

- ▶ GPRC research administrators participate (face-to-face, distance and through survey instruments) in GOA led:
  - ▶ Research system developments and reviews
    - Research & Innovation (R&I) Director represented GPRC at the Research & Innovation System Review Update meetings in Red Deer and the Alberta Entrepreneurship Incubator Stakeholder Workshop. The Director also met with Alberta Innovates BioSolutions BioChar team; and participated in the GOA Pipeline Forum team.
  - ▶ Regional Innovation Network developments and meetings (AITF)
    - The R&I Director attended two, while the R&I Marketing Coordinator attended one Regional Innovation Network system meeting. GPRC continues to lead the development and operation of the Grande Prairie Regional Innovation Network.
- ▶ GPRC research administrators participate (face-to-face, distance) in national level research and innovation system development activities
  - ▶ The R&I Director presented at the College and Institutes Canada Applied Research Forum (March) and participated in a panel discussion at its Annual General Meeting (June).
  - ▶ The Natural Sciences and Engineering Research Council (NSERC) conducted its Financial Monitoring review and mitigation steps are being developed and implemented. Both the R&I Director and the Applied Scientist/Manager attended two NSERC sponsored Technology Access Centre meetings and contributed to the development of Tech Access Canada – a network of NSERC Technology Access Centres.
  - ▶ GPRC contributed to the annual Re\$earch Infosource Inc. applied research survey as well as CIGan's applied research survey.
- ▶ GPRC researchers and faculty collaborate at all levels of the system as appropriate
  - ▶ GPRC National Bee Diagnostic Centre (NBDC) Applied Scientist Manager travelled to New Zealand. Presentations were made to the National Annual beekeepers meeting. He also met with the New Zealand Diagnostic Laboratory and initiated an exchange.



**GOAL 2: Develop applied research programs at GPRC that are consistent with current capacity, current and emerging programs. Provide opportunity to strengthen student and faculty engagement in applied research, and within the context of the Alberta research plan, the IAE business plan, and international research excellence, that deliver (or have the potential to deliver) social and economic benefits to the region and beyond.**

**Goal 2.1** Foster research-based activities that involve staff, students, and other researchers

- ▶ The Pollutants to Products (P2P) initiative provided research assistantships for three GPRC students: two local students assisted with fall field research and data collection; while an international student became a winter term Research Assistant within the Carbon Capture Solarium. In addition, P2P researchers hosted one Colleges and Institutes Canada Clean Tech Intern (six months) who assisted with the impact of bacteria within the bioreactor system study. Commissioning, testing and further revision of the micro-algae Photo-Bioreactor Beta model were advanced; testing of the water recycling and harvesting system was undertaken. Strategic partners and investments were sought. The fast growing hybrid poplar long-term effluent to fiber project continues with data collection and annual measurements. Year four data was collected for the winter planting of black spruce project in collaboration with the Evergreen partnership.
- ▶ The National Bee Diagnostic Centre – Technology Access Centre provided three full-time summer students with field and laboratory techniques experience; and hosted three part-time high-school work placement students who assisted within the laboratory and preparations for summer field survey work. Two GPRC and two university based students participated in the third Honey Bee Diagnostic Course (one-week intensive).
- ▶ The Community Enhancement Research partnership received a Social Science and Humanities Research Council (SSHRC) College and Community Social Innovation Grant, elevating this research to research initiative status. The principal investigator is recruiting an Applied Scientist who will lead the Police and Crisis Team Program evaluation with the assistance of baccalaureate program research assistants (part-time/summer work placements).
- ▶ Neuroscience research on Seasonal Affective Disorder continued to be led by the faculty principal investigator with the assistance of a part-time graduate student.
- ▶ Alberta Rural Organic Waste to Resources Network (AROWRN) is a provincial industry-government-researcher applied research network. As the administrative agent, GPRC assisted with two field days related to harvesting of plantation willow as fuel for co-generation of heating systems (summer – Whitecourt; winter – Beaverlodge).
- ▶ Contract research work was limited but critical to GPRC's mandate. Two activities were within the Community Enhancement Research realm: i) driver behaviour patterns analysis for the RCMP, and ii) a local immigrants project benefited from faculty and graduate student engagement (Grande Prairie Local Immigrant Partnership).

**Goal 2.2** Increase innovation opportunities for the community

- ▶ The Grande Prairie Regional Innovation Network (GPRIN) was operationalized with GPRC as the lead community partner and administrative agent. Alberta Innovates Technology Futures is the financial sponsor. The GPRIN partnership provides one-stop-shop access to commercialization services, programs and referrals; as well as funds for innovation cluster development and training.
- ▶ GPRIN partners are developing an Alberta Entrepreneur Incubator to foster innovation within the community.
- ▶ GPRIN partner staff met with 22 new technology commercialization clients, handled a further 87 inquiries (either completed directly or referred to other agencies for assistance), held 20 learning events and or presentations with 490 persons in attendance.
- ▶ A Memorandum of Agreement was signed with Ironstone Resources Ltd. (Calgary) for cooperation in 1) Research and Development, 2) Training, 3) Student Engagement and 4) Strategic Services.
- ▶ GPRC Research & Innovation leads the development of an Applied Research Asset Map to identify and engage faculty and or staff experts that can assist regional innovation clients of GPRIN.
- ▶ GPRC continues to advance three patents previously filed within the P2P initiative.

## **GOAL 3: Promote the Centre for Research & Innovation (CRI)**

### **Goal 3.1 Complete CRI rebranding**

- ▶ GPRC transitioned the Centre for Research & Innovation into GPRC Research & Innovation for GPRC based activity with emphasis on research and scholarship for enhanced student and faculty engagement.

### **Goal 3.2 Transition Innovation Services to the Grande Prairie Regional Innovation Network (GPRIN) model**

- ▶ GPRC transitioned the Innovation Services into Grande Prairie Regional Innovation Network (GPRIN) – a formal partnership agreement. Operational plans were developed and enacted.

### **Goal 3.3 Promote culture of innovation (which includes applied research and scholarly activity)**

- ▶ Scholarly Activity enhancement became a priority this year (six faculty and seven staff members were active). A full-time permanent Manager, Scholarship Innovation Research was recruited to advance scholarship and student engagement with research and innovation.
- ▶ GPRC continues to develop its Visiting Scholar program as a priority. Two Visiting Scholars (Simon Fraser, University of British Columbia) joined the P2P initiative for the fall term.
- ▶ NBDC-TAC secured research diagnostics contracts with a UBC faculty researcher and the Province of Alberta apiculture researcher.
- ▶ NBDC-TAC continues to promote research and pest, pathogen and parasite diagnostic services within the beekeeping industry, nationally through both new and traditional media, through presentations at industry meetings, and bee reference laboratory exchanges (international).
- ▶ GPRIN partners contributed funds to two industry innovation enhancement projects (Evergreen Centre – 14 companies), Destination Imagination (youth innovation – 54 teams), and the innovation component of the regional Growing the North Conference (450 registrants); and participated in the GP Chamber Awards by presenting the Innovator of the year award (150 persons).
- ▶ The Director of GPRC Research & Innovation made presentations to the College and Institutes Canada (CICan) Applied Research Forum and to the Annual General Meeting about ‘robust applied research and innovation at Canadian colleges and technical institutes’.
- ▶ GPRC through its partnership in GPRIN supported innovation and presented the Innovation Award at the Chamber of Commerce Annual Business Awards, provided financial support for Destination Imagination (youth innovation), and is a member of the Growing the North conference and sponsor of the innovation section of the agenda.



# INTERNATIONALIZATION

GPRC is developing an international strategy with implementation expected by September 2016. Although GPRC does not actively recruit international students, approximately 50 students are welcomed from 24 countries each year. GPRC will increase support services for admission and registration of prospective and current international students on campus.

In 2015, GPRC entered into an agreement with Holmesglen Institute School of Nursing in Melbourne, Australia. Like GPRC, Holmesglen Institute is a college that is locating its Health programming, including its baccalaureate nursing programming, in a hospital located on college property. Current partnership plans include joint research, faculty and student exchanges, and other collaborations beneficial to both institutions.





# FINANCIAL & BUDGET INFORMATION

In May of 2015, the Board of Governors approved the 2015–2016 operational budget, which projected a surplus of \$2.3 million, a significant turnaround from a \$1.6 million deficit in 2014–2015. Balanced budgets were projected for 2016–2017 and 2017–2018. The GPRC budget was based on projected grants and other revenues from the Government of Alberta, as outlined in the March, 2015 budget.

Following the May, 2015 provincial election, the Government of Alberta announced increased funding for post-secondary institutions, leading to a larger surplus position for GPRC, as well as projected surpluses in 2016–2017 and 2017–2018. Along with other variances in revenues and expenditures, the actual surplus for 2015–2016 was almost \$4.6 million, or approximately \$2.3 million greater than budgeted.

	BUDGET 2015–2016	ACTUAL 2015–2016	ACTUAL 2014–2015
Revenues	68,857,351	71,441,111	70,900,258
Expenses	66,557,351	66,877,860	72,509,475
Annual operating surplus (deficit)	2,300,000	4,563,251	(1,609,217)

## SIGNIFICANT VARIANCES FROM BUDGET

The actual results for 2015–2016 varied from the budget approved by the Board of Governors due to variances in revenues and expenses.

**Variations in Revenues:** In 2015–2016, actual revenue was approximately \$2.6 million greater than projected in the GPRC budget, as noted in the following table:

REVENUES	BUDGET 2015–2016	ACTUAL 2015–2016
Government of Alberta grants	48,134,763	50,699,321
Federal and other government grants	2,057,106	1,585,154
Student tuition and fees	9,977,893	9,857,406
Sales of services and products	6,424,089	6,971,134
Donations and other grants	1,603,500	1,608,742
Investment income	660,000	719,354
	68,857,351	71,441,111

- ▶ **Government of Alberta grants:** Provincial grants were greater than projected, mainly due to an increase in the provincial operating grant by \$1.9 million. There was also a variance in revenue recognized for the Infrastructure Maintenance Program (IMP) grant. The IMP revenue is based on actual expenses incurred during the fiscal year and because of that, is not included in the operating budget. Additionally, there was an increase to Apprenticeship and Industry (AIT) funding.
- ▶ **Federal and other government grants:** The budget reasonably estimated the amount of federal grants that would be received during the year based on previous funding and grant applications. Some of this projected funding did not materialize, leading to a reduction in grant revenues of approximately \$472,000. Most of the variance in revenues was offset with a matching variance (decrease) in the related expenses.
- ▶ **Student tuition and fees:** Actual tuition and fee revenue approximated the projection in the budget.
- ▶ **Sales of services and products:** Total sales were approximately \$547,000 more than projected due to contract revenues and GPRC Research & Innovation sales. The increased sales in CRI were mostly offset by related expenses.
- ▶ **Donations and other grants:** Actual donations and other grants revenue closely approximated budget projections.
- ▶ **Investment income:** Actual returns were greater than budgeted, resulting in higher income than budgeted.

**Variances in Expenses:** Expenses for 2015–2016 were approximately \$320,000 higher than budgeted. Significant savings in supplies and services, as well as utilities, helped to reduce higher-than-projected expenditures in salaries and benefits, scholarships and amortization.

<b>EXPENSES</b>	<b>BUDGET 2015–2016</b>	<b>ACTUAL 2015–2016</b>
Salaries and benefits	44,505,532	44,933,124
Materials, supplies and services	13,588,904	12,709,180
Cost of goods sold	76,829	83,749
Scholarships and bursaries	400,000	629,599
Maintenance and repairs	863,965	1,540,075
Utilities	1,849,121	1,507,576
Amortization of tangible capital assets	5,273,000	5,472,697
Loss on disposal of tangible capital assets	-	1,860
	<b>66,557,351</b>	<b>66,877,860</b>

- ▶ **Salaries and benefits:** The increase in salaries and benefits of approximately \$400,000, or slightly less than 1% of expenditures in this category, was mostly attributable to retirement and settlement payouts.
- ▶ **Materials, supplies and services:** Reduced expenditures of approximately \$880,000 were primarily due to less Centre for Research and Innovation net spending than budgeted. This variance was reflected in the Centre's grant revenue, which was less than projected. Some other expenditures, such as professional development and leadership, were also less than projected.
- ▶ **Scholarships and bursaries:** Scholarship costs were \$230,000 greater than budgeted due to ongoing support of students and the expenditure of new donations.

- ▶ **Maintenance and repairs:** The increase in maintenance and repair expenditures of approximately \$676,000 was primarily attributable to unbudgeted work for chiller repairs and renovations, as well as to IMP expenses that were not projected in the budget. These expenses were offset by IMP revenue.
- ▶ **Utilities:** A milder winter, paired with negotiated lower utility rates, allowed for savings of \$300,000 from the budget projection.
- ▶ **Amortization of tangible capital assets:** Amortization was greater than budgeted amounts due to greater than projected capital purchases and upgrades.
- ▶ **Loss on disposal of tangible capital assets:** A small loss was realized on the disposal of a tangible capital asset.

## SIGNIFICANT CHANGES IN REVENUE FROM THE PRIOR YEAR

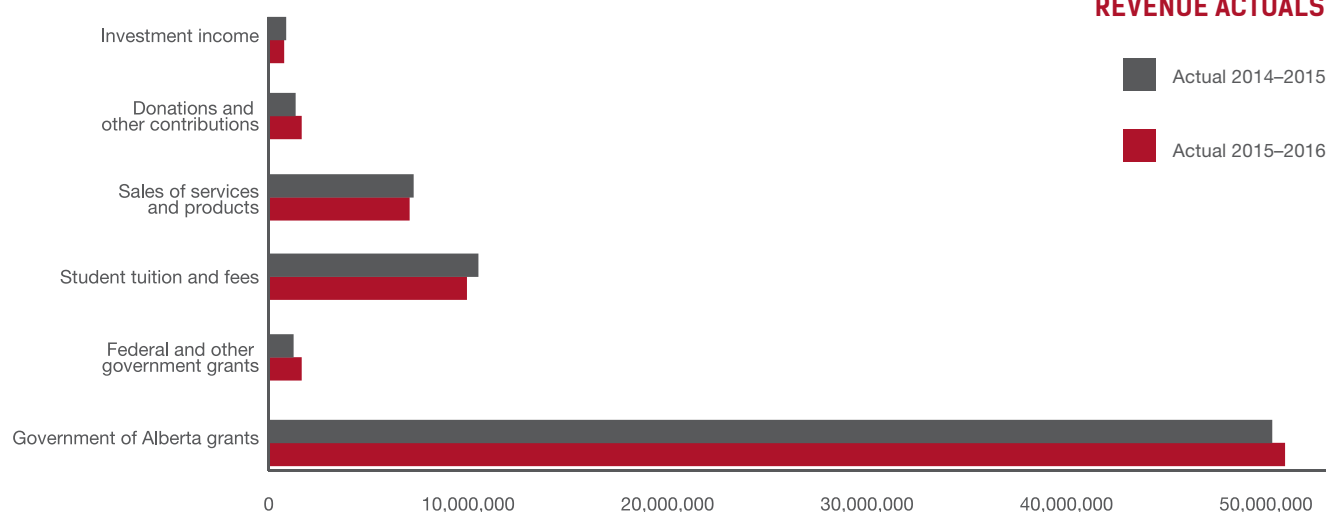
Revenue for 2015–2016 increased by 1%, or \$540,000, from 2014–2015. This increase is primarily attributable to an increase in the operating grant from the Government of Alberta, as well as to an increase in fundraising revenues and donations specifically designated for scholarships, and federal grants. These revenue increases were offset by a reduction in tuition revenue due to lower enrollment and program changes as well as to lower sales of services and products due to current economic conditions.

REVENUES	ACTUAL 2015–2016	ACTUAL 2014–2015
Government of Alberta grants	50,699,321	50,040,780
Federal and other government grants	1,585,154	1,178,512
Student tuition and fees	9,857,406	10,405,346
Sales of services and products	6,971,134	7,189,698
Donations and other grants	1,608,742	1,277,574
Investment income	719,354	808,348
	71,441,111	70,900,258

- ▶ **Government of Alberta grants:** An increase to the operating grant from the newly elected government, along with increased Apprenticeship and Industry (AIT) funding, caused Government of Alberta grant revenue to be significantly higher in 2015–2016 compared to 2014–2015.
- ▶ **Federal and other government grants:** A significant portion of the increase in federal and other government grant revenue was caused by higher grant revenue in the GPRC Research & Innovation Department. This was offset by an increase in supplies.
- ▶ **Student tuition and fees:** 2015–2016 saw the implementation of program curtailments and slightly lower enrolment numbers compared to 2014–2015, leading to a decrease in tuition and fee revenue.
- ▶ **Sales of services and products:** With lower enrollment levels, a decrease was also seen in bookstore sales, food services and housing.
- ▶ **Donations and other grants:** Additional donations for student awards and scholarships caused fundraising and donation revenue to exceed 2014–2015 levels.
- ▶ **Investment income:** Lower rates of return on investments caused a decrease in investment income.



## REVENUE ACTUALS

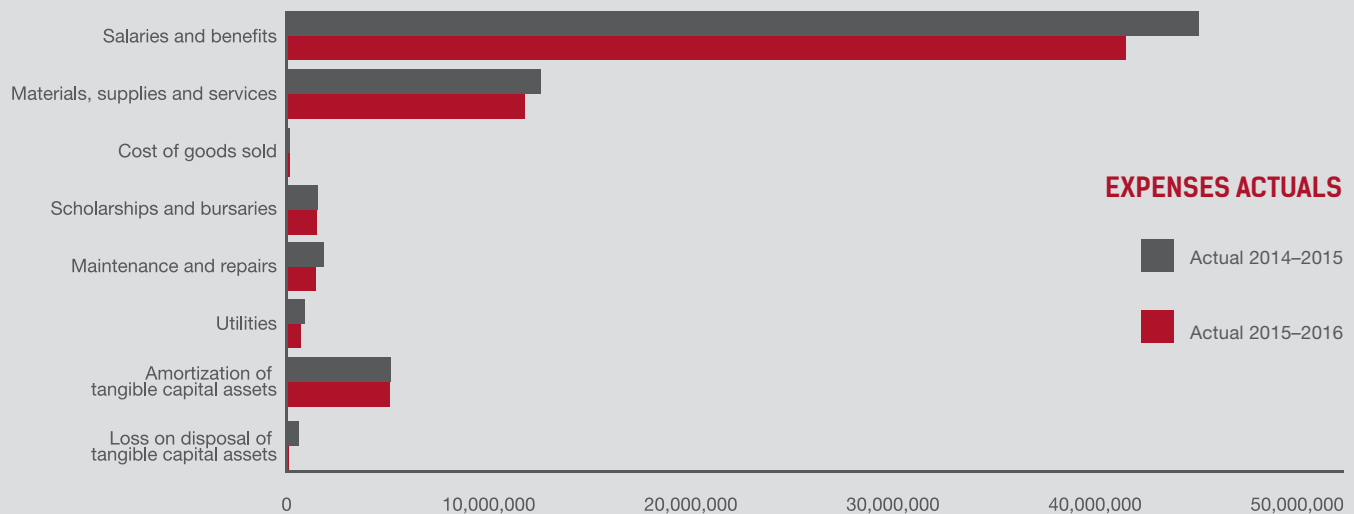


## SIGNIFICANT CHANGES IN EXPENSES FROM THE PRIOR YEAR

Operating expenses for 2015–2016 totalled \$66.9 million, a decrease of \$5.6 million or 8% from 2014–2015. This was mainly attributable to salary and benefit savings of approximately \$3.9 million, as 2014–2015 saw a significant amount of retirement incentives, salary settlements and severance costs related to staff retirements and departures in order to meet 2015–2016 budget targets. Additionally, scholarship and bursary costs increased due to the receipt of fundraising and donation revenue targeted to scholarships. In addition to the decreases in costs, GPRC achieved College-wide savings in general materials and supplies and in utility costs as a result of a milder winter and lower negotiated utility rates.

EXPENSES	ACTUAL 2015-2016	ACTUAL 2014-2015
Salaries and benefits	44,933,124	48,829,219
Materials, supplies and services	12,709,180	13,530,768
Cost of goods sold	83,749	131,802
Scholarships and bursaries	629,599	383,230
Maintenance and repairs	1,540,075	1,579,837
Utilities	1,507,576	1,961,656
Amortization of tangible capital assets	5,472,697	5,507,103
Loss on disposal of tangible capital assets	1,860	585,860
	<b>66,877,860</b>	<b>72,509,475</b>

- ▶ **Salaries and benefits:** Salaries and benefits decreased from the prior year by 8% or \$3.9 million, as a significant amount of severances and settlements were paid out in 2014–2015 to meet budget savings requirements.
- ▶ **Materials, supplies and services:** The \$822,000 decrease in materials, supplies and services was a result of savings identified at budget development, unspent staff development funds, and a reduction in contract fee-for-service agreements and professional fees. These savings were slightly offset by an increase in Information Technology costs for infrastructure support, maintenance agreements and licenses, and wireless network upgrades.
- ▶ **Scholarships and bursaries:** Reflecting an increase in donation and fundraising revenue, scholarship costs increased in 2015–2016. An additional \$250,000 in scholarships was awarded compared to the previous year.
- ▶ **Utilities:** Utilities expense saw a decrease of \$454,000, due mostly to a decline in both the consumption and price of natural gas and electricity when compared to 2014–2015.
- ▶ **Loss on disposal of tangible capital assets:** A write-down of library materials in 2014–2015 caused a larger than normal loss on disposal of assets, with 2015–2016 returning to a more typical level.



## LOOKING FORWARD

In April of 2016, the Government of Alberta tabled the provincial budget and announced an increase to the operating grants to post-secondary institutions. The impact on GPRC was an increase to budgeted revenue in 2016/2017 of 2%. This allowed for the 2016–2017 budget to not only maintain current budgets, but also include additional projects and spending to meet institutional needs and goals. GPRC is budgeting a surplus for 2016–2017 of \$980,000.



# ENTERPRISE RISK MANAGEMENT PLAN

The Enterprise Risk Management department was set up by GPRC in 2013–2014 to minimize risks through a program of risk identification and mitigation. In 2015–2016 the activities of the department directly supported two goals under the Sustainability Priority Initiative of the 2015–2016 CIP through the following undertakings:

**Goal 4.3** Ensure a healthy and safe environment for students, staff and visitors

- ▶ Level 1 Violence and Threat Risk Assessment training was provided to 56 GPRC employees. The success of this training will lead to another Level 1 session as well as Level 2 training in 2016–2017.
- ▶ GPRC presented an awareness video and education sessions on how to respond to an active shooter on campus. Robbery response presentations were provided to GPRC employees that worked with cash.
- ▶ RCMP canine training took place in the Waskahigan Residence at the Fairview Campus. This training included interior canine chase and engagement activities.
- ▶ Security camera systems were enhanced at the Grande Prairie and Fairview Campuses through a capital project.
- ▶ Grande Prairie Campus hosted the Grande Prairie Regional Emergency Partnership's tabletop exercise.
- ▶ GPRC participated in the Safe Communities (Grande Prairie and Area) Priority Setting exercise.
- ▶ GPRC Executive participated in tabletop emergency response scenarios throughout the Academic Year.
- ▶ Fairview Campus hosted the Regional Skills Canada Competition—North Zone. For the Safety Skills portion, a mock workplace scenario for hazard identification was set up.
- ▶ Non-Violent Crisis Intervention (NCI) training was provided to students.
- ▶ Fairview Campus and Grande Prairie Campus held influenza immunization clinics in the fall season, which were open to students, staff, faculty, and the public.
- ▶ The ERM Department provided safety, security, and preparedness education sessions to GPRC committees, departments, and during new employee orientation sessions.



**Goal 4.4** Develop environmental awareness (Green Initiative) and measure, monitor, and transform our practices

- ▶ To reduce the use of colour printer toner, a pop-up message for “Green Initiative” was created that appears on screen for every colour print job.
- ▶ Vehicle usage reports were used to encourage the employment of good driving skills by staff and faculty.
- ▶ Energy efficient LED systems were used in all new lighting projects or lighting renovations.
- ▶ New water fountains were installed at Grande Prairie and Fairview campuses to encourage the use of refillable beverage containers and reduce the use of disposable, plastic water bottles.

In other activities, the department continued efforts to strengthen the ERM culture at GPRC. Initiatives undertaken to achieve this end included:

- ▶ GPRC’s Executive quarterly reviewed risks and legislative compliance reports. An enterprise risk management awareness session was presented to the Board of Governors.
- ▶ Risk assessments and controls were incorporated into the portion of the Tour of Alberta that took place on GPRC property.
- ▶ GPRC’s business processes were updated to include risk assessments.
- ▶ Meetings took place with administrative directors to evaluate risk register information.

The department also worked towards creating a system to better monitor regulatory compliance at GPRC through the following activities:

- ▶ One-on-one legislative assessments took place, further building a culture and awareness of regulatory compliance. This process also included a group assessment by the Senior Leadership Team of the Post-Secondary Learning Act.
- ▶ GPRC participated in the Campus Alberta Risk and Assurance Committee’s Legislative Compliance Group meetings which allowed members of various Alberta post-secondary institutions to discuss and improve legislative compliance processes.



# HUMAN RESOURCES PLAN

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Human Resources services are an important enabler of GPRC's culture of engagement, innovation and excellence. Towards these ends, in 2015–2016 Human Resources services began a transition from a transactional-based focus to a strategic, collaborative and service-based model. Specific undertakings included the following activities that followed from the direction outlined in the 2015–2018 CIP:

**Talent Acquisition Strategy:** The HR Smart program to update the applicant tracking system was carried out in 2015–2016, with implementation planned for early 2016–2017. The update will introduce operational efficiencies into the aggregation and review of job applications, as well as a simplified system for online job applications.

**Talent Management Strategies:** Activities in this area focused on employee engagement, with the following achievements:

- ▶ An employee engagement survey was conducted in 2015; survey results were shared with staff in all departments and an action plan was created to respond to the findings
- ▶ A revised employee recognition policy was created and implemented
- ▶ A 360-degree competency base model was implemented to provide feedback based on position proficiency. This model was offered to both the Employees' Association and Alberta Union of Provincial Employees for their consideration and potential use. The model would be customized for each employee group
- ▶ A new job evaluation process, including position description manuals, templates and forms was in the final stages of development at fiscal year-end, with implementation planned for 2016–2017

**Talent Development & Succession Planning:** In support of faculty and staff development, GPRC:

- ▶ Updated the professional development policy to provide more clarity on applicable usage, with the intent of expanding participation in Professional Development
- ▶ Created a College-wide leadership succession plan; further development into 2017 will ensure that there is a pipeline of talent at GPRC
- ▶ Provided customer service training to 24 staff and management training to 18 staff
- ▶ 13 staff accessed leadership development training
- ▶ 50 staff received Interview skills training

**Position Control Management:** A position control system is used to track all employee positions at GPRC, including vacancies. The system ensures that all positions have job descriptions and have been properly classified and is used for budgeting and HR management purposes. Work that started in 2014–2015 on the existing database continued in the 2015–2016 fiscal year, with a focus on identifying ways to streamline the system. Work processes have been identified and will be updated over the next two years. The updated system is planned to provide greater integration across HR, budget, and finance databases in support of more effective decision making.

# INFORMATION TECHNOLOGY

## INFORMATION TECHNOLOGY ADVANCEMENTS

More than 60 Information Technology (IT) projects were completed in 2015–2016, 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.

Along with these activities, the department drafted a

three-year strategic plan to guide activities and ensure optimal alignment of IT projects and services with GPRC priorities. Part of this process was the drafting of mission, vision and value statements through workshops that involved all staff in the department.

The following summarizes some of the major projects undertaken or completed in 2015–2016.

## COLLEGE-WIDE

### TECHNOLOGY GOVERNANCE MODEL

In 2015–2016, Information Technology developed a new set of policies, designed to align GPRC IT processes with industry standards. All of the policies have been formally adopted by GPRC, and initiatives to improve processes and controls are underway. These policies form a technology governance model for GPRC, and serve to maintain the confidentiality and integrity of information technology systems, and the information in them.

### IT SYSTEMS REVIEW

GPRC initiated a process to review IT systems in 2015–2016. The process includes a review of IT processes and consultation with all users of GPRC IT systems. This three-year process is expected to help IT gain a better understanding of customer needs and to improve IT services and processes.

### CHANGE MANAGEMENT PROCESSES

As part of the development of the technology governance model, Information Technology is implementing change management processes to improve internal controls and methodologies across GPRC. The implementation of this will continue in 2016–2017.

### COMMUNICATIONS AND TRAINING

In 2015–2016, GPRC started several new initiatives to improve staff communication and staff training resources. For Information Technology, this included the development of a new staff announcement system, a new communication request system, a new staff feedback system and the initial development of a staff video training library.



## STUDENT SERVICES

### ROOM SCHEDULING

Effective and efficient allocation and scheduling of GPRC's classrooms is a priority for GPRC. A project to upgrade and improve classroom scheduling software was undertaken in 2015–2016 and will be completed in 2016–2017. The upgrade to existing scheduling software will improve the speed and effectiveness of room scheduling processes.

### STUDENT MANAGEMENT SYSTEM UPGRADES

The GPRC Student Management System, PowerCAMPUS, was upgraded to the newest version, allowing GPRC to take advantage of any new features that are available. As part of this upgrade, improvements were also made to myGPRC, the student self-service portal. An upgrade was also performed on the Navigator Suite, GPRC's curriculum management software.

## INFORMATION TECHNOLOGY

### CLASSROOMS

As part of ongoing classroom upgrades, the GPRC Information Technology and Facilities Maintenance and Operations departments worked together to renovate nine technology rooms, including the construction of two new computer labs. The new labs, designed to support future growth of academic programs at GPRC, are significantly larger than the majority of existing labs. Minor improvements were made to several other classrooms as well, including upgrading classroom instructor computers and all of the computer labs to Windows 10.

### WIRELESS NETWORKING

A new wireless network with improved capacity was implemented on all GPRC campuses, ensuring students are able to access learning resources and computing services throughout GPRC campuses and learning centers. This upgrade included a replacement for the wireless internet provided in Fairview campus residences.

### VIRTUAL DESKTOP INFRASTRUCTURE

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

### INFRASTRUCTURE MAINTENANCE

Continued investment in IT infrastructure is necessary to ensure that infrastructure is current, stable, and capable of meeting the current and future technological requirements of GPRC. In 2015–2016, scheduled replacement of UPS, network, servers, storage, backup, and video conferencing equipment occurred, along with the development of a new maintenance and capital replacement schedule designed to ensure that GPRC IT infrastructure is capable of supporting the future needs of our students.



# CAPITAL PLAN

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

Capital management in 2015–2016 responded to GPRC needs through short-term and longer-term projects and planning. In terms of immediate needs, spending of approximately \$1.2 million was directed towards maintenance needs through Infrastructure Maintenance Program funding from the Province of Alberta. \$1.7 million was spent on new equipment to enhance programming.

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. Opening is projected for 2019. The space will be primarily for the delivery of allied health programming.

In response to the identification of long term needs, preparations were made in 2015-2016 to update the

campus master plans for Grande Prairie and Fairview campuses. These plans guide the determination of capital projects over 5 to 10+ year periods. Preparations to update these plans included the issuing an RFP for architectural and planning services. Stantec, an architecture design and engineering firm, was the successful bidder. The process to update the plans will begin in the fall of 2016.

Work was undertaken to streamline capital planning and approval processes at GPRC as part of the larger ServiceSmart initiative. Included in these improvements will be the introduction of an “evergreen” policy to enhance budget forecasting and standardize capital asset replacement. These changes will be implemented in 2016–2017.

The department applied for \$4.6 million in funding from the Post-Secondary Institutions Strategic Investment Fund for two projects. The fund is an initiative of the federal government, in cooperation with provincial governments, to accelerate infrastructure projects at colleges and universities across Canada. A funding decision on the two applications is expected in the fall of 2016.

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## 2015–2016 PROJECTS

**1. Food Services Renovations** – Grande Prairie and Fairview Campuses – Front of house food service areas were renovated with the addition of Tim Hortons outlets on both campuses. Grande Prairie campus Tim Hortons features hot and cold beverages, pastries, and breakfast. Fairview campus Tim Hortons features express hot beverage service. Both locations have been provided with new and upgraded finishes, including new countertops, flooring, ceilings, LED lighting, and food service preparation stations. Fairview campus back of house (kitchen) has been equipped with a new combi-oven. Grande Prairie campus has been equipped with a new dishwasher.



**2. Classroom Restoration** – 2015–2016 Classroom Restoration Project – Six classrooms were renovated or updated on Grande Prairie and Fairview campuses. To date, 67 classrooms have been renovated or updated. In addition, a major purchase of new furnishings was completed to ensure all active classrooms have modern classroom desks and chairs.

**3. Chiller Replacements** – The Douglas Cardinal building absorption chiller was replaced with three new air conditioning units. The new system has built-in redundancies which will lessen the impact of system break downs. The Fairview campus administration building chiller was also replaced with a new system.

**4. Finance Department Renovation** – Space used by the Finance department in Grande Prairie was completely renovated in 2015–2016. The newly renovated space accommodates all department staff in one area, leading to organizational and operational efficiencies. Renovations included new flooring, paint, LED lighting, modular furnishings, and a staff meeting area. Electronic sound masking in conjunction with ceiling clouds, sound panels, and obscured perimeter rain-glass, has been provided to enhance privacy and sound control.

**5. Electronic Sound Masking Systems** – To enhance privacy and reduce distractions, electronic sound masking systems were installed in the Human Resources department, an academic dean’s office area, and the executive suite.

**6. Electrical System Installation for Sheet Metal Tab Welder** – A significant upgrade and installation was required to provide electrical service for the new sheet metal tab welder in Fairview.

**7. Fairview Residence Wireless Upgrade** – Conduits used for fibre optics and other cabling were installed in Loggie and Hemstock Halls on Fairview campus as part of a larger project to improve internet wireless services in the residences.

**8. Wind Damage Insurance Claim** – Work was completed on repairs to two Fairview campus buildings that sustained significant damage from a wind storm in January, 2014, including removal of a blue (Cover-All) tent structure and reroofing of the Farrier barn.

**9. Animal Science Barrier Free Washroom and Female Washroom Upgrades** – A complete renovation of the existing female washroom in the Animal Science department at the Fairview campus was completed, as well as the transformation of the old staff washroom into a new barrier-free washroom.

**10. C-Wing Ground Level Concourse Office Removal** – Six offices located adjacent to the C-wing concourse in Grande Prairie were removed in 2015-2016, as part of a program to expand the concourse and create additional open space on the campus. To date, 12 of 20 offices have been removed.

**11. Security Camera Installation** – In 2015–2016 the ERM department continued to increase and upgrade the electronic surveillance camera network on both campuses. In Fairview, 11 additional cameras were installed bringing the total to approximately 47. An additional 28 cameras were added to the Grande Prairie Campus, bringing the total number to approximately 89.

**12. Steam Lab Turbine Installation** – Work on the project at the Fairview campus continued in 2015–2016 and is approximately 80% complete. Electrical component work, steam blow (cleaning process), and commissioning is still outstanding. The turbine is used in the Power Engineering program, a trade in high demand in Alberta. The new steam lab provides GPRC with the ability to deliver Third and Fourth certificate levels and supports further expansion of the program.





**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2016**

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<b>03</b>	<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>
<b>04</b>	<b>CONSOLIDATED STATEMENT OF OPERATIONS</b>
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<b>06</b>	<b>CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS &amp; LOSSES</b>
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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, 2016, 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, 2016, and the results of its operations, its remeasurement gains and losses, its change from net debt to net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

Auditor General

September 8, 2016

Edmonton, Alberta

The consolidated financial statements of Grande Prairie Regional College have been prepared by management in accordance with Canadian Public Sector Accounting Standards, and in regards to the net financial assets (net debt) indicator, as directed by the Controller of the Province of Alberta. In that framework, the consolidated financial statements present fairly the financial position of the College as at June 30, 2016 and the results of its operations for the year then ended. The presentation of net financial assets includes portfolio investments that are restricted for endowments which cannot be used to pay for liabilities or future expenditures.

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. The majority of the members of the Audit Committee are not employees of the College. The Audit Committee meets with management and the external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to the Audit Committee, with and without presence of management.

These consolidated financial statements have been reported on by the Auditor General of 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, President

Original Signed by  
Dwayne Hart, Vice President, Administration





	<u>2016</u>	<u>2015 (Note 3)</u>
<b>Financial Assets</b>		
Cash and cash equivalents (Note 4)	\$ 1,712,484	\$ 2,200,473
Portfolio investments - non-endowment (Note 5)	24,722,579	22,912,009
Portfolio investments - restricted for endowments (Note 5)	6,060,590	6,056,501
Accounts receivable	1,207,063	1,080,202
Inventories for resale	267,879	284,541
	<u>33,970,595</u>	<u>32,533,726</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	5,422,325	7,342,544
Employee future benefits liabilities (Note 7)	994,085	1,045,912
Debt (Note 8)	14,628,498	14,920,119
Deferred revenue (Note 9)	8,696,711	9,280,502
	<u>29,741,619</u>	<u>32,589,077</u>
<b>Net financial assets (net debt)</b>	<u>\$ 4,228,976</u>	<u>\$ (55,351)</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 10)	69,607,304	70,749,091
Inventories of supplies	42,529	45,802
Prepaid expenses	818,631	961,423
	<u>70,468,464</u>	<u>71,756,316</u>
<b>Net assets before deferred capital contributions</b>	<u>74,697,440</u>	<u>71,700,965</u>
Spent deferred capital contributions (Note 11)	<u>(38,708,832)</u>	<u>(40,278,066)</u>
<b>Net assets</b>	<u>\$ 35,988,608</u>	<u>\$ 31,422,899</u>
<b>Net assets are comprised of:</b>		
Accumulated surplus (Note 12)	35,883,146	31,315,806
Accumulated remeasurement gains	105,462	107,093
	<u>\$ 35,988,608</u>	<u>\$ 31,422,899</u>

Contingent liabilities and contractual obligations (Notes 13 and 14)

**Approved by the Board of Governors:** (Note 20)

Original Signed by  
 Don Gnatiuk, President

Original Signed by  
 Pete Merlo, Chair Board of Governors

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

	Budget (Note 19)	2016	2015 (Note 3)
<b>Revenues</b>			
Government of Alberta grants (Note 16)	\$ 48,134,763	\$ 50,699,321	\$ 50,040,780
Federal and other government grants	2,057,106	1,585,154	1,178,512
Student tuition and fees	9,977,893	9,857,406	10,405,346
Sales of services and products	6,424,089	6,971,134	7,189,698
Donations and other grants	1,603,500	1,608,742	1,277,574
Investment income	660,000	719,354	808,348
	<u>68,857,351</u>	<u>71,441,111</u>	<u>70,900,258</u>
<b>Expenses (Note 17)</b>			
Instruction	28,961,042	27,253,660	31,310,518
Academic and student support	9,491,066	9,925,819	10,021,297
Facility operations and maintenance	11,267,695	12,423,502	12,627,607
Institutional support	8,947,797	10,454,601	11,978,237
Ancillary services	4,599,345	4,172,118	4,272,598
Sponsored research	1,653,523	1,513,230	1,308,990
Special purpose	1,636,883	1,134,930	990,228
	<u>66,557,351</u>	<u>66,877,860</u>	<u>72,509,475</u>
<b>Annual operating surplus (deficit)</b>	2,300,000	4,563,251	(1,609,217)
Endowment contributions (Note 12)	-	4,089	127,655
	<u>2,300,000</u>	<u>4,567,340</u>	<u>(1,481,562)</u>
<b>Accumulated surplus, beginning of year (Note 12)</b>	31,315,806	31,315,806	32,797,368
	<u>\$ 33,615,806</u>	<u>\$ 35,883,146</u>	<u>\$ 31,315,806</u>

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



	<u>2016</u>	<u>2015</u>
<b>Annual surplus (deficit)</b>	<b>\$ 4,567,340</b>	<b>\$(1,481,562)</b>
Acquisition of tangible capital assets (Note 10)	<b>(4,380,111)</b>	(4,531,430)
Proceeds from sale of tangible capital assets	<b>47,341</b>	11,954
Amortization of tangible capital assets (Note 10)	<b>5,472,697</b>	5,507,103
Loss on sale of tangible capital assets (Note 17)	<b>1,860</b>	585,860
Change in inventories of supplies	<b>3,273</b>	(2,262)
Change in prepaid expenses	<b>142,792</b>	(441,279)
Change in spent deferred capital contributions	<b>(1,569,234)</b>	(1,387,374)
Net accumulated remeasurement gains (losses)	<b>(1,631)</b>	(20,589)
<b>Increase (decrease) in net financial assets (net debt)</b>	<b>4,284,327</b>	(1,759,579)
<b>Net financial assets (net debt), beginning of year</b>	<b>(55,351)</b>	1,704,228
<b>Net financial assets (net debt), end of year</b>	<b>\$ 4,228,976</b>	<b>\$ (55,351)</b>

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





	<u>2016</u>	<u>2015</u>
<b>Accumulated remeasurement gains, beginning of year</b>	<b>\$ 107,093</b>	<b>\$ 127,682</b>
Unrealized gains (losses) attributable to:		
Portfolio investments - non-endowment	<b>12,759</b>	(12,762)
Amounts reclassified to consolidated statement of operations:		
Portfolio investments - non-endowment	<b>(14,390)</b>	(7,827)
<b>Accumulated remeasurement gains, end of year</b>	<b><u>\$ 105,462</u></b>	<b><u>\$ 107,093</u></b>

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



	<u>2016</u>	<u>2015</u>
<b>Operating transactions</b>		
Annual surplus (deficit)	\$ 4,567,340	\$ (1,481,562)
Add (deduct) non-cash items:		
Amortization of tangible capital assets (Note 10)	5,472,697	5,507,103
Loss on disposal of tangible capital assets (Note 17)	1,860	585,860
Expended capital recognized as revenue (Note 11)	(2,817,566)	(2,896,013)
(Decrease) increase in employee future benefit liabilities	(51,827)	243,079
Loss (gain) on disposal of portfolio investments	51,997	(105,692)
Increase in accounts receivable	(126,861)	(89,128)
Decrease (increase) in inventories for resale	16,662	(95,829)
(Decrease) increase in accounts payable and accrued liabilities	(1,920,219)	216,642
(Decrease) increase in deferred revenue	(583,791)	390,422
Increase in spent deferred capital contributions, less expended capital recognized as revenue	1,248,332	1,508,639
Decrease (increase) in inventories of supplies	3,273	(2,263)
Decrease (increase) in prepaid expenses	142,792	(441,279)
<b>Cash provided by operating transactions</b>	<u>6,004,689</u>	<u>3,339,979</u>
<b>Investing transactions</b>		
Purchase of investments	(8,967,354)	(12,820,514)
Proceeds on sale of investments	7,099,067	14,695,489
<b>Cash provided by (applied to) investing transactions</b>	<u>(1,868,287)</u>	<u>1,874,975</u>
<b>Financing transactions</b>		
Debt - repayment	(472,188)	(421,777)
Debt - new financing	180,567	-
<b>Cash applied to financing transactions</b>	<u>(291,621)</u>	<u>(421,777)</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets (Note 10)	(4,380,111)	(4,531,430)
Proceeds on sale of tangible capital assets	47,341	11,955
<b>Cash applied to capital transactions</b>	<u>(4,332,770)</u>	<u>(4,519,475)</u>
<b>(Decrease) increase in cash and cash equivalents</b>	(487,989)	273,702
<b>Cash and cash equivalents, beginning of year</b>	<u>2,200,473</u>	<u>1,926,771</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,712,484</u>	<u>\$ 2,200,473</u>

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

**1. Authority and Purpose**

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

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

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

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

**b. Valuation of Financial Assets and Liabilities**

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

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

Unrealized gains and losses from changes in the fair value of unrestricted financial instruments are recognized in the consolidated statement of remeasurement gains and losses. 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 instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value. Investment management fees are expensed as incurred. The purchase and sale of cash, cash equivalents and portfolio investments are accounted for using trade-date accounting.

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

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



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

**c. Revenue Recognition**

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

**i. Government Grants, Non-government Grants and Donations**

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

Government transfers are referred to as government grants.

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

Government grants without terms for the use of the grant are recorded as revenue when the College is eligible to receive the funds. Unrestricted non-government grants and donations are recorded as revenue in the year received or in the year the funds are committed to the College if the amount can be reasonably estimated and collection is reasonably assured.

In-kind donations of services, materials and tangible capital assets are recorded at fair value when such value can reasonably be determined. Transfers of tangible capital assets from related parties are recorded at the carrying value. While volunteers, as well as College staff, contribute a significant amount of time each year to assist the College in carrying out its mission, the value of their services is not recognized in the consolidated financial statements because fair value cannot be reasonably determined.

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

Grants and donations for the purchase of land are recognized as deferred revenue when received, and recognized as revenue when the land is purchased.

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

**iii. 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.

Endowment contributions and matching contributions are recognized in the Consolidated Statement of Operations in the period in which they are received.

**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.

**d. Inventories**

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

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

**e. Tangible Capital Assets**

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development. Work in progress, which includes facilities and improvement projects and development of information systems, is not amortized until after the project is complete and the asset is in service.

Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of lease payments is the lower of the College's rate for incremental borrowing or the interest rate implicit in the lease. Note 8 provides a schedule of repayments and amount of interest on the lease.

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

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

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

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

**f. Employee Future Benefits**

**i. Pension**

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

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

**ii. Supplementary retirement plans (SRP)**

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

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

Sick leave benefits accumulate with employee service and are provided by the College to all employee groups as defined by employment agreements to cover illness related to absences that are outside of short-term and long-term disability coverage. The maximum accumulated sick leave is 30 to 65 days depending on the employee group. The liability for the accumulated non-vested sick pay benefit is actuarially determined using two models: Excess utilization model and Disability model. The cost of the accumulating non-vesting sick leave benefits are expensed as the benefits are earned.

**iv. Long-term disability**

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

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

f. 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.

g. 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.

h. 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.

i. Expense by function

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

**Instruction**

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

**Academic and student support**

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

**Facilities operations and maintenance**

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

**Institutional support**

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

**Ancillary services**

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

**Sponsored research**

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

**Special purpose**

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



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

**j. Future Accounting Changes**

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

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

Management is currently assessing the impact of these new standards on the consolidated financial statements. The College discloses transactions and balances related to the Government of Alberta in note 16.

**3. Changes in Accounting Policies**

**a. Adoption of the Net Debt Model**

The net debt model (with reclassification of comparatives) has been adopted for the presentation of the consolidated financial statements. Net financial asset or net debt is measured as the difference between the College's financial assets and liabilities.

The effect of this change results in changing the presentation of the consolidated statement of financial position and adding the consolidated statement of change in net financial assets.

**b. Endowment contributions**

Effective July 1, 2015, endowment contributions and matching contributions are recognized in the consolidated statement of operations in the period in which they are received. In prior years, such transactions were recognized as direct increases to endowments, not through income in the consolidated statement of operations, in the period they were received.

These changes have been applied retroactively with restatement of comparative numbers. The impact on the prior year's consolidated financial statements as a result of the change in accounting policy is as follows:

	2015 As previously recorded	2016 Change in Accounting Policy	2015 As restated
Increase in:			
Consolidated Statement of Operations			
Endowment Contributions	\$ -	\$ 127,655	\$ 127,655

**4. Cash and Cash Equivalents**

	2016	2015
Cash	\$ 109,104	\$ 2,200,473
Cash equivalents	1,603,380	-
	<u>\$ 1,712,484</u>	<u>\$ 2,200,473</u>

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

5. Portfolio Investments

	2016	2015
Portfolio investments - non-endowment	\$ 24,722,579	\$ 22,912,009
Portfolio investments - restricted for endowments	6,060,590	6,056,501
	<u>\$ 30,783,169</u>	<u>\$ 28,968,510</u>

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

	2016			
	Level 1	Level 2	Level 3	Total
Investments at Fair Value				
Fixed income				
Canadian Bonds	\$ -	\$ 6,734,077	\$ -	\$ 6,734,077
Preferred Shares	1,035,816	-	-	1,035,816
GICs	-	21,038,452	-	21,038,452
Equities				
Canadian Equities	1,058,038	-	-	1,058,038
Foreign Equities	916,786	-	-	916,786
Total investments	<u>\$ 3,010,640</u>	<u>\$ 27,772,529</u>	<u>\$ -</u>	<u>\$ 30,783,169</u>
	10 %	90 %	-	%
	100 %			
	2015			
	Level 1	Level 2	Level 3	Total
Investments at Fair Value				
Fixed income				
Investment Savings Account	\$ 2,166,437	\$ -	\$ -	\$ 2,166,437
Canadian Bonds	-	6,953,225	-	6,953,225
Preferred Shares	184,029	-	-	184,029
GICs	-	17,739,126	-	17,739,126
Equities				
Canadian Equities	1,078,891	-	-	1,078,891
Foreign Equities	846,802	-	-	846,802
Total investments	<u>4,276,159</u>	<u>24,692,351</u>	<u>-</u>	<u>28,968,510</u>
	15 %	85 %	-	%
	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).

**6. 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 its portfolio sensitivity to a percentage increase or decrease in the market prices. The sensitivity rate is determined using the historical annualized standard deviation for the total fund as determined by the investment advisor. At June 30, 2016, if equity market prices had a 10% (2015 - 10%) increase or decrease with all other variables held constant, the increase or decrease in remeasurement gains and losses and endowment net assets for the year would have been a total of \$197,483 (2015 - \$192,563).

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

**Foreign currency risk**

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

**Liquidity risk**

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

**Credit risk**

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

The credit risks on investments held as bonds are as follows:

Credit Rating	2016		2015	
	\$	%	\$	%
AA	\$ 376,586	5.59	\$ 2,031,732	29.22
A	6,357,491	94.41	4,921,493	70.78
	<b>\$ 6,734,077</b>	<b>100.00</b>	<b>\$ 6,953,225</b>	<b>100.00</b>

**Interest rate risk**

Interest rate risk is the risk to the College's earnings that arise from the fluctuations in interest rates and the degree of volatility of these rates. This risk is managed by investment policies that limit the term to maturity of certain fixed income securities that the College holds. Interest risk on the College's debt is managed through fixed-rate agreements with Alberta Capital Finance Authority (Note 8).

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	\$ 501,462	\$ 6,232,615	\$ -	1.56 %
GICs	\$ 3,941,742	\$ 17,096,710	\$ -	2.34 %

**7. Employee Future Benefit Liabilities**

Employee future benefit liabilities are comprised of the following:

	2016			2015		
	Academic staff	Support staff	Total	Academic staff	Support staff	Total
Leave plans	\$ 349,135	\$ 55,958	\$ 405,093	\$ 229,689	\$ 43,646	\$ 273,335
Long term disability	74,212	79,653	153,865	240,871	170,107	410,978
Sick leave	-	226,000	226,000	-	226,000	226,000
Supplementary retirement plan	-	209,127	209,127	-	135,599	135,599
	<b>\$ 423,347</b>	<b>\$ 570,738</b>	<b>\$ 994,085</b>	<b>\$ 470,560</b>	<b>\$ 575,352</b>	<b>\$ 1,045,912</b>

**Leave plans**

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

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

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

	2016	2015
Employees' contributions held by the College	\$ 392,162	\$ 265,267
Interest held on employees' contributions	12,931	8,068
Balance, end of year	<b>\$ 405,093</b>	<b>\$ 273,335</b>

**Long term disability (LTD) benefits**

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

**Sick Leave**

Sick leave benefits accumulate with employee service and are provided by the College to all employee groups, as defined by employee agreements, to cover illness related to absences that are outside of short-term and long-term coverage. The maximum accumulated sick leave is 30 - 65 days depending on the employee group.

**Supplementary retirement plan (defined benefit)**

The College provides non-contributory defined supplementary retirement benefits to current executives. An actuarial valuation of these benefits was carried out at June 30, 2015 and was then extrapolated to June 30, 2016. This showed an aggregate liability of \$209,127 (2015 - \$135,599)

**Professional leave**

Under the collective agreement with the Academic Staff Association, the College is committed to offering 60 months of paid professional leave to the group each contract period. The College had no remaining unutilized months at June 30, 2016.



7. Employee Future Benefit Liabilities (continued)

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

	2016				2015			
	LTD	Sick Leave	SRP <sup>(a)</sup>	Total	LTD	Sick Leave	SRP <sup>(a)</sup>	Total
<b>Expense</b>								
Current service cost	\$ (257,113)	\$ -	\$ 55,097	\$ (202,016)	\$ 145,856	\$ 24,000	\$ 43,910	\$ 213,766
Interest cost	-	-	8,192	8,192	-	9,000	6,916	15,916
Amortization of net actuarial (gain) loss	-	-	10,239	10,239	-	215,000	3,571	218,571
Past service cost	-	226,000	-	226,000	-	215,000	-	215,000
	<b>\$ (257,113)</b>	<b>\$ 226,000</b>	<b>\$ 73,528</b>	<b>\$ 42,415</b>	<b>\$ 145,856</b>	<b>\$ 463,000</b>	<b>\$ 54,397</b>	<b>\$ 663,253</b>
<b>Financial Position</b>								
Accrued benefit obligation:								
Balance, beginning	\$ 410,978	\$ 226,000	\$ 166,317	\$ 803,295	\$ 265,122	\$ 215,000	\$ 109,773	\$ 589,895
Current service cost	(257,113)	-	55,097	(202,016)	145,856	24,000	43,910	213,766
Interest cost	-	-	8,192	8,192	-	9,000	6,916	15,916
Benefits paid	-	-	-	-	-	(22,000)	-	(22,000)
Actuarial loss	-	-	-	-	-	-	5,718	5,718
Balance, end of year	<b>153,865</b>	<b>226,000</b>	<b>229,606</b>	<b>609,471</b>	<b>410,978</b>	<b>226,000</b>	<b>166,317</b>	<b>803,295</b>
Unamortized net actuarial loss	-	-	(20,479)	(20,479)	-	-	(30,718)	(30,718)
	<b>\$ 153,865</b>	<b>\$ 226,000</b>	<b>\$ 209,127</b>	<b>\$ 588,992</b>	<b>\$ 410,978</b>	<b>\$ 226,000</b>	<b>\$ 135,599</b>	<b>\$ 772,577</b>

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

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

	2016			2015		
	LTD	Sick Leave	SRP	LTD	Sick Leave	SRP
Accrued benefit obligation:						
Discount rate	3.5 %	3.5 %	3.7 %	3.5 %	3.5 %	3.7 %
Long-term average compensation increase	3.5 %	3.0 %	3.0 %	3.5 %	3.0 %	3.0 %
Benefit cost:						
Discount rate	3.5 %	3.5 %	3.7 %	3.5 %	3.5 %	3.7 %
Long-term average compensation increase <sup>(a)</sup>	3.5 %	3.0 %	3.0 %	3.5 %	3.0 %	3.0 %
Alberta inflation (year 1)	2.3 %	- %	2.3 %	2.3 %	- %	2.3 %
Estimated average remaining service life	10 years	11 years	3 years	11 years	11 years	3 years

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

7. Employee Future Benefit Liabilities (continued)

Local Authority Pension Plan

The Local Authority Pension Plan (LAPP) is a multi-employer contributory defined benefit pension plan for support staff members and is accounted for on a defined contribution basis. At December 31, 2015, the LAPP reported an actuarial deficiency of \$923.0 million (2014 - deficiency of \$2.5 billion). An actuarial valuation of the LAPP was carried out as at December 31, 2014 and was then extrapolated to December 31, 2015. The pension expense recorded in these financial statements is \$3,959,662 (2015 - \$4,020,840). Other than the requirement to make additional contributions, the College does not bear any direct risk related to the LAPP deficiency.

8. Debt

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

	2016		2015	
	Maturity	Interest Rate (%)	Amortized Cost	Amortized Cost
Debentures payable to Alberta Capital Finance Authority:				
Loan #1500775	Nov 2026	6.0	\$ 176,000	\$ 192,000
Loan #1500778	Jul 2027	6.1	240,000	260,000
Loan #3500015	Sep 2030	4.4	1,657,939	1,738,265
Loan #4000180	Dec 2036	4.4	4,699,857	4,838,358
Loan #4000464	Mar 2038	4.7	3,661,141	3,754,568
Loan #4000728	Jun 2038	5.1	4,045,360	4,136,928
			<b>14,480,297</b>	14,920,119
Obligation under capital lease			<b>148,201</b>	-
			<b>\$ 14,628,498</b>	<b>\$ 14,920,119</b>

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

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

	Principal	Interest	Total
2017	\$ 503,205	\$ 679,870	\$ 1,183,075
2018	523,740	657,150	1,180,890
2019	545,217	633,498	1,178,715
2020	533,325	609,029	1,142,354
2021	543,577	584,110	1,127,687
Thereafter	11,979,434	5,192,984	17,172,418
	<b>\$ 14,628,498</b>	<b>\$ 8,356,641</b>	<b>\$ 22,985,139</b>

Interest expense on debt is \$696,449 (2015 - \$714,630) and is included in the consolidated statement of operations.

9. Deferred Revenue

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

	2016				2015
	Research and special purpose	Unspent deferred capital contributions	Tuition and other fees	Total	Total
Balance, beginning of year	\$ 5,760,290	\$ 1,703,907	\$ 1,816,305	\$ 9,280,502	\$ 8,890,080
Grants, tuition, donations received during the year	6,531,052	1,318,358	1,458,605	9,308,015	10,497,640
Restricted investment income	188,610	-	-	188,610	486,551
Unrealized losses	(77,257)	-	-	(77,257)	(271,507)
Transfers to spent deferred capital contributions	-	(1,248,332)	-	(1,248,332)	(1,508,639)
Recognized as revenue	(6,938,522)	-	(1,816,305)	(8,754,827)	(8,813,623)
Balance, end of year	\$ 5,464,173	\$ 1,773,933	\$ 1,458,605	\$ 8,696,711	\$ 9,280,502

10. Tangible Capital Assets

	2016					2015
	Land	Buildings and site improvements (a)	Furnishings, equipment and systems (c)	Learning resources (d)	Total	Total
<b>Cost</b>						
Beginning of year	\$ 2,753,998	\$ 146,761,428	\$ 34,713,527	\$ 1,090,131	\$ 185,319,084	\$ 183,799,222
Acquisitions <sup>(b)</sup>	-	1,047,530	3,264,504	68,077	4,380,111	4,531,430
Disposals, including write downs	-	-	(1,031,720)	-	(1,031,720)	(3,011,568)
	2,753,998	147,808,958	36,946,311	1,158,208	188,667,475	185,319,084
<b>Accumulated Amortization</b>						
Beginning of year	\$ -	\$ 87,250,056	\$ 26,603,442	\$ 716,495	\$ 114,569,993	\$ 111,476,643
Amortization expense	-	3,163,403	2,222,843	86,451	5,472,697	5,507,103
Disposals, including write downs	-	-	(982,519)	-	(982,519)	(2,413,753)
	-	90,413,459	27,843,766	802,946	119,060,171	114,569,993
<b>Net book value at June 30, 2016</b>	\$ 2,753,998	\$ 57,395,499	\$ 9,102,545	\$ 355,262	\$ 69,607,304	\$ 70,749,091

(a) Included in buildings and site improvements is \$3,160,539 (2015 - \$2,874,202) 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 \$30,399 (2015 - \$6,800).

(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.

**11. 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).

	2016	2015
<b>Spent Deferred Capital Contributions</b>		
Spent deferred capital contributions, beginning of year	\$ 40,278,066	\$ 41,665,440
Transfers from unspent deferred capital contributions	1,248,332	1,508,639
Expended capital recognized as revenue	(2,817,566)	(2,896,013)
Spent deferred capital contributions, end of year	<u>\$ 38,708,832</u>	<u>\$ 40,278,066</u>

**12. Accumulated Surplus**

The composition of accumulated surplus is as follows:

	Accumulated surplus from operations	Investment in tangible capital assets	Internally restricted surplus	Endowments	Total accumulated surplus
<b>Balance as at June 30, 2014</b>	\$ 9,787,793	\$ 15,315,243	\$ 1,765,486	\$ 5,928,846	\$ 32,797,368
Annual deficit	(1,481,562)	-	-	-	(1,481,562)
Internally funded acquisition of tangible capital assets	(3,022,792)	3,022,792	-	-	-
Transfer to endowments	(127,655)	-	-	127,655	-
Amortization of internally funded tangible capital assets	2,611,091	(2,611,091)	-	-	-
Net book value of tangible capital asset disposals	597,814	(597,814)	-	-	-
Debt repayment	(421,777)	421,777	-	-	-
Operating expenses funded from internally restricted surplus	134,459	-	(134,459)	-	-
<b>Balance as at June 30, 2015</b>	<b>\$ 8,077,371</b>	<b>\$ 15,550,907</b>	<b>\$ 1,631,027</b>	<b>\$ 6,056,501</b>	<b>\$ 31,315,806</b>
Annual surplus	4,567,340	-	-	-	4,567,340
Internally funded acquisition of tangible capital assets	(3,131,779)	3,131,779	-	-	-
Transfer to endowments	(4,089)	-	-	4,089	-
Amortization of internally funded tangible capital assets	2,655,132	(2,655,132)	-	-	-
Net book value of tangible capital asset disposals	49,201	(49,201)	-	-	-
Debt - new financing	180,567	(180,567)	-	-	-
Debt - repayment	(472,188)	472,188	-	-	-
Operating expenses funded from internally restricted surplus	169,847	-	(169,847)	-	-
<b>Balance as at June 30, 2016</b>	<b>\$ 12,091,402</b>	<b>\$ 16,269,974</b>	<b>\$ 1,461,180</b>	<b>\$ 6,060,590</b>	<b>\$ 35,883,146</b>

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



**12. Accumulated Surplus (continued)**

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

	<b>2016</b>	2015
College appropriations for operating activities	<b>\$ 792,711</b>	\$ 856,707
Foundation	<b>668,469</b>	774,320
	<b>\$ 1,461,180</b>	\$ 1,631,027

**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 Institution. Administration has concluded that none of the claims meet the criteria for being recorded under PSAS.

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

**14. Contractual Obligations**

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

	Service Contracts	Information Systems and Technology	Long-term Leases	<b>Total</b>
2017	\$ 2,584,844	\$ 196,570	\$ 221,139	<b>\$ 3,002,553</b>
2018	2,314,779	102,200	191,599	<b>2,608,578</b>
2019	409,605	57,200	15,972	<b>482,777</b>
2020	395,000	-	1	<b>395,001</b>
2021	25,000	-	-	<b>25,000</b>
Thereafter	537,500	-	-	<b>537,500</b>
	<b>\$ 6,266,728</b>	<b>\$ 355,970</b>	<b>\$ 428,711</b>	<b>\$ 7,051,409</b>

Included in service contracts is an electricity contract in order to manage the College's exposure to volatility in the utility industry. The College has entered into a contract to fix a portion of its electrical costs at an average of \$ 0.04801 per kilowatt hour. The contract total is \$1,480,000 (2015 - \$1,850,000) and expires on July 30, 2020.

**15. Funds Held on Behalf of Others**

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

	<u>2016</u>	<u>2015</u>
Academic Staff Association Professional Growth	\$ 727,417	\$ 835,879
Alberta Union of Public Employees Staff Development	28,748	45,531
Employees' Association Staff Development	-	68,500
Yellowhead Regional Education Society	94,867	94,867
Other	76,980	46,033
	<u>\$ 928,012</u>	<u>\$ 1,090,810</u>

**16. Government of Alberta Transactions**

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

	<u>2016</u>	<u>2015</u>
Grants from Government of Alberta		
Advanced Education:		
Operating	\$ 43,638,895	\$ 42,291,892
Apprenticeship	3,702,269	3,589,560
Capital	1,720,674	1,333,489
Access to the Future Fund	-	1,120,000
Other	399,643	336,869
Total Advanced Education	<u>\$ 49,461,481</u>	<u>\$ 48,671,810</u>
Other Government of Alberta departments and agencies	437,964	588,772
Total contributions received	<u>49,899,445</u>	<u>49,260,582</u>
Restricted expended capital recognized as revenue	1,808,595	2,111,772
Restricted contributions deferred	<u>(1,008,719)</u>	<u>(1,331,574)</u>
	<u>\$ 50,699,321</u>	<u>\$ 50,040,780</u>

The College has liabilities with Treasury Board and Finance and Alberta Capital Finance Authority as described in Note 8.

**17. Expense by Object**

The following is a summary of expense by object:

	2016		2015
	Budget	Actual	Actual
Salaries and benefits	\$ 44,505,532	\$ 44,933,124	\$ 48,829,219
Materials, supplies and services	13,588,904	12,709,180	13,530,768
Cost of goods sold	76,829	83,749	131,802
Scholarships and bursaries	400,000	629,599	383,230
Maintenance and repairs	863,965	1,540,075	1,579,837
Utilities	1,849,121	1,507,576	1,961,656
Amortization of tangible capital assets	5,273,000	5,472,697	5,507,103
Loss on disposal of tangible capital assets	-	1,860	585,860
	<u>\$ 66,557,351</u>	<u>\$ 66,877,860</u>	<u>\$ 72,509,475</u>

**18. Salary and Employee Benefits**

	2016				2015
	Base salary <sup>(a)</sup>	Other cash benefits <sup>(b)</sup>	Other non-cash benefits <sup>(c)</sup>	Total	Total
<b>Governance</b>					
Chair of the Board of Governors	\$ -	\$ 5,953	\$ 121	\$ 6,074	\$ 7,019
Members of the Board of Governors	-	24,822	1,422	26,244	35,858
<b>Executive</b>					
President <sup>(d)</sup>	358,000	-	31,981	389,981	368,312
Vice-Presidents:					
Vice-President Academic	213,929	5,400	31,981	251,310	246,486
Vice-President Administration	213,929	5,400	31,981	251,310	241,587
Vice-President External Relations	190,182	5,400	31,981	227,563	216,494
<b>Total</b>	<u>\$ 976,040</u>	<u>\$ 46,975</u>	<u>\$ 129,467</u>	<u>\$ 1,152,482</u>	<u>\$ 1,115,756</u>

(a) Base salary includes pensionable base pay.

(b) Other cash benefits include earnings such as honoraria and automotive allowance.

(c) Other non-cash benefits include the College's share of all employee benefits and contributions or payments made on behalf of employees including pension, group life insurance, employee family assistance program, critical illness, supplementary health care, short and long-term disability plans, dental coverage, accidental disability and dismemberment, professional memberships and tuition.

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

**18. Salary and Employee Benefits (continued)**

Under the terms of the supplemental retirement plan (SRP), executive officers may receive supplemental retirement payments. Retirement arrangement costs as detailed below are not cash payments in the period but are period expenses for rights to future compensation. Costs shown reflect the total estimated cost to provide annual pension income over an actuarially determined post employment period. The SRP provides future pension benefits to participants based on years of service and earnings. The cost of these benefits is actuarially determined using the projected benefit method pro-rated on services, a market interest rate, and management's best estimate of expected costs and the period of benefit coverage. Net actuarial gains and losses of the benefit obligation are amortized over the average remaining service life of the employee group. Current service cost is the actuarial present value of the benefits earned in the current year. Prior service and other costs include amortization of past service costs on plan initiation, amortization of actuarial gains and losses, and interest accruing on the actuarial liability. The current service cost and accrued obligation for each executive officer under the SRP is outlined in the following table.

	Accrued Obligation June 30, 2015	Service cost	Interest cost	Actuarial Loss (Gain)	Accrued Obligation June 30, 2016
President	\$ 115,551	\$ 33,015	\$ 5,497	\$ -	\$ 154,063
Vice-Presidents:					
Vice-President Academic	34,042	9,726	1,619	-	45,387
Vice-President Administration	4,421	3,516	294	-	8,231
Vice-President External Relations	12,303	8,840	782	-	21,925
	<u>\$ 166,317</u>	<u>\$ 55,097</u>	<u>\$ 8,192</u>	<u>\$ -</u>	<u>\$ 229,606</u>

The significant actuarial assumptions used to measure the accrued benefit obligation are disclosed in Note 7.

**19. 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.

**20. Approval of Financial Statements**

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

**21. Comparative Figures**

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





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