

Annual Report

2016–2017





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Accountability Statement

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

[Original signed by
Alan Skoreyko]

Alan Skoreyko,
Chair, Board of Governors
December 20, 2017

Management's Responsibility for Reporting

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

[Original signed by
Dr. Jodi L. Abbott, ICD.D]

Dr. Jodi L. Abbott, ICD.D
President and CEO

Message from the Board Chair and the President

The growth of NorQuest in 2016–2017 represents one of the most exciting times in the history of our college. From 2013–2014 to 2016–2017, we have become a first choice college, increasing our student population by 72 per cent from 10,220 to the 17,592 learners we have today.

We have also kept up with the demand to increase our space, services, and offerings. The Singhmar Centre for Learning, our first capital infrastructure project since 1971, is a great contribution not only to our students' success, but to the City of Edmonton as a whole. At 97 per cent complete as of June 30, 2017, the new building increases our potential to educate thousands more Albertans, and to be a focal point in the revitalization of our provincial capital's downtown core.

It is this energy and potential that resonates with homegrown NorQuest learners, and one that has also caught the attention of an international audience. More and more, these learners are choosing NorQuest for their world-class education. A NorQuest education, already enhanced by an incredibly diverse atmosphere where one can hear 103 languages spoken on campus, will give learners the confidence to succeed in the Edmonton region, as well as through our partnership offerings in the Asia-Pacific Rim, the Caribbean, and elsewhere.

Unfortunately, post-secondary spaces haven't always been comfortable for many Canadians. Indigenous Peoples have faced obstacles to education in the past and still struggle today. We want to be a place of change. To help address the fact that Indigenous Peoples have a lower post-secondary participation rate than non-Indigenous Canadians, and in the spirit of reconciliation, we have taken thoughtful first steps to fully understand the education needs of Indigenous Peoples.

In 2016–2017 we arrived at the final stages of a comprehensive Indigenization strategy, thanks to valuable input from Indigenous students, Elders, and Indigenous community partners. We hope that this new approach will reduce or eliminate barriers and increase graduation rates of Indigenous learners. There are obvious economic benefits to the community when everyone plays a role in the workforce, but there is more at stake here than dollars and cents. It also gives learners self-respect, excitement about the future, and pride – this is the true power of education.

This brings us to an important NorQuest College advantage: we are lifelong learners. We don't believe that people inherently know everything, even after years in a chosen profession. There is always room to learn. That's why we are committed to continuing education programming that spans a wide range of professional and personal enhancements. We can teach professionals things such as the newest social media tactics, or to be more efficient in business, or to help employees become more accepting and understanding through cultural training. At NorQuest, we don't stop trying to improve our college the day after convocation, and we don't think graduates should stop in their development either.

Incredible growth, incredible potential, and incredible success; this is NorQuest College.

[Original signed by
Alan Skoreyko]

Alan Skoreyko,
Chair, Board of Governors

[Original signed by
Dr. Jodi L. Abbott, ICD.D]

Dr. Jodi L. Abbott, ICD.D
President and CEO

Board of Governors

July 1, 2016 – June 30, 2017

Alan Skoreyko
Chair, Board of Governors
Public Member

Dr. Jodi L. Abbott
President and CEO

Melissa Bourgeois
Public Member

David Dominy
Public Member

Brian Hjlesvold
Public Member

Carla Madra
Public Member

Lillian Ruptash
Public Member

Todd Walker
Public Member

Sherry Greenbank
Academic Member

Tracy Topolnitsky
Academic Member

Khalid Hashi
Non-Academic Member

Crystal Thompson
Student Member
(until June 26, 2017)

Gordon Holub
Student Member
(effective June 1, 2017)

Dr. S. Ann Colbourne
Public Member
(effective March 21, 2017)

Troy Chalifoux
Public Member
(effective March 21, 2017)

Kanwal Lali
Public Member
(effective March 21, 2017)



Current board as of December 2017

Front Row (left to right): Lillian Ruptash, Alan Skoreyko, Dr. Jodi Abbott, Kanwal Lali, Carla Madra, Bilan Ahmed

Second Row (left to right): Dr. S. Ann Colbourne, Brian Hjlesvold, Gordon Holub, Melissa Bourgeois

Back Row (left to right): Tracy Topolnitsky, Khalid Hashi, David Dominy

Absent: Troy Chalifoux

Institutional Context

Vision, Mission, and Values

Vision

NorQuest College is a vibrant, inclusive, and diverse learning environment that transforms lives and strengthens communities.

Mission

NorQuest College inspires lifelong learning and the achievement of career goals by offering relevant and accessible education.

Values

We value people. We:

- treat people with integrity and respect
- empower and encourage risk taking
- celebrate commitment, contribution, and accomplishments
- promote health and wellness

We value learning. We:

- foster creativity, innovation, and critical thought
- encourage growth, development, and lifelong learning
- build on the diversity of our learners, employees, and partners

We value our role in the community. We:

- display leadership and responsibility for our outcomes
- partner to achieve community goals

We value the quality of the processes we use in reaching our goals. We:

- demonstrate a learner-centred approach
- set clear expectations, measure results, and demonstrate accountability
- promote teamwork, cooperation, and sharing throughout the college
- follow fair process in accomplishing our objectives

Brand Model

Our Essence

Challenge Positive

Our Promise

Maximizing opportunities that others don't see

Our Attributes

Inclusive

Student-centred

Relevant and Necessary

Catalyzing

Exciting

Confident

Progressive

Professional

Business Model Principles

Learner Centred

- We anticipate, understand, and respond to our learners' needs.
- We deliver programs that provide value to learners' career goals.
- We use processes that empower our learners.

Market Driven

- We anticipate and respond to market demand for our programs and services by developing business opportunities and influencing demand.
- We proactively design and deliver programs and services that are relevant to both the workplace and to learners' career paths.

Evidence-Based Decisions

- We make decisions based on data and information, such as financial data, market data, performance data, impacts, and relationship data.
- We make decisions based on evaluation of risk, opportunity, and viability.
- We consider business opportunities that have various levels of risk and financial return.

Integrated Organization

- We function as an integrated organization with shared goals, role clarity, and accountability.
- We create processes that often cross organizational structure boundaries to achieve expected outcomes of the college.
- We ensure the path to decisions is clear and accessible.
- We ensure that integrated processes are transparent, so that each stakeholder in a process understands the roles of everyone in the process.

Entrepreneurial

- We are alert to, and create, opportunities.
- We are innovative and flexible in assembling the required resources to capitalize on an opportunity.
- We strive for profitability where the opportunity exists to help offset the cost of pursuing other important priorities for our communities and learners.

Quality and Continuous Improvement

- We define standards of quality and performance for all aspects of the college.
- We define expected outcomes and then measure and report our performance against those targets.
- We monitor our improvement and influence organizational behaviour through tools such as a balanced scorecard and performance feedback.

Public Interest Disclosure (Whistleblower Protection) Act

The *Public Interest Disclosure (Whistleblower Protection) Act*, which came into force June 1, 2013 requires that the college report annually on the number of disclosures that have been made to the college's Designated Officer, number of investigations commenced, and any measures taken from an investigation in relation to the wrongdoing.

2016–2017 Reports

| Inquiry Types: | Number Received: |
|---------------------------|------------------|
| General Inquiries | 0 |
| Disclosures of Wrongdoing | 0 |
| Investigations | 0 |
| Reports Written | 0 |

✓ NorQuest College's vibrant campus is a place where students regularly celebrate diversity.



Operational Overview: A Year in Review

Substantial Milestones Achieved for Downtown Campus Development

Edmonton's downtown saw continued growth with NorQuest College's new campus addition, the Singhmar Centre for Learning, reaching the 97 per cent completion mark. The new building is integral to the city's downtown revitalization and education district. It will also help NorQuest provide a better, more consolidated campus experience for learners. The building is scheduled to open for classes in September 2017.

Work also moved forward on the Heritage Tower renovation, which includes newly designed learner spaces, building enhancements, and a new Innovation Studio. The college selected GEC Architecture as prime consultant and initial design planning began. The renovation is expected to be completed by fall 2019.

Honorary Diplomas Conferred to Two Recipients

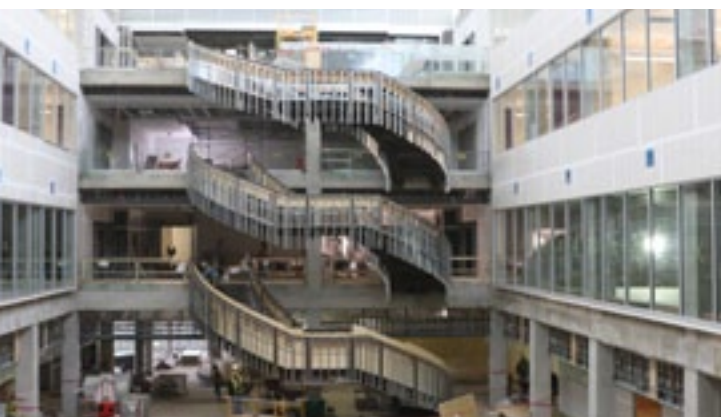
NorQuest College Conferred honorary diplomas for 2017 to Indigenous artist Alex Janvier and retired RCMP Deputy Commissioner Marianne Ryan.

For more than 50 years, Janvier has been developing Indigenous art as an artist, educator, activist, and government consultant. Known as one of Canada's most acclaimed contemporary painters, he is a powerful example of upholding NorQuest College's values of leadership, innovation, and lifelong learning.

Over a 35-year policing career, Ryan stood for equality, transparency, and teamwork—beliefs that helped guide her to one of the highest leadership roles in her profession. Those values align perfectly with NorQuest College, an accepting place of learning that embraces diversity, respects differences, and connects through similarities.

✓ The feature staircase in the Singhmar Centre for Learning under construction, April 2017.

RCMP Deputy Commissioner Marianne Ryan (left) and Indigenous artist Alex Janvier, honorary diploma recipients for 2017.



President's Medal Awarded to Vanya Skipper

This year's President's Medal winner chose NorQuest College because the programming it offered matched her career goals. Vanya Skipper finished the Therapeutic Recreation program with an impeccable 3.98 grade point average. Her hard work paid off and NorQuest awarded her with the President's Medal for her strong academic standing, involvement in the community, leadership, and student citizenship.

Language Instruction for Newcomers to Canada Programming Offered to Deaf and Hard of Hearing

NorQuest College engaged in numerous collaborative projects to address student and community needs. With the support of Immigration, Refugees and Citizenship Canada, and in consultation with providers within the deaf and hard of hearing community, NorQuest became the first post-secondary institution in Alberta to offer Language Instruction for Newcomers to Canada (LINC) for deaf and hard of hearing newcomers in American Sign Language. This new offering provides options to a population that, in the past, has faced greater barriers to education and cultural integration. The classes are taught by a deaf instructional team through which students are introduced to Canadian culture, including Canadian Deaf culture, and taught English reading and writing skills.

Settlement of Syrian Refugees

NorQuest College was a key player in a coordinated Edmonton preparedness strategy for the arrival of thousands of Syrian refugees to the city. The college was very active in collaborating with all levels of government, local post-secondary institutions, as well as several community agencies to help ensure Edmonton was in a strong position to support the settlement of Syrian newcomers into the community they now call home. In support of the initiative and in response to higher demand, NorQuest also increased the number of English as a Second Language classes and settlement services available.

✓ President's Medal winner Vanya Skipper found her NorQuest education a perfect fit for her career goals.

NorQuest ASL instructor Barb Burdick signs during an event at the college.



Practical Nurse Diploma Program Offered through University nuhelot'jine thaiyots'j nistameyimâkanak Blue Quills

NorQuest College's Practical Nurse diploma program is now being offered through University Blue Quills, expanding the university's offerings to the residents of Saddle Lake. The program is equipping young men and women with skills so that they can earn a good living within their community. At the same time, it will potentially build additional resources for the surrounding region. The delivery of this program required coordination among the First Nations community, Bow Valley College, the College of Licensed Practical Nurses of Alberta, and NorQuest College.

Building a Better Life/Social Capital Study Turns the Page on Year One

The Building a Better Life project (in partnership with the Edmonton Public Library) released the first year of its findings based on 268 face-to-face interviews and 20 focus group discussions. The study focuses on how a lack of social capital affects loneliness in newcomers to Canada, Indigenous Peoples, and other historically marginalized individuals. In January 2017 the project moved into its second round of data collection with more face-to-face interviews and focus group discussions.

The project, which received a \$239,000 grant from the Social Sciences and Humanities Research Council, will be used to improve access to education and workforce opportunities in the Edmonton region.

The team is hoping to create case studies, mapping tools, infographics, and publications to allow educators and community partners to better understand the true scope of marginalized loneliness.

- ✓ NorQuest's Faculty of Health and Community Studies offers students a robust set of options for their education.



Intercultural Lens on World-Class Service

Intercultural competence is important in any industry. More specifically, employers in the hospitality industry—one of the leading industries in Alberta—are demanding a well-trained and skilled workforce to support growth and provide a competitive advantage for Alberta. When the need to dig into the effect of diversity and inclusion in the service industry was uncovered, NorQuest's Centre for Intercultural Education (CIE), with support from Alberta Labour, began its work.

In partnership with industry leaders, the CIE team embarked on an applied research and consultation project to define Canadian service norms. The team translated the findings into 12 norms to set the foundation for world-class service, demonstrating the importance of building intercultural competence in order to help achieve service excellence.

Using the research findings, industry input, experience, and the right facilitators, NorQuest is building the foundation to develop customized training to meet the need and demand of industry.

NorQuest College Opens Pop-up Campus at West Edmonton Mall

The Edmonton Oilers Community Foundation Hospitality Institute temporarily moved into a vacant store in West Edmonton Mall, offering on-the-spot training in summer/autumn 2016. Students received training over four-day periods for jobs in quick service and full-service restaurants.

Those interested in taking the training could also sign up for the Edmonton Oilers Community Foundation Hospitality Bursary and, once approved, start their training almost immediately. The bursary covered the entire cost of training. The “pop-up” campus maximized training opportunities for up to 15 students per week to a maximum of 120 students over the two-month period.

✓ NorQuest students get competitive training in the hospitality industry.

Many organizations look to NorQuest for assistance in building a diverse and inclusive workplace.



Syncrude Takes Sponsorship Role for Alberta Indigenous Construction Career Centre

With a \$100,000 gift to the Alberta Indigenous Construction Career Centre (AICCC), Syncrude Canada Ltd. becomes the largest single corporate contributor to date.

“To the AICCC, this gift means that Indigenous inclusion to Canada’s labour market is of utmost importance to Alberta’s industry stakeholders,” says AICCC manager, Ruby Littlechild. “This sponsorship will help better prepare people with the skills needed to take advantage of the opportunities available in Alberta. The Edmonton AICCC has become a key player in training and employment opportunities for Indigenous Peoples in central and northern Alberta.”

Syncrude joins ATCO Electric/Gas, Northern Gateway Pipelines, JV Driver, and WorleyParsons Canada as corporate sponsors to the AICCC.

Celebrating Canada’s 150th Birthday

It was the party of the century – a century and a half, to be exact. NorQuest College’s Canada 150 celebrations on June 30, 2017 at the Westmount campus was the biggest celebration the college has ever thrown in 20 years of reveling in our nation’s birthday. More than 1,600 students, staff, faculty, and friends of the college attended the annual event.

Students were also recognized for good citizenship with the Judge Bhatia Citizenship Awards. Judge Gurcharan Bhatia presented the awards to five NorQuest students who are new Canadians. Award recipients were recognized for demonstrating good qualities of a Canadian citizen and for being leaders who are helpful to classmates, courteous, and hard working.

✓ Canada’s 150th birthday was a day to remember at NorQuest.

Reagan Gamble, an Indigenous woman new to Edmonton in 2015, found full-time employment thanks to assistance and training from the AICCC.



Fundraising Milestones

1000 Women Campaign and Child Care Centre

The 1000 Women Child Care Centre at NorQuest College will officially open November 1, 2017. Donors and special guests will get their first view of the facility at an event being held November 30.

The current 1000 Women: A Million Possibilities campaign raises funds to support learners. Along with student access bursaries to help with education costs, funds raised this year are earmarked for child care subsidies. Nearly half of their campaign goal has been achieved. Every year, the 1000 Women movement brings together women—and men—who are committed to reducing financial barriers for NorQuest students. The movement began with a thought that if 1000 women came together to raise funds for students, a \$1 million goal could be achieved.

Maximizing Opportunities – The NorQuest Campaign

The 2016–2017 fiscal year marked the third year of Maximizing Opportunities–The NorQuest Campaign. During this time many generous donations were made.

\$25,000: Bayshore HealthCare, Butler Family Foundation, Gay and Ralph Young Family, and Nick J. Hertz; \$30,000: Filipino Nurses Association of Alberta; \$35,000: Chris and Leah Burrows; \$45,000: Rosemary Paulencu; \$50,000 from Cynthia Hansen and Joseph Concini; \$100,000: PCL Group of Companies, and Sorrell Financial; \$250,000: The Joyce Family Foundation; \$2,000,000: Anonymous Plains Cree donor.

The Singhmar Centre for Learning, which this campaign has helped fund, will officially open for the academic year in the fall of 2017. This campaign also provides funding to enhance programming, create scholarships and bursaries, and mentorship opportunities to support students. It finished the 2016–2017 fiscal year with \$14.7 million of a \$20 million goal.

✓ The beautiful and innovative 1000 Women Child Care Centre will be a valuable addition to NorQuest College.



Shine Campaign: Employees Helping Students

Established in 2001, Shine raises funds to support student scholarships and bursaries, emergency assistance, and program funding. The campaign is managed by a committee of NorQuest employees who host fundraising events and activities throughout the year.

This year, employees had the unique opportunity to support students in a new way. Launched in October 2016, the Step Up Campaign was a chance for staff and faculty to be recognized within the Singhmar Centre for Learning. A donation of \$1,000 made by an individual or team resulted in a plaque being placed next to one of the ninety steps in the Tom Sutherland Memorial Staircase. Each plaque is adorned with the donor's name(s). The full amount donated (including pledges) to Shine in support of student awards and capital was \$136,043 (\$51,000 to the Step Up Campaign and \$85,043 to student awards, assistance, and programming).

Child Care Centre Playroom Named After Dr. S. Ann Colbourne

Thankful for her secure upbringing and life success, Dr. S. Ann Colbourne is passionate about giving back to the community, and women in particular. She is a long-time supporter of NorQuest College's 1000 Women: A Million Possibilities movement having donated \$181,000 to the cause since 2012. She has also been a member of the 1000 Women Advisory Committee since 2014.

In recognition of her generosity and efforts, the Dr. Ann Playroom in the 1000 Women Child Care Centre, located in the new Singhmar Centre for Learning, has been named in her honour.

Awards in 2016–2017

Global Best Awards

The International Education Business Partnership Network, in collaboration with The Conference Board of Canada, recognized NorQuest College with two Global Best Awards. The globally-renowned awards celebrate educational institutions, private businesses, and other stakeholders that boost learning and employability through cooperation. These partnerships enhance job-relevant experiential learning, leading to increased educational attainment and advanced skills development.

- ✓ NorQuest's Shine Awards support student success.

Dr. S. Ann Colbourne, a passionate supporter of NorQuest over the years, has been honoured with a room at the 1000 Women Child Care Centre in her name.



The college's Alberta Indigenous Construction Career Centre (AICCC) tied for the Gold Global Best Award. The AICCC aims to create opportunities for Indigenous Peoples in construction-related careers.

Also, NorQuest's partnership with the Public Technological Institute of Higher Education in Rioja, Peru was recognized with the Special Chair's Global Best Award. NorQuest College began the Canada-Peru education partnership in December 2014. In an effort to enhance the college's global view, the project seeks to support national educational reform at the technical-professional level.

Alberta Chambers of Commerce Awards

NorQuest College is honoured to be the 2017 Alberta Business Awards of Distinction winner of the Diversity Leadership Award.

The Alberta Business Awards of Distinction recognize businesses and organizations which have demonstrated outstanding achievement and contribution to their community while having developed business acumen and management practices to ensure long term sustainability.

"NorQuest College is well known as an educational institution serving a very diverse population of students and employees," said president and CEO Dr. Jodi Abbott. "We are often looked to by the broader community to lead the way as an inclusive organization. We are honoured to be formally recognized for our efforts with this prestigious award."

District 99's first Toastmasters Communication and Leadership Award

NorQuest College President and CEO Dr. Jodi L. Abbott is the first-ever recipient of the District 99 Toastmaster Award in Leadership and Communication. Dr. Abbott received the honour at an evening banquet where she delivered the keynote address. Her speech highlighted her journey at NorQuest College, specifically the detailed process to create a new college brand.

Colleges and Institutes Canada Silver Teaching Excellence Award

Amy Abe has been sharing her innovative ideas at NorQuest College for almost nine years, and has been working on a variety of projects to go along with teaching in the English as a Second Language (ESL) department.

✓ The success of the AICCC has resulted in international recognition.

With a diverse population of students and employees, NorQuest leads the way as an inclusive organization.



Currently she's working on a first-of-its-kind report on how to Indigenize the ESL Intensive curriculum, and has co-written an online textbook that combines language, culture, and technology, and opens doors for students and educators in rural areas. The award is given to an instructor that exhibits consistent excellence in teaching and has had a significant impact on the personal and academic growth of students.

Colleges and Institutes Canada Bronze Staff Excellence Award

Michele Deis is an active volunteer at NorQuest College events, and works full time in the college's Learning, Teaching and Development department chairing committees like the Quest for Excellence employee awards. She has represented NorQuest at Corporate Challenge events, both as a participant and co-coordinator, she has walked with NorQuest at Pride Parade, and mentors students in the Youth in Transition and the Transitions to Employment department. The award honours an individual who has made an exceptional contribution within the institution and the communities it serves.

Dr. Jodi L. Abbott Named as one of Alberta's 50 Most Influential People of 2016

Since taking the helm of NorQuest College, president and CEO Dr. Jodi L. Abbott has successfully led NorQuest through its most ambitious fundraising effort ever and is overseeing the construction of the Singhmar Centre for Learning and major renovations to the college's downtown location. In summer 2016, *Alberta Venture* magazine named Dr. Abbott as one of Alberta's most influential people.

Heather MacKinnon Earns Governor General Medal

Student Navigator Heather MacKinnon was awarded the Governor General's Sovereign's Medal for Volunteers in March 2017. The award recognizes the exceptional volunteer achievements of Canadians from across the country. Heather has been volunteering at preparing student income tax returns for 19 years, part of a community program offered by the Canada Revenue Agency to all low-income Canadians.

✓ NorQuest's award winning staff include Amy Abe, Michele Deis, and Heather MacKinnon (seen here with the Honourable Dianne Lebouthillier, Minister of National Revenue, and the Honourable Amarjeet Sohi, Minister of Infrastructure and Communities.



Goals, Priority Initiatives, Expected Outcomes, and Performance Measures

To realize its strategic outcome, NorQuest College has established three priorities to guide the college to 2025:

1. Delivering programming known for its workforce relevance

Securing NorQuest's value in the economy and community is essential for the college's continued success. NorQuest will demonstrate this through two approaches: helping learners meet their educational objectives, and providing consulting, research, training, or other services to community and industry.

Helping learners meet their educational objectives involves different approaches for different learners. It may mean offering programming that leads directly to a career, providing foundational education that will help learners continue their education, or providing specific learner supports to increase educational opportunities for Indigenous learners, immigrant learners, and learners with disabilities.

2. Creating an enhanced presence

Broad recognition of the quality of a NorQuest College education is critical to the college's future accomplishments. An enhanced presence will lead to NorQuest credentials, programs, and services being increasingly sought after by learners and valued by employers. It will also contribute to attracting skilled and innovative educators with a passion for teaching.

A greater presence in the communities NorQuest serves, as well as in the post-secondary sector, will enhance the college's ability to secure community support as well as the financial and government support needed to provide every student with an exceptional educational experience.

3. Developing a unique market position

NorQuest College will establish a bold market position that will support industry and the community by building on its expertise in essential skills, intercultural education, Indigenous education, supports for students with disabilities, and workforce relevant programming. NorQuest learners are well prepared for the workforce or for continuing their education. The college's unique market position will maximize opportunities that others don't see by identifying market niches in programming and in student recruitment.

✓ NorQuest College helps students at any stage of learning to complete or further their studies in order to enter the workforce.



PRIORITY 1: Delivering workforce relevant programming

The following represents NorQuest College's goals, performance measures, and expected outcomes relating to affordability (for students and taxpayers), accessibility, and quality.

| Goal | Performance Measures | Goal Alignment | Status | Progress |
|--|---|-----------------|--------------------|--|
| 1. Delivering workforce relevant programming | Access to workforce relevant credit education opportunities | Access | Exceeded | 5,712 Full-Load Equivalents (FLE) for 2016–2017 fiscal year, exceeding goal of 4,693. |
| | Target of total unique learners 13,000 | Access | Exceeded | 14,269 (10,689 credit and 6,903 non-credit) unduplicated learner headcount for 2016–2017 academic year, exceeding goal of 13,000 |
| 2. Programs are endorsed by business and community leaders | Every credit program has an active program advisory committee | Quality | Achieved | All 11 Health and Community Studies program advisory committees met at least once All 8 Foundational, Career, and Intercultural Studies program advisory committees met at least once |
| | Workforce Advisory Council meets annually to endorse program relevance | Quality | Exceeded | Workforce Advisory Council met twice, once to discuss LINC program and a second time to discuss recalibrating the strategic plan |
| 3. Launch a 10-year program development plan based on market research | First year priorities achieved: 1: Program Plan is approved | Access, Quality | Achieved | Program Plan to 2025 approved by the Strategic Enrolment Management committee |
| | 2: Program Canvases are complete for every identified credit program in the 2016–2017 category (9 programs) | Access, Quality | Partially achieved | New program development launch meetings and market research completed for nine programs. Canvases were completed for two of the programs. |
| | 3: Submit New Program Proposals to Advanced Education and receive approval for three identified programs | Access | Achieved | Three new credentials approved: <ul style="list-style-type: none"> • Early Learning and Child Care diploma program (launches September 2017) • Addictions Recovery Practitioner certificate program (launches September 2017) • Mental Health Recovery Practitioner certificate program (launches January 2018) |
| 4. Offer programming that aligns with the province's Climate Leadership Plan | Deliver one program offering | Access | Partially achieved | Various non-program initiatives were offered that align with Climate Leadership Plan. These include establishing a Clean Energy Working Group, and hosting a conference focused on development of renewable energy and emissions reductions |

PRIORITY 2: Creating an enhanced presence

| Goal | Performance Measures | Goal Alignment | Status | Progress |
|--|---|-----------------------|--------------------|---|
| 5. Downtown Campus Development Project completion and implementation | New Singhmar Centre for Learning on track for occupancy by September 2017 | Access | Exceeded | All five metrics completed. Singhmar Centre for Learning 97% complete, exceeding goal of 90% |
| | Classroom and office space allocations complete | Access | Achieved | Block Stacking Plan (classroom and office space allocations for Heritage Tower) approved |
| | Achieve \$15M of the total campaign donation goal | Access, Affordability | Partially achieved | \$14.7 million (74% of total \$20 million campaign goal). |
| 6. Quality research | Research valued at \$600,000 cumulative over 2015-2016 to 2016-2017 | Quality | Exceeded | Exceeded applied research goals of \$600,000 in cumulative funding, bringing total to \$758,669 in cumulative applied research funding. |
| 7. Brand recognition | Increase brand awareness by 2% as measured in bi-annual Brand and Reputation survey results for external stakeholders | Access, Quality | Exceeded | Exceeded goal of 40% brand awareness with 45% of Albertans including NorQuest when thinking of top colleges and universities in central and Northern Alberta. |

PRIORITY 3: Developing a unique market position

| Goal | Performance Measures | Goal Alignment | Status | Progress |
|---|--|----------------|----------|--|
| 8. NorQuest College welcomes students at any stage in their learning | Over 150 students in secondary education access post-secondary education through dual credit offerings | Access | Exceeded | <ul style="list-style-type: none"> 257 dual credit learners: 143 Open Study, 18 Administrative Professional certificate, and 96 Health Care Aide certificate Program Advancement approved a course for the Firefighting program with a planned launch in 2017–2018 Dual credit had a strong presence at convocation this year with more than 90 Dual Credit learners eligible to graduate |
| 9. Indigenous training and education | 1,000 clients serviced with 60% placement goal | Access | Exceeded | 1,900 clients served by Alberta Indigenous Construction Career Centre 65% of clients placed |
| 10. NorQuest College reflects and develops skills in cultural understanding | 60% of employees have certificates in Indigenous culture and/or intercultural awareness training | Quality | Exceeded | 87% of employees achieved satisfactory level or above in intercultural or Indigenous awareness training |
| 11. Student satisfaction | Maintain student satisfaction rate at 85% | Quality | Exceeded | 92% overall student satisfaction rate with NorQuest College and select services |

Access and Quality

The NorQuest Learning Experience

Our Commitment to Education

Inclusive Culture

- Our learning environment embodies diversity.
- Our college is enriched by the unique qualities of our faculty, staff, and students.
- We reflect and develop skills in cultural understanding.

Exemplary Faculty

- We bring together theory and practice in innovative and authentic ways.
- We are current and engaged in our disciplines.
- We use technologies to enhance learning.
- We respect our students as partners in learning.

Authentic Experience

- We offer real-world experience.
- We equip students with the right set of skills for career success or further education.
- Our programs are endorsed by business and community leaders.
- NorQuest credentials are recognized and valued.

Accessible Learning

- We welcome students at any stage in their learning.
- We strive for accessible learning—any time, any place.
- We value, respect, and leverage the experiences of our students.

Enrolment

The college served an individual learner population of 14,269 in the 2016–2017 academic year, exceeding the enrolment target of 13,000. This number includes all credit and non-credit learners. Those students who are enrolled in more than one program or in both credit and non-credit programs are only counted once. The number of unique credit students was 10,689 and non-credit or continuing education students was 6,903. Credit Full-Load Equivalents (FLEs) reached 5,712, an increase of 14 per cent over 2015–2016. The overall number of FLEs showed an increase in Open Studies, Practical Nurse, Business Administration, Academic Upgrading, English as a Second Language, and Language Instruction to Newcomers to Canada.

| | 2016–2017 | 2015–2016 | 2014–2015 |
|--|-----------|-----------|-----------|
| Total Learners Served¹ | 17,592 | 15,850 | 12,622 |
| Individual Learners² | 14,269 | 13,554 | 11,552 |
| FLEs³ | 5,712 | 5,012 | 4,120 |

Strategic Enrolment Management

2016–2017 marked the first time the Strategic Enrolment Management (SEM) committee was fully active for a complete academic year, achieving key accomplishments at both the operational level and at the strategic level. The SEM committee identified college-wide enrolment goals and priorities, and then planned enrolment to achieve these priorities and goals. New program planning, international enrolment, and removing access barriers were key topics of discussion and action throughout the year. The committee also completed an extra enrolment plan so that the college could reach its goal of better aligning enrolment planning with other college planning cycles.

¹ The total number of learners served by NorQuest College in an academic year.

² The total number of people who attended NorQuest College in one capacity or another over the course of the academic year. Learners are only counted once regardless of whether they are taking more than one program or a combination of credit and non-credit programs/courses.

³ Full Load Equivalents: This number is calculated by Alberta Advanced Education and is calculated by taking the course load (instructional + practicum hours) of the student enrolled and dividing by the full load of a program.

Workforce Relevant Programming

NorQuest College engaged in focused, intentional, and evidence-based research to launch the following programs in 2016–2017:

Programs Launched

- Business Administration diploma and Business Administration diploma, co-op

Programs Approved by Advanced Education

- Addictions Recovery Practitioner post-diploma certificate
- Early Learning and Child Care diploma
- Mental Health Recovery Practitioner post-diploma certificate

Programs in Development

- Medical Office Assistant, approval from Alberta Advanced Education received August 2017
- Arts and Sciences University Transfer
- Interdisciplinary Therapy Assistant post-diploma certificate
- Health Leadership post-diploma certificate
- Environmental Technician diploma
- Teachers of English as a Second Language (TESL) credit
- Veterinary Office Assistant
- Dental Office Assistant
- Optical Office Assistant
- Settlement Practitioner diploma

New Credit Program Plan

To meet the Strategic Plan 2025 vision, the college identified the New Credit Program Plan as a project in 2015-2016. Following a year of research and consultation, the final Program Plan to 2025 was approved by the Strategic Enrolment Management committee. The Program Plan to 2025 identifies the college's credit growth strategy, including:

- 50 new credit programs
- New program development process and multi-year work plan
- Risk identification
- Growth in new program areas
- Sustainability model and program costing methodologies

Academic Quality Assurance

NorQuest College undertakes quality assurance initiatives to support and foster a unique learning experience characterized by inclusive culture, exemplary faculty, authentic experiences, and accessible learning. The academic review process continues to be refined every year as part of the college's program lifecycle management. The college launched a new methodology and standing Program Review Committee of trained program evaluators to carry out the work of program review in collaboration with the academic programs moving forward.

In 2016–2017, the college conducted the following reviews:

Post-Implementation Program Reviews

- Medical Device Reprocessing Technician
- Early Learning and Child Care certificate

Year 1 Program Reviews

- Accounting Technician
- Community Support Worker
- Foundations for Learning
- Literacy and Essential Skills Pathways

Year 2 Program Review

- Apprenticeship Prep

Year 3 Program Reviews

- Language Instruction to Newcomers to Canada (LINC)
- Social Work
- Youth in Transition

Year 5 Comprehensive Reviews

- Administrative Professional
- Day Home Provider
- Hospital Unit Clerk
- Practical Nurse

Sexual Violence Policy

In 2016–2017, NorQuest College joined post-secondary institutions across Alberta in creating a standalone Sexual Violence Policy and Procedure. Creating a safe environment for those impacted by sexual violence is a college-wide effort, and as such the NorQuest community was engaged throughout the development of the policy and procedure. The activities undertaken by the college in support of the new Sexual Violence Policy and Procedure include:

- Participation in Alberta-wide sexual violence knowledge exchanges.
- Development of a task force on campus, including engagement sessions with NorQuest College students, staff, and faculty.
- Development of sexual violence awareness/resource documents posted on the college's public and internal websites.

- Specialized sexual violence disclosure training.
- Creation, approval, and implementation of a Sexual Violence Policy and Procedure.

NorQuest offers training and education to the college community through sessions such as Exploring the Topic of Sexual Harassment and How to Respond to a Disclosure of Sexual Violence.

Disability Services

NorQuest College offers support to students with disabilities, including but not limited to: assistive technology, accommodated learning support, instructional assistance, exam accommodations, and sign language interpretation. In 2016–2017, 466 students received accommodated support, many of whom have multiple disabilities. This year, the college took steps to increase Universal Design for Learning initiatives on campus by creating a model that will increase learning skills support for all students, and by increasing assistive technology options on campus. In addition, the college continued its series of presentations called Disability Dialogues. These presentations were designed to leave participants with an increased awareness of disability, enter into discussions of disability in the college, and become disability allies in hallways, meetings, and classrooms.

- ✓ Through continued dialogue and thoughtful activities, NorQuest encourages awareness and understanding of living with a disability.



Research, Applied Research, and Scholarly Activities

Research activity—both applied and institutional—grew at an unprecedented rate this year. Applied research projects increased by 116 per cent, while non-core institutional research projects and data requests grew by 162 per cent. Increased requests were due to multiple factors, including: increased awareness of, confidence in, and satisfaction with the Research Office team; increased awareness of the legal limitations of using open-access survey products; and increased recognition of building research and evaluation within programming and projects.

Applied Research

NorQuest College had a very active research year and continued to expand its capacity for institutional and applied research. In 2016–2017, 39 applied projects took place across the college and five external research projects were reviewed and approved to collect data within the college. Research staff participated on an additional five research projects held externally. Projects ranged in scale from small, local, unfunded projects to large multi-year, multi-partner international projects. Projects were based out of all areas of the college, including both faculties, the Centre for Intercultural Education, Learner Centre, Student Services, and the International Office.

Research Funding

In total, 10 externally funded projects brought in \$438,165 in applied research during the 2016–2017 academic year. This brought the Applied Research cumulative total to \$758,669.

Research Projects

- Rural Routes Survey
- Orthopaedic Skills Video Project
- Building a Better Life: Determinants of Social Capital
- Intercultural Lens on World Class Service: Removing Barriers to Immigrant Integration and Advancement in the Hospitality Sector
- Improving Skills Training for Education Program

- Provider Perspectives: Understanding Support Barriers for LGBTQ People
- NorQuest College Innovation Studio
- LINC Data-Linking Scoping Review (as part of LINC Expansion - Syrian Initiative amendment 9 per cent)
- Adoption of open education resources in English language learning
- Prep for Online Learning

Internal Research Grant Competition Launched

NorQuest College held its first Internal Research Grant Competition in the 2016–2017 academic year. The grant, funded through Program Advancement, provided \$5,000 in funding support for a small or pilot research project. Five of seven applicants were successful: four from Practical Nursing and one from the Registrar's Office. The successful projects were:

- International Student Success: Analysis of the Correlation between Academic Preparedness and Academic Performance
- Clinical Learning and Teaching: Experiences of Practical Nursing Students and Nurse Educators in Clinical Education
- Gamification in Moodle: Impact on Student Satisfaction, Knowledge Retention, and Engagement
- Comparing Online vs In-Person Post Conferences in Nursing Education
- Identify the Prevalence of Chronic Disease Factors in NorQuest College Students

Creation of the Q Award for Excellence in Research and the Anna de Luca Research Travel Grant

For the first time, NorQuest College offered the Q Award for Excellence in Research and the Anna De Luca Research Travel Grant. The Anna De Luca Research Travel Grant was sponsored by a fund developed in the name of Anna De Luca following her retirement. Its pairing with the Q Award was to promote research dissemination. The inaugural recipient of both was Bob Marvin (Social Work), who was recognized for his many years of leading course-based research projects and his recent community-based research project with the Edmonton Public Library and 45 community agencies.

Institutional Research

NorQuest College continues to bring institutional research activity back in-house where possible and promote research uptake and engagement across the college. With institutional research, the college continues to make strides towards standardizing research practices to ensure year-to-year comparability and consistent, standardized information reporting. Requests for support were received from all program and service areas of the college. NorQuest produced 12 core institutional projects, five non-core major institutional research projects, and supported five data linking projects. Additionally, in 2016–2017, the NorQuest research office processed 80 small data requests, 41 large data requests, and supported and/or conducted 68 non-core institutional research projects.

- ✓ NorQuest research projects have expanded at an unprecedented rate over the past year.



Community

Intercultural Competency

NorQuest College continues its commitment to inclusion and diversity for students and employees. To assist with moving the college in its intercultural development, a new Inclusive Engagement Scale was developed, which outlines how employees can demonstrate inclusive engagement competence within their professional practice. In addition, employees participated in the college's Inclusive Culture Series, a 15 hour learning program that provides training and exploration of intercultural competence. The college also provides targeted supports to staff and faculty in the area of intercultural competence and inclusive engagement, including opportunities for learning at College-Wide Learning Day.

NorQuest College also continues to serve Edmonton and surrounding communities through the Centre for Intercultural Education (CIE). The CIE provides diversity and inclusion training, as well as intercultural education for the private, public, and non-profit sectors, in addition to individuals who wish to augment their knowledge base in these disciplines.

Community Service Learning

Community Service Learning is an educational approach that integrates community service into the curriculum with intentional learning activities. It allows students to go outside of the traditional classroom and engage in the world where they can make connections between theory and practice while also providing a benefit to the community. A total of 43 per cent of credit programming in 2016–2017 demonstrated Community Service Learning, exceeding the target by 23 per cent.

Indigenization of NorQuest College

NorQuest College acknowledges that we are on the traditional lands, referred to as Treaty 6 Territory and that the City of Edmonton and all the people here are beneficiaries of this peace and friendship treaty. Treaty 6 encompasses the traditional territories of numerous western Canadian First Nations as well as the Métis people who have called this area home for many years. NorQuest College is dedicated to ensuring that the spirit of Treaty 6 is honoured and respected.

NorQuest College is in its last stages of development of an Indigenous strategy, with input from various internal and external stakeholders, including resident Elders, students, staff, faculty, and NorQuest's External Indigenous Advisory Council. The Indigenization strategy, titled "Wahkôhtowin: We Are All Related" will be assessed, enhanced, and monitored on an ongoing basis. The title of the strategy is a Cree word and represents one of the basic principles of Cree Natural Law. The college has also positioned itself to sign and commit to the Colleges and Institutes Canada Indigenous Education Protocol in November 2017.

In preparation for the transition to the Singhmar Centre for Learning, the college constructed the new Indigenous student centre which is opening to students, employees, and the public in September 2017. Services available to all students, staff, and faculty include access to resident Elders, Indigenous Student Advisors, the RBC Indigenous Mentorship program, and the ability to conduct ceremonies in a safe, welcoming environment.

The RBC Indigenous Mentorship program is student-led and hosted several events throughout the year including scholarship and bursary information sessions, guest Indigenous speakers, National Indigenous Peoples' Day celebrations, annual Indigenous Completion Celebration, Cree classes, and peer-to-peer mentoring.

Through funds provided by the Canada Heritage Fund, NorQuest College hosted a public dialogue related to the Canada 150 and reconciliation efforts between Indigenous and non-Indigenous Peoples. The dialogue was an important opportunity to support community building.

In addition, the resident Elders assisted and engaged college students and employees in many events including one-on-one advisory sessions, talking circles, advice on college Indigenization efforts, and various cultural ceremonies.

Internationalization

NorQuest College strives to ensure its learners and graduates obtain global and intercultural knowledge and abilities required to perform professionally, socially, and emotionally in an increasingly globalized and multicultural society and workforce.

In 2016–2017, the college led recruitment missions to Italy, Switzerland, England, Vietnam, Jamaica, and Trinidad and Tobago. A total of 458 international students participated in NorQuest credit programs in 2016–2017. With the exceptional growth in the number of international students, consideration of how the college can attract and retain international learners in the current economic environment is a primary focus, ensuring tuition revenues are reinvested in support and retention of learners.

International students contribute to the provincial economic growth and NorQuest's own institutional growth strategy. The objective of growing the number of international students at NorQuest aligns well with the Government of Canada's International Education Strategy to double the number of international post-secondary students in Canada by 2022, in an effort to create jobs and stimulate the economy.

International Development Projects

NorQuest College continued to deliver on international development projects in 2016–2017 to provide training and support to partner institutions in Peru and Tanzania. Leveraging internal faculty and staff skillsets to participate in these development projects are critical to their success and increases engagement in internationalization efforts across the college.

The Education for Employment Andean Region Program is an \$18.5 million program funded by Global Affairs Canada and administered by Colleges and Institutes Canada (CICan). The program is being implemented with partners in Peru, Bolivia, and Colombia, and seeks to address poverty among vulnerable young people by increasing and improving their opportunities to participate meaningfully in the labour market.

NorQuest and Olds College partnered to collaborate with the Public Institute of Technological Higher Education in Rioja to support the development and implementation of a renewed competency-based Food Industry program at the Peruvian partner training institution. The partners have worked together to undertake labour market analysis

to determine the requirements of the program and then through the exchange of knowledge, experience, and expertise, develop the renewed program to meet labour market needs.

Improving Skills Training for Employment Program, a skills development program of CICan in collaboration with the Tanzanian Ministry of Education and Vocational Training, is a five-year \$13 million program funded by Global Affairs Canada.

NorQuest College partnered with Lakeland College and obtained \$325,000 over three years to work with Tanzanian partners to collaboratively assist the Vocational Education Training Authority to achieve several initiatives, including development of support programs in math, science, and English for academically disadvantaged students.

In August 2016, two NorQuest faculty and one Lakeland faculty member traveled to Dar es Salaam and Mwanza to conduct a situational analysis to inform the project design and implementation. In spring 2017, two faculty members from the college traveled to Mwanza to support Tanzanian staff and instructors at the selected pilot college, VETA Mwanza, in the development of remedial program curriculum development. In June 2017, the college received four representatives from Tanzania. They focused on remedial program design, curriculum development, and administration.

Partnerships

Following the signing of a Memorandum of Understanding with the Shunde Polytechnic in Guangdong Province and Redleaf International Women's and Children's Hospital in Shanghai, proposals were put forward for consideration to these partnering institutions in China.

A Memorandum of Understanding was also signed by the University of West Indies in Jamaica and we hosted a faculty member for three weeks with support from the Federal Emerging Leaders in the Americas Program.

Outbound Students

NorQuest International and program areas continue to examine sustainable opportunities for students to participate in an outbound manner, but during the 2016–2017 fiscal year there were no students sent outbound for international practicums or exchanges.

Information Technology

NorQuest College supports interdepartmental collaboration to improve timely and secure access to information and efficient business processes through our Enterprise Resource Planning service. To ensure efficient and sustainable services, as well as effective internal controls, Education and Information Technology:

- Achieved efficiencies and improved processes by integrating student enrolment for Language Instruction for Newcomers to Canada with existing enrolment processes.
- Achieved a cost savings of approximately 25 per cent on managed print and central reprographics through competitive procurement processes.
- Leveraged Government of Alberta standing offers to improve efficiency and drive cost savings for infrastructure hardware.
- Engaged in a provincial shared procurement initiative, ShareIT, to improve procurement efficiency and drive cost savings across the entire Alberta post-secondary education sector.

Technology plays an important role in achieving NorQuest's growth vision of bringing 20,000 learners to the college and providing them with workforce relevant education. The college will contribute to this by:

- Initiating a business intelligence and data analytics project to determine foundational requirements, and hire required resources.
- Conducting a one-year student Bring Your Own Device project to inform faculty, staff, and leadership of the broad requirements needed for such initiatives to be successful.
- Completing a redesign and upgrade, including core network, wireless network access points, and regional infrastructure.

Internal Controls

The college continues to be committed to having strong internal controls by ensuring that its information and technology (IT) assets are secure, accessible, and reliable, and its financial accounting and reporting are accurate, complete, and timely. To that end, the following internal control activities have been undertaken:

- Engagement with PwC annually since 2012 to review and make recommendations on the improvement of internal college controls.
- A comprehensive externally sourced IT Security Audit was performed by MNP focusing on a number of IT Security areas. This produced a number of recommendations which are being actioned through the Digital Security program.

Digital Security

NorQuest has enhanced its emphasis on formalizing its cyber security program to ensure that college digital assets are protected, and that the IT infrastructure is a strategic differentiator. The following items demonstrate work in this area:

- Engaged an experienced information security officer to develop a security strategy and lead security efforts. This position is being shared with up to two other post-secondary institutions.
- Developed and implemented a Digital Security Policy and drafted 24 supporting security standards.
- Designed and implemented a state-of-the-art network backbone with defined security zones that are built to protect NorQuest information.

Capital Plan

Downtown Campus Development Project

NorQuest received funding of \$81M from the Government of Alberta this fiscal year for the Downtown Campus Development Project. Financial commitments were approximately \$27M at June 30, 2017.

The construction of the Singhmar Centre for Learning is nearing completion, on budget, and on schedule to open in summer 2017. Deliverables accomplished for 2017 include:

- Completed 97 per cent of construction on the Singhmar Centre for Learning.
- Developed a transition plan, communication plan, as well as a furniture, fixtures, and equipment installation plan.
- Procured furniture and equipment.
- Installed data networks and wireless access points. Installation of audio visual devices are underway.
- Developed a new timetable incorporating the new building.
- Began the construction documents for the renovation of the existing Heritage Tower.
- Developed a schematic design, and design development for Heritage Tower.
- Executed new service contracts for food services, property management, caretaking, parking management, security services, and waste management.

Security and Emergency Response Planning Project

As part of the Campus Alberta Risk Assurance committee, the college developed a post-secondary-wide business continuity planning framework. Over the next two years, the college will develop business continuity plans using the framework. The college will hire a resource to assist in the development of the individual business unit plans.

Deferred Maintenance

NorQuest College received \$477,106 in Infrastructure Maintenance Program (IMP) funding. In addition, the college was approved to re-allocate \$405,751 in unspent Buildings & Land Information Management System funds to IMP projects.

During the year, the college completed updates to the fourth floor washroom, minor upgrades to the elevators, updated the asbestos management plan, conducted indoor air quality monitoring, and removed asbestos as needed during the repairs or replacement of mechanical and electrical equipment.

Strategic Investment Funded Projects

In December 2016, the college was notified that three projects impacting Heritage Tower were approved to receive funding from the Government of Canada's Post-Secondary Institution Strategic Investment Fund (SIF) Program:

1. NorQuest Innovation Studio – a creative interdisciplinary research and innovation space to enable generative collaborations between NorQuest and business, industry, and community partners. Estimated project costs of \$1,497,700 with \$623,850 being funded through SIF. The Innovation Studio was incorporated into the renovation of Heritage Tower design and construction documents.
2. Heritage Tower Environmental Sustainability Initiative (Glazing Replacement) – to improve the building envelope performance and environmental sustainability of NorQuest's main teaching and research facility, and reduce energy loss and greenhouse gas emissions. Estimated project costs of \$1,173,508 with \$467,349 being funded through SIF.

The college issued glazing construction documents for tender in May 2017 as noted above.
3. Heritage Tower (Roof Replacement) – to increase energy efficiency at NorQuest's primary teaching and research campus, reduce energy loss, and reduce greenhouse gas emissions. Estimated project cost of \$575,400 with \$287,700 being funded through SIF. NorQuest awarded a contract in May 2017 and work on the replacement progressed to just over 70 per cent complete as of June 30, 2017.

Funded from Accumulated Surplus

The college evaluates, selects, and monitors projects against our strategic outcomes. The college allocated \$2.2M for capital projects and was in budget. In 2016–2017, projects included:

- Design or implementation of further automation of systems functionality for admissions, student enrolment/records, and student financial support.
- Design and implementation of a network information technology network for the Singhmar Centre for Learning.
- Design, implement, and transition from multiple room booking tools to a new enterprise system.
- Enhancements to the college's PeopleSoft Enterprise Resource Planning system.
- Acquisition of laptop carts, computer lab equipment, interactive whiteboards, and projectors to support increased student enrolment and program demand.
- Evergreening purchases of network and other technology infrastructure, desktop equipment, and health care program equipment.

✓ NorQuest students and instructors benefit from improved technology at the college.



Management Discussion and Analysis

The following discussion and analysis of the financial statements should be reviewed in conjunction with the audited financial statements and accompanying notes to the financial statements. The financial statements represent the financial position and results of operations for NorQuest College for the year ended June 30, 2017. The college's consolidated financial statements for 2016–2017 have been prepared in accordance with Canadian Public Sector Accounting Standards and reflect the adoption of the net financial assets/net debt model as issued by the Public Sector Accounting Board.

Consolidated Statement of Financial Position

Net Financial Assets

Financial Assets have increased by \$37.8 million over the prior year to a total of \$97.6 million which was mainly driven by an increase in cash and cash equivalents and portfolio investments. The increase was the result of capital funding allocation received but not yet spent on the Downtown Campus Development Project – Singhmar Centre for Learning.

Liabilities have increased by \$37.8 million over the prior year to a total of \$77.3 million. This was attributed to an increase in deferred revenues related to the inflow of \$81 million in government grants for the Downtown Campus Development Project partially offset by a \$46 million increase in spent deferred capital contributions regarding the Singhmar Centre for Learning. Over the fiscal year the college completed a Rural Routes grant and the second year of its first two-year grant towards the Alberta Indigenous Construction Career Centre.

Net Financial Assets total \$25.2 million and have increased by \$0.5 million over the prior year as a result of an increase in endowments, recognizing above the increases in financial assets have been offset by increases in liabilities.

Non-Financial Assets

Non-Financial Assets increased over the prior year by \$46.8 million to a total of \$137.5 million. This was attributed to the increase in tangible capital assets as a result of construction work-in-progress within the Downtown Campus Development Project – Singhmar Centre for Learning.

Net Assets

Net Assets increased from \$37.4 million in 2015–2016 to \$38.2 million in 2016–2017 as a result of the annual surplus of \$0.8 million. This effectively was due to the increases in net financial assets and non-financial assets totalling \$47.2 million which were largely offset by the increase in spent deferred capital contribution of \$46.4 million, related to the above increase in tangible capital assets. The college has increased its internally restricted net assets and accumulated surplus from operations and maintained its investment in capital assets. These changes are the result of the college's focus on contributing to its net assets while still investing in capital assets.

Consolidated Statement of Operations

For the year ended June 30, 2017 the college reported a \$0.5 million excess of revenue over expenses compared to a \$1.8 million excess in 2015–2016. The addition of \$0.3 million in endowment contributions resulted in the annual surplus of \$0.8 million for 2016–2017.

Revenues

Total revenue increased by \$3.7 million (4.2 per cent) compared to the prior year: \$87.4 million in 2015–2016 to \$91.1 million in 2016–2017.

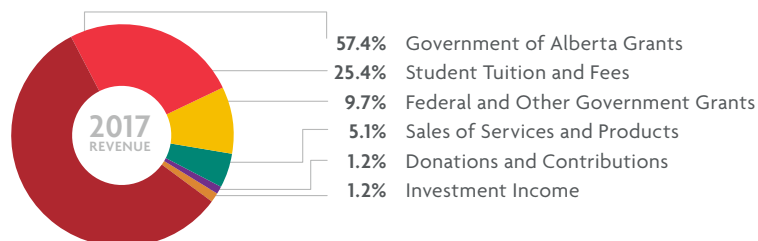
The college's largest source of revenue is provincial and federal government grants. These government grant revenues represented 67.1 per cent (\$61 million) of total revenue in fiscal 2016–2017 compared to 68.7 per cent (\$60 million) in 2015–2016. The provincial government provided a two per cent increase on their base Campus Alberta Grant for 2016–2017.

Student tuition and related fees revenue increased by \$3.7 million from \$19.5 million in 2015–2016 to \$23.2 million in 2016–2017. This reflects a 14 per cent increase in tuition related full-load equivalencies in 2016–2017 compared to the prior year as a result of increases in academic upgrading, English language training, certificate and diploma programs.

Consolidated Statement of Operations (continued)

Revenues (continued)

Total Revenues 2017



Expenses

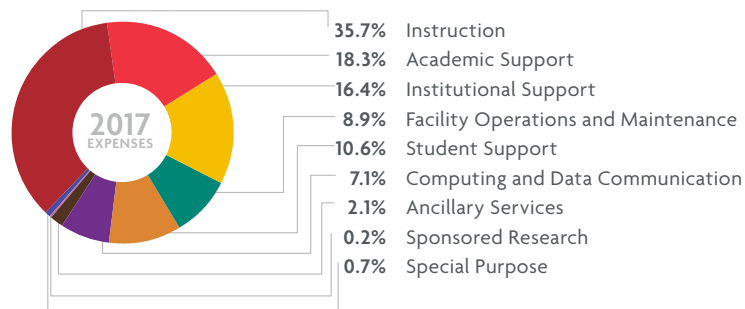
Total expenditures increased by \$5 million (5.8 per cent) compared to the prior year: \$85.6 million in 2015-2016 to \$90.6 million in 2016-2017.

The college's expenses by function increased in instruction (\$3.1 million, 10.7 per cent), academic support (\$0.6 million, 3.8 per cent), student support (\$0.6 million, 7 per cent) and facility operations and maintenance (\$0.8 million, 11.6 per cent).

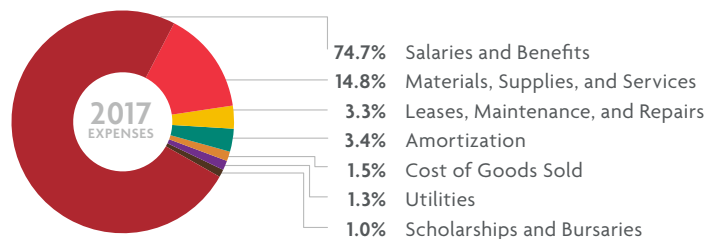
The college's largest increase in expense by object was in salaries and benefits which increased \$3.7 million from \$63.9 million to \$67.6 million. This increase was largely due to an increase in staff positions and related benefit costs in 2016-2017. An increase of \$1.7 million from \$11.7 million to \$13.4 million resulted in material, services, and supplies due mainly to higher furniture and equipment, contract and consulting fees and classroom supplies in 2016-2017.

The above increases in salaries and benefits and material, services, and supplies largely attributed to the increases in the expense by function categories above.

Total Expenses by Function 2017




Total Expenses by Object 2017



Consolidated Financial Statements

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Independent Auditor's Report



**Auditor
General**
OF ALBERTA

To the Board of Governors of NorQuest College

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of NorQuest College, which comprise the consolidated statement of financial position as at June 30, 2017, and the consolidated statements of operations, 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 NorQuest College as at June 30, 2017, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

Merwan N. Saher FCPA, FCA

Auditor General

October 30, 2017

Edmonton, Alberta

NorQuest College

Statement of Management Responsibility

Year ended June 30, 2017

The consolidated financial statements of NorQuest College have been prepared by management in accordance with Canadian public sector accounting standards. The consolidated financial statements present fairly the financial position of the college as at June 30, 2017 and the results of its operations, remeasurement gains and losses, changes in net financial assets and cash flows for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has developed and maintains a system of internal control designed to provide reasonable assurance that the 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 Finance and Audit Committee. With the exception of the President, all members of the Finance and Audit Committee are not employees of the college. The Finance and 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 Finance and Audit Committee, with and without the presence of management.

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

[Original signed by
Dr. Jodi L. Abbott, ICD.D]

Dr. Jodi L. Abbott, ICD.D
President & Chief Executive Officer

[Original signed by
Jill Matthew, CPA, CA, CMC]

Jill Matthew, CPA, CA, CMC
Vice President, College Services
& Chief Financial Officer

NorQuest College

Consolidated Statement of Financial Position

As at June 30, 2017
(in thousands of dollars)

| | 2017 | 2016 |
|---|------------------|------------------|
| Financial assets excluding portfolio investments restricted for endowments | | |
| Cash and cash equivalents (note 3) | \$ 32,099 | \$ 26,473 |
| Portfolio investments – non-endowment (note 4) | 59,500 | 30,000 |
| Accounts receivable | 5,862 | 3,070 |
| Inventories for resale | 161 | 295 |
| | <u>97,622</u> | <u>59,838</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities | 21,822 | 18,455 |
| Employee future benefit liabilities (note 7) | 1,256 | 1,992 |
| Deferred revenue (note 8) | 54,211 | 19,036 |
| | <u>77,289</u> | <u>39,483</u> |
| Net financial assets excluding portfolio investments restricted for endowments | <u>20,333</u> | <u>20,355</u> |
| Portfolio investments – restricted for endowments (note 4) | 4,855 | 4,400 |
| Net financial assets | <u>25,188</u> | <u>24,755</u> |
| Non-financial assets | | |
| Tangible capital assets (note 6) | 136,967 | 90,330 |
| Prepaid expenses | 513 | 405 |
| | <u>137,480</u> | <u>90,735</u> |
| Net assets before spent deferred capital contributions | <u>162,668</u> | <u>115,490</u> |
| Spent deferred capital contributions (note 9) | 124,452 | 78,091 |
| Net assets (note 10) | <u>\$ 38,216</u> | <u>\$ 37,399</u> |
| Net assets in comprised of: | | |
| Accumulated surplus | 38,216 | 37,399 |
| | <u>\$ 38,216</u> | <u>\$ 37,399</u> |

Contingent liabilities and contractual obligations (notes 11 and 12)

| | | |
|--|---------------------------------------|--|
| Approved by the Board of Governors: | [Original signed by Alan Skoreyko] | [Original signed by Carla Madra, CPA, CA] |
| | <u>Alan Skoreyko</u> | <u>Carla Madra, CPA, CA</u> |
| | Chair, Board of Governors | Chair, Finance and Audit Committee |

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

NorQuest College

Consolidated Statement of Operations

Year ended June 30, 2017
(in thousands of dollars)

| | 2017 Budget | 2017 | 2016 |
|---|------------------|------------------|------------------|
| Revenues | | | |
| Government of Alberta grants (note 16) | \$ 51,423 | \$ 52,282 | \$ 52,440 |
| Federal and other government grants | 7,385 | 8,826 | 7,586 |
| Sales of services and products | 6,165 | 4,625 | 4,773 |
| Student tuition and fees | 22,310 | 23,167 | 19,458 |
| Donations and other grants | 937 | 1,121 | 859 |
| Other revenue | - | - | 1,622 |
| Investment income | 480 | 1,070 | 642 |
| | <u>88,700</u> | <u>91,091</u> | <u>87,380</u> |
| Expenses | | | |
| Instruction | 31,584 | 32,295 | 29,169 |
| Academic support | 15,916 | 16,584 | 15,982 |
| Student support | 8,848 | 9,630 | 9,001 |
| Computing and data communication | 5,922 | 6,434 | 6,176 |
| Facility operations and maintenance | 7,488 | 8,028 | 7,193 |
| Institutional support | 16,708 | 14,885 | 15,461 |
| Ancillary services | 1,819 | 1,906 | 1,871 |
| Sponsored research | 405 | 154 | 167 |
| Special purpose | - | 630 | 536 |
| | <u>88,690</u> | <u>90,546</u> | <u>85,556</u> |
| Annual operating surplus | 10 | 545 | 1,824 |
| Endowment contributions (note 10) | - | 272 | 98 |
| | <u>10</u> | <u>817</u> | <u>1,922</u> |
| Annual surplus | 10 | 817 | 1,922 |
| Accumulated surplus, beginning of year | 37,399 | 37,399 | 35,477 |
| Accumulated surplus, end of year | <u>\$ 37,409</u> | <u>\$ 38,216</u> | <u>\$ 37,399</u> |

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

NorQuest College

Consolidated Statement of Change in Net Financial Assets

Year ended June 30, 2017
(in thousands of dollars)

| | 2017 Budget | 2017 | 2016 |
|--|------------------|------------------|------------------|
| Annual surplus | \$ 10 | \$ 817 | \$ 1,922 |
| Acquisition of tangible capital assets | (56,247) | (49,748) | (49,975) |
| Amortization of tangible capital assets | 3,237 | 3,065 | 2,775 |
| Loss on disposal of tangible capital assets | - | 46 | 923 |
| Change in prepaid expenses | - | (108) | 134 |
| Change in spent deferred capital contributions | 56,781 | 46,361 | 47,301 |
| Increase in net financial assets | 3,781 | 433 | 3,080 |
| Net financial assets, beginning of year | 24,755 | 24,755 | 21,675 |
| Net financial assets, end of year | <u>\$ 28,536</u> | <u>\$ 25,188</u> | <u>\$ 24,755</u> |

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

NorQuest College

Consolidated Statement of Cash Flows

Year ended June 30, 2017
(in thousands of dollars)

| | 2017 | 2016 |
|--|------------------|------------------|
| Operating transactions | | |
| Annual surplus | \$ 817 | \$ 1,922 |
| Add (deduct) non-cash items: | | |
| Amortization of tangible capital assets | 3,065 | 2,775 |
| Loss on disposal of tangible capital assets | 46 | 923 |
| Expended capital recognized as revenue | (1,364) | (1,322) |
| (Decrease) increase in employee future benefit liabilities | (736) | 502 |
| (Increase) in accounts receivable | (2,792) | (620) |
| Decrease (increase) in inventories for resale | 134 | (76) |
| Increase in accounts payable and accrued liabilities | 3,367 | 6,519 |
| Increase (decrease) in deferred revenue | 35,175 | (12,435) |
| Increase in spent deferred capital contribution, less expended capital recognized as revenue | 47,725 | 48,623 |
| (Increase) decrease in prepaid expenses | (108) | 134 |
| Cash provided by operating transactions | 85,329 | 46,945 |
| Investing transactions | | |
| Purchase of portfolio investments | (143,655) | (34,400) |
| Proceeds on sale of portfolio investments | 113,700 | 20,000 |
| Cash applied to investing transactions | (29,955) | (14,400) |
| Capital transactions | | |
| Acquisition of tangible capital assets | (49,748) | (49,975) |
| Cash applied to capital transactions | (49,748) | (49,975) |
| Increase (decrease) in cash & cash equivalents | 5,626 | (17,430) |
| Cash & cash equivalents, beginning of year | 26,473 | 43,903 |
| Cash & cash equivalents, end of year | \$ 32,099 | \$ 26,473 |

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

NorQuest College

Notes to the Consolidated Financial Statements

Year ended June 30, 2017

(in thousands of dollars)

1. Authority and Purpose

The Board of Governors of NorQuest College is a corporation which manages and operates NorQuest 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 diploma and certificate programs, as well as a wide range of foundational and preparatory 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 – Public Sector Accounting Standards (PSAS) and Use of Estimates

These consolidated financial statements have been prepared in accordance with Canadian 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. The college's 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:

| Financial Statement Component | Measurement |
|--|---------------------------------------|
| Cash and cash equivalents | Cost or amortized cost |
| Portfolio investments | Fair value |
| Accounts receivable | Amortized cost |
| Inventories held for resale | Lower of cost or net realizable value |
| Accounts payable and accrued liabilities | Amortized cost |

Unrealized gains and losses from changes in the fair value of financial assets and liabilities are recognized in the Consolidated Statement of Remeasurement Gains and Losses. When the restricted nature of a financial instrument and any related changes in fair value create a liability, unrealized gains and losses are recognized as deferred revenue.

The portfolio investments currently owned by the college are in fixed income term deposits and do not involve foreign currency transactions. No remeasurement gains or losses were experienced by the college and a Consolidated Statement of Remeasurement Gains and Losses has not been prepared.

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

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

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

b) Valuation of Financial Assets and Liabilities (continued)

Transaction costs are expensed for financial instruments measured at fair value. Investment management fees are expensed as incurred. The purchase and sale of cash and 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.

c) Revenue Recognition

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

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

Government transfers are referred to as government grants.

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

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

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

ii. Grants and donations related to land

Grants and donations for the purchase of land are recognized as deferred revenue when received, and recognized as revenue when the land is purchased. The college recognizes in-kind contributions of land as revenue at the fair value of the land when a fair value can be reasonably determined. When the college cannot determine the fair value, it records such in-kind contributions at nominal value.

iii. Endowment donations

Endowment donations are recognized as revenue in the Consolidated Statement of Operations in the year in which they are received, and are required by donors to be maintained intact in perpetuity.

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

c) Revenue Recognition (continued)

iv. Investment income

Investment income includes dividends, interest income and realized gains or losses on the sale of portfolio investments. Investment income from restricted grants and donations is recognized as deferred revenue when the terms for use create a liability, and is recognized as investment income when the terms of the grant or donation are met.

The endowment spending allocation portion of investment income earned by endowments is recognized as deferred revenue when the terms for the use by the endowment create a liability. Realized investment income allocated to endowment balances for the preservation of endowment capital purchasing power is recognized in the Consolidated Statement of Operations.

d) Endowments

Endowments consist of externally restricted donations received by the college, 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. Benefactors as well as college policy stipulate that the economic value of the endowments must be protected by limiting the amount of income that may be expended and reinvesting unexpended income.

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

- Income earned by the endowments to be withheld from distribution to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the endowments.
- 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 endowments 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.

In any year, if the investment income earned on endowments is insufficient to fund the spending allocation, the spending allocation is funded from the cumulative capitalized investment income. However, for individual endowment funds without sufficient cumulative capitalized income, endowment principal is used in that year. This amount is expected to be recovered by future investment income.

e) Inventories for Resale

Inventories for resale are valued at the lower of cost and expected net realizable value and are determined using the weighted average method.

f) Tangible Capital Assets

Tangible capital assets are recognized at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the asset, and cost associated with asset retirement obligations. 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.

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

f) Tangible Capital Assets (continued)

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 | 10 – 40 years |
| Leasehold improvements | Term of lease |
| Furniture, equipment, and vehicle | 10 years |
| Computer hardware and software | 3 years |

Tangible capital assets write-downs are recognized 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.

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

g) Asset Retirement Obligations

Asset retirement obligations are recognized for statutory, contractual or legal obligations, associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included in determining the results of operations.

h) Foreign Currency Translation

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. In the period of settlement, foreign exchange gains and losses related to non-capital items are recorded in the Consolidated Statement of Operations, and foreign exchange gains and losses related to capital items are recorded in the Consolidated Statement of Financial Position.

i) Employee Future Benefits

i. Pension

The college participates with other employers in the Public Service Pension Plan (PSPP), the Management Employee Pension Plan (MEPP), and the Supplementary Retirement Plan (SRP). These pension plans are multi-employer defined benefit pension plans that provide pensions for the college's participating employees based on years of service and earnings.

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

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

i) Employee Future Benefits (continued)

ii. 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 management's best estimate of the retirement ages of employees, expected health care costs and the period of employee disability. The college undertakes a formal actuarial review on a bi-annual basis and extrapolates the prior year actuarial information forward in the years in which a formal actuarial review is not performed. Actuarial or estimated gains or losses on the accrued benefit obligation are recognized in the period in which they occur.

iii. Short-term illness

The cost of providing non-vesting and non-accumulating employee future benefits for compensated absences under the college's short-term illness plan is charged to expense in full when the event occurs which obligates the college to provide the benefits. The liability for these benefits is estimated using the specific rates of pay, the expected duration of their absence to a maximum of 80 days, and an estimate of their expected benefits for each employee. Any gains or losses on the accrued benefit obligation are recognized in the period in which they occur.

j) Basis of Consolidation

The consolidated financial statements use the line by line consolidation method to record the accounts of the NorQuest College Foundation ("the foundation"), which operates under the *Companies Act (Alberta)* to raise funds for projects, programs, and services that serve to improve opportunities for NorQuest College learners' success. The foundation is a registered charity and has been granted tax exempt status under the *Income Tax Act (Canada)*.

k) Expense by Function

The college uses the following categories of functions in its Consolidated Statement of Operations:

Instruction

Expenses related to support all activities that are part of the college's credit and non-credit programs and those non-sponsored research and scholarly activities.

Academic support

Expenses related to the services, administrative and management activities that directly support academic functions, course and curriculum development activities, and academic personnel development.

Student support

Expenses related to admissions and registry functions and activities that support the student body or provide services to individual students or student groups. These include student services administration, social and cultural activities, counselling services and career guidance, financial aid administration, and scholarship awards.

Computing and data communication

Expenses related to resources, activities, and services that provide and support computing, networking, data communications, and other information technology functions.

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

k) Expense by Function (continued)

Facility operations and maintenance

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

Institutional support

Expenses related to executive management, public relations, alumni relations, corporate marketing and communication, fundraising and funds development, corporate insurance premiums, corporate finance, human resources, and any other centralized college-wide administrative services.

Ancillary services

Expenses related to operations ancillary to the normal institutional functions of instruction and research such as bookstores, printing, parking services, and amortization expenses related directly or attributable to such operations.

Sponsored research

Expenses related to all sponsored research activities specifically funded by restricted grants and donations from external organizations and undertaken within the college.

Special purpose

Expenses that do not support the major activities of the college such as instruction, ancillary services, and sponsored research. These include expenses for community service specifically funded by restricted grants and donations.

l) 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.

m) 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.

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

m) Future Accounting Changes (continued)

- 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 standards on the consolidated financial statements. The college discloses transactions and balances related to the Government of Alberta in note 16.

3. Cash and Cash Equivalents

| | 2017 | 2016 |
|------------------|------------------|------------------|
| Cash | \$ 32,096 | \$ 25,420 |
| Cash equivalents | 3 | 1,053 |
| | <u>\$ 32,099</u> | <u>\$ 26,473</u> |

Cash equivalents include short-term investments with a maturity less than three months from the date of acquisition.

4. Portfolio Investments

| | 2017 | 2016 |
|---|------------------|------------------|
| Portfolio investments – non-endowment | \$ 59,500 | \$ 30,000 |
| Portfolio investments – restricted for endowments | 4,855 | 4,400 |
| | <u>\$ 64,355</u> | <u>\$ 34,400</u> |

The composition of portfolio investments measured at fair value is:

| | 2017 | 2016 |
|--|------------------|------------------|
| Portfolio investments at fair value | \$ 64,355 | \$ 34,400 |
| Other – Term deposits | <u>\$ 64,355</u> | <u>\$ 34,400</u> |

The fair value measurements are those derived from:

Level 1 – Quoted prices in active markets for identical assets or liabilities. The college's portfolio investments in 2017 and 2016 were all Level 1 investment. The annual market yield for term deposits as at June 30, 2017 was 0.99 % (2016 – 1.02 %).

Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within level Market based inputs that are observable for the assets, either directly or indirectly. As at June 30, 2017, the college did not hold Level 2 investment (2016 – no Level 2 investment).

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. As at June 30, 2017, the college did not hold Level 3 investment (2016 – no Level 3 investment).

5. Financial Risk Management

The college is exposed to the following types of risk:

Market price risk

The college is exposed to low 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. In 2016 and 2017, the college invested in term deposits with fixed interest income.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The college is exposed to low foreign exchange risk as it does not have 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.

Credit risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty to fully honor its financial obligations with the college. The college is exposed to credit risk on investments and has established an investment policy with required minimum credit quality standards and issuer limits to manage this risk. The credit risk from accounts receivable is low as the majority of balances are due from government agencies.

The credit risks on investments held are as follows:

| Credit Rating | 2017 | 2016 |
|---------------|--------|--------|
| A1 | 100.0% | 100.0% |

Liquidity risk

Liquidity risk is the risk that the college will encounter difficulty in meeting obligations associated with its financial liabilities. The college maintains and monitors adequate working capital to ensure that funds are available to meet current and forecasted financial requirements in the most cost effective manner.

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. In 2016 and 2017, the college was exposed to low interest rate risk on its cash balances as there were no fluctuations in the prime rate that affected the interest earned on cash balances held at the college's banks and other investments are in GICs with fixed interest rates.

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

| | < than 1 year | Average effective market yield |
|--------------------------------------|---------------|--------------------------------|
| Cash and cash equivalent | 100.00% | 0.85% |
| Portfolio investments, term deposits | 100.00% | 0.99% |

6. Tangible Capital Assets

| | | | | | | 2017 | 2016 |
|--------------------------------------|-----------------|-------------------------------------|---------------------------|--------------------------------------|------------------------------------|-------------------|-----------|
| | Land | Buildings & site improvements | Leasehold improvements | Furniture, equipment & vehicle | Computer hardware & software | Total | Total |
| Cost | | | | | | | |
| Balance, beginning of year | \$ 6,752 | \$ 89,403 | \$ 3,351 | \$ 6,008 | \$ 13,995 | \$ 119,509 | \$ 75,756 |
| Acquisitions | - | 44,927 | - | 2,455 | 2,366 | 49,748 | 49,975 |
| Disposals, including write-downs | - | - | - | (261) | (2,516) | (2,777) | (6,222) |
| | 6,752 | 134,330 | 3,351 | 8,202 | 13,845 | 166,480 | 119,509 |
| Accumulated Amortization | | | | | | | |
| Balance, beginning of year | \$ - | \$ 11,555 | \$ 3,289 | \$ 3,137 | \$ 11,198 | \$ 29,179 | \$ 31,703 |
| Amortization expense | - | 932 | 22 | 592 | 1,519 | 3,065 | 2,775 |
| Disposals, including write-downs | - | - | - | (217) | (2,514) | (2,731) | (5,299) |
| | - | 12,487 | 3,311 | 3,512 | 10,203 | 29,513 | 29,179 |
| Net book value, June 30, 2017 | \$ 6,752 | \$ 121,843 | \$ 40 | \$ 4,690 | \$ 3,642 | \$ 136,967 | |
| Net book value, June 30, 2016 | \$ 6,752 | \$ 77,848 | \$ 62 | \$ 2,871 | \$ 2,797 | \$ | \$ 90,330 |

Historic cost includes work in progress as at June 30, 2017 totaling \$108,272 (2016 – \$63,592) comprised of building \$107,754 (2016 – \$63,509), site improvements \$348 (2016 – nil) and development of information systems \$170 (2016 – \$83), which is not amortized as the assets are not in service.

7. Employee Future Benefit Liabilities

Employee future benefit liabilities are comprised of the following:

| | 2017 | 2016 |
|---|-----------------|-----------------|
| Benefit liability for employees on long-term disability | \$ 1,015 | \$ 1,696 |
| Long-term disability liability for term employees | - | 105 |
| Liability for short-term illness | 241 | 191 |
| | \$ 1,256 | \$ 1,992 |

7. Employee Future Benefit Liabilities (continued)

a) Defined Benefit Accounted for on a Defined Benefit Basis

i. Long-Term Disability (LTD)

The college provides long-term disability defined benefits to its permanent and term employees. The LTD plan provides pension and non-pension benefits after employment, but before the employee's normal retirement date. Effective July 1, 2016, the college implemented plan changes that resulted in both permanent and term employee salary costs being covered by an insurance plan, and the benefits provided by the college for employees while on LTD. Prior to July 1, 2016, permanent employee salary costs were covered by an insurance plan and benefits were provided by the college, while for term employees, both salary and benefits costs were provided by the college for a maximum period of 24 months.

LTD liabilities for both permanent and term employees were actuarial valued as at June 30, 2016. The college performs an actuarial valuation every second year with the next valuation scheduled for the 2018 fiscal year. For 2017, the Benefit Liability for Employees on LTD was estimated assuming no change in actuarial assumptions and using forecasted values for new additions to the LTD program from the 2016 actuarial assessment and adjusting for changes in volume of staff on LTD. The college had 14 permanent (2016 – 17) and nil term (2016 – 2) employees on LTD as at June 30, 2017.

The expense and financial position of the LTD plan are as follows:

| | 2017 | | 2016 | |
|----------------------------------|--|----------------------------------|--|----------------------------------|
| | Benefit liability for employees on LTD | LTD liability for term employees | Benefit liability for employees on LTD | LTD liability for term employees |
| Expense | | | | |
| Interest cost | \$ 24 | \$ - | \$ 15 | \$ 2 |
| Amortization of actuarial losses | (490) | (44) | 837 | 55 |
| Total expense | (466) | (44) | 852 | 57 |
| Financial Position | | | | |
| Accrued benefit obligation: | | | | |
| Balance, beginning of year | 1,696 | 105 | 1,138 | 144 |
| Interest cost | 24 | - | 15 | 2 |
| Benefits paid | (215) | (61) | (292) | (96) |
| Actuarial losses | (490) | (44) | 837 | 55 |
| Balance, end of year | 1,015 | - | 1,698 | 105 |
| Change in estimation methodology | - | - | (2) | - |
| Accrued benefit liability | \$ 1,015 | \$ - | \$ 1,696 | \$ 105 |

The college plans to use its working capital to finance these future obligations.

7. Employee Future Benefit Liabilities (continued)

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

| | 2017 | | 2016 | |
|--|--|----------------------------------|--|----------------------------------|
| | Benefit liability for employees on LTD | LTD liability for term employees | Benefit liability for employees on LTD | LTD liability for term employees |
| Accrued benefit obligation: | | | | |
| Discount rate | 1.4% | 0.5% | 1.4% | 0.5% |
| Long-term average compensation increase | 3.5% | N/A | 3.5% | N/A |
| Benefit cost ^(a) | | | | |
| Discount rate | 1.5% | 1.7% | 1.5% | 1.7% |
| Long-term average compensation increase | 3.5% | N/A | 3.5% | N/A |
| Alberta inflation (long-term) ^(a) | 2.0% | N/A | 2.0% | N/A |
| Estimated average remaining service life | 6 yrs | 2 yrs | 6 yrs | 2 yrs |

^(a) Benefit cost items and Alberta inflation are used in year over year comparative analysis.

As there are no assets set aside to fund these liabilities, the 2017 and 2016 discount rates used for the accrued benefit obligation and benefit cost were provided by the actuarial engaged by the college.

ii. Liability for Short-Term Illness

The college provides short-term illness defined benefits to its permanent and term employees. Liability for short-term illness is recognized when an event occurs that obligates the college to provide such benefits for a maximum of 80 days.

b) Defined Benefit Accounted for on a Defined Contribution Basis

Multi Employer Pension Plans

(i) Public Service Pension Plan (PSPP)

The Public Service Pension Plan (PSPP) is a multi employer contributory defined benefit pension plan for all permanent and term employees excluding management positions and is accounted for on a defined contribution basis. The pension expense recorded in these consolidated financial statements is \$5,638 (2016 - \$5,011).

An actuarial valuation of the PSPP was carried out as at December 31, 2014, and was then extrapolated to December 31, 2016. At December 31, 2016, the PSPP reported an actuarial surplus of \$302,975 (2015 - \$133,188 deficit). For the year ended December 31, 2016, PSPP reported employer contributions of \$350,083 (2015 - \$347,759) and employee contributions of \$352,532 (2015 - \$349,954). For the 2016 calendar year, the college's employer contributions were \$5,400 (2015 calendar year - \$4,733).

(ii) Management Employee Pension Plan (MEPP)

The Management Employee Pension Plan (MEPP) is a multi employer contributory defined benefit pension plan for management positions and is accounted for on a defined contribution basis. The pension expense recorded in these consolidated financial statements is \$1,477 (2016 - \$1,617).

7. Employee Future Benefit Liabilities (continued)

(ii) Management Employee Pension Plan (MEPP) (continued)

An actuarial valuation of the MEPP was carried out as at December 31, 2015, and was then extrapolated to December 31, 2016. At December 31, 2016, the MEPP reported an actuarial surplus of \$402,033 (2015 - surplus of \$299,051). For the year ended December 31, 2016, MEPP reported employer contributions of \$131,706 (2015 - \$132,727) and employee contributions of \$78,917 (2015 - \$79,949). For the 2016 calendar year, the college's employer contributions were \$1,601 (2015 calendar year - \$1,590).

(iii) Supplementary Retirement Plan (SRP)

Supplementary Retirement Plan (SRP) is a multi employer contributory defined benefit pension plan providing additional pension benefits to managers of designated employers who participate in the Management Employee Pension Plan (MEPP) and whose annual salary exceeds the maximum pensionable salary limit under the *Income Tax Act*. It is accounted for on a defined contribution basis. The pension expense recorded in these consolidated financial statements is \$124 (2016 - \$128).

An actuarial valuation of the SRP was carried out as at December 31, 2015, and was then extrapolated to December 31, 2016. At December 31, 2016, the SRP reported an actuarial deficit of \$50,020 (2015 - \$16,305 deficit). For the year ended December 31, 2016, SRP reported employer contributions of \$3,878 (2015 - \$5,156) and employee contributions of \$3,987 (2015 - \$5,150). For the 2016 calendar year, the college's employer contributions were \$130 (2015 calendar year - \$113). The college participated in the SRP effective from January 1, 2013. The SRP's deficit is being discharged through additional contributions from the employers effective April 1, 2015. Other than the requirement to make additional contributions, the college does not bear any risk related to the SRP deficit.

8. Deferred Revenue

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

| | 2017 | | | | 2016 |
|---|-----------------------|--|------------------------|-----------|-----------|
| | Deferred contribution | Unspent deferred capital contributions | Tuition and other fees | Total | Total |
| Balance, beginning of year | \$ 7,067 | \$ 9,523 | \$ 2,446 | \$ 19,036 | \$ 31,471 |
| Grants, tuition, donations received during the year | 11,771 | 81,163 | 23,142 | 116,076 | 66,374 |
| Restricted investment income - realized | 537 | 16 | - | 553 | 411 |
| Transfers to spent deferred capital contributions | (683) | (47,042) | - | (47,725) | (48,623) |
| Recognized as revenue | (10,124) | (438) | (23,167) | (33,729) | (30,597) |
| Balance, end of year | \$ 8,568 | \$ 43,222 | \$ 2,421 | \$ 54,211 | \$ 19,036 |

9. Spent Deferred Capital Contributions

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

| | 2017 | 2016 |
|---|-------------------|------------------|
| Balance, beginning of year | \$ 78,091 | \$ 30,790 |
| Transfers from unspent deferred capital contributions | 47,042 | 48,374 |
| Transfers from deferred contributions | 683 | 249 |
| Expended capital recognized as revenue | (1,364) | (1,322) |
| Balance, end of year | \$ 124,452 | \$ 78,091 |

10. Net Assets

The composition of net assets is as follows:

| | Accumulated surplus from operations | Investment in tangible capital assets | Internally restricted surplus | Endowments | Total |
|---|---|---|-------------------------------------|-----------------|------------------|
| Net assets, as at June 30, 2015 | \$ 12,159 | \$ 11,930 | \$ 7,083 | \$ 4,305 | \$ 35,477 |
| Annual operating surplus | 1,824 | - | - | - | 1,824 |
| Endowments | | | | | |
| New donations | - | - | - | 3 | 3 |
| Transfer to endowments | - | - | - | 95 | 95 |
| Internally funded tangible capital assets | | | | | |
| Amortization of tangible capital assets | 1,580 | (1,580) | - | - | - |
| Acquisition of tangible capital assets | (1,394) | 1,394 | - | - | - |
| Net book value of tangible capital asset disposals | 795 | (795) | - | - | - |
| Expenditures funded from internally restricted surplus | 1,388 | - | (1,388) | - | - |
| Net Board appropriation to internally restricted surplus | (3,128) | - | 3,128 | - | - |
| Net assets, as at July 1, 2016 | \$ 13,224 | \$ 10,949 | \$ 8,823 | \$ 4,403 | \$ 37,399 |
| Annual operating surplus | 545 | - | - | - | 545 |
| Endowments | | | | | |
| New donations | - | - | - | 282 | 282 |
| Transfer from endowments | - | - | - | (10) | (10) |
| Internally funded tangible capital assets | | | | | |
| Amortization of internally funded tangible capital assets | 1,712 | (1,712) | - | - | - |
| Internally funded acquisition of tangible capital assets | (2,023) | 2,023 | - | - | - |
| Net book value of tangible capital asset disposals | 35 | (35) | - | - | - |
| Expenditures funded from internally restricted surplus | 2,032 | - | (2,032) | - | - |
| Net Board appropriation to internally restricted surplus | (2,237) | - | 2,237 | - | - |
| Net assets, as at June 30, 2017 | \$ 13,288 | \$ 11,225 | \$ 9,028 | \$ 4,675 | \$ 38,216 |
| Net assets is comprised of: | \$ 13,288 | \$ 11,225 | \$ 9,028 | \$ 4,675 | \$ 38,216 |
| Accumulated surplus | \$ 13,288 | \$ 11,225 | \$ 9,028 | \$ 4,675 | \$ 38,216 |

Investment in tangible capital assets represents the amount of the college's accumulated surplus from which has been invested in the college's tangible capital assets.

10. Net Assets (continued)

Internally restricted surplus

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

| | Balance at beginning of year | Appropriations from unrestricted net assets | Spent during the year | Balance at end of the year |
|---|---------------------------------|---|--------------------------|-------------------------------|
| Capital | | | | |
| Downtown campus development | \$ 1,149 | \$ - | \$ - | \$ 1,149 |
| Information and technology asset investment | 3,218 | 1,721 | (1,518) | 3,421 |
| Non-IT asset investment | 2,544 | 516 | (504) | 2,556 |
| | 6,911 | 2,237 | (2,022) | 7,126 |
| Operating | | | | |
| Program and curriculum development | 1,500 | - | - | 1,500 |
| Scholarships and bursaries | 112 | - | (10) | 102 |
| Other | 150 | - | - | 150 |
| | 1,762 | - | (10) | 1,752 |
| Research | | | | |
| Applied research | 150 | - | - | 150 |
| | \$ 8,823 | \$ 2,237 | \$ (2,032) | \$ 9,028 |

11. Contingent Liabilities

The college is a defendant in legal proceedings arising in the normal course of business. While the ultimate outcome and liability of these proceedings cannot be reasonably estimated at this time, the college believes that any settlement will not have a material adverse effect on the financial position or the results of operations of the college. Management has concluded that none of the claims meet the criteria for recognizing a liability under Canadian public sector accounting standards.

The college has identified potential liability related to the existence of hazardous materials 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 hazardous materials. As the college has no legal obligation to remove the hazardous materials in these facilities as long as the hazardous materials is contained and does not pose a public health risk, the fair value of the obligation cannot be reasonably estimated due to the timing and scope of the removal. The asset retirement obligations for these assets would be recognized in the period in which there is certainty that the renovation or demolition project will proceed and there is sufficient information to estimate fair value of the obligation.

12. Contractual Obligations

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

| | Service contracts | Information systems and technology | Long-term leases | Capital projects ^(a) | Total |
|------------|-------------------|------------------------------------|------------------|---------------------------------|------------------|
| 2018 | \$ 3,192 | \$ 805 | \$ 1,367 | \$ 39,319 | \$ 44,683 |
| 2019 | 2,717 | 108 | 1,288 | 20,086 | 24,199 |
| 2020 | 2,628 | 60 | 538 | 8,557 | 11,783 |
| 2021 | 1,152 | - | 65 | 362 | 1,579 |
| 2022 | - | - | - | 285 | 285 |
| Thereafter | - | - | - | 5,850 | 5,850 |
| | \$ 9,689 | \$ 973 | \$ 3,258 | \$ 74,459 | \$ 88,379 |

^(a) Effective June 15, 2016, the college signed a debenture with Alberta Capital Finance Authority for a \$5,000 loan to be deposited to the college on September 15, 2017. The debenture effectively secures the rate of interest at 2.989% per annum for the loan. The loan is to finance the parkade in the Singhmar Centre for Learning with repayment over 25 years totaling \$7,134. Repayments commence March 15, 2018.

13. Expense by Object

The following is a summary of expense by object:

| | 2017 Budget | 2017 | 2016 |
|--|------------------|------------------|------------------|
| Salaries and benefits | \$ 67,622 | \$ 67,632 | \$ 63,891 |
| Materials, supplies, and services | 11,947 | 13,371 | 11,700 |
| Utilities | 1,157 | 1,179 | 1,061 |
| Leases, maintenance, and repairs | 3,067 | 2,992 | 3,416 |
| Cost of goods sold | 1,270 | 1,332 | 1,309 |
| Scholarships and bursaries | 390 | 929 | 481 |
| Amortization of tangible capital assets (including loss on disposal) | 3,237 | 3,111 | 3,698 |
| | \$ 88,690 | \$ 90,546 | \$ 85,556 |

14. Funds Held on Behalf of Others

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

| | 2017 | 2016 |
|--------------------------------------|---------------|--------------|
| Deferred Salary Leave Plan | \$ 98 | \$ 58 |
| NorQuest College Faculty Association | 55 | 6 |
| NorQuest Committee for the Arts | 9 | 9 |
| NorQuest College Student Association | 150 | - |
| | \$ 312 | \$ 73 |

15. 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.

16. Government of Alberta Transactions and Balances

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

| | 2017 | 2016 |
|--|------------------|------------------|
| Grants from Government of Alberta | | |
| Advanced Education: | | |
| Operating | \$ 46,479 | \$ 44,767 |
| Capital | 81,477 | 35,546 |
| Strategic Investment Fund (SIF) | 706 | - |
| Other | 3,086 | 3,852 |
| Total Advanced Education | 131,748 | 84,165 |
| Other Government of Alberta departments and agencies | | |
| Alberta Human Services | 134 | - |
| Alberta Labour | 1,334 | 347 |
| Total other Government of Alberta departments and agencies | 1,468 | 347 |
| Total contributions received | 133,216 | 84,512 |
| Deferred contributions | (80,934) | (32,072) |
| | <u>\$ 52,282</u> | <u>\$ 52,440</u> |
| Accounts receivable | | |
| Other GOA departments and agencies | 231 | 60 |
| Other Post-secondary Institutions | 5 | 11 |
| | <u>\$ 236</u> | <u>\$ 71</u> |
| Accounts payable | | |
| Other GOA departments and agencies | - | 1 |
| Other Post-secondary Institutions | 253 | 174 |
| | <u>\$ 253</u> | <u>\$ 175</u> |
| Contractual Obligations | <u>\$ 8,569</u> | <u>\$ 9,335</u> |

17. Salary and Employee Benefits

Under the authority of the *Fiscal Management Act*, the President of Treasury Board and Minister of Finance requires the disclosure of certain salary and employee benefits information.

| | 2017 | | | 2016 |
|---|----------------------------|---------------------------------------|---|-------|
| | Base salary ⁽²⁾ | Other cash benefits ⁽³⁾⁽⁴⁾ | Other non-cash benefits ⁽⁵⁾⁽⁶⁾ | Total |
| Governance⁽¹⁾ | | | | |
| Chair of the Board of Governors | \$ - | \$ 5 | \$ - | \$ 5 |
| Members of the Board of Governors | - | 24 | - | 24 |
| Executive | | | | |
| President & Chief Executive Officer | 301 | 84 | 94 | 479 |
| Vice-Presidents (VP): | | | | |
| VP Teaching & Learning & Chief Academic Officer | 198 | 29 | 49 | 276 |
| VP College Services & Chief Financial Officer | 198 | 29 | 61 | 288 |
| VP External Affairs & Corporate Counsel ⁽⁷⁾ | 200 | 30 | 52 | 282 |
| VP Business Development ⁽⁸⁾ | 193 | 29 | 50 | 272 |
| Executive Director, Workforce Development & Human Resource ⁽⁹⁾ | 171 | 4 | 44 | 219 |

(1) The chair and members of the Board of Governors receive no remuneration for participation on the Board.

(2) Base salary includes pensionable base pay.

(3) Other cash benefits for Governance represents administrative honorarium for the chair and members of the Board of Governors.

(4) Other cash benefits for Executive include earnings such as estimated variable compensation and vacation payouts for the president and vice presidents.

(5) Other non-cash benefits for Executive include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plan, basic life insurance, employee and family assistance program, extended health care, dental plan, accidental death and dismemberment, long-term disability plan, professional memberships, professional development and tuition fees.

(6) The Supplementary Retirement Plan (SRP) was implemented effective January 1, 2013. Under the terms of the SRP, Executive officers may receive supplemental payments. SRP is described in note 7.

(7) The role of VP External Affairs & Corporate Counsel was a new role in fiscal year 2016, and was filled October 26, 2015.

(8) The VP Business Development was a new role in fiscal year 2016, and was filled June 06, 2016.

(9) The value reported for the Executive Director, Workforce Development & Human Resource include amounts paid to two incumbents.

18. Approval of Financial Statements

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

19. Comparative Figures

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



