



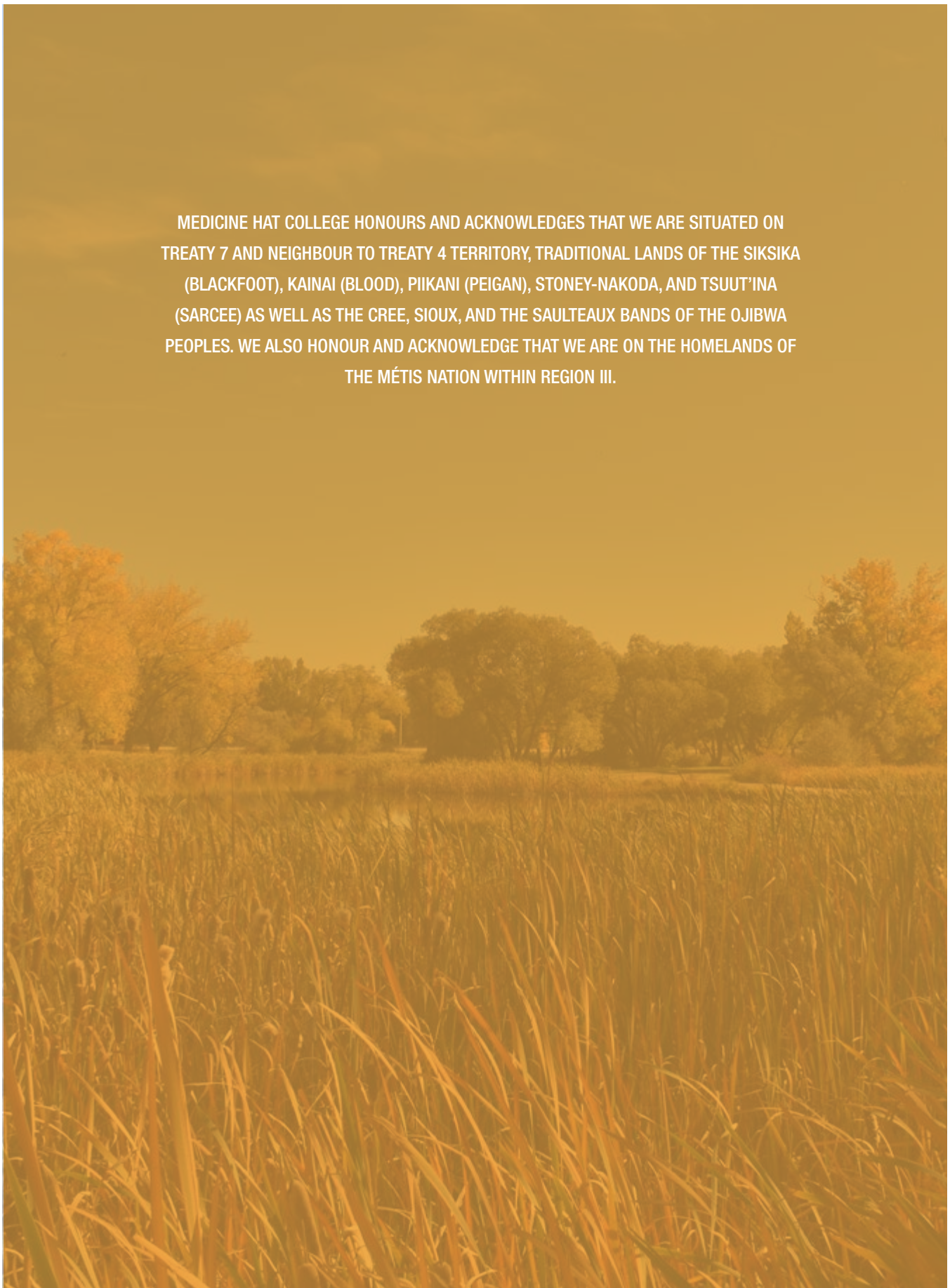
MEDICINE HAT
COLLEGE

ANNUAL REPORT

2020-2021



MEDICINE HAT COLLEGE HONOURS AND ACKNOWLEDGES THAT WE ARE SITUATED ON TREATY 7 AND NEIGHBOUR TO TREATY 4 TERRITORY, TRADITIONAL LANDS OF THE SIKSIKA (BLACKFOOT), KAINAI (BLOOD), PIIKANI (PEIGAN), STONEY-NAKODA, AND TSUUT'INA (SARCEE) AS WELL AS THE CREE, SIOUX, AND THE SAULTEAUX BANDS OF THE OJIBWA PEOPLES. WE ALSO HONOUR AND ACKNOWLEDGE THAT WE ARE ON THE HOMELANDS OF THE MÉTIS NATION WITHIN REGION III.



Contents

1
Accountability Statement

2
Management's Responsibility
for Reporting

3
Message from the President

4
Leadership Team

5
Public Interest Disclosure Act

6
Operational Overview

11
Goals, Priority Alignment and
Performance Measures

26
Annual Report Budget Outcomes

26
Tuition Fees Regulation

27
FLE Enrolment Plan and
Program Changes

31
Research, Applied Research,
and Scholarly Activity

34
Regional Stewardship, Foundational
Learning, Underrepresented Learners

35
Internationalization

39
Information Technology

42
Medicine Hat College Audited
Financial Statements



Accountability Statement

Medicine Hat College's Annual Report for the year ended June 30, 2021, was prepared under the Board's direction in accordance with the Fiscal Management Act and ministerial guidelines established pursuant to the Fiscal Management Act. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

On behalf of the Medicine Hat College Board of Governors,

Sarah Mackenzie

Interim Chair, Medicine Hat College Board of Governors

November 16, 2021

Management's Responsibility for Reporting

Medicine Hat College's management is responsible for the preparation, accuracy, objectivity, and integrity of the information contained in this 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.

This Annual Report has been developed under the oversight of the Board of Governors' Finance and Audit Committee, as well as approved by the Board of

Governors and is prepared in accordance with the Fiscal Planning and Transparency Act and the Post-Secondary Learning Act.

The Auditor General of 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.



Kevin Shufflebotham, MA
President and CEO
November 16, 2021



Wayne Resch, CPA, CMA
Vice-President, Administration & Finance
November 16, 2021



Message from the President

CHALLENGE. DETERMINATION.

Last year I chose words from Medicine Hat College's strategic plan to introduce our annual report. This year's words of introduction – challenge and determination – represent the experiences we've shared and the strength we rely upon as we continue our journey.

The path we're on was set two years ago when we engaged individuals and organizations across the region to create the concepts that inform our decisions. I'm proud to note the strategic plan that evolved from that engagement stands as true and strong today as it did when it was first published.

This is critical because in the past year the Government of Alberta also invested in a process to affirm a provincial vision for advanced education. The result of that process, Alberta 2030, and our own plan are strongly aligned. We can be confident that we are moving in the right direction, and the energy we devote to meeting the needs of regional stakeholders will also help us achieve provincial goals.

With this foundational work complete, much of the college's developmental efforts were devoted to creating the teams, processes, and resources necessary to achieve results.

The academic team is refreshed and deeply engaged in building programs that align students, employers, and the future. This work includes a fresh look at work integrated learning to further support the aspirations of Alberta 2030.

Our social and community engagement also highlights the alignment between college and region. Throughout the year, MHC connected

people within the institution to Elders and community members to build a new Indigenous Strategic Plan. The importance of this work, and our commitment to its implementation, was reinforced by tragic national reminders of past injustice.

A review of other metrics shows the work we have ahead of us. The pandemic affected enrolment and we saw fewer domestic students, as well as international students who could not make the journey from their home abroad to their new home in southeast Alberta. As COVID-19 abates and our new programs take root, I'm confident we will see increasing enrolment.

The Medicine Hat College team is passionate about education. We thrive on the success of the individual, and know that increasing access to education builds opportunity in the region and across the province.

Perhaps more than anything, our belief in the value of advanced education to shape society provides us with the determination to succeed. We could work anywhere. We chose to work here, in a setting that offers collaboration, creativity, and the opportunity to serve others.

We are growing a vibrant future with learners and our region.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Shufflebotham', written over a light blue horizontal line.

Kevin Shufflebotham,
President & CEO



Leadership Team

BOARD OF GOVERNORS

Sarah MacKenzie, Interim Chair
Public Member

Luke Day, Interim Vice-Chair (missing from photo)
Public Member

Shelley Beck
Public Member

Dr. Diane Gall
Academic Member

Mr. Travis Boser
Student Member

Mr. David Restoule
Non-Academic Member

Mr. Yusuf Mohammed
Public Member

Mr. Kevin Shufflebotham
President and CEO

Mr. Kent Smith
Public Member

Ms. Veronica Yeoman
Student Member

COLLEGE EXECUTIVE

Mr. Kevin Shufflebotham
President and CEO

Mr. Wayne Resch
Vice-President, Administration & Finance

Dr. Vicky Roy
Vice-President, Academic & Provost

Public Interest Disclosure Act

The Public Interest Disclosure (Whistleblower Protection) Act applies to provincial government departments, offices of the Legislature, and to public entities (which include any agency, board, commission, crown corporation, or other entity designated in the regulations).

The purposes of the Act are to:

- facilitate the disclosure and investigation of significant and serious matters an employee believes may be unlawful, dangerous, or injurious to the public interest;
- protect employees who make a disclosure;
- manage, investigate and make recommendations respecting disclosures or wrongdoings and reprisals;
- and promote public confidence in the administration of the departments, legislature offices, and public entities.

As per Section 32(1)(3) of the Act, the following is a report from Medicine Hat College on all disclosures that have been made during the 2020 – 2021 year:

1. THE NUMBER OF DISCLOSURES RECEIVED, ACTED ON, AND NOT ACTED ON.

There were 0 reports received.

2. THE NUMBER OF INVESTIGATIONS COMMENCED.

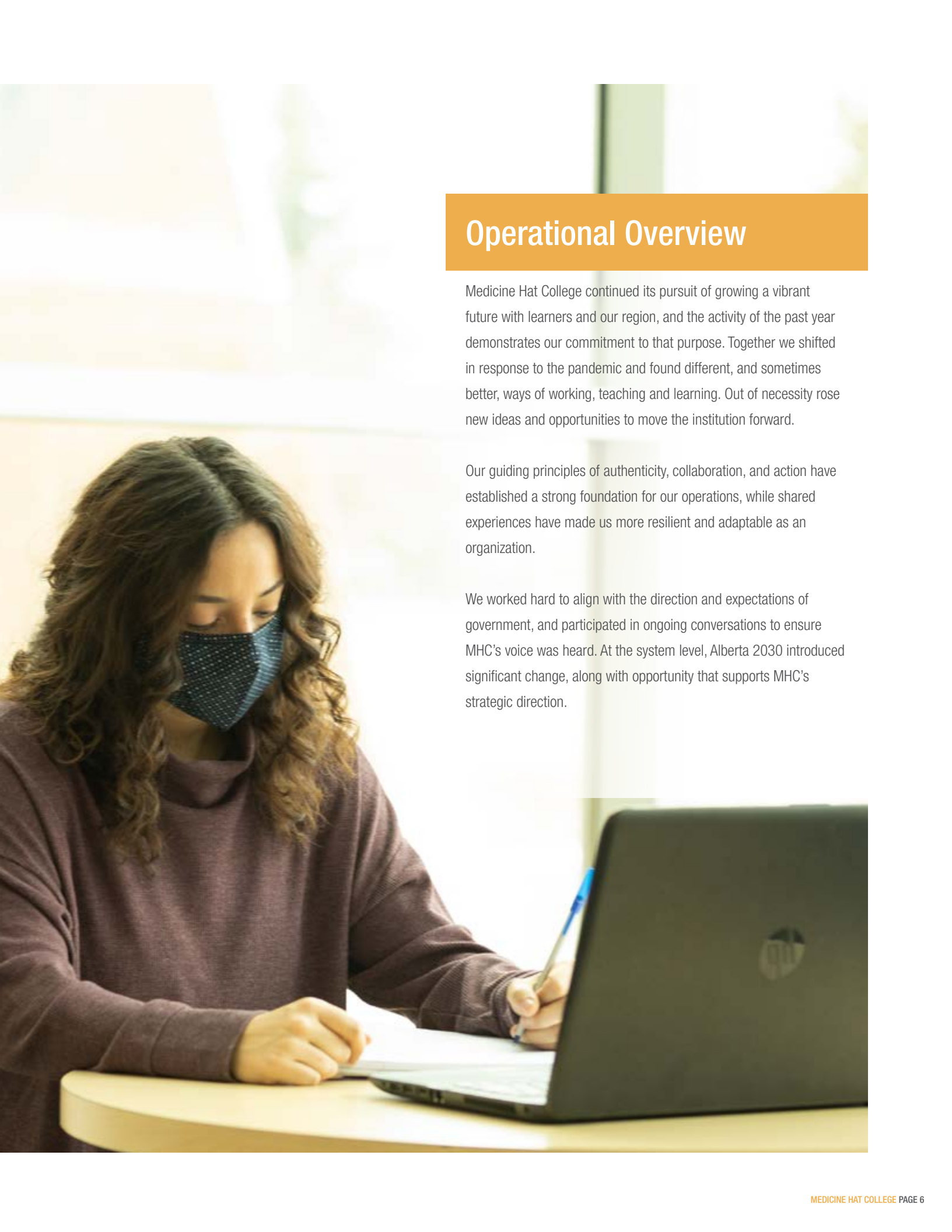
There were 0 investigations.

3. A DESCRIPTION OF ANY WRONGDOING FOUND AND ANY RECOMMENDATIONS MADE OR CORRECTIVE MEASURES TAKEN REGARDING THE WRONGDOING OR REASONS WHY NO CORRECTIVE MEASURE WAS TAKEN.

Not applicable this year.



Kevin Shufflebotham
President and CEO



Operational Overview

Medicine Hat College continued its pursuit of growing a vibrant future with learners and our region, and the activity of the past year demonstrates our commitment to that purpose. Together we shifted in response to the pandemic and found different, and sometimes better, ways of working, teaching and learning. Out of necessity rose new ideas and opportunities to move the institution forward.

Our guiding principles of authenticity, collaboration, and action have established a strong foundation for our operations, while shared experiences have made us more resilient and adaptable as an organization.

We worked hard to align with the direction and expectations of government, and participated in ongoing conversations to ensure MHC's voice was heard. At the system level, Alberta 2030 introduced significant change, along with opportunity that supports MHC's strategic direction.

THE FIRST QUARTER: ADAPTING TO A NEW REALITY

After shifting to emergency online learning in March 2020 in response to COVID-19, Medicine Hat College launched a more established approach to blended and online delivery for Fall 2020, increasing access to resources and services to support students and employees in the virtual environment.

During this transition period, the college redefined its academic structure, creating four Schools to better represent program offerings and provide administrative efficiencies in the areas of Arts, Science & Education, Trades & Technology, Business & Continuing Studies, and Health & Community Services.

Academic administration was further strengthened with the hiring of Dr. Harrison Applin to lead the School of Health & Community Services, bringing a depth of experiencing in nursing, educational policy and Indigenous initiatives.

MHC also focused on its roll out of a new strategic plan to guide the institution for the next 10 years. Unit planning launched with representation from all areas of the college with collective goals of aligning activity to the strategic plan.

THE SECOND QUARTER: MOVING AHEAD IN COLLABORATION

The desire to see Medicine Hat College grow opportunities and support the region was reinforced with a \$1.56 million boost from the federal government for MHC's Health, Wellness and Expansion Project (HWAE) through the Investing in Canada Infrastructure Program.

The HWAE project, which also has the support of the provincial government, has been years in the making and we are excited to turn a new page in MHC's history. The college has long pursued the goal of providing enhanced facilities for athletics, wellness, Indigenous learning and related programs, and this project is an important step forward.

Medicine Hat College played a collaborative role in supporting Albertans and the workforce amid the challenges of COVID-19 through a labour market partnership looking to expand impact for jobseekers and employers in the region.

Also at the regional level, MHC facilitated conversations with community, service and business leaders about vitality and opportunities for engagement. Voices from across Southeast Alberta shared their passion for the region and aspirations for its future. From the project, themes emerged around building a resilient and



attractive region whose momentum is driven by a future mindset. The strategies, which ranged from boosting advances in local industries to challenging conventional thinking, were all part of conversations that focused on helping people build the lives they want to live in our communities. A virtual summit was held in February 2021 with the final report released in March.

Tragic events related to mental health shook the City of Medicine Hat in 2020. The college actively engaged with local school boards and other groups to support a virtual conversation about suicide and hope and resilience in Southeast Alberta. MHC was also the recipient of a community gift to support wellness in the region and worked with stakeholders to bring awareness of mental health concerns to the forefront and provide access to resources.

THE THIRD QUARTER: GROWING OPPORTUNITIES AND CAPACITY

New programs were proposed and approved by government, providing learners with fresh opportunities to grow in knowledge and experience. A certificate in advanced accounting and diplomas in humanities and social sciences, sport & event marketing and management, and sustainable innovation, as well as micro-credentials, were just a few of the programs approved for delivery at MHC.

Recognizing that learners are also looking for more degree opportunities, MHC launched a degree readiness self-study in January to determine the institution's ability to deliver that credential. The document was completed at the end of June and presented to Campus Alberta Quality Council for consideration.

MHC continued to build leadership capacity within its academic team, welcoming Chad Flinn and Timothy Spielman as the new Deans of Trades and Technology, and Business and Continuing Studies, respectively. Clayton Bos, a long- serving faculty member and program coordinator, moved from the role of interim dean of the Arts, Science & Education into a permanent position.



Recognizing the value of a positive and engaged learning culture, MHC conducted an employee engagement survey. Results indicated an increase in engagement, which was encouraging when considering the challenges and changes experienced throughout the pandemic. More people shared they were feeling positive about their work and supported by supervisors and teams.

Community conversations and activity around mental health were sustained, with MHC launching a video series featuring a variety of local professionals and topics. This series was well received by community members, educators and service organizations and remains available to the public.

Other notable activity included the launch of ERP payroll component in January and receipt of a \$75,000 commitment from RBC to support entrepreneurship.

THE FOURTH QUARTER – INVESTING IN OUR FUTURE

The approval of Medicine Hat College's 2021-2022 budget in May set the stage for flexibility and growth. Tough decisions made the previous year put the institution in a strong position, with resources set aside to allow for investment in strategic initiatives coming out of unit planning and program development.

In response to student need for more flexibility and institutional lessons learned during the pandemic, delivery of education continued to evolve. The Built Environment Engineering Technology diploma introduced a HyFlex model in select courses in the winter semester, allowing students to choose when, where and how they engaged in learning. The entire program will be offered in HyFlex for Fall 2021.

Learners in the Brooks region wishing to complete high school and enter post-secondary programs now have a new pathway to the future with Sunrise Collegiate, a collaborative effort between Grasslands Public Schools and Medicine Hat College. Starting in September 2021, high school courses for outreach learners and students preparing for college will be delivered by Sunrise Collegiate



located on the Brooks campus. Not only does this initiative offer flexible distance and personalized academic support for outreach students and adult learners, it also provides efficiencies for its education partners.

Other opportunities for learning came with the government's proposal to expand apprenticeship training in Alberta. This announcement aligns well with MHC's strategic plan, as it increases access, creates more pathways into other programs and meets regional needs.

The prospect of a social enterprise for Medicine Hat College's Art and Design program moved one step closer to reality, thanks to a feasibility study funded by the Community Foundation of Lethbridge and Southwestern Alberta. Serving two purposes, the social enterprise would provide work terms for Art and Design students while meeting the design needs of the local non-profit sector.

A community partnership resulted in access to a new mental health app that provides local law enforcement with an innovative way of responding to crisis while creating opportunities for learning and

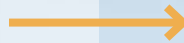
applied research at MHC. Thanks to additional financial resources donated by the Brandon Niwa Legacy Fund – 'The Beej Project', through the Medicine Hat College Foundation, costs of the technology required for police to launch HealthIM were covered. Data from the app will also support applied research and learning within MHC's School of Health and Community Services by building awareness and understanding of the factors impacting mental health in the city.

As demonstrated time and again throughout the past year, Medicine Hat College persevered, adapted, and continued to move forward on strategic goals in the face of ongoing uncertainty stemming from the pandemic while embracing changes and opportunities within the post-secondary system.



Goals, Priority Initiatives, Expected Outcomes, and Performance Measures

This section features progress made towards the goals of our 2020-2030 Strategic Plan, and shows alignment of our actions to the principles as outline in the Roles and Mandates Policy Framework.





ACCESSIBILITY:

Every Albertan should have the same opportunity to get a post-secondary education

Medicine Hat College strives to ensure education is accessible to all people. Further, the college is committed to providing an inclusive and safe environment for all.

AFFORDABILITY:

Every Albertan should have the same opportunity to get a post-secondary education, regardless of financial circumstances.

Medicine Hat College monitors tuition and fees relative to other members of Campus Alberta to ensure that students in the region do not encounter excessive costs. Ongoing initiatives are designed to ensure the cost of post-secondary education is mediated and managed.

COORDINATION:

Albertans should get full advantage from a diverse post-secondary system.

Partnership and collaboration are hallmarks of Medicine Hat College's approach to

servicing the needs of the region. Academic partnerships enable degree completion locally, while collaboration with private and public sector organizations increases the range of opportunities and services the college provides. Key initiatives are noted below.

QUALITY:

Albertans should get the best possible education here at home.

The high quality of Medicine Hat College programs and services is sustained by many ongoing review processes including internal and external surveys.

ACCOUNTABILITY:

Post-secondary education providers must be accountable to students, the government and Albertans.

Medicine Hat College ensures full transparency and compliance with all statutes and regulations.



GOAL 1: PEOPLE IN OUR REGIONS CAN ACCESS EDUCATION

Strategy 1.1: Reduce barriers for potential learners within our region.

WHAT	WHY	MILESTONES	ALIGNMENT TO PRINCIPLES
Improve access to information to support the journey into college.	The PSI system is complex and can be intimidating. MHC can support students by better understanding and meeting their information needs.	<p>Now Developing a pre-enrolment survey for intake to identify students at risk and connect them to supports.</p> <p>Next Steps</p> <ul style="list-style-type: none"> • Conduct survey in 2022. • Utilize results in fall 2022 	Access
Implement a sustainable equipment loan program.	Student experience through COVID shows that lack of access to equipment like laptops can be a barrier to access.	<p>Now</p> <p>Program complete but pending availability of laptops</p>	Access Affordability

New Program Development (Degrees)	<p>Many of the students choosing to attend other PSI are taking degree programs. Providing degrees here will help people access education and support future vitality.</p> <p>The Paramedicine degree is a good place to start because the program is a success, and the field will soon require degrees as an entry requirement.</p>	<p>Now</p> <p>Host CAQC for a site visit on October 7-8 to determine degree readiness</p> <p>Next Steps</p> <ul style="list-style-type: none"> • Address gaps identified in CAQC assessment. • Policy development underway • With GOA approval, implement the Bachelor of Paramedic program in subsequent academic cycles. 	<p>Access</p> <p>Affordability</p> <p>Coordination</p> <p>Quality</p> <p>Accountability</p>
Indigenous Strategic Plan	<p>MHC has an obligation and duty to strive for the goals embodied in the truth and reconciliation report. MHC's attention is critical. The indigenous people in our region must feel welcome and supported on campus, and society must evolve to be more inclusive.</p>	<p>Now</p> <p>Plan in final stages of development</p> <p>Next Steps</p> <ul style="list-style-type: none"> • Approve plan • Hire manager • Collaborate throughout the college to implement plan 	<p>Accountability</p> <p>Quality</p> <p>Access</p>
Future Direction (Campus Master Plan)	<p>Securing capital funding is a process that can take years. We need to look to the future to ensure our physical presence meets our service goals.</p>	<p>Now</p> <p>Hired Director, Campus Planning & Facilities to lead process.</p> <p>Next Steps</p> <ul style="list-style-type: none"> • Stakeholder consultations February-June 2022 • Plan to be completed by January 2023. 	<p>Access</p> <p>Quality</p>
Future Direction (Flexible Work Policy)	<p>MHC may be able to attract and retain qualified employees by offering work-life balance, and may create opportunities to use infrastructure differently through flexible work options. Policy is needed to do this well.</p>	<p>Now</p> <p>Trial policy in place</p> <p>Next Steps</p> <ul style="list-style-type: none"> • Evaluate trial policy and make adjustments 	<p>Access</p> <p>Affordability</p>

<p>Foundational Improvements (HWAE)</p>	<p>This project will provide critical space for indigenous relationships, and improve facilities for health and wellness programming. Vitality, the project also addresses infrastructure needs (elevator to gym, and repairs sanitary lines)</p>	<p>Now</p> <p>Construction and renovation underway</p> <p>Next Steps</p> <ul style="list-style-type: none"> • Construction and renovation completed by February 2022. • Grand opening of facility in Summer 2022 • Use facilities to support implementation of the indigenous plan, and growth of health and wellness programs. 	<p>Access</p> <p>Quality</p>
<p>Foundational Improvements (Website)</p>	<p>The website is a primary means by which students explore the college. This is the first major investment in more than a decade.</p>	<p>Now</p> <p>Selection process for external expertise in progress</p> <p>Next Steps</p> <ul style="list-style-type: none"> • With experts engaged, the project commences with stakeholder engagement in Feb 2022 • New site revealed before March 2023 	<p>Access</p> <p>Quality</p>
<p>Foundational Improvements (Brand)</p>	<p>Competition for students continues to increase. A stronger understanding of the unique strengths of MHC will help the college attract and retain students.</p>	<p>Now</p> <p>Expect initial work to focus on clarity of “brand” as a concept. This will be followed with engagement internally to support efforts to differentiate MHC in the market.</p>	<p>Access</p> <p>Quality</p>
<p>Foundational Improvements (ERP)</p>	<p>Core data systems must be provided to meet the planning and management needs of the college into the future.</p>	<p>Now</p> <ul style="list-style-type: none"> • Payroll and HR systems operational by January 2022 <p>Next Steps</p> <ul style="list-style-type: none"> • Finance system to go live July 2022 • Due to reorganization of the ERP vendor, MHC will explore options for student system by July 2022. 	<p>Accountability</p> <p>Quality</p>

Board Renewal	The Board is a key component of college governance. The renewal project will help board members advocate for MHC based on ongoing and meaningful engagement.	<p>Now</p> <p>Based on the outcomes of a retreat and planning meetings through spring and summer 2021, a revised meeting schedule and committee structure is being implemented.</p> <p>The MHC Foundation, currently a separate legal entity, will be dissolved.</p> <p>Next Steps</p> <p>An external relations committee will be established.</p>	<p>Quality</p> <p>Access</p> <p>Accountability</p> <p>Coordination</p> <p>Affordability</p>
---------------	--	--	---

Strategy 1.2 Expand learning opportunities with customized pathways and partnerships

WHAT	WHY	MILESTONE	ALIGNMENT TO PRINCIPLES
Develop open online courses and pop-up courses delivered off-campus in our region	With competition increasing, it is critical that the college engages the region in multiple facets. Short, 'just-in-time' courses on relevant topics may support engagement.	<p>Now</p> <p>Idea validation to be conducted in Fall/ Winter 2021.</p>	<p>Access</p> <p>Affordability</p> <p>Quality</p> <p>Coordination</p>

Strategy 1.3 Provide flexible learning opportunities through online offerings and non-traditional cycles.

WHAT	WHY	MILESTONE	ALIGNMENT TO PRINCIPLES
New program development.	While many individuals value face-to-face learning, others require enhanced flexibility in time and location to make education accessible.	<p>Now</p> <p>Flexibility is being designed into new programs, and added to existing opportunities.</p> <p>Next Steps</p> <p>More clearly define student experience and supports to ensure success, and to enable stronger promotions.</p>	<p>Access</p> <p>Quality</p> <p>Coordination</p>

<p>New program Implementation</p>	<p>It is critical that MHC meets the interests of students, and strives to attain the greatest value possible – both in enrolment outcomes and community reputation – from the presentation of new programs.</p>	<p>Now Attention to all steps necessary to launch Sports & Event Management, Service Dog & Canine Studies, and Sustainable Innovation are underway. This includes PAC, curriculum, facilities, and promotions, etc.</p> <p>Microcredentials have also been developed and launched including Rainwater Harvesting, Permaculture Design Tourism and Hospitality Management.</p> <p>Next Steps UAV Drone Advanced Pilot Training microcredential launched by January, 2022</p>	<p>Access Quality Coordination</p>
<p>Develop new just-in time programs (i.e. Apprenticeship extension funding call) to respond to the needs of industry.</p>	<p>The government is shifting to a model in which funding for new programs is provided by grants for which colleges apply. The college must strive to maximize access to these resources as a means to serve students and support sustainability.</p>	<p>Now Conducting employer outreach to seek program concepts and engagement. Three programs are being considered:</p> <ul style="list-style-type: none"> ● Data management ● Web and digital media ● Energy management <p>Next Steps</p> <ul style="list-style-type: none"> ● Apply for grant funding for desirable opportunities ● Manage approval processes for these opportunities ● If funded, manage curriculum development, promotions, etc. 	<p>Access Quality Coordination</p>

<p>Future Direction (IT Plan) Establish IT steering committee (governance) by September 2022.</p>	<p>Much as physical facilities need to be tuned to the future aspirations of the college, core technology must also be planned for within the context of future operations.</p>	<p>Now</p> <p>IT Governance to be in place for 2021.</p> <p>Next Steps</p> <p>Implement and develop IT plan over coming years.</p>	<p>Quality</p> <p>Accountability</p>
---	---	--	--------------------------------------





GOAL 2: LEARNERS ARE PREPARED TO REALIZE THEIR GOALS

Strategy 2.1 Ensure all programs have active experiential learning opportunities.

WHAT	WHY	MILESTONES	ALIGNMENT TO PRINCIPLES
<p>Work Integrated Learning</p>	<p>Work integrated learning supports student engagement and access to the workplace. Further, WIL is a core metric by which the government will measure MHC.</p>	<p>Now</p> <ul style="list-style-type: none"> • Framework complete • Reorganization of our workplace placement structure to serve all schools. <p>Next Steps</p> <ul style="list-style-type: none"> • Develop the processes, policy, and systems needed to expand the college's already strong inventory of WIL 	<p>Quality</p>

Strategy 2.2 Provide a tailored approach to help learners achieve their individual goals.

WHAT	WHY	MILESTONES	ALIGNMENT TO PRINCIPLES
New program development (Continuing studies)	The concept and definition of “learner” must be as broad as possible including those in the workplace already, and organizations looking for workforce development. Short courses also provide routes in and out of credit programs.	<p>Now</p> <p>Review of our current course offerings in continuing studies. Increase of number of course/programs with flexible delivery methods: blended and/or online.</p> <p>Next Steps</p> <p>Develop just-in-time learning for lifelong learners and corporate learners. Develop new micro-credential programs in continuing studies.</p>	<p>Access</p> <p>Quality</p> <p>Coordination</p>
Future Direction (Rattlers) Implement the Rattlers Athletics 2020 Strategic Plan: One Region One Team.	The college capture rate – the number of students from our region attending MHC – is under threat. Athletics provides a strong means of engaging students and the community in education.	<p>Now</p> <p>Plan complete</p>	<p>Access</p> <p>Quality</p>

Strategy 2.3 Provide opportunities for learners to develop a foundation of transferable skills that prepare them for the future.

WHAT	WHY	MILESTONES	ALIGNMENT TO PRINCIPLES
Develop a menu of transferable skills.	Individuals will experience evolving careers paths and employment. A focus on a unique set of transferable skills unique to MHC grads supports these transitions.	<p>Now</p> <p>Develop a menu of transferable skills.</p> <p>Next Steps</p> <p>Idea validation to be conducted in Fall/ Winter 2021.</p>	<p>Quality</p>



GOAL 3: REGIONAL VITALITY IS STRENGTHENED THROUGH OUR WORK

Strategy 3.1 Collaborate with community partners to build skills and knowledge that matter to our region.

WHAT	WHY	MILESTONES	ALIGNMENT TO PRINCIPLES
<p>Future Directions (Brooks)</p>	<p>There is an understandable focus on the population many college employees see every day. However, Brooks and region is home to 17,000 people all of whom have aspirations. The college can leverage our campus in Brooks to increase access to learning for individuals while supporting sustainability.</p>	<p>Now</p> <ul style="list-style-type: none"> Meeting with college leaders to share information about the campus and region. Gathering data on demand within the Brooks region. <p>Next Steps</p> <ul style="list-style-type: none"> Map evident demand against college programs and emerging opportunities. Fall 2021. Define, deploy, and support additional opportunities that align with regional needs. Spring 2022. Ongoing. 	<p>Access</p> <p>Accountability</p> <p>Coordination</p> <p>Affordability</p> <p>Coordination</p>



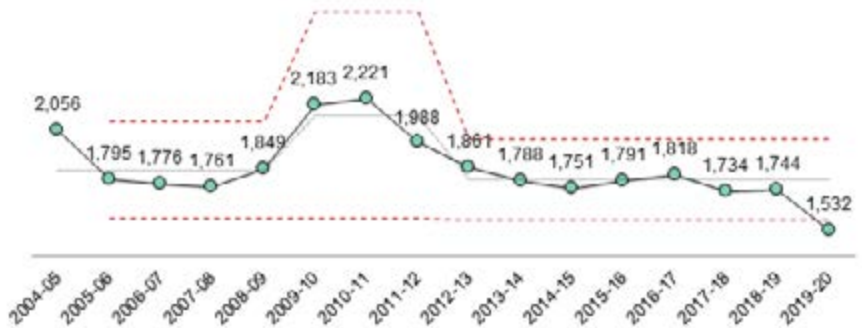
Strategy 3.2 Collaborate on applied research and innovation relevant to our region.

WHAT	WHY	MILESTONES	ALIGNMENT TO PRINCIPLES
<p>Innovation Centre</p>	<p>Community vitality and quality of life is defined by many factors. A strong economy is among these factors, as are employers with meaningful jobs and a vision for sustainable growth. MHC can support quality of life with research, innovation, and entrepreneurship.</p>	<p>Now</p> <p>Developing a strategic plan and framework.</p> <p>Next Steps</p> <p>Develop a network/database of potential partners to support our strategy.</p>	<p>Quality</p>

MEASURING PERFORMANCE ON OUR GOALS

GOAL 1: PEOPLE IN OUR REGION CAN ACCESS EDUCATION

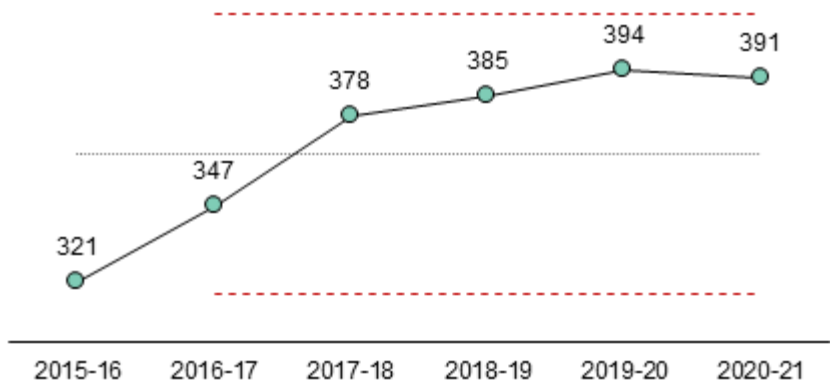
Regional enrolment¹: The number of unique credit learners at MHC from the Medicine Hat service region. Excludes apprenticeships.



Access & Continuation²: The proportion of learners who enroll at Medicine Hat College and complete a credential in the Alberta Post-Secondary education system.



Enrolment in Collaborative Programming³: The proportion of learners who enroll at Medicine Hat College and complete a credential in the Alberta Post-Secondary education system.



GOAL 2: LEARNERS ARE PREPARED TO REALIZE THEIR GOALS

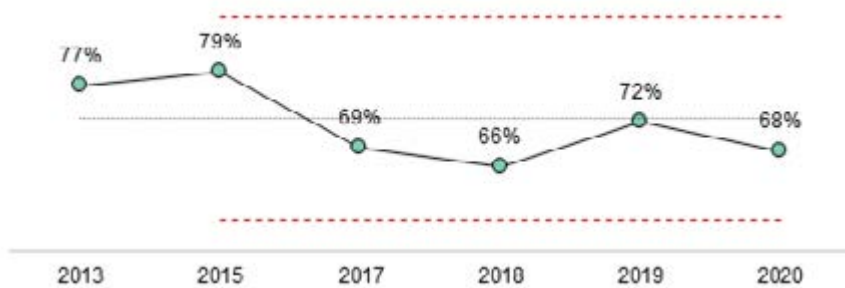
Graduate Employment⁴: The proportion of employed graduates who state that their job is related to their field of study.



Goal Achievement^{4,5}: The proportion of graduates and leavers from MHC who report that they achieved their primary goal.



Academic Readiness⁶: An index of learners' perceptions of their own learning behaviours that lead to academic readiness.



GOAL 3: REGIONAL VITALITY IS STRENGTHENED THROUGH OUR WORK

Graduates in the region⁴: The proportion of graduates from MHC who report staying in Medicine Hat after graduation.



Key Partner Feedback⁷: Customized questions to understand whether regional partners perceive that MHC contributes to regional vitality.

We look forward to continuing to work with stakeholders to understand our impact.

Non-Credit Registrations⁸: The number of unique registrations at Medicine Hat College in non-credit courses.

531

This year the number of unique registrations in non-credit courses at MHC was 531.

Data Sources: 1 Learner Enrolment and Reporting System, 2 Ministry of Advanced Education, 3 CampusVue, 4 Graduate Survey, 5 Leaver Survey, 6 Student Learning and Engagement Survey, 7 MHC survey to be developed, 8 Continuing Studies (Lumens)



Annual Report Budget Outcomes:

Budget 2020-2021 was built on the assumption of a 1.7% decrease in the Campus Alberta grant, enrolment targets of 1,940 full load equivalents and an overall credit tuition increase of 7%. A balanced budget was reached with revenues of \$56.94 million, expenses of \$54.96 million estimating a surplus of \$1,985,100.



Tuition Fees Regulation

\$7,263,933	\$40,067,871	18.13%
Statement of total tuition fee revenue from programs under Tuition Fee Policy	Statement of net operating expenditures	Calculation of tuition fee revenue as a percentage of net operating expenditures

The Audited Financial Statements are attached starting on page 42.

FLE Enrolment Plan and Program Changes

MHC's total FLE enrolment for 2020-2021 was lower than projected. While overall enrolment was generally lower than projected in many areas, specific programs and student groups had an influence on the decline. International student enrolment saw a significant decline due to restrictions as a result of COVID-19. This impacted career program as well as English as a Second Language enrolment. In general, the uncertainty with COVID-19 and requirements for online delivery as result of public health orders impacted MHC's enrolment.

CERTIFICATE PROGRAMS	2020-21 FLE (ESTIMATED)	2020-21 FLE (ACTUAL)
Administrative Office Professional Certificate	12.000	8.866
Apprenticeship	114.000	87.428
Aviation Management Certificate	7.500	4.732
Computer Aided Drafting And Design Certificate	2.000	2.034
Early Learning And Child Care Certificate	17.000	25.802
Health Care Aide	55.000	57.966
Pre-Employment	6.000	4.000
CERTIFICATE TOTAL	213.500	190.828

DIPLOMA PROGRAMS	2020-21 FLE (ESTIMATED)	2020-21 FLE (ACTUAL)
Addictions Counselling Diploma (suspended)	7.000	11.133
Administrative Office Management Diploma	39.000	29.657
Built Environment Engineering Technology Diploma	35.000	27.440
Business Administration Diploma	155.000	164.347
Child And Youth Care Counsellor	35.000	30.045
Criminal Justice Diploma	86.000	97.350
Dual Social Work / Addictions Counselling Diploma * (suspended)	6.500	-
Early Learning And Child Care Diploma	16.500	16.973
Environmental Reclamation Technician	38.000	32.833
Information Technology Diploma	67.000	59.348
Power Engineering Technology Diploma	60.000	61.636
Practical Nurse Diploma	60.000	70.669
Social Work Diploma	70.000	59.492
Therapist Assistant Diploma (OTA/PTA and SLPA)	81.000	89.440
DIPLOMA TOTAL	756.000	750.363

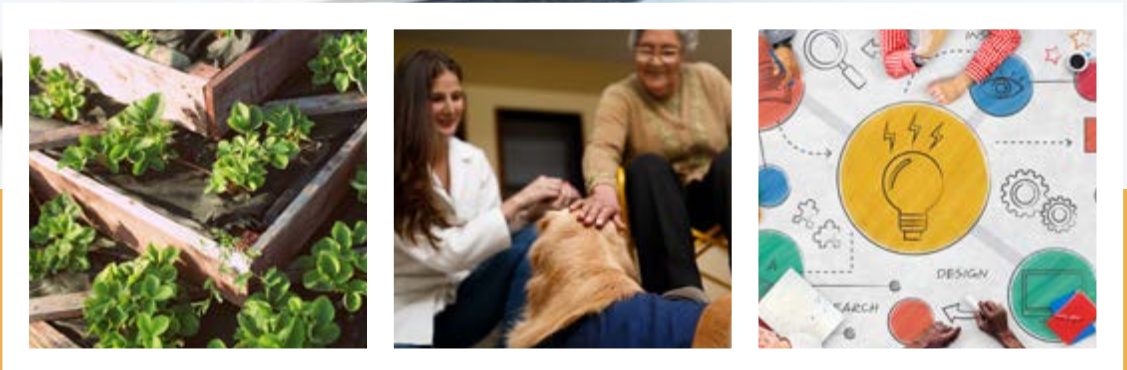
APPLIED DEGREE & DEGREE PROGRAMS	2020-21 FLE (ESTIMATED)	2020-21 FLE (ACTUAL)
Bachelor of Applied Arts (Visual Communications)	96.000	73.747
Bachelor of Applied Health Sciences (Paramedic)	92.000	109.578
Bachelor of Business Administration (Collaborative with MRU) (suspended)	42.500	37.666
Bachelor of Education (Collaborative with MRU)	63.000	63.600
DEGREE TOTAL	293.500	284.591

UNIVERSITY STUDIES PROGRAMS	2020-21 FLE (ESTIMATED)	2020-21 FLE (ACTUAL)
UT: Bachelor of Arts	52.000	62.497
UT: Bachelor of Commerce	21.000	13.296
UT: Bachelor of Education	115.000	118.597
UT: Bachelor of Nursing	127.000	145.779
UT: Bachelor of Science	95.000	76.857
UNIVERSITY TRANSFER TOTAL	410.000	417.026

NON-CREDIT	2020-21 FLE (ESTIMATED)	2020-21 FLE (ACTUAL)
English As A Second Language - General (Canadian)	50.000	69.928
English As A Second Language - International	30.000	8.425
Open Studies	112.000	72.753
Upgrading	110.000	109.974
NON-CREDENTIAL TOTAL	302.000	261.080

GRAND TOTAL	
1,975.000	1,903.888
2020-21 FLE (Estimated)	2020-21 FLE (Actual)
INTERNATIONAL STUDENT FLE	
(Subset of Grand Total)	
243.000	190.585
2020-21 FLE (Estimated)	2020-21 FLE (Actual)

* Actual FLEs for Dual Addictions/Social Work Diploma reported under Social Work Diploma



Program Development

The presentation and implementation of credit and non-credit programs that align with labour market needs is still the highest priority for MHC. In the past year, the education division worked to develop new innovative, just-in-time and unique programs to respond to the needs of our region and province. In addition, the institutional budget was adapted to ensure investment to support new programming. In all four schools, including Continuing Studies, we created program development task forces composed of faculty, members of industries, responsible to analyze gaps in the educational market and to respond to the needs of the Southeastern region. We were able to find opportunities for new programs and course offerings that was submitted to the Minister of Advanced Education at the start of the winter term.

This list of the new programs that was submitted and approved by the Minister of Advanced Education shows the direction that the College intends to take by adding innovative and competitive programming to grow our enrollment in the near future.

CERTIFICATE, ADVANCED ACCOUNTING

CERTIFICATE, PRACTICAL NURSE REFRESHER

DIPLOMA IN AGROECOLOGY

DIPLOMA IN HUMANITIES AND SOCIAL SCIENCES

DIPLOMA IN SERVICE DOG AND CANINE MANAGEMENT

**DIPLOMA IN SPORTS AND EVENT MARKETING
AND MANAGEMENT**

**DIPLOMA IN SUSTAINABLE INNOVATION
WITH TWO MAJORS (BUSINESS & SCIENCE)**

**HOSPITALITY AND TOURISM MANAGEMENT
SPECIALIZATION (MAJOR) WITHIN THE EXISTING
BUSINESS ADMINISTRATION DIPLOMA**

We were approved for four new Micro-credentials that will be a part of the program mix that will provide learners quick, flexible and quality-assured courses that will help accelerate their career and respond to industry needs.

The new programs will be launched in the academic year 2021-2022 include:

TOURISM AND HOSPITALITY MANAGEMENT

PERMACULTURE DESIGN

RAINWATER HARVESTING

UNMANNED AERIAL VEHICLE ADVANCED PILOT TRAINING

We have also submitted our Institutional self-study assessment for the Campus Alberta Quality Council (CAQC) degree granting application to offer the bachelor's degree in Paramedicine. We launched this project in January of 2021, working across all schools and departments of our institution to facilitate our collective goal of offering our own degrees to better serve our region. Our institution has proposed this new and unique bachelor's degree in response to the considerable changes in the landscape that supports Paramedicine. The final upcoming stage for the College is to receive the visit of the CAQC review committee in the fall 2021 with their recommendation and approbation to offer this program in Fall 2022.

Research, Applied Research, and Scholarly Activity

In 2020-2021, Medicine Hat College enhanced and clarified its research policy structure by updating policies for applied research, scholarly activity and responsible research, and reporting and addressing research misconduct. As expressed in these policies, MHC is responsible for providing a suitable environment for research, including facilities, professional development, and the provision of sufficient resources. We incentivize and support scholarly activity and research by offering faculty sabbaticals, making scholarly activity and research funds available to faculty through application processes, and through a faculty agreement that expresses research expectations for faculty in collaborative degree programs.

SCHOLARLY ACTIVITY ADVISORY COMMITTEE

MHC instituted a Scholarly Activity Advisory Committee (SAAC) to support the development and maintenance of a flourishing research culture at MHC. The SAAC's 2021-2022 action plan seeks to reduce barriers and demystify research and scholarly activity through events, mentorship programs and collection of information about research and innovation activities within the college. The SAAC's action plan will:

1. Report on the research and scholarly activity gaps discovered during the Institutional Review (in progress).
2. Gather information on ongoing research at MHC.
3. Identify faculty interested in conducting research and research mentors experienced in quantitative and/or qualitative research methods.
4. Develop a series of short, pop-up PD workshops on the research process, such as developing a research question, and walking people through the process during the course of the academic year.

5. Host collegial events (e.g. Teaching, Learning and Research conference) that provide supportive opportunities for MHC faculty to present research ideas and results.
6. Advocate for a Student Research Assistant budget so that faculty can hire and involve students in the research process.
7. Develop a list of research funding opportunities.

RESEARCH ETHICS BOARD (REB)

The Board received eight applications this academic year past. Four applications were approved, two applications were withdrawn upon advice, one was withdrawn before review, and one is a continuing certificate from 2019-20. Many research ethics applications are partnerships or application requiring multi-jurisdictional review. A new Research Ethics Board has broadened membership to build capacity so that the REB can provide ongoing individual education to faculty wishing to pursue research projects. The Research Ethics Board will be reviewing and revising the policy and investigating procedures for course-based research to support undergraduate research.

HYFLEX INITIATIVES

Hyflex (hybrid-flexible) learning environments may provide the opportunity to increase enrolment at MHC by offering flexible, accessible learning opportunities for students inside and outside the region. Programs and courses designed in a hybrid format may play a role in expanding accessible learning opportunities and online offerings. MHC is investing in this teaching delivery modality to ensure online students have an equivalent, high quality learning experience similar to face-to-face students. Projects such as these also offer several opportunities for faculty to engage in the scholarship or teaching and learning or discipline-based educational research, and any studies that emerge from this could provide quantitative or qualitative data to determine success.

These examples show the breadth of engagement throughout MHC. More information about current research activity available at www.mhc.ab.ca/research.

TEACHING AND LEARNING CENTER

Openo, J. (2020). The discourse of crisis in liberal education: Real emergency or fake news? In K. Dharamsi & D. Ohreen (Eds.), *Between truth and falsity: Liberal education and the arts of discernment* (pp. 47-70). Vernon Press.

Openo, J. (2020). Education's response to the COVID-19 pandemic reveals online education's three enduring challenges. *Canadian Journal of Learning and Technology*, 46(2), 1-12. <https://www.cjlt.ca/index.php/cjlt/article/view/27981/20493>

Openo, J. (2020). Chaotic by design: Student reactions to a graduate-level leadership course designed with self-directed learning principles. In Brown, M., Nic Giolla Mhichil, M., Beirne, E., & Costello, E. (eds.). *Proceedings of the 2019 ICDE World Conference on Online Learning, Volume 1*, Dublin City University, Dublin. <http://dx.doi.org/10.5281/zenodo.3804014>

SCHOOL OF ARTS, SCIENCE AND EDUCATION

Andjelic, C., Boschman, L., Forbes, D., Gust, C., McDowall, K., McLester, J., & Whidden, C. (Upcoming Fall 2021 publication). The student lens: Education students' response to our pandemic shift in teaching and learning. In P. Danyluk, A. Burns, S. L. Hill, & K. Crawford (Eds.), *Crisis and Opportunity: How Canadian Bachelor of Education Programs Responded to the Pandemic*. Canadian Association for Teacher Education (CATE).

Boyd, M., von Ranson, K.M., Whidden, C., & Frampton, N.M.A (2020). Short-term effects on group singing versus listening on mood and state self-esteem. *Psychomusicology: Music, Mind, and Brain*, 1-11. <http://dx.doi.org/10.1037/pmu0000266>

Burnett, A. N. (2021, May). What are the criteria for diagnosing autism spectrum disorders? Autism Society Alberta. <https://mailouts.autismalberta.ca/w/uVKK0EnEsrebdCorE7631LAQ>

Desjarlais-deKlerk, K.A. (To be Submitted June 2021). "(Dis)Connected: Indigenous Identity and the Politics of Reconnection." Prepared for Reading Sociology: Unsettling a Settler Colonial Project & Re/Writing Sociological Narratives. Oxford University Press.

Gust, D. (2021). *A Review of Educational Ethics: A Guidebook for Canadian Teachers*, Women's Press, ON, Canada

Hamilton, G. (2021). Finite Jest: Irony and Healing in Tommy Orange's There There.

Hutchinson, T. (2021, April 22-24). Poster presentation titled "Intergenerational Relationships & Mentorship" at the Canadian Gerontological Nursing Association Biennial Conference.

Kaethler, M. Thomas Middleton and the Plural Politics of Jacobean Drama. Medieval Institute Publications and De Gruyter, 2021.

SCHOOL OF TRADES AND TECHNOLOGY

Flinn, C. (2020) Trades Students Perceptions of their experiences in the Co-Creation of OER. Royal Roads University Library.

Vinden, S. Flinn C. Carson, T. (2021) Strengthening Digital Teaching and Learning Pedagogies for TVET. BC campus

Flinn, C. Overgaard, M. (2021). Math for Trades. Volume 2. Retrieved from <https://opentextbc.ca/mathfortrades2/>

SCHOOL OF HEALTH AND COMMUNITY SERVICES

Labrecque, M.E., Pavloff, M., Jahner, S., Wentzel, J., Luimes, J., Taylor, S., Smith, E., & Farthing, P. (2021, October 18-29). The impact of COVID-19 on rural and remote Saskatchewan nurses' mental health [Oral presentation]. Canadian Federation of Mental Health Nurses. Human Rights and Mental Health Nursing: Equity and Inclusion, Virtual. <https://www.cfmhn.ca/2021-conference/>

Canadian Association of Rural and Remote Nurses [CARRN] (2020). Rural and Remote Nursing Practice in Canada: An updated discussion paper. (Reviewed by JoDee Wentzel)

Regional Stewardship, Foundational Learning, Underrepresented Learners

REGIONAL STEWARDSHIP

Medicine Hat College signed a five-year contribution agreement with Immigration Refugee Citizenship Canada (IRCC) to deliver LINC Intermediate English language instruction at Brooks Campus beginning in April 2020. Due to the onset of the COVID pandemic, the first intake of students was postponed to September 2020. This grant is significant for Brooks Campus and the Brooks community, providing 225 seats for students annually at levels 5 – 8. Once a student has completed levels 7/8, the student will be eligible to transition into upgrading at the college. In 2020-2021, 103 students were registered in LINC classes between September 2020 – March 2021. Classes were delivered online due to COVID restrictions on in-person learning.

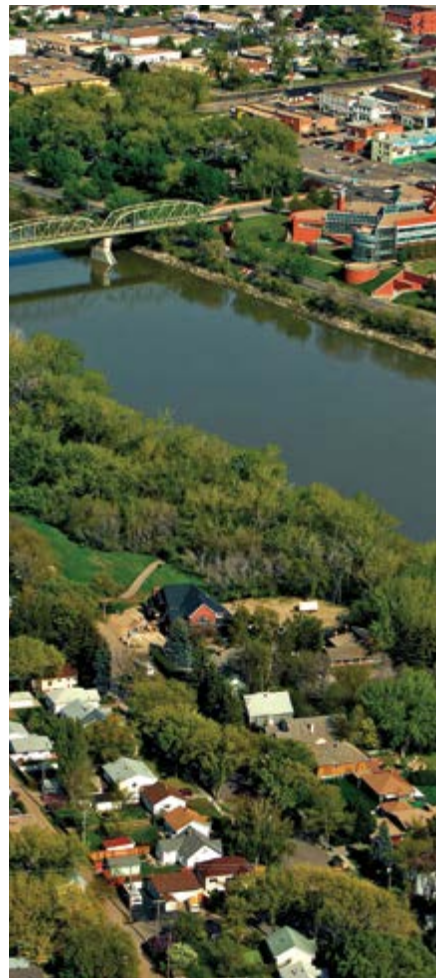
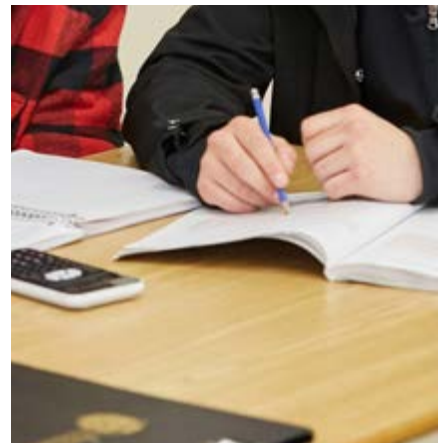
COMMUNITY ADULT LEARNING PROGRAM CONNECTIONS

Community Adult Learning Programs (CALPs) are an important pathway to education for foundational learners. Medicine Hat College administers the grants for the Adult Basic Literacy Education (A.B.L.E.) program in Medicine Hat and Brooks, as well as the 40 Mile Community Adult Learning Council in Bow Island and Foremost. In 2020-2021, 130 unique learners participated in literacy and foundational learning activities

provided by the CALPs including one-on-one tutoring, reading, writing, numeracy, and English language learning. Volunteer tutors contributed over 2,500 hours to support foundational learners during the pandemic primarily through online tutor sessions. In July 2021, the CALP grants for A.B.L.E and 40 Mile were amalgamated and renewed for a three-year term.

HIGH SCHOOL CONNECTIONS – DUAL CREDIT, CAREER AND TECHNOLOGY STUDIES (CTS) AND CAREER AND TECHNOLOGY FOUNDATIONS (CTF)

Currently, Medicine Hat College has agreements with the Medicine Hat Public School Division, Medicine Hat Catholic School Division, Prairie Rose School Division, Grasslands School Division, and Christ the Redeemer Catholic Schools to offer dual credit programming in several program areas, as well as provide space for junior and senior high school students to use MHC trades labs for CTS and CTF education. In addition, we also have an agreement with the Dynamite Academy in Brooks, which operates a licensed and accredited childcare program, providing early learning and childcare programming. Due to COVID restrictions this past year, CTS and CTF school programming was limited.





Internationalization

Medicine Hat College provides and supports opportunities for students, faculty and staff to take part in rich international and intercultural learning experiences. We are committed to providing international students an exceptional learning environment. In our internationalization efforts, we embrace diversity, emphasize learner success and strive to cultivate an environment of sustainability and transparency, while building strong internal, community-based and international partnerships.

Our internationalization efforts focus on three primary goals and we assess progress toward these goals annually. This year, International Education went through a strategic planning process to review and update international goals and KPIs to align with federal, provincial and college strategic objectives, with the updated international goals and initial outcomes for each presented here.

The COVID-19 pandemic had a significant impact on international activities at MHC, across all areas: global engagement, student services, and recruitment.



INTERNATIONAL GOAL 1:

STUDENTS FROM DIVERSE BACKGROUNDS TAKE PART IN GLOBAL AND INTERCULTURAL EDUCATION OPPORTUNITIES



Meaningful connections across cultures help our students, faculty and staff build intercultural competencies for responsible, engaged citizenship and personal and professional success. We build these competencies through the development and promotion of global and intercultural learning opportunities in the classroom, campus, community and internationally, and aim for these opportunities to be available to students with diverse backgrounds and experiences.

We are supporting Indigenous students, students in financial need and students with disabilities to take part in intercultural training and education abroad experiences through the Government of Canada's Outbound Student Mobility Pilot Program, administered by Colleges and Institutes Canada. Through this program, we have implemented an online intercultural development training program and are

developing programming to support Indigenous and other target group students to participate in Otago Polytechnic's Summer Studies in New Zealand program.

The COVID-19 pandemic has seriously limited opportunities for meaningful in-person cultural engagement. We have seen lower participation in intercultural development training and global engagement activities, suspension of education abroad activities, and a sharp reduction in number of international students in classes. Accordingly, we have seen a decrease in cultural awareness amongst Medicine Hat College students (measured as the proportion of student satisfaction respondents who felt their post-secondary education greatly added to their appreciation of other cultures) to 66% in 2021 from 73% the previous year. The extent and quality of interaction that international students have with other students, faculty and staff,

as measured by the Collaborative Learning Average for international students on Medicine Hat College's Student Learning and Engagement survey remained stable. However, we saw a decline in the proportion of international students reporting in the Student Satisfaction Survey to have a friend from another culture (from 94% to 90%) and a particularly sharp decline in the number of domestic students indicating the same (from 75% to 51%), suggesting the importance of in-person interactions across cultures in building these friendships.



INTERNATIONAL GOAL 2:

INTERNATIONAL STUDENTS ARE VALUED AND SUPPORTED IN REACHING THEIR GOALS

We strive to provide a welcoming, equitable, and inclusive student experience across all programs and services, with targeted support programming to help international students reach their goals. This includes orientation programming, immigration advising, academic advising as well as social and cultural supports. These services include programming to assess international students' preparedness for study at Medicine Hat College and to proactively identify and work with students at risk.

Results towards this goal are mixed. International Student Satisfaction with the Overall Quality of Education as measured by Medicine Hat College's Student Satisfaction survey remains strong at 94%. However, international students' perception of the degree to which the college is committed

to their success (e.g. study space, social activities, services to support learning), as measure by the International Student Supportive Environment Average (Student Learning and Engagement Survey) declined significantly from 65% to 51%. This is likely due to the suspension of in-person supports and activities, due to COVID-19. The average GPA for international students remained at a strong level (2.89 for the fall 2020 semester and 2.96 for the winter 2021 semester) after a significant increase in 2019.

Efforts going forward will focus on supporting students in connecting to local mentorship and employment opportunities, providing students with better information to support their financial health, and developing flexible, adaptive programming to support emerging needs.

INTERNATIONAL GOAL 3:

*INTERNATIONAL EDUCATION ACTIVITIES
SUPPORT COLLEGE AND REGIONAL
VITALITY*



Through the recruitment, retention and support of international students to MHC, International Education activities aim to support college and regional vitality. Our efforts focus primarily on recruiting for undersubscribed and new programs and for diversity, student success and best fit across Medicine Hat College's programs. Toward these aims, we engage in digital marketing activities and participate in select recruitment events in target markets. We are continually diversifying our recruitment markets and partnership networks, with the majority of these activities moving to virtual formats this year. To support student retention, success and fit, we have expanded advising for prospective international students and are providing enhanced supports to our contracted international representatives.

The COVID-19 pandemic seriously affected international student enrolment at MHC, with travel restrictions and study permit processing delays impeding students' ability to begin their programs of study. FLE enrolment dropped from 284.05 the previous year to 190.59 for 2021-2021. English for Academic Purposes programs were most impacted, with a decline in FLE enrolment from 42.38 in 2019-2020 to 8.425 in 2020-2021.

Going forward, we aim to further support regional vitality with efforts to measure and increase the proportion of international students who remain in the Medicine Hat region after graduation, supporting the development and promotion of programs that meet labour market needs, and promoting opportunities to stay and work in the region.

Off-Shore Delivery

Medicine Hat College is not engaged in or pursuing off-shore or cross-border delivery of college programming or credentials.

Information Technology

INSTITUTION'S INFORMATION SECURITY POLICY AND FRAMEWORK

Medicine Hat College's Information Technology (IT) security framework continues to mature as we ensure that it is aligned with the college's overall enterprise risk management strategy. The policy and process elements of our information security risk management framework are reviewed and renewed on a set cycle, as is our enterprise risk management strategy.

A critical element of Medicine Hat College's IT security strategy is the expansion of cybersecurity awareness and training across the college. A focus on cybersecurity awareness will remain for the foreseeable future.

REPLACEMENT OF BUSINESS OPERATIONAL SUPPORT SOFTWARE SYSTEMS

For several years, the college has recognized that significant student service improvements along with significant process and operational improvements will result from a replacement of some of our business software support systems. The student facing facets of our current student information system are poor and not conducive to the use of the range of modern, mobile, adaptive devices. In addition, Medicine Hat College has data disparate business solutions. Service delivery, functional effectiveness, end-user training and support, data management and security, and support processes across our disparate systems are currently difficult, costly and inefficient.

In 2017 – 2018, the college completed an analysis and began vetting systems and vendors to identify new enterprise resource planning software for the college. After much investigation and deliberation, Medicine Hat College selected Unit4 as its integrated ERP and student information systems. The contract between Medicine Hat College and Unit4 was signed in December of 2018.

Implementation of the Unit4 ERP (formerly called Business World) software suite began in August of 2019, and is in progress. The payroll system was implemented in January 2021. The HR systems are expected to be fully operational in Fall of 2021, followed by Finance in July of 2022.

In the first half of 2021, MHC negotiated out of its commitment to implement U4SM (Unit4 Student Management). A change in ownership of the U4SM software product, and considerations related to workload of college staff during the pandemic, caused us to pause on the student system implementation. We will continue to explore improved student systems.

We have a reserved amount of \$2 million which should take us through the analysis and implementation of financial, payroll, and HR systems. We expect implementation of the components of student information systems will require another \$2 million for a project total of \$4 million over four to five years.



Capital Plan

PRIORITY PROJECTS (TOP 3 CAPITAL PRIORITIES)

TYPE	PROJECT DESCRIPTION	TOTAL COST	FUNDING SOURCES	FUNDING RECEIVED TO DATE AND SOURCE	REVISED FUNDING SOURCES
New	Health, Wellness and Athletics Expansion Phase 1	\$8 million	20% GoC 54% GoA 26% PSI Funds	Government of Canada \$1.56 million, Government of Alberta \$4.3 Million, MHC \$2.14 million	MHC received federal funding – project is now fully funded and in progress.
New	Health, Wellness and Athletics Expansion Phase 2	\$16 million	45% PSI Funds (\$5 million) 55% GoA	\$3 million MHC	
New	Brooks Campus “Brooks Community Commons”	\$8 million	25% PSI Funds GoA 75%	No funds received to date	

OTHER

TYPE	DESCRIPTION	TOTAL COST	FUNDING SOURCES	FUNDING RECEIVED TO DATE AND SOURCE	REVISED FUNDING SOURCES
New	Sports Pavilion	\$500,000	90% GoA 10% PSI	No funds received to date	No change
Maintenance (Preservation)	T-Wing Second Floor Link	\$950,000	100% GoA	No funds received to date	No change
Maintenance (Preservation)	Sanitary Sewer Renewal/ Replacement	\$1 million	100% GoA	No funds received to date	No change

PROJECT TIMELINES AND STATUS

PROJECT DESCRIPTION	PROJECT TIMELINES	EXPECTED PROJECT START	EXPECTED PROJECT COMPLETION	PROJECT STATUS	PROGRESS MADE IN LAST 12 MONTHS
Health, Wellness and Athletics Expansion - Phase 1	May 2020 – January 2022	November 2020 (construction work)	Estimated January 2022	In Progress	In progress, construction underway
Health, Wellness and Athletics Expansion - Phase 2	To be determined	To be determined	To be determined	project pending funding approval	project pending funding approval
Brooks Campus “Brooks Community Commons”	To be determined	To be determined	To be determined	project pending funding approval.	project pending funding approval
Sports Pavilion	To be determined	To be determined	To be determined	project pending funding approval	project pending funding approval
T-Wing Second Floor Link	To be determined	To be determined	To be determined	project pending funding approval	project pending funding approval
Sanitary Sewer Renewal/ Replacement	To be determined	To be determined	To be determined	project pending funding approval	project pending funding approval



Medicine Hat College

Consolidated Financial Statements | JUNE 30, 2021

**MEDICINE HAT COLLEGE
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021**

Table of Contents

[Statement of Management Responsibility](#)Page 2

[Independent Auditor’s Report](#)Page 3

[Consolidated Statement of Financial Position](#)Page 6

[Consolidated Statement of Operations](#)Page 7

[Consolidated Statement of Change in Net Financial Assets](#)Page 8

[Consolidated Statement of Remeasurement Gains and Losses](#)Page 9

[Consolidated Statement of Cash Flows](#)Page 10

[Notes to the Consolidated Financial Statements](#)Page 11

MEDICINE HAT COLLEGE
STATEMENT OF MANAGEMENT RESPONSIBILITY
YEAR ENDED JUNE 30, 2021

The consolidated financial statements of Medicine Hat College have been prepared by management in accordance with the Canadian public sector accounting standards. The consolidated financial statements present fairly the financial position of the College as at June 30, 2021 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 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 and CEO and Vice-President, Administration and Finance (both are non-voting members), 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 Kevin Shufflebotham]
President and Chief Executive Officer

[Original signed by Wayne Resch]
Vice-President, Administration and Finance

Independent Auditor's Report

To the Board of Governors of Medicine Hat College

Report on the Consolidated Financial Statements

Opinion

I have audited the consolidated financial statements of Medicine Hat College (the Group), which comprise the consolidated statement of financial position as at June 30, 2021, and the consolidated statements of operations, remeasurement gains and losses, change in net financial assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2021, 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.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of my report. I am independent of the Group in accordance with the ethical requirements that are relevant to my audit of the consolidated financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the consolidated financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such

disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]

Auditor General

November 16, 2021

Edmonton, Alberta

MEDICINE HAT COLLEGE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	<u>2021</u>	<u>2020</u>
Financial assets excluding portfolio investments restricted for endowments		
Cash and cash equivalents (Note 3)	\$ 16,540,873	\$ 3,913,466
Portfolio investments - non-endowment (Note 4)	15,903,367	22,214,175
Accounts receivable	529,179	888,671
Inventories held for sale	388,504	496,009
	<u>33,361,923</u>	<u>27,512,321</u>
Liabilities		
Accounts payable and accrued liabilities	4,263,553	4,543,198
Employee future benefit liabilities (Note 6)	2,142	-
Debt (Note 7)	1,563,106	1,772,691
Deferred revenue (Note 8)	11,890,239	10,248,089
	<u>17,719,040</u>	<u>16,563,978</u>
Net financial assets excluding portfolio investments restricted for endowments	<u>15,642,883</u>	<u>10,948,343</u>
Portfolio investments - restricted for endowments (Note 4)	10,317,583	9,661,378
NET FINANCIAL ASSETS	<u>\$ 25,960,465</u>	<u>\$ 20,609,721</u>
Non-financial assets		
Tangible capital assets (Note 10)	63,304,443	63,943,636
Prepaid expenses	1,007,608	1,395,753
	<u>64,312,051</u>	<u>65,339,389</u>
Net assets before spent deferred capital contributions	<u>90,272,516</u>	<u>85,949,110</u>
Spent deferred capital contributions (Note 9)	42,655,704	41,663,659
NET ASSETS (Note 11)	<u>\$ 47,616,812</u>	<u>\$ 44,285,451</u>
Net assets is comprised of:		
Accumulated surplus	45,617,136	43,581,403
Accumulated remeasurement gains	1,999,675	704,048
	<u>\$ 47,616,811</u>	<u>\$ 44,285,451</u>

MEDICINE HAT COLLEGE
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED JUNE 30, 2021

	2021		2020	
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	
	(Note 20)			
Revenues				
Government of Alberta grants (Note 18)	\$ 37,749,400	\$ 36,972,839	\$ 38,596,845	
Federal and other government grants (Note 18)	46,850	410,206	203,652	
Sales of services and products	5,219,350	2,339,464	4,443,169	
Student tuition and fees	12,407,150	9,897,347	10,767,372	
Donations and other grants	417,800	161,257	341,242	
Investment income	1,100,000	2,045,394	1,177,182	
	<u>56,940,550</u>	<u>51,826,506</u>	<u>55,529,462</u>	
Expenses (Note 15)				
Instruction general	20,620,150	19,383,042	21,489,381	
Academic support	4,845,350	4,364,617	4,314,006	
Student support	5,783,250	4,843,130	6,519,555	
Administration	4,835,100	5,520,299	8,580,280	
Operational	10,714,350	9,218,208	10,568,718	
Ancillary services	4,113,150	2,776,918	3,582,026	
Computing and communication	3,994,100	3,756,075	3,395,641	
Sponsored research	50,000	113,662	47,536	
	<u>54,955,450</u>	<u>49,975,952</u>	<u>58,497,143</u>	
Annual operating surplus (deficit)	\$ 1,985,100	\$ 1,850,555	\$ (2,967,681)	
Endowment contributions (Note 11)	-	185,179	64,052	
Annual surplus (deficit)	1,985,100	2,035,733	(2,903,629)	
Accumulated surplus at beginning of year	43,581,403	43,581,403	46,485,032	
Accumulated surplus at end of year	\$ 45,566,503	\$ 45,617,136	\$ 43,581,403	

MEDICINE HAT COLLEGE
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
YEAR ENDED JUNE 30, 2021

	2021		2020
	Budget (Note 20)	Actual	Actual
Annual surplus (deficit)	\$ 1,985,100	\$ 2,035,733	\$ (2,903,629)
Acquisition of tangible capital assets	(1,077,050)	(4,487,229)	(2,027,902)
Amortization of tangible capital assets	5,228,400	5,064,594	5,492,488
Loss on disposal of tangible capital assets	50,000	61,828	510,327
Change in prepaid expenses	47,000	388,145	(632,322)
Change in spent deferred capital contributions	(2,466,500)	992,046	(2,510,510)
Change in accumulated remeasurement gains (losses)	407,800	1,295,627	(479,981)
Increase (decrease) in net financial assets	4,174,750	5,350,744	(2,551,529)
Net financial assets, beginning of year		20,609,720	23,161,249
Net financial assets, end of year		\$ 25,960,465	\$ 20,609,720

MEDICINE HAT COLLEGE
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
YEAR ENDED JUNE 30, 2021

	<u>2021</u>	<u>2020</u>
Accumulated remeasurement gains, beginning of year	\$ 704,048	\$ 1,184,029
Unrealized gains (losses) attributable to:		
Quoted in active market financial instruments:		
Portfolio investments - non-endowment	2,149,139	(338,151)
Amounts reclassified to consolidated statement of operations:		
Quoted in active market financial instruments:		
Portfolio investments	<u>(853,512)</u>	<u>(141,830)</u>
Accumulated remeasurement gains, end of year	<u>\$ 1,999,675</u>	<u>\$ 704,048</u>
 Accumulated remeasurement gains (losses) is comprised of:		
Portfolio investments - non-endowment	<u>\$ 1,999,675</u>	<u>704,048</u>
	<u>\$ 1,999,675</u>	<u>704,048</u>

MEDICINE HAT COLLEGE
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021

	<u>2021</u>	<u>2020</u>
Operating transactions		
Annual surplus (deficit)	\$ 2,035,733	\$ (2,903,629)
Add (deduct) non-cash items:		
Amortization of tangible capital assets	5,064,594	5,492,488
Loss on disposal of tangible capital assets	61,828	510,327
Expended capital recognized as revenue	(2,571,916)	(2,927,704)
Increase in employee future benefit liabilities	2,142	-
Change in non-cash items	2,556,647	3,075,111
Decrease in accounts receivable	359,492	396,804
Decrease (increase) in inventories held for sale	107,505	(149,598)
(Decrease) increase in accounts payable and accrued liabilities	(279,645)	942,842
Increase in deferred revenue	723,107	255,435
Decrease (increase) in prepaid expenses	388,145	(632,322)
Cash provided by operating transactions	<u>5,890,986</u>	<u>984,643</u>
Capital transactions		
Acquisition of tangible capital assets, less in-kind donations	<u>(4,487,229)</u>	<u>(2,027,902)</u>
Cash applied to capital transactions	<u>(4,487,229)</u>	<u>(2,027,902)</u>
Investing transactions		
Purchase of portfolio investments	(2,405,630)	(1,617,467)
Proceeds on sale of portfolio investments	10,274,903	4,759,222
Cash provided by investing transactions	<u>7,869,273</u>	<u>3,141,755</u>
Financing transactions		
Repayment of debt	(209,585)	(197,257)
Increase in spent deferred capital contributions, less expended capital recognized as revenue	3,563,962	417,194
Cash provided by financing transactions	<u>3,354,377</u>	<u>219,937</u>
Increase in cash and cash equivalents	12,627,407	2,318,433
Cash and cash equivalents at beginning of year	3,913,466	1,595,032
Cash and cash equivalents at end of year (Note 3)	<u>\$ 16,540,873</u>	<u>\$ 3,913,466</u>

Note 1 Authority and Purpose

The Board of Governors of Medicine Hat College is a corporation which manages and operates Medicine Hat 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*, the College is a comprehensive community institution offering diploma and certificate programs as well as a full range of continuing education programs and activities. The College is a registered charity, and under section 149 of the *Income Tax Act* (Canada), is exempt from payment of income tax.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) General – Canadian Public Sector Accounting Standards (PSAS) and Use of Estimates

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards.

The measurement of certain assets and liabilities is contingent upon future events; therefore, the preparation of these consolidated financial statements requires the use of estimates, which may vary from actual results. 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.

The COVID-19 pandemic continues to cause material disruption to operations and by creating an overall economic slowdown across Alberta and the rest of the world. Medicine Hat College continues to assess and monitor the impact of COVID-19 on its financial condition, including the likelihood of decreased revenues and increased expenditures as a direct result of this crisis. The magnitude and duration of COVID-19 is uncertain and, accordingly, it is difficult to reliably measure the potential future impact on the College’s financial position and operations.

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

(b) Valuation of Financial Assets and Liabilities

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

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and cash equivalents	Cost
Fixed income investments	Amortized cost
Portfolio investments	Fair value and amortized cost
Inventories held for resale	Lower of cost or net realizable value
Accounts receivable	Lower of cost or net recoverable value
Accounts payable and accrued liabilities	Cost
Debt	Amortized cost

Unrealized gains and losses from changes in the fair value of unrestricted financial assets and liabilities are recognized in the consolidated statement of remeasurement gains and losses. When the restricted nature of a financial instrument and any related changes in fair value create a liability, unrealized gains and losses are recognized as deferred revenue.

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

For financial assets and liabilities measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value. Investment management fees are expensed as incurred. The purchase and sale of cash and 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.

(c) Revenue Recognition

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

Government grants, non-government grants and donations

Government transfers are referred to as government grants.

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

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

Government grants without terms for the use of the grant are recorded as revenue when the College is eligible to receive the funds. Unrestricted non-government grants and donations are 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 a fair value can be reasonably determined. Transfers of capital assets from related parties are recorded at the carrying value.

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.

Endowment contributions

Endowment contributions 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 in perpetuity.

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 statement of operations.

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

(d) Endowments

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

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

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

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

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

(e) Inventories Held for Sale

Inventories held 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 assets, and costs associated with asset retirement obligations. Cost includes overhead directly attributable to construction and development.

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

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.

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 renovations	40 years
Site improvements	25 years
Furniture and equipment	4 to 25 years
Systems planning and development	10 years
Library acquisitions	10 years

Tangible capital asset write-downs are recognized when conditions indicate 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 expense.

Intangible assets, works of art, historical treasures and collections are expensed when acquired and not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made.

(g) Employee Future Benefits

Pension

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

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

Supplementary retirement plans (SRP)

The College maintains a supplementary pension plan for the President/CEO. The pension expense for the supplementary retirement plan is the employer's current year contribution to the plan as calculated in accordance with plan rules.

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

Long-term disability

The cost of providing non-vesting and non-accumulating employee future benefits for compensated absences under the College's long-term disability plans is charged to expense in full when the event occurs which obligates the College to provide the benefits. The cost of these benefits is actuarially determined using the accumulated benefit method, a market interest rate and administration's best estimate of the retirement ages of employees, expected health care costs and the period of employee disability. Actuarial gains or losses on the accrued benefit obligation are amortized over the average expected period the benefits will be paid. As of June 30, 2021 there were three employees participating in this program (2020 – three).

Leave plan

The College has a leave plan available to any eligible employee called the Deferred Salary Leave Program. As of June 30, 2021 there were no employees participating in this program (2020 – none).

(h) Basis of Consolidation

The financial statements are prepared on a line-by-line consolidated basis and include the results of the controlled entity, Medicine Hat College Foundation.

(i) Liability for Contaminated Sites

Contaminated sites are a result of contamination of a chemical, organic or radioactive material or live organism that exceeds an environmental standard, being introduced into soil, water or sediment. Contaminated sites occur when an environmental standard exists and contamination exceeds the environmental standard.

A liability for remediation of contaminated sites from an operation(s) that is in productive use is recognized net of any expected recoveries when all of the following criteria are met:

- i. Medicine Hat College has a duty or responsibility to others, leaving little or no discretion to avoid the obligation;
- ii. the duty or responsibility to others entails settlement by future transfer or use of assets, or a provision of services at a specified or determinable date, or on demand; and
- iii. the transaction or events obligating the institution have already occurred.

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

(j) Expense by Function

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

Instruction and academic, student and administrative support

Expenses relating to support for the academic functions of the College both directly and indirectly. This function includes expenses incurred by faculties for their scholarly and non-sponsored research activities and by institutional wide administrative services. Additionally, expenses for student awards and bursaries and other programs involving teaching and learning, and community service specifically funded by restricted grants and donations.

Operational

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

Ancillary services

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

Computing and communication

Expenses relating to services and products provided to the college community in relation to information technology and communication services.

Sponsored research

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

(k) Funds and Reserves

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

(l) Future Accounting Changes

In August 2018, the Public Sector Accounting Board (PSAB) issued PS 3280 Asset Retirement Obligations. This accounting standard has been deferred by PSAB and is effective for fiscal years starting on or after April 1, 2022. Asset retirement obligations provides guidance on how to account for and report a liability for retirement of a tangible capital asset.

MEDICINE HAT COLLEGE
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021

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

In November 2018, PSAB approved PS 3400 Revenue. This accounting standard has been deferred by PSAB and is effective for fiscal years starting on or after April 1, 2023. Revenue provides guidance on how to account for and report on revenue, specifically addressing revenue arising from exchange transactions and unilateral transactions.

In November 2020, PSAB issued PSG-8 Purchased intangibles. This accounting guideline is effective for fiscal years starting on or after April 1, 2023. Purchased intangibles provides guidance on how to account for intangibles, which is now allowable due to amendments to PS 1000 Financial statement concepts.

In April 2021, PSAB issued PS 3160 Public Private Partnership. This accounting standard is effective for fiscal years starting on or after April 1, 2023. This standard provides guidance on how to account and report on infrastructure procured through public private partnership agreements.

Management has not yet adopted these standards and is currently assessing the impact of these new standards on the consolidated financial statements.

Note 3 Cash

	<u>2021</u>	<u>2020</u>
Cash on hand	\$ 6,600	\$ 1,840
Bank balances	16,534,273	3,911,626
	<u>\$ 16,540,873</u>	<u>\$ 3,913,466</u>

Cash equivalents include short term investments with a short maturity less than three months from the date of acquisition. As at June 30, 2021 there were no cash equivalents (2020 – nil).

Note 4 Portfolio Investments

	<u>2021</u>	<u>2020</u>
Portfolio investments - non-endowment	\$ 15,903,367	\$ 22,214,175
Portfolio investments - restricted for endowments	10,317,583	9,661,378
	<u>\$ 26,220,950</u>	<u>\$ 31,875,553</u>

MEDICINE HAT COLLEGE
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021

Note 4 Portfolio Investments (continued)

The composition of portfolio investments is as follows:

		2021			
		Level 1	Level 2	Level 3	Total
Portfolio investments at fair value					
Canadian equity fund	\$	-	\$ 6,953,742	\$ -	\$ 6,953,742
Foreign equity fund		-	10,789,862	-	10,789,862
Bond fund		-	7,829,997	-	7,829,997
Portfolio investments at cost or amortized cost					
Bank balances	\$	220,894	\$ -	\$ -	\$ 220,894
Money market		426,454	-	-	426,454
Short-term GIC's		-	-	-	-
	\$	<u>647,348</u>	<u>\$ 25,573,602</u>	<u>\$ -</u>	<u>\$ 26,220,950</u>
		<u>2%</u>	<u>98%</u>	<u>0%</u>	<u>100%</u>

		2020			
		Level 1	Level 2	Level 3	Total
Portfolio investments at fair value					
Canadian equity fund	\$	-	\$ 5,654,941	\$ -	\$ 5,654,941
Foreign equity fund		-	8,893,710	-	8,893,710
Bond fund		-	7,036,741	-	7,036,741
Portfolio investments at cost or amortized cost					
Bank balances	\$	90,140	\$ -	\$ -	\$ 90,140
Money market		200,021	-	-	200,021
Short-term GIC's		10,000,000	-	-	10,000,000
	\$	<u>10,290,161</u>	<u>\$ 21,585,392</u>	<u>\$ -</u>	<u>\$ 31,875,553</u>
		<u>32%</u>	<u>68%</u>	<u>0%</u>	<u>100%</u>

There were no short-term GIC's held at June 30, 2021. At June 30, 2020, short-term GIC's were earning 2.20% and the average days to maturity were 364 days.

The effective annual rate of earnings on portfolio investments at June 30, 2021 was 6.07% (2020 - 3.76%) determined on a weighted average basis.

The fair value measurements are those derived from:

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

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

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

Note 5 Financial Risk Management

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

The College is exposed to the following risks:

Market price risk

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

The College assesses its portfolio sensitivity to a percentage increase or decrease in the market prices. The sensitivity rate is determined using the historical annualized standard deviation for the total fund as determined by the investment advisor. At June 30, 2021, if market prices had a 1% (2020 – 1%) increase or decrease, with all other variables held constant, the increase or decrease in the market value of the investment portfolio for the year would have been a total of \$239,490 (2020 - \$206,277).

Foreign currency risk

The College does not hold investments denominated in foreign currency. The College does maintain a foreign bank account to pay invoices in foreign currency; however, the risk exposure to foreign currency fluctuations is minimal.

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 relatively low as the majority of balances are due from government agencies and corporate sponsors. Credit risk from tuition is managed through restricted enrolment activities for students with delinquent balances and maintaining standard collection procedures.

The credit risk on investments held are as follows:

	2021		2020	
	Money Market	Bond Fund	Money Market	Bond Fund
Credit rating				
AAA	0.0%	15.8%	0.0%	6.1%
AA	100.0%	41.5%	34.1%	52.5%
A	0.0%	28.8%	38.3%	33.5%
BBB	0.0%	13.9%	27.6%	7.9%
Not rated	0.0%	0.0%	0.0%	0.0%
Balance, end of year	100.0%	100.0%	100.0%	100.0%

Note 5 Financial Risk Management (continued)

Liquidity risk

Liquidity risk is the risk that the College will encounter difficulty in meeting obligations associated with its financial liabilities. The College maintains a short-term line of credit to ensure that funds are available to meet current and forecasted financial requirements in the most cost effective manner. As of June 30, 2021 the balance in the line of credit was \$0 (2020 - \$0).

Interest rate risk

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

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

	Less than 1 year	1 to 5 years	Greater than 5 years	Average effective market yield
Money market	100.0%	0.0%	0.0%	0.23%
Long-term investments	0.00%	26.0%	74.0%	2.19%

Note 6 Employee Future Benefit Liabilities

Leave Plan

The College has a leave plan available to any eligible employee called the Deferred Salary Leave Program (DSLPL). The DSLPL allows an employee to defer a specified monthly amount, or an annual percentage of annual regular gross salary up to a maximum of 33 1/3 percent. The total period of the deferral cannot exceed a maximum of six years.

Multi-Employer Pension Plans

The Local Authority Pension Plan (LAPP) is a multi-employer contributory defined benefit pension plan for support staff members and is accounted for on a defined contribution basis. At December 31, 2020, the LAPP reported an actuarial surplus of \$4,961,337,000 (2019 - \$7,913,261,000). An actuarial valuation of the LAPP was carried out as at December 31, 2019 and was then extrapolated to December 31, 2020. The pension expense recorded in these consolidated financial statements is \$2,282,567 (2020 - \$2,563,217).

Supplementary Retirement Plan (SRP)

The College introduced a new SRP in 2021 that provides a non-contributory defined benefit supplementary retirement benefit to the President/CEO. An actuarial valuation of these benefits was carried out on June 30, 2021.

MEDICINE HAT COLLEGE
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021

Note 6 Employee Future Benefit Liabilities (continued)

The expense and financial position of the SRP is as follows:

	Fiscal Year 2020/2021	Fiscal Year 2019/2020
	\$	\$
Service Cost	2,142	n/a
Interest Cost	-	n/a
Amortization of net actuarial (gain) loss	-	n/a
Amortization of past services cost	-	n/a
Recognition of unamortized net actuarial (gain) loss	-	n/a
Total Expense	2,142	n/a

Financial Position

Accrued benefit obligation:	
Balance, beginning of year	-
Current service cost	2,142
Interest Cost	-
Recognition of past service	-
Benefits paid	-
Actuarial (gain) loss	-
Balance, end of year	<u>2,142</u>
Plan assets	<u>-</u>
Plan deficiency (surplus)	<u>2,142</u>
Unamortized net actuarial gain (loss)	-
Unamortized past service cost	-
Accrued benefit liability	<u>2,142</u>

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

	30-Jun-21
Discount rate and investment return on Supplemental Plan account balances	1.13%
Salary increases	0.00%
Price inflation	2.00%
Average wage inflation	3.00%
Maximum pension under <i>Income Tax Act (Canada)</i>	\$3,245.56
Yearly Maximum Pensionable Earnings ("YMPE")	\$61,600
Retirement / withdrawal age	End of remaining contract term

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

MEDICINE HAT COLLEGE
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021

Note 7 Debt

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

	Maturity	Interest Rate	2021	2020
			Amortized Cost	Amortized Cost
Debentures payable to the Department of Treasury Board and Finance:				
Student residences	May 2027	6.25%	\$ 1,563,106	\$ 1,772,691

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

	Principal	Interest	Total
2022	\$ 222,684	97,694	\$ 320,378
2023	236,602	83,776	320,378
2024	251,390	68,988	320,378
2025	267,102	53,277	320,378
2026	283,795	36,583	320,378
Thereafter	301,533	18,846	320,379
	\$ 1,563,106	\$ 359,164	\$ 1,922,270

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

Interest expense on debt is \$108,639 (2020 - \$121,096) and is included in the consolidated statement of operations.

Note 8 Deferred Revenue

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

	2021			2020
	Unspent externally restricted grants and donations	Tuition and other fees	Total	Total
Balance, beginning of year	\$ 9,029,468	\$ 1,218,621	\$ 10,248,089	\$ 10,265,968
Grants, tuition, donations received	9,456,589	12,306,552	21,763,141	6,230,763
Restricted investment income	964,914	-	964,914	514,134
Transfers	-	-	-	-
Unrealized gains on restricted grants and donations	919,043	-	919,043	(273,314)
Transferred to endowments	(4,788)	-	(4,788)	(39,666)
Transferred to spent deferred capital contributions	(3,563,962)	-	(3,563,962)	(417,194)
Recognized as revenue	(7,320,230)	(11,115,968)	(18,436,198)	(6,032,602)
Balance, end of year	\$ 9,481,034	\$ 2,409,205	\$ 11,890,239	\$ 10,248,089

MEDICINE HAT COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

Note 9 Spent Deferred Capital Contributions

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

	<u>2021</u>	<u>2020</u>
Spent deferred capital contributions, beginning of year	\$ 41,663,659	\$ 44,174,169
Transfers from unspent externally restricted grants and donations	3,563,962	417,194
Expended capital recognized as revenue	(2,571,916)	(2,927,704)
Spent deferred capital contributions, end of year	<u>\$ 42,655,704</u>	<u>\$ 41,663,659</u>

Note 10 Tangible Capital Assets

		<u>2021</u>						
		<u>Land</u>	<u>Buildings and renovations</u>	<u>Site improvements</u>	<u>Furniture and equipment</u>	<u>Systems planning and development</u>	<u>Library acquisitions</u>	<u>Total</u>
Cost								
Beginning of year	\$	1,553,000	\$ 110,699,231	\$ 16,305,742	\$ 20,041,965	\$ 1,891,537	\$ 6,469,722	\$ 156,961,197
Additions		-	3,047,111	-	1,445,299	-	62,846	4,555,257
Disposals, including write-downs and transfers		-	(68,027)	-	(433,704)	-	(43,514)	(545,245)
		<u>1,553,000</u>	<u>113,678,315</u>	<u>16,305,742</u>	<u>21,053,560</u>	<u>1,891,537</u>	<u>6,489,054</u>	<u>160,971,209</u>
Accumulated Amortization								
Beginning of year		-	60,718,698	10,787,627	14,153,244	1,493,198	5,864,794	93,017,561
Amortization expense		-	2,738,856	360,827	1,739,928	57,897	167,086	5,064,594
Effect of disposals		-	-	-	(371,876)	-	(43,514)	(415,390)
		<u>-</u>	<u>63,457,554</u>	<u>11,148,454</u>	<u>15,521,296</u>	<u>1,551,095</u>	<u>5,988,366</u>	<u>97,666,765</u>
Net book value at June 30, 2021	\$	<u>1,553,000</u>	<u>\$ 50,220,761</u>	<u>\$ 5,157,288</u>	<u>\$ 5,532,264</u>	<u>\$ 340,442</u>	<u>\$ 500,688</u>	<u>\$ 63,304,443</u>
		<u>2020</u>						
		<u>Land</u>	<u>Buildings and renovations</u>	<u>Site improvements</u>	<u>Furniture and equipment</u>	<u>Systems planning and development</u>	<u>Library acquisitions</u>	<u>Total</u>
Cost								
Beginning of year	\$	1,553,000	\$ 111,362,104	\$ 15,350,746	\$ 21,621,277	\$ 1,677,665	\$ 6,423,311	\$ 157,988,103
Additions		-	489,171	954,996	1,447,800	213,872	74,107	3,179,947
Disposals, including write-downs and transfers		-	(1,152,044)	-	(3,027,112)	-	(27,697)	(4,206,853)
		<u>1,553,000</u>	<u>110,699,231</u>	<u>16,305,742</u>	<u>20,041,965</u>	<u>1,891,537</u>	<u>6,469,721</u>	<u>156,961,197</u>
Accumulated Amortization								
Beginning of year		-	57,589,616	10,426,800	14,903,656	1,451,029	5,698,452	90,069,553
Amortization expense		-	3,129,082	360,827	1,766,372	42,169	194,039	5,492,489
Effect of disposals		-	-	-	(2,516,784)	-	(27,697)	(2,544,481)
		<u>-</u>	<u>60,718,698</u>	<u>10,787,627</u>	<u>14,153,244</u>	<u>1,493,198</u>	<u>5,864,794</u>	<u>93,017,561</u>
Net book value at June 30, 2019	\$	<u>1,553,000</u>	<u>\$ 49,980,533</u>	<u>\$ 5,518,115</u>	<u>\$ 5,888,721</u>	<u>\$ 398,339</u>	<u>\$ 604,927</u>	<u>\$ 63,943,636</u>

No interest was capitalized by the College in 2021 (2020 – nil).

Included in buildings and renovations is \$3,993,028 (2020 - \$1,013,944) recorded as construction in progress which is not amortized as the assets are not in service.

MEDICINE HAT COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

Note 11 Net Assets

	Accumulated surplus (deficit) from operations	Internally restricted surplus	Investment in tangible capital assets	Endowments	Total
Net assets, at June 30, 2019	\$ 5,134,626	\$ 11,511,000	\$ 21,774,434	\$ 9,249,001	47,669,061
Annual operating deficit	(2,967,681)	-	-	-	(2,967,681)
Transfer to endowments	-	-	-	16,068	16,068
Gifts of endowment principal	-	-	-	47,984	47,984
Net transfers	109,000	(109,000)	-	-	-
Internally funded acquisition of capital assets	(1,610,708)	-	1,610,708	-	-
Debt - repayment	(197,257)	-	197,257	-	-
Net book value of asset disposals	510,327	-	(510,327)	-	-
Amortization of internally funded capital assets	2,564,784	-	(2,564,784)	-	-
Change in accumulated remeasurement gains	(479,981)	-	-	-	(479,981)
Net assets, at June 30, 2020	\$ 3,063,110	\$ 11,402,000	\$ 20,507,288	\$ 9,313,053	\$ 44,285,451
Annual operating surplus	1,850,555	-	-	-	1,850,555
Transfer to endowments	-	-	-	47,916	47,916
Gifts of endowment principal	-	-	-	137,263	137,263
Net transfers	218,000	(218,000)	-	-	-
Internally funded acquisition of capital assets	(923,267)	-	923,267	-	-
Debt - repayment	(209,585)	-	209,585	-	-
Net book value of asset disposals	61,828	-	(61,828)	-	-
Amortization of internally funded capital assets	2,492,677	-	(2,492,677)	-	-
Change in accumulated remeasurement gains	1,295,627	-	-	-	1,295,627
Net assets, at June 30, 2021	\$ 7,848,945	\$ 11,184,000	\$ 19,085,635	\$ 9,498,232	\$ 47,616,811
Net assets is comprised of:					
Accumulated surplus	5,849,270	11,184,000	19,085,635	9,498,232	45,617,136
Accumulated remeasurement gains	1,999,675	-	-	-	1,999,675
	\$ 7,848,945	\$ 11,184,000	\$ 19,085,635	\$ 9,498,232	\$ 47,616,811

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

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.

MEDICINE HAT COLLEGE
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021

Note 11 Net Assets (continued)

Internally restricted net assets with significant balances include:

	<u>2021</u>	<u>2020</u>
Non-Capital:		
Contingency	\$ 2,500,000	\$ 2,500,000
Degree Completion	<u>451,000</u>	<u>451,000</u>
	2,951,000	2,951,000
Capital:		
Generations	6,000,000	6,000,000
Enterprise Resource Planning Software	2,000,000	2,000,000
Ancillary services - student residence and related parking	116,000	266,000
Ancillary services - parking	<u>117,000</u>	<u>185,000</u>
	<u>8,233,000</u>	<u>8,451,000</u>
	<u>\$ 11,184,000</u>	<u>\$ 11,402,000</u>

Note 12 Contingent Liabilities

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

Note 13 Contractual Rights

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

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

	<u>2021</u>		
	<u>Operating Leases</u>	<u>Other Contracts</u>	<u>Total</u>
2022	\$ 132,142	\$ 54,700	\$ 186,842
2023	43,540	34,200	77,740
2024	-	30,700	30,700
2025	-	13,000	13,000
2026	<u>-</u>	<u>10,000</u>	<u>10,000</u>
	<u>\$ 175,682</u>	<u>\$ 142,600</u>	<u>\$ 318,282</u>

MEDICINE HAT COLLEGE
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021

Note 14 Contractual Obligations

The College has contractual obligations which are commitments that will become liabilities in the future when the terms of the contracts or agreements are met.

The estimated aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	2021		Total
	Service Contracts	Capital Contracts	
2022	\$ 2,601,882	\$ 6,600,520	\$ 9,202,403
2023	1,551,166	-	1,551,166
2024	869,357	-	869,357
2025	295,265	-	295,265
2026	587,487	-	587,487
	<u>\$ 5,905,157</u>	<u>\$ 6,600,520</u>	<u>\$ 12,505,677</u>

Note 15 Expense by Object

The following is a summary of expense by object.

	2021		2020
	Budget (Note 20)	Actual	Actual
Salaries and benefits	\$ 34,060,250	\$ 33,123,935	\$ 39,500,568
Supplies and services	10,355,850	8,259,302	8,498,190
Maintenance and repairs	2,059,600	875,721	1,469,918
Utilities	1,214,400	1,115,157	1,041,259
Scholarships and bursaries	622,800	647,935	830,747
Interest on long-term liabilities	110,800	108,639	121,096
Cost of goods sold	1,253,350	718,842	1,032,551
Amortization of capital assets, including loss on disposals	5,278,400	5,126,422	6,002,815
	<u>\$ 54,955,450</u>	<u>\$ 49,975,952</u>	<u>\$ 58,497,143</u>

Note 16 Funds Held on Behalf of Others

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

	2021	2020
Further Education Council	\$ 23,235	\$ 39,794
Faculty Association	37	(1,564)
Conservatory Groups	-	70,718
Association of Continuing Care Educators	-	45,177
	<u>\$ 23,271</u>	<u>\$ 154,125</u>

MEDICINE HAT COLLEGE
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021

Note 17 Related Parties

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

During the year, the College's key management personnel and their close family members did not have any material transactions with either Medicine Hat College, the Medicine Hat College Foundation or other Government of Alberta reporting entities that occurred at a value that was different from that which would have been arrived at if the parties were unrelated.

During the year, the College conducted business transactions with related parties, including Ministries of the Province of Alberta and other Alberta post-secondary institutions. The revenues and expenses incurred for these have been included in the consolidated statement of operations but have not been separately quantified. These transactions were entered into on the same business terms as with non-related parties and are recorded at fair market value.

The College has long-term liabilities with the Department of Treasury Board and Finance as described in Note 7.

Note 18 Government transfers

	<u>2021</u>	<u>2020</u>
Grants from Government of Alberta		
Advanced Education:		
Operating	\$ 33,162,138	\$ 34,448,533
Capital	3,254,193	1,528,508
Total Advanced Education	<u>36,416,331</u>	<u>35,977,041</u>
Other Post-secondary Institutions	<u>489,749</u>	<u>430,924</u>
Other Government of Alberta departments and agencies:		
Ministry of Jobs, Economy and Innovation	114,200	64,000
Alberta Health	81,240	-
Culture and Status of Women	(1,352)	205,537
Other	-	59,933
Total other Government of Alberta departments and agencies	<u>194,088</u>	<u>329,470</u>
Total contributions received	37,100,169	36,737,434
Add: restricted expended capital recognized as revenue	2,473,759	2,743,188
(Less): deferred contributions	<u>(2,601,089)</u>	<u>(883,777)</u>
	<u>\$ 36,972,839</u>	<u>\$ 38,596,845</u>
Federal and other government grants:		
Contributions received	426,607	26,137
Add: restricted expended capital recognized as revenue	48,027	136,132
(Less) add: deferred contributions	<u>(64,429)</u>	<u>41,384</u>
	<u>\$ 410,206</u>	<u>\$ 203,652</u>

MEDICINE HAT COLLEGE
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2021

Note 19 Salary and Employee Benefits

	2021			2020	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-cash Benefits ⁽³⁾	Total	Total
Governance ⁽⁴⁾					
Board Chair	\$ -	\$ 3,750	\$ 93	\$ 3,843	\$ 4,142
Board (10 members)	-	16,500	415	16,915	19,441
Executive/Management					
President/CEO	218,500	6,000	36,257	260,757	256,474
Vice Presidents:					
Vice-President, Academic & Provost	181,807	-	33,856	215,662	265,239
Vice-President, Administration & Finance	181,807	-	32,783	214,590	213,447
Executive Director, Corporate Finance	137,738	21,819	27,786	187,343	-
Dean, Trades & Technology ⁽⁵⁾	110,384	218,197	23,869	352,450	-

- 1) Base Salary includes pensionable base pay.
- 2) Other Cash Benefits include vacation payouts, car allowances, honoraria where applicable and other lump sum payments, including severances. There were no bonuses paid in 2021 or 2020.
- 3) Other Non-cash Benefits include the employer’s share of all other employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental, group life insurance, employment insurance and remission of tuition fees.
- 4) The chair and members of the Board of Governors receive no remuneration for participation on the board. Other cash benefits consist only of honorariums.
- 5) Two individuals occupied this position in the current fiscal year. This position was vacant from October 28, 2020 until January 1, 2021.

Under the terms of the supplemental retirement plan SRP, the President/CEO will receive supplemental payments. Retirement arrangement costs as detailed below are not cash payments in the period but are the period expense for rights to future compensation. Costs shown reflect the total estimated cost to provide a payment at termination of employment with the College. The cost of these benefits is actuarially determined using the accrued benefit method. The College accrues an expense annually for the SRP based on the employee’s salary and the notional growth in account balance. Current service cost is the actuarial present value of the benefits earned in the fiscal year. Prior service and other costs include amortization of past service costs on plan initiation, amortization of actuarial gains and losses, and interest accruing on the actuarial liability.

The supplementary retirement plan current service cost and accrued obligation under the SRP is outlined in the following table.

	Accrued Obligation June 30, 2020	Payments	Current Service Costs	Accrued Obligation June 30, 2021
President/CEO	\$ -	\$ -	\$ 2,142	\$ 2,142
	\$ -	\$ -	\$ 2,142	\$ 2,142

The significant actuarial assumptions for the SRP are disclosed in Note 6.

MEDICINE HAT COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

Note 20 Budget Figures

Budgeted figures have been provided for comparison purposes and have been derived from the College's Strategic Plan as approved by the Board of Governors.

Note 21 Approval of Consolidated Financial Statements

These consolidated financial statements were approved by the Board of Governors of Medicine Hat College.

Note 22 Comparative Figures

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

