



Annual Report

2021–2022

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Acknowledgement of Territory

Bow Valley College aims to uphold the intention of the numbered friendship treaties from the perspective of Indigenous Peoples. We also remain collectively accountable to respect Indigenous Peoples' legal and inherited rights recognizing we are all Treaty Peoples.

Through our words and actions, Bow Valley College honours the traditional lands of the Blackfoot Confederacy, which includes the Siksika, Kainai, and Piikani First Nations; as well as the Îyâxe Nakoda: Wesley, Chiniki, and Bearspaw First Nations; and the Tsuut'ina First Nation.

We also recognize the connection and autonomy of the Métis Nation, Region 3 within the historical Northwest Métis homeland.

We join all Nations in celebrating the unique histories, traditions, and cultures of Indigenous Peoples as we continue our journey on the road toward reconciliation together.

Vision

We open doors and open minds by creating opportunities for learners, employees, employers, and communities, and by shaping the future of college education.

Mission

To include all learners.
To challenge our thinking.
To remove barriers.
To provide opportunity.
To make all learning count.

Values



Respect



Inclusion



Creativity



Teamwork



Resilience

Client Focus

Since 1965, Bow Valley College prides itself on being a student-focused community college. Our strategic direction—Open Doors-Open Minds— ensures that students remain at the centre of what we do.

We see each individual student and build in resources around them to support their persistence and achievement. We are an institution that believes in them and opens our doors to them, regardless of where they are beginning.

We actively partner with Indigenous communities and engage an immensely diverse learning community across the breadth and depth of our programming scope.

We are expanding our access agenda to Albertans who want to pivot in their careers.

We offered the following programs during the 2021–22 academic year:

School of Foundational Learning

Indigenous Foundational Learning
Academic Upgrading
Indigenous Pathways to Employment
Literacy and Essential Skills

School of Global Access

English Language Learning, including literacy, academic
Language Instruction for Newcomers to Canada (LINC)
Language Learning Research and Facilitation
Pathway Programs for Newcomers
Career Development Services
Intercultural Competence Development
ACE TESOL
Global Competence
Regional LINC and LINC Home Study
English for Academic Purposes
International English Language Learning

School of Health and Wellness

Certificate programs
Health Care Aide
Nutrition Manager
Recreation Therapy Aide
Diploma programs
Pharmacy Technician
Practical Nurse

School of Technology

Diploma programs
Digital Design
Interior Decorating
Software Development
Information Technology Systems
Post-diploma certificate programs
Cybersecurity
Digital Marketing
Kitchen and Bath Design
Software Development

Centre for Entertainment Arts

Certificate Programs
Foundation in Entertainment Arts
Diploma Programs
Advanced 3D Animation & 3D Modelling
Advanced Visual Effects

Learning Innovation

Micro-Credentials
Continuing Learning
IBM Skills Academy
Workplace Essential Skills
Tech Skills to Employment
Corporate Training

School of Community Studies

Certificate programs
Addiction Studies:
Aboriginal Focus
Disability Studies
Early Childhood Education and Development
Education Assistant
Diploma programs
Addiction Studies:
Aboriginal Focus
Child and Youth Care
Disability Studies
Early Childhood Education and Development
Justice Studies Diploma
Correctional Studies
Law Enforcement
General
Social Work
Post-diploma certificate programs
Health and Human Services
Management

Chiu School of Business

Certificate programs
Administrative Professional
Business Administration
Hospital Unit Clerk
Human Resources
Medical Office Assistant
Veterinary Office Assistant
Diploma programs
Business Administration
Accounting
Digital Marketing
Financial Services
General Business
Human Resources
Insurance and Risk Management
Integrated Marketing Communications
Supply Chain Management
Legal Assistant

Campus Locations

Banff

Cochrane

Airdrie

Calgary

Strathmore

Closed effective
June 30, 2022

Okotoks

High River

Closed effective
December 31, 2021

Mandate

This mandate statement has been developed by Bow Valley College in consultation with Alberta’s Minister of Advanced Education pursuant to Section 78 of the *Post-secondary Learning Act* (PSLA).

1 Type of Institution, Sector, and Governance

Bow Valley College is a board-governed public post-secondary institution operating in Alberta as a comprehensive community college under the authority of the *Post-Secondary Learning Act* (PSLA).

2 Outcomes

Bow Valley College provides applied outcomes-based education experiences, including competency-based education, that facilitate academic and professional growth. We offer a wide range of credit and non-credit learning opportunities that lead to foundational skills acquisition and enhance technical and workplace skills to facilitate more Albertans with starting careers, advancing in their careers, or discovering further learning opportunities.

Bow Valley College supports the economic diversification and growth of Calgary and regional communities by responding to the needs of industries that are growing and innovating, contributing to Alberta’s community of entrepreneurs, and preparing employment-ready graduates for participation and resilience in the labour force. We provide opportunities for Albertans to transform not only themselves but also their communities.

Within the adult learning system, Bow Valley College is a comprehensive community college focused on expanding access to upskilling, reskilling, career programs, advanced career preparation, and work integrated learning opportunities that enable more Albertans with securing employment and roles within their communities aligned to their skills and potential. We create transformational learning opportunities and initiate articulation and transfer credit agreements with post-secondary institutions in Alberta.

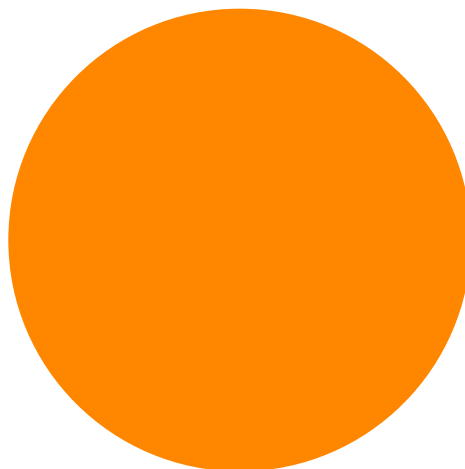
3 Clients/Students

Our learner and client focus includes working adults, lifelong learners, high school graduates, high school non-completers, Indigenous peoples, residents of rural and remote communities, persons with disabilities, international students, newcomers to Canada, learners preparing for entry- and mid-level careers, learners preparing for career advancement, and learners seeking advanced technical skills and specialties.

4 Geographic Service Area and Type of Delivery

Operating in Calgary and the surrounding region, Bow Valley College offers credit and non-credit instruction year-round, on a full-time, part-time, and distributed learning basis, both independently and through collaboration.

As a comprehensive community college with regional stewardship responsibilities, we provide a broad spectrum of learning opportunities in Calgary and regional communities that align with community aspirations, industry need, and student interest. We collaborate in communities with partners and community organizations to reach more learners.



5

Program Mandates and Credentials Offering

Bow Valley College provides a wide range of programming that develops enhanced, employment-ready skills in fields like business, health and wellness, justice, community services, technology, and entertainment arts. We are also committed to university transfer pathways, continuing education opportunities, and programs in foundational learning, including Academic Upgrading and English Language Learning.

Bow Valley College is committed to the provision of experiential learning opportunities that engage work integrated learning, including an apprenticeship model of education delivery, where learners can engage in on-site and role-specific training by employers with technical instruction provided by the College.

Bow Valley College programming leads to certificates, diplomas, post-diploma certificates, post-baccalaureate certificates, as well as pathways to university transfer and baccalaureate degrees in collaboration with degree-granting institutions.

6

Special Program Areas/ Areas of Specialization

Bow Valley College areas of programming specialization include academic programming and labour force preparedness training for adults seeking careers in diverse social and economic sectors, foundational learning opportunities in the areas of Academic Upgrading and English Language Learning, and upskilling and reskilling in support of developing and retaining a highly productive workforce as well as developing skills or adapting them for application in new contexts.

7

System Collaboration and Partnerships

Bow Valley College collaborates with other educational organizations, post-secondary institutions, governments, government agencies, Indigenous communities, business and industry, industry associations, accreditation agencies, and community organizations as well as contributes to the overall economic and social well-being of our province.

Collaborations are intended to facilitate access for vulnerable and remote communities, foster a sustainable model of regional delivery of education, create vibrant pathways between learning providers, provide opportunities to share learning resources and curriculum, and provide learners with a full range of mental wellness, social, and financial supports.

8

Research and Scholarly Activities

Bow Valley College leverages its strength and contributes to the research and innovation agenda by involving learners, faculty, and staff in designing practical solutions to applied challenges faced by industry and community partners.

Bow Valley College provides a sandbox environment for industry and community partners to prototype and validate new process and product ideas.

9

System Mandate

Bow Valley College is committed to building learning pathways to competency development, employment, and further learning. We provide highly flexible, customizable, and targeted learning experiences and training opportunities to promote individuals' skills acquisition, personal and professional development, and adaptability in labour force and entrepreneurial roles.

10

Other

Bow Valley College is a national leader in the provision of micro-credentials that recognize competency attainment and opportunities to ladder micro-credentials into credit programming.

Approved by the Minister of Advanced Education
June 17, 2021



Message from **Shannon Bowen-Smed** Board Chair

Bow Valley College is the college Alberta needs, now more than ever. As our city and province continue their path toward a diversified economy, we are taking strategic and pivotal steps to make significant, lasting contributions.

As a comprehensive community college, our institution provides transformational applied education, with an emphasis on meeting the competencies set by industry. This ensures that graduates can achieve throughout their careers, and that they can help their communities grow and prosper.

Bow Valley College has a strong record of innovation and success, and an impressive vision that aligns with the goals and recommendations of Alberta 2030: Building Skills for Jobs, the long-term strategy for the post-secondary sector. Guided by its strategic plan, Open Doors-Open Minds, the College supports economic development by responding to the needs of growing and evolving industries, equipping graduates with the high-quality, entrepreneurial skills necessary for resilience in the labour force.

During the course of the global pandemic, we demonstrated our strength and resilience by advancing flexible learning options, including our high-tech modern classrooms, and rapidly adapting to meet labour force needs, such as opening the Bow Valley College Centre for Entertainment Arts to support this growing sector.

Employees and leadership play a vital role in preparing students for the jobs of today and tomorrow. With resilience, tenacity, and fortitude, they guide our students and community, ensuring we produce thriving, employment-ready graduates. And, with the exceptional strategic oversight of my colleagues on the Board of Governors, this work is done in a fiscally responsible and sustainable manner.

The Board of Governors, working with senior leadership, is keen to build upon the momentum of the successful outcomes the College has achieved so far. As a post-secondary institution with a global reach, we are in the business of creating opportunities for students, and in the process, we are creating futures, supporting a diverse regional, national, and global economy, helping communities thrive, and transforming the future of college education. We are committed to opening doors to opportunity, and I look forward to the exciting path ahead.

Sincerely,

[Original signed by]

Shannon Bowen-Smed
Board Chair



Message from **Misheck Mwaba** President and CEO

In 2021–2022, Bow Valley College continued to demonstrate excellence in creating opportunities for our students and our communities, ensuring employment success, and shaping the future of college education.

We are proud to contribute to the next phase of Calgary's and Alberta's economic diversification by offering transformational education, flexible learning opportunities, innovative programming, and skilled graduates in industries critical to our province's growth.

In March 2022, we marked a pivotal moment in our College's history, with the grand opening of the Bow Valley College Centre for Entertainment Arts. This state-of-the-art facility represents the Alberta we know: a place where hard work, collaboration, and risk-taking are valued attributes of innovation, and economic and social prosperity. The Bow Valley College Centre for Entertainment Arts began offering three programs in January 2022 that will help Calgary, and Alberta, build stronger connections to the global animation and visual effects industries.

Through innovation and partnerships, Bow Valley College is contributing to the continued economic development and prosperity of our city and our province. Our programs respond to, and align with, industries that are evolving and growing. The College is proud to offer, in the upcoming term, 426 additional seats in six programs, via the Government of Alberta's Targeted Enrolment Expansion program. This furthers our commitment to developing job-ready graduates for high-demand, emerging industries.

In addition, with funding from the Government of Alberta to support Science, Technology, Engineering, and Math (STEM), our new Women Pivoting in Tech bursary will boost enrolment in our Technology programs. Removing financial

barriers will see talented female-identifying students pursue careers in cybersecurity, cloud computing, information technology services, and software development. These are all industries searching for skilled professionals, and Bow Valley College is meeting the demand.

As an access college, providing students with flexible learning options allows Bow Valley College courses and programming to become more accessible for all individuals, including under-represented populations, and those looking to pivot in their careers through targeted reskilling and upskilling opportunities. By adapting our delivery methods to best accommodate the needs of Albertans, our Modern Classroom initiative enables the College to deliver a course, simultaneously, to a mix of in-person and remote students seamlessly. This new teaching environment combines future-ready media technology, including roof-mounted cameras and microphones, to support different ways of learning to better meet the diverse and evolving needs of students.

These initiatives are all examples of how Bow Valley College continues to set a dynamic and innovative agenda. By making all learning count, we are supporting the continued economic development of the province, providing Albertans with upskilling and reskilling opportunities, and preparing students for resilience in an evolving labour force.

Alberta's future looks bright, and Bow Valley College is proud to contribute to its growth.

Sincerely,

[Original signed by]

Misheck Mwaba, PhD., P.Eng.
President and CEO

Board of Governors



Ms. Shannon Bowen-Smed
Chair,
Public Member

Jul 1, 2021 – Apr 20, 2024
Apr 21, 2021 – Jun 30, 2021



Dr. Misheck Mwaba
President & CEO

Nov 2, 2020 – Present



Mr. John Kousinioris
Vice Chair,
Public Member

Dec 6, 2022 – Dec 5, 2025
Dec 6, 2019 – Dec 5, 2022



Ms. Bettina Pierre Gilles
Public Member

Dec 6, 2022 – Dec 5, 2025
Dec 6, 2019 – Dec 5, 2022



Mr. Steven G McLeod
Public Member

Dec 6, 2022 – Dec 5, 2025
Dec 6, 2019 – Dec 5, 2022



Ms. Anny Quon
Public Member

May 15, 2021 – May 14, 2024
May 15, 2018 – May 14, 2021



Mr. Dwayne Dubois
Public Member

Aug 13, 2022 – Sept 15, 2025
Aug 13, 2019 – Aug 12, 2022



Mr. Neil Yeates
Public Member

Apr 4, 2020 – Apr 3, 2023



Ms. Louise Lee
Public Member

Apr 4, 2020 – Apr 3, 2023



Mr. Bob Hawkesworth
Public Member

Apr 1, 2022 – Jan 26, 2024
Jan 27, 2021 – Mar 31, 2022



Ms. Indira Smith
Non-academic
Staff Representative

Sept 11, 2021 – Sept 10, 2024



Ms. Ifeoma Ngwudike
Non-academic
Staff Representative

Sept 11, 2019 – Sept 10, 2021
Sept 11, 2017 – Sept 10, 2019



Mr. Jeff Clemens
Academic Staff
Representative

Sept 9, 2022 – Sept 8, 2024
Sept 9, 2020 – Sept 8, 2022



Ms. Nusrat Awan
Student Representative

May 26, 2021 – May 25, 2022



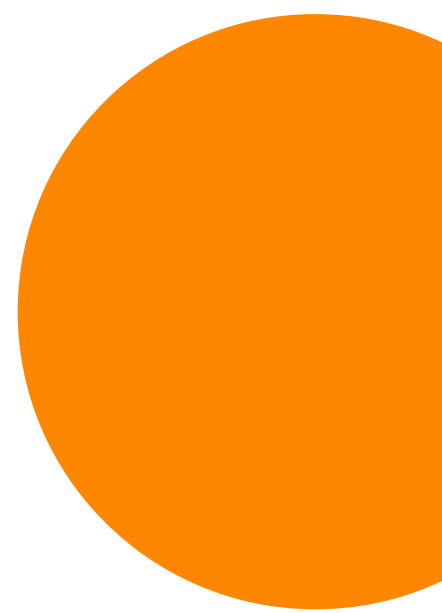
Ms. Rasgun Rasgun
Student Representative

Oct 29, 2021 – Apr 30, 2022



Ms. Dorothy Man
Student Representative

May 1, 2022 – Apr 30, 2023



Accountability Statement

The Bow Valley College Annual Report for the year ended June 30, 2022, was prepared under the Board's direction in accordance with the *Fiscal Planning and Transparency Act* and ministerial guidelines established pursuant to the *Post-Secondary Learning Act*. All material economic, environmental, or fiscal implications of which we are aware have been considered in the preparation of this report.

[Original signed by]

Shannon Bowen-Smed
Chair, Board of Governors

Management's Responsibility for Reporting

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

The Annual Report has been developed by the Executive Committee under the oversight of the Board of Governors, 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 *Post-Secondary Learning Act*, performs an annual independent audit of the financial statements which are prepared in accordance with Canadian public sector accounting standards.

[Original signed by]

Misheck Mwaba, PhD., P.Eng.
President and Chief Executive Officer

[Original signed by]

Vaughn Ravenscroft
Vice-President,
Corporate Services and
Chief Information Officer



Public Interest Disclosure (Whistleblower Protection) Act



The Public Interest Disclosure (Whistleblower Protection) Act applies to provincial government departments, offices of the Legislature, and to public entities. Public entities 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
- Promote public confidence in the administration of the departments, Legislative offices, and public entities

As per Section 32(1)(3) of the Act, the following is a report from Bow Valley College on all disclosures that have been made during the 2021–2022 year:

1. The number of disclosures received, acted on, and not acted on.

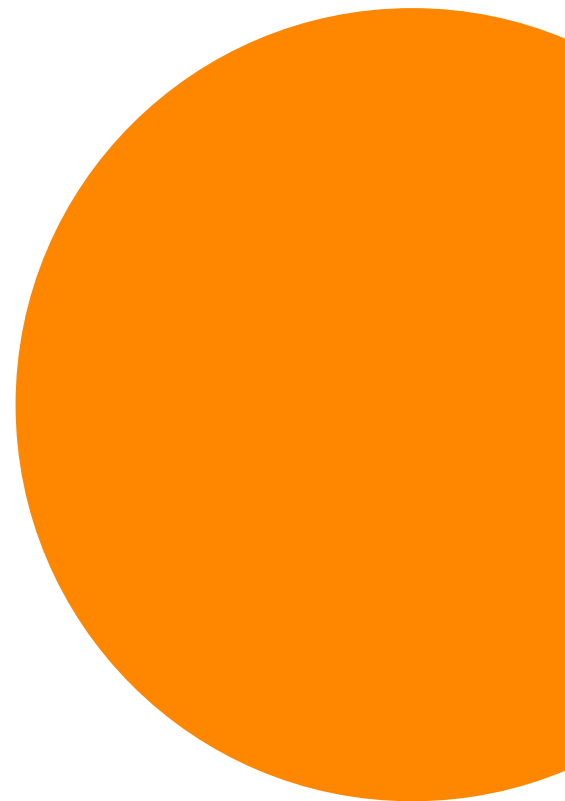
There were 24 reports received, 1 report withdrawn.

2. The number of investigations commenced.

There were 20 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.

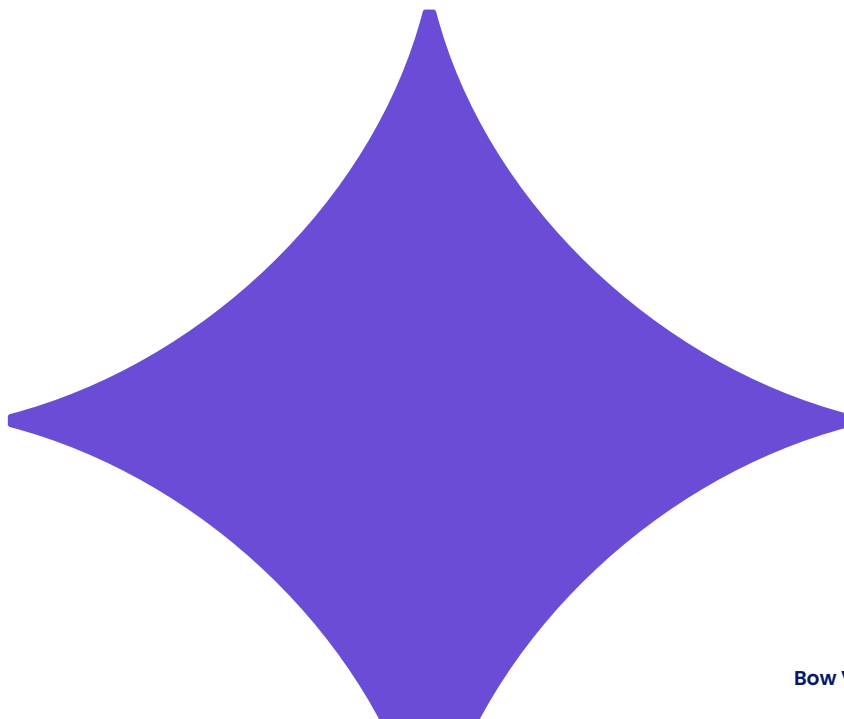
Human Resource and Freedom of Information and Privacy policies were found to be applicable to the disclosure reports filed. There were no disclosures that would fall into the definition of “wrongdoing” as defined by legislation.





Operational Overview

2021-2022 was a time of renewal, as Alberta engaged in its next phase of economic development and growth. Faced with a fluctuating and uncertain operating environment, as reflected in the following accounting of its operating environment, the College adapted in a transformational way, continuing to be a reliable partner working side-by-side with government, community partners, and industry partners in contributing to a new era of economic growth and community vitality.



Enrolment

Bow Valley College is proud to provide flexible and high-quality transformational learning to a diverse student body, with 93 per cent of graduates satisfied with Bow Valley College learning and services across career programs¹.

And, by meeting the wide-ranging learning needs of Albertans, Bow Valley College is delivering exceptional positive results for Alberta: 91 per cent of Bow Valley College graduates are employed across career programs², an increase from 86 per cent reported in 2020–2021. Bow Valley College is connecting individuals, quickly, with the right skills to the right jobs, at the right time for Alberta.

And this is accomplished with a proud commitment to access. Students come to Bow Valley College from many different backgrounds, with many different experiences and competencies. As an illustration, the College had 552 Indigenous (self-reported) credit students, 1,685 international full load equivalents, and 70 per cent of the student body identified as female.

Students at Bow Valley College require different things, at different times, in different ways from the College:

- Access and foundational programming,
- Career programs with a credential like a diploma,
- Post-diploma, stackable micro-credentials,
- Or with competency-based education giving students choice on learning pathways.

Which is why we are proud to work with Albertans in making their learning count, with completion rates of 84.8 per cent for certificates³, 74.6 per cent for diplomas⁴, and 90.5 per cent for post-diploma certificates⁵. Bow Valley College students have gained the work-ready skills, the interpersonal competencies, and the focused discipline necessary to help Alberta adapt to a new reality and emerge with greater strength and resilience.

But Bow Valley College's commitment to Albertans does not stop there. The College recognizes the need to broaden the definition of access to include individuals who are seeking to upskill and reskill. As illustrated throughout this report, the College's work relating to Pivot-Ed, micro-credentials, apprenticeship-style education, and other initiatives is remarkable in ensuring that all learning counts, for all Albertans, as they prepare for resilience and success in the labour market.

¹ This is the satisfaction with overall quality of education experience from the Bow Valley College Graduate Outcomes Survey.

² Career programs include post-secondary credential programs with the Chiu School of Business, School of Technology, School of Community Studies, and School of Health and Wellness.

³ Certificate and post-diploma certificate Completion rate is the percentage of learners who began their studies in 2018-19 and completed on or before 2021-22 and the calculation is aligned with the Alberta Advanced Education (AE) methodology.

⁴ Diploma Completion rate is the percentage of learners who began their studies in 2017-18 and completed on or before 2021-22 and the calculation is aligned with the Alberta Advanced Education (AE) methodology.

⁵ Certificate and post-diploma certificate Completion rate is the percentage of learners who began their studies in 2018-19 and completed on or before 2021-22 and the calculation is aligned with the Alberta Advanced Education (AE) methodology.

Total Full Load Equivalent (FLE) Distribution Across Schools

| | Actual 2019–2020 | Actual 2020–2021 | Actual 2021–2022 |
|---------------------------------|---------------------|---------------------|---------------------|
| School of Foundational Learning | 964 | 932 | 1,038 |
| School of Global Access | 1,342 | 1,114 | 1,143 |
| School of Health and Wellness | 1,523 | 1,722 | 1,833 |
| School of Community Studies | 1,457 | 1,323 | 1,358 |
| School of Technology | 346 | 379 | 492 |
| Chiu School of Business | 2,256 | 1,934 | 1,915 |
| Learning Innovation | 430 | 86 | 108 |
| Bow Valley College | 8,318 | 7,488 | 7,887 |

Bow Valley College experienced an approximately 5 per cent increase overall in full load equivalents (FLEs) in 2021–2022. There are several factors that influenced these increases, including an overall increase of new international students, diploma, and non-credential students. In particular, the School of Foundational Learning, Health and Wellness, and the School of Technology all saw notable increases in FLEs. Contributing factors include a receptive return to in-person learning, with the College working to offer more flexible learning options that better suit the lifestyle of students in foundational learning; continued strong health care demand, by both students and the health-care system overall; and the continued evolution of technology programming at the College, including noteworthy increases in FLEs for the Information Technology Systems and Software Development programs.

The College also saw increases in FLEs across credentials, including a 3 per cent increase in FLEs in certificate level programming, and a 4 per cent increase in FLEs in diploma level programming. The College experienced a 21 per cent increase in post-diploma certificates, due to its efforts in advancing this type of programming.

Innovative Programing for Alberta's Next Phase of Economic Growth and Development

Bow Valley College is proud to work with the Government of Alberta, industry, community, and other stakeholders in developing the labour force needed in meeting the needs of a diversifying economy. This is particularly important as Alberta continues its recovery from the pandemic and enters its next phase of economic growth and development.

The grand opening of the Bow Valley College Centre for Entertainment Arts is one illustration of the College's programming in this regard. The creative arts are growing and innovating in Alberta, and the opening of the Bow Valley College Centre for Entertainment Arts provides a dynamic venue to innovate and help Alberta's economic transformation. The Bow Valley College Centre for Entertainment Arts offers world-class entertainment and arts programming, including 3D animation, visual effects, and game development, ensuring students graduate with advanced skills to apply themselves in entertainment productions and related projects. The College is well positioned to provide a talent pipeline to Alberta's growing entertainment industry.

In addition to the innovative programming with our Centre for Entertainment Arts, Bow Valley College is also contributing to Alberta's economic development by launching, in fall 2023, two new apprenticeship-style technology programs. Receiving funding support from the Government of Alberta, the pilot programs in software development and digital design will provide students with the opportunity to complete a technology diploma while working in industry, developing new skills through on-the-job training. These apprenticeship-style technology programs are critical to the evolving workforce and growing technological sector in Alberta, providing an invaluable opportunity for students to upskill and reskill alongside industry in training the digital workforce of tomorrow.



Evolving Public Policy Landscape

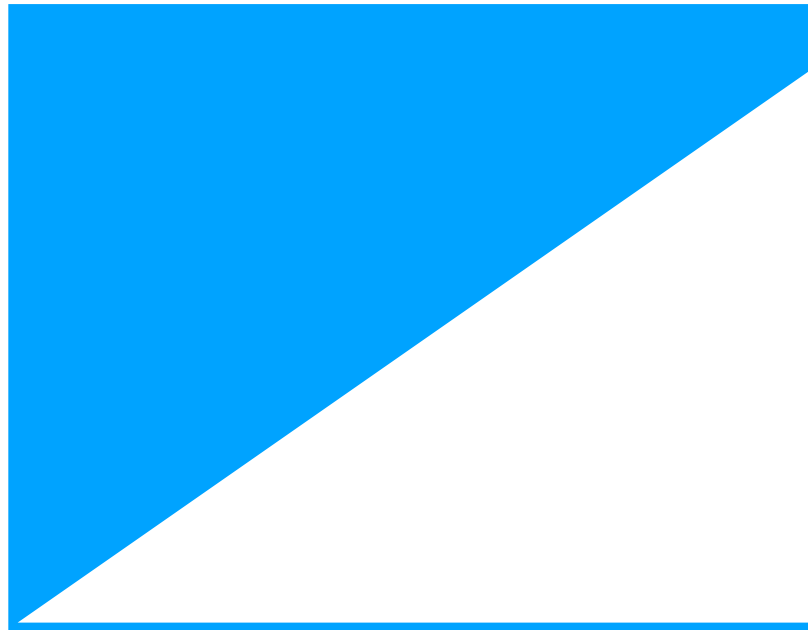
The 2021–2022 year saw an evolving public policy landscape, leading to a variety of transformational initiatives at Bow Valley College. The College consequently undertook various forms of collaborative dialogue with the government in response to, or in anticipation of, such major initiatives as:

- Working, as a collaborative partner, in implementing the Government of Alberta’s vision in Alberta 2030: Building Skills for Jobs strategy, a road map for a re-envisioned post-secondary system.
- Emphasizing Bow Valley College viewpoints throughout the development of Investment Management Agreements and performance measures for at-risk funding for post-secondary institutions.
- Continuing as a key, and active, partner in a large collaborative working group with most other post-secondaries in the province regarding advocacy for international education.
- Engaging in significant efforts in response to the impact of the COVID-19 pandemic on public policy, including implementing a thorough re-entry plan to ensure the safe return of students and employees to the College’s campuses.
- Continuing to shape the future of a college education, including:
 - Successfully advocating for the ability to deliver apprenticeship-style education.
 - Working to introduce the concept of the Bow Valley College Centre of Entertainment Arts to government and gain support for streamlined program approvals.
- Participating as an active partner in the City of Calgary’s development, rollout, and ongoing implementation of a downtown strategy. Bow Valley College is an important stakeholder in strategy implementation, and consequently, is participating in a downtown strategy champions network. The College is working internally and externally to develop advocacy positions and be a full participant in the rollout of the Downtown Strategy.
- Collaborating with government and several post-secondary institutions on topics such as foundational learning, international education, and talent recruitment and retention initiatives.



Post-Secondary Participation in Alberta

Improving post-secondary participation rates in Alberta is of critical importance, particularly with enrolment challenges sector wide. This is especially prevalent in community colleges, which is why Bow Valley College is committed to enhancing access to post-secondary education. Bow Valley College has redefined what it means to be an access college. Firstly, Bow Valley College is committed to engaging under-represented populations and providing them with the flexible supports needed. Secondly, the College is also working diligently to expand its access agenda to Albertans who want to pivot in their careers, either by upskilling or reskilling, so they can continue to thrive. Participation in post-secondary education is critical to the future success of Calgary and Alberta, and the College is a reliable and capable partner in helping the post-secondary system address these concerns.






Summary of Achievements

Bow Valley College is proud to be Calgary and region's only comprehensive community college. We offer relevant programming so that our graduates can contribute to the Calgary and Alberta economies as skilled employees and creative entrepreneurs. Our students also contribute greatly to enhancing the health and social vitality of our communities, from health care to community and social services and beyond. And our college community helps ensure this happens, not only providing transformative learning opportunities and innovative services for students and alumni, but also helping business, industry, and community solve workforce and social challenges for the betterment of everyone.

As our 2021-2022 year-end report demonstrates, Bow Valley College continues to be bold and innovative in facilitating its comprehensive community college role for the benefit of not only its students, but in helping propel Alberta in its next phase of economic development and growth.



Ensuring Employment Success

Contributing to Alberta's Next Phase of Economic Development

Preparing Albertans for Resilience in the Labour Force

Bow Valley College offers transformational educational opportunities, preparing graduates for the jobs of the future. We are helping Albertans adapt, reskill, and upskill to get back to work quickly. We are continuing to enhance and incorporate work-integrated learning opportunities into post-secondary programs and have successfully obtained two non-trades apprenticeship pilots—in software development and digital design—that will launch in 2023.

Supporting the Economic Diversification of Calgary and Alberta

Bow Valley College contributes to Alberta's economic diversification by continually evolving to meet the needs of the current labour market. With a growing tech ecosystem, we are expanding our program offerings in our School of Technology and developing micro-credentials for in-demand skills. Our Bow Valley College Centre for Entertainment Arts fills a gap in the talent pool for post-production professionals in film and television, and other creative industries which are growing in Alberta.

Supporting Students in Their Pathway to Employment in Key Industry Sectors

In fulfilling our mandate as a comprehensive community college, Bow Valley College is making all learning count, for all Albertans, in developing job-ready graduates. We are proud to partner with the Government of Alberta to offer, starting in the upcoming academic year, 426 additional seats in programs related to high-demand careers. In addition, we introduced the new Women Pivoting in Tech Bursary, which will be awarded to exceptional female-identifying students entering our technology programs.



Shaping the Future of College Education

Providing Highly Flexible Learning Environments to Meet Students Where They are at with What They Need

Bow Valley College is addressing a desire and need for learning flexibility. We are doing so by implementing our modern classroom initiative, providing students with the agency to choose their preferred method of learning.

Developing and Delivering Pioneering Services and Programming to Proactively Address Employment, Community, and Post-Secondary Issues

Bow Valley College continues its proven track record of developing innovative programming options to meet the needs of Albertans, today, and tomorrow. We do this by forging partnerships with government, industry, community, and other post-secondaries. We co-lead the Alberta post-secondary institution micro-credential committee, engaging with government on a micro-credential framework, and are also developing a road map to implement the vision outlined in the Alberta 2030: Building Skills for Jobs strategy.

Enhancing the College's Operational Efficiency to Ensure Continued Positive Value for Students, Industry, Community, Donors, and Government

Bow Valley College implements quality improvement initiatives to enhance its operational effectiveness and performance. We continue to seek out ways to enhance alternative revenue streams and stabilize international enrolment to ensure financial sustainability. We are maximizing efficient use of space for administrative offices, allowing for the expansion of the Bow Valley College Centre for Entertainment Arts. The College is also modernizing student services, including implementing a new student information system.

Providing Community and Social Success

Engaging the Broad Diversity of our Communities

We strive to fulfill our mandate as an access College. Doing so includes: the continued implementation of the College's Indigenous Strategy; enhancing targeted programs and services for Indigenous students, such as hiring an Indigenous Counsellor, an Indigenous Financial Coach, an Indigenous Learner Success Advisor, and an Indigenous Student Engagement Strategist; launching an Indigenous Career Support program to assist Indigenous students with work-integrated learning costs and continued delivery of our Indigenous Leadership Program; finalizing our international strategy, including enhancing diversification of our international student markets and agent recruitment; and celebrating our annual Pride week.

Building a Campus Community Upon Inclusion and Respect

We strive for a community of inclusion and respect, where everyone feels a sense of belonging and sees themselves within the College. In doing so, we are proud to have filled the new role of Student Equity, Diversity, and Inclusion (EDI) Strategist, the resource structure for which is shared by the College and the Students' Association of Bow Valley College. This position focuses on advising the College on human rights legislation, as it relates to students, as well as developing, coordinating, and evaluating student-focused EDI programming. The College also appointed its first Vice-President of People, Equity, Diversity, and Inclusion. This position, starting in the fall of 2022, will lead all people and culture-related initiatives for Bow Valley College employees, including developing, implementing, and assessing EDI strategies.

Collaborating with our Regional Stakeholders and Communities to Achieve Goals

We continued to implement our Regional Stewardship Plan to ensure education pathways and supports in our surrounding regions are accessible and sustainable. This includes opening our enhanced Okotoks campus and expanding regional program offerings—such as our Administrative Professional Certificate and increased intake for the Early Childhood Education and Development Certificate.

Enhancing Student Affordability to Enable Continued Access and Success

With sustained and increased investment from our corporate and individual donors, and the community, we continue to provide students with access to relevant education and programs, best-in-class learning spaces, and experiential learning opportunities. Initiatives have included: launching a new Awards Portal; launching our Open Doors-Open Minds fundraising campaign, with more than \$20 million raised so far; a return to hosting, in-person, our annual Premier's Scholarship Luncheon; providing awards and funding for student recipients; hosting the College's first-ever Giving Day to engage our community and raise funds to support student awards and bursaries; and successfully launching, resulting from leadership from the Students' Association of Bow Valley College, an "opt-in" student transit pass.



Goals and Performance Measures

Guided by our strategic plan, Open Doors-Open Minds, Bow Valley College supports the economic diversification and growth of Alberta by responding to the needs of industries that are growing and innovating, contributing to Alberta's community of entrepreneurs, and preparing employment-ready graduates for participation in a revitalized labour force.

Bow Valley College does great work, and by continuing to collaborate with the Government of Alberta, industry, and community, we will remain strong in our efforts to aid the province's recovery from the COVID-19 pandemic, enacting dynamic, transformative, and innovative efforts to diversify our economy while preparing Albertans for resilience in the labour market.

By shaping the future of a college education, continually offering new and innovative programming to expand access to upskilling, reskilling, career programming, and work-integrated learning opportunities, Bow Valley College is helping Albertans secure employment and providing the skilled workforce the province requires.

Ensure Employment Success

Goal: Collaborate with the Government of Alberta, industry, and community to aid the province's recovery from the COVID-19 pandemic, enacting transformational efforts to support economic diversity while preparing Albertans for resilience in the labour market.

Public Policy Goal: Contributions to the Government's economic recovery plan, particularly as it relates to talent and capital.

| Key Progress Indicator | Key Performance Measure | Status Indicator |
|---|--|--|
| Bow Valley College received \$4.6 million from the Government of Alberta through a Targeted Enrolment Expansion Grant, adding 426 seats to six of its programs. These additional seats will allow the College to support more students in their pathway to employment in key industry sectors in the province, including health care, technology, and the entertainment arts. | Bow Valley College and the Government of Alberta worked together to expand programs for students within opportunity-rich sectors of Alberta's labour market. | On track. Seats scheduled to be available starting in the Fall 2022 semester. |

Goal: Progress towards our goal of ensuring that students in our career-focused schools have at least one work-integrated learning opportunity prior to graduation.

Public Policy Goal: Efforts to ensure learners and graduates have the education and skills required to get rewarding careers, including initiatives to increase work-integrated learning opportunities for students.

| Key Progress Indicator | Key Performance Measure | Status Indicator |
|--|--|------------------|
| <p>The College continued to make progress on its goal of ensuring that students in our career-focused schools have at least one work-integrated learning opportunity before they graduate. Examples of steps undertaken included:</p> <ul style="list-style-type: none"> • Implementing one work-integrated learning experience into all School of Technology programs. • Transitioning Social Work work-integrated placement facilitation to Career Services at the College. • Obtaining approval to implement work-integrated learning into the Legal Assistant Diploma and Administrative Professional Certificate programs. • Developing a new Business Development team dedicated to finding work-integrated learning and employment opportunities with local, regional, national, and international partners. • Centralizing Career Services collection and tracking of more than 400 work-placement agreements for Business and Community Studies. • Developing a new Business Development team dedicated to finding work-integrated learning and employment opportunities with local, regional, national, and international partners. • Centralizing Career Services collection and tracking of more than 400 work-placement agreements for Business and Community Studies. | As per the Investment Management Agreement approved by the government, Bow Valley College is moving to a target of 58 per cent of programs having work-integrated learning in 2022–2023. | On track. |

Goal: Support the economic diversification agenda of Calgary and Alberta by ensuring that the first three programs for the Bow Valley College Centre for Entertainment Arts are running by January 2022.

| Key Progress Indicator | Key Performance Measure | Status Indicator |
|--|--|------------------|
| In March 2022, the College held a grand opening event of its new Centre for Entertainment Arts, an academic, creative, and artistic training ground for the next generation of talented 3D animators, visual effects artists, and game developers. The Bow Valley College Centre for Entertainment Arts began offering the Foundation in Entertainment Arts, Advanced 3D Animation and 3D Modelling, and Advanced Visual Effects programs in 2021–2022. The Bow Valley College Centre for Entertainment Arts provides a dynamic venue to innovate and help diversify Alberta's economy and to influence the well-being of our community. | The first three Centre for Entertainment Arts programs were launched in 2021–2022. | Achieved. |

Shape the Future of College Education

Goal: Provide a highly flexible learning environment, including the completion of the modern classroom pilot.

| Key Progress Indicator | Key Performance Measure | Status Indicator |
|---|--|------------------|
| Bow Valley College offered a highly flexible learning environment for students in 2021–2022 through the continuation of its Modern Classroom strategy. By pivoting its delivery methods to best accommodate the needs of Albertans, the College can seamlessly deliver a course, simultaneously, to a mix of in-person and remote students. This helps Bow Valley College courses become more accessible for all individuals, providing Albertans with flexible learning options as they complete their training and education. | The College completed Phase 1 of the Modern Classroom strategy and launched Phase 2, including setup and pre-wiring work on 50 Modern Classroom upgrades. As of June 30, 2022, a total of 28 classrooms had been converted and a total of 187 instructors had been trained for the Modern Classroom. | Achieved. |

Goal: Demonstrate leadership in competency-based education. Bow Valley College continues to lead the way in the implementation of competency-based education, working closely with partners in industry to identify competency and skills gaps in talent and develop assessments for specific jobs and tasks.

| Key Progress Indicator | Key Performance Measure | Status Indicator |
|---|---|------------------|
| The College continues to make connections with partners in the community to identify technical tasks and transferable skills. The College is currently planning competency-based education development for all new and redeveloped credit programs. | Competency-based education programs in Data Management and Analytics and Cloud Computing will be launched in fall 2022. | On track. |

Goal: Continue to implement our Pivot-Ed initiative, a reimagining of micro-credential delivery, to enable us to become a leader in assessing competencies and providing micro-credentials for in-demand skills. Specifically, implement phase one, including the development of a business model.

| Key Progress Indicator | Key Performance Measure | Status Indicator |
|--|--|------------------|
| The College continues to work on developing the Pivot-Ed platform, assessment, and micro-credential content. | The College is continuing with iterations of the Pivot-Ed platform until it is ready for a formal, public launch, with a target date of Winter 2023. | On track. |

Goal: Seek a role for the College to participate in a pilot to model apprenticeship-style education delivery, where learners engage in on-site training by employers and technical instruction provided by the College.

| Key Progress Indicator | Key Performance Measure | Status Indicator |
|---|---|------------------|
| Bow Valley College was awarded provincial funding for an apprenticeship model of education delivery in software development and digital design, with a planned launch in Fall 2023. | The College successfully obtained pilots for two non-trades apprenticeships in software development and digital design. | Achieved. |

Goal: Ensure operational efficiency and performance.

Public Policy Goal: Activities and initiatives designed to promote fiscal responsibility by effectively managing costs and realizing efficiencies.

| Key Progress Indicator | Key Performance Measure | Status Indicator |
|--|--|------------------|
| Bow Valley College has a track record of strong fiscal management and results, operating in a lean and efficient manner in reducing and eliminating spending that has limited impact on student learning. The College continues to enhance its operational efficiency and performance through measures such as automating cybersecurity processes to provide increased efficiencies and expanded cybersecurity services. | <p>A focus on operational efficiency has enhanced Bow Valley College's performance, as demonstrated by examples such as:</p> <ul style="list-style-type: none"> • Cybersecurity automation processes increased efficiency by 54 per cent, saving 210 full working days of labour. • PayMyTuition launched in November 2022, reducing operating costs by about \$300,000 to \$400,000 per term through the implementation of transaction fees for students. | Achieved. |

Goal: Develop a plan for enhancing alternative revenue streams at the College.

Public Policy Goal: Activities and initiatives that diversify revenue sources and explore more entrepreneurial approaches to program funding and delivery.

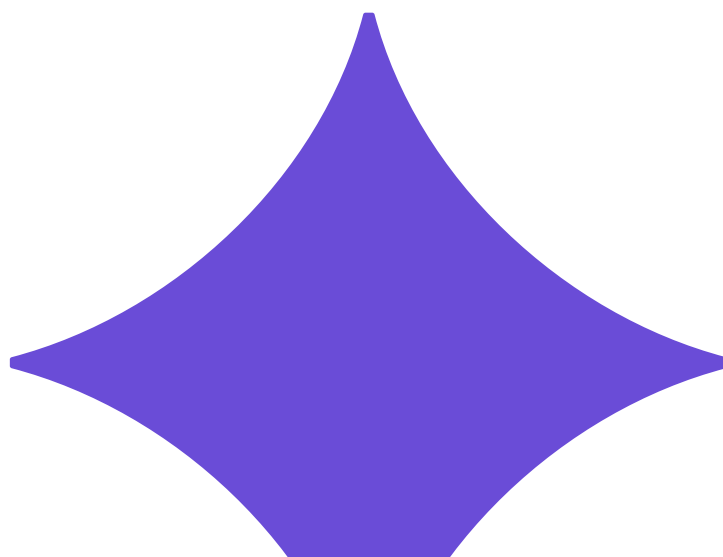
| Key Progress Indicator | Key Performance Measure | Status Indicator |
|--|---|------------------|
| Bow Valley College has a long-standing culture of operational efficiency and strong fiscal management practices. | The College's progress in this regard is noted in the Management Discussion and Analysis section of this Annual Report. | Achieved. |

Goal: Enhance remote delivery options to focus on initiatives in support of efficient work and effective teaching and learning.

| Key Progress Indicator | Key Performance Measure | Status Indicator |
|--|--|------------------|
| The College continued to provide flexible working, teaching, and learning opportunities for employees and students. Major initiatives included offering employees more choice on where they do their work through a Flexible Working Arrangement pilot program, implementing our Modern Classroom plan, and modernizing the College's three student call centres to cloud-based technology, allowing greater remote service to students. The College also purchased new routers and increased total campus internet bandwidth from 4Gb to 20Gb to better support remote delivery and work. | The College enhanced remote delivery options for students and employees through multiple strategies, from converting rooms to Modern Classrooms to allow a mix of in-person and online learning, to expanding cloud-based services for students, to ensuring we have the best technology in place to support remote work and learning. | Achieved. |

Goal: Pivot from the brand launch to the long-term advancement of the College's brand.

| Key Progress Indicator | Key Performance Measure | Status Indicator |
|---|---|------------------|
| During 2021–2022, the College continued to invest in its annual brand awareness campaign. The College's primary advertising goal moved from creating brand awareness to generating consideration from prospective students. | The annual brand awareness campaign was in market from September 2021 to June 2022. | Achieved. |



Provide Community and Social Success

Goal: Finalize and continue to implement our Indigenous Strategy.

| Key Progress Indicator | Key Performance Measure | Status Indicator |
|--|--|------------------|
| Bow Valley College stands by our commitment to a reconciled Canada where all Indigenous Peoples are respected, valued, and included. In 2021–2022 we continued implementing actions from our Indigenous Strategy. This included launching a new Indigenous Awareness course for employees, required training to provide employees with knowledge and background needed to participate greater in reconciliation. | Demonstrating Bow Valley College's commitment to continued reconciliation, the College is recruiting a Director, Indigenous Relations and Reconciliation. This new position will provide strategic leadership and oversee the continued implementation of the Indigenous Strategy. | On track. |

Goal: Implement our Regional Stewardship Plan and work to ensure education pathways and supports in the region are sustainable.

| Key Progress Indicator | Key Performance Measure | Status Indicator |
|---|--|------------------|
| <p>Bow Valley College is proud to work alongside regional and Indigenous communities, including:</p> <ul style="list-style-type: none"> • Opening an expanded Okotoks regional campus in January 2022, providing even greater opportunity for students looking for flexible and convenient options to live, work, and study in or near their community. • Initiating partnerships with Siksika Health Services, Siksika Employment and Training Services, and Old Sun Community College to support Siksika Nation students participating in the College's regional programs. • Partnering with Rocky View Adult Learning, a Community Adult Learning Program (CALP) that serves communities including Airdrie, Cochrane, and Chestermere. This organization is now co-located in the College's Airdrie regional campus, providing a single location for learners who access services from both partners, and more seamless support for literacy and foundational learners transitioning to post-secondary. • Forming a partnership with the Strathmore Municipal Library CALP following the closure of our Strathmore regional campus in June. All our regional programs are delivered in a flexible, blended format designed to be accessible from anywhere in our service region using various technologies. The Strathmore Municipal Library welcomes Bow Valley College regional students, provides reliable, high-speed internet for those who may not otherwise have access, and offers a space for regional support staff to meet with students. | <p>The College continues to see positive results from its partnerships with regional and Indigenous communities, including:</p> <ul style="list-style-type: none"> • Offering more programming and increased flexible learning options through a much larger Okotoks campus, which means more students will be able to stay in their community—or close to it—to earn a high-quality post-secondary education. • Plans are in progress with Rocky View Adult Learning to provide shared services and programs through our Cochrane regional campus in the coming year. • In partnership with Siksika Health Services, a cohort of learners completed the Health Care Aide certificate program and were employed by the Siksika Elders Lodge during and following their program. A learner from this regional cohort was chosen as the 2022 valedictorian for the College's School of Health and Wellness and was recognized by her community and at our convocation ceremony for her achievement. | Achieved. |

Goal: Develop a robust three-year Strategic Enrolment Management Plan.

| Key Progress Indicator | Key Performance Measure | Status Indicator |
|---|---|------------------|
| Bow Valley College continues to examine ways to strategically enhance access to post-secondary education, including identifying programs for targeted marketing and recruitment support, increasing open studies, reviewing application dates and processes, and other related initiatives. | Bow Valley College continues to critically examine enrolment and related trends to uncover valuable insights and enhance its strategic approach to student recruitment and retention. | On track. |

Goal: Develop and accelerate a comprehensive international plan that identifies Bow Valley College's targets and strategies for internationalization.

| Key Progress Indicator | Key Performance Measure | Status Indicator |
|--|--|------------------|
| The College's strategies for internationalization include enhanced diversification of student markets, a redesigned admission process to support further diversification of applicants, expanded recruitment into markets including Nepal and the Philippines, and better-designed application and study permit timelines. | The College will continue to finalize its international strategy and operational recommendations to ensure international enrolment targets are met. Further, at a sector level, the College actively participates in a joint international student recruitment committee comprised of Alberta post-secondary institutions. | On track. |



Goal: Protect financial awards for students through the implementation of an endowment-focused strategy, with a new fundraising campaign in development.

| Key Progress Indicator | Key Performance Measure | Status Indicator |
|--|---|------------------|
| The College launched the first stage of its Open Doors-Open Minds Campaign in January 2022, with the goal of raising \$35 million by 2026. | The Open Doors-Open Minds fundraising campaign raised nearly \$21 million in its initial quiet phase, including a contribution from a long-term individual donor in support of an endowment that will support student awards in perpetuity. Additionally, Bow Valley College is proud to partner with the Government of Alberta in the Women Pivoting in Tech Bursary, receiving \$400,000 to fund bursaries for eligible female-identifying students entering a science, technology, engineering, and math (STEM)-related diploma or post-diploma program. | On track. |

Goal: Ensure the College continues to be recognized as a top applied research college.

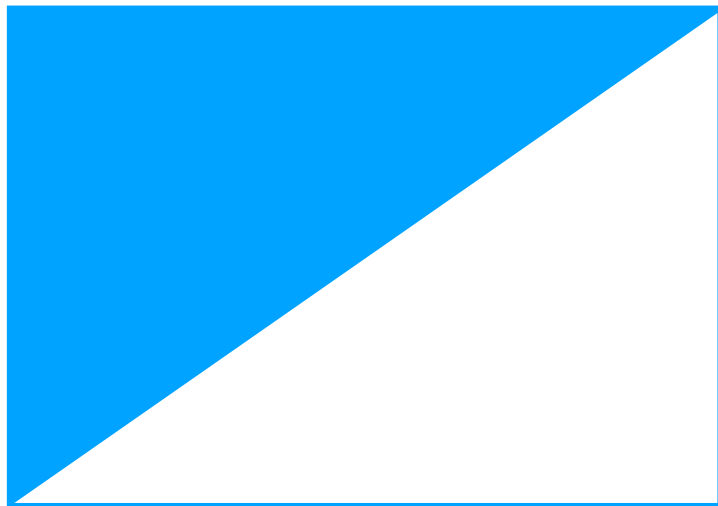
| Key Progress Indicator | Key Performance Measure | Status Indicator |
|--|--|------------------|
| The College continues to undertake innovative, applied research that addresses industry and community needs and challenges, in areas including educational technology, health technology, and social innovation. Examples include the Virtual Reality Focused Assessment Tool, which received funding from Alberta Innovates, and has been incorporated into the Practical Nurse curriculum. | Bow Valley College is proud to be one of the top 50 research Colleges in Canada, ranking 44th overall in 2021. | Achieved. |





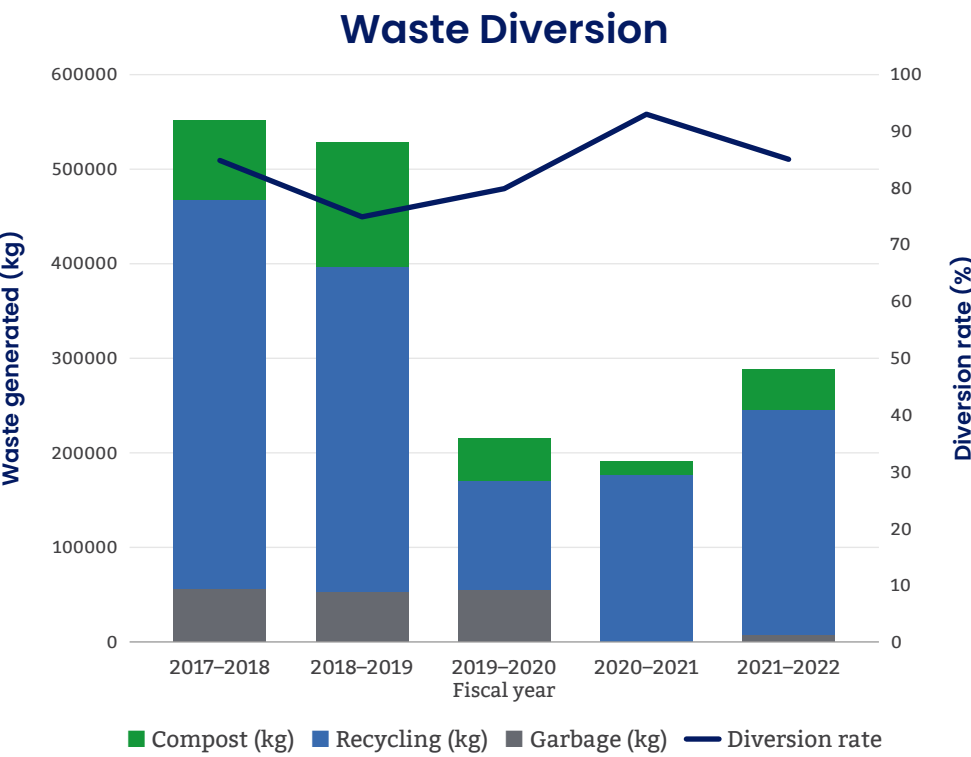
Environmental Sustainability

Sustainability is a priority for Bow Valley College, with the College working diligently to understand the environmental and economic impacts of its daily operations. The College aims to be transparent about the risks and opportunities it faces in working to reduce its environmental impact and enhance its social and community impacts. This sustainability content, therefore, is one approach to capturing and communicating the environmental and social impacts of the College's operations and activities.

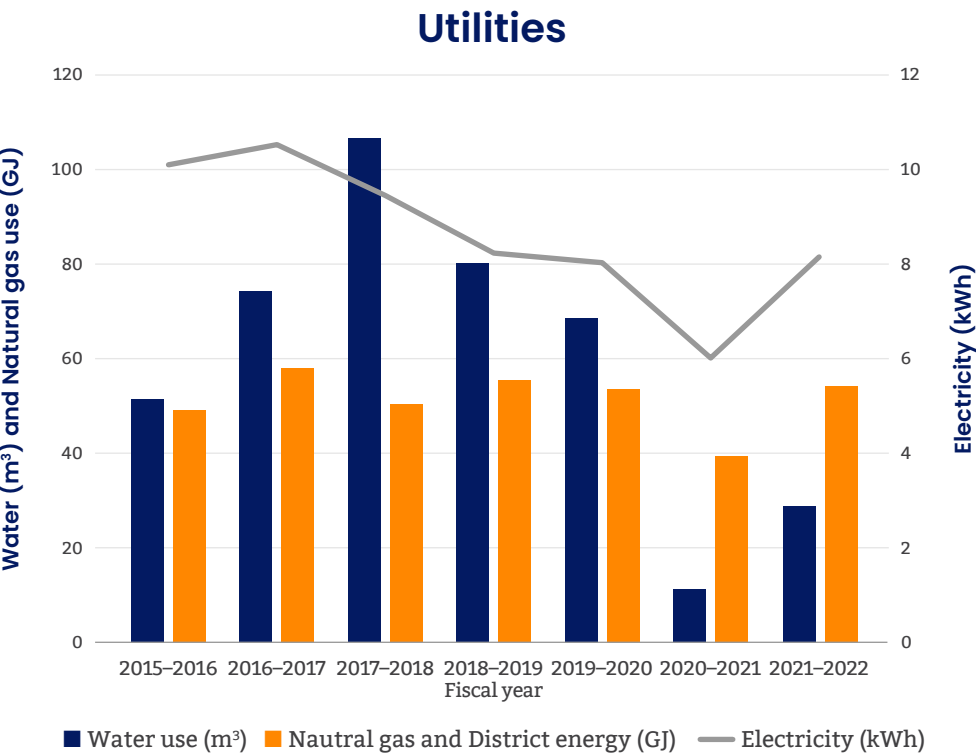


Operations

Each year, Bow Valley College diverts waste from landfills through composting and recycling programs in accordance with City of Calgary bylaws. We recycle plastic, metal, paper, cardboard, electronics, construction waste, gloves and masks, pens, and batteries. Waste generation dipped in 2020 due to campus closures related to COVID-19, but these numbers began to rebound as more students and employees were welcomed back to campus in 2021–2022. Our waste diversion rate (percentage of waste recycled and composted) remains high despite this fluctuation in campus users.



We diligently track our water and energy consumption. Similar to waste generation, energy and water consumption dipped due to COVID-19 but began to rebound in 2021-2022. For the second year in a row, we participated in the City of Calgary’s Commercial Building Energy Benchmarking Program to compare our energy performance to other commercial buildings in Calgary.



In fall 2021, we completed our first greenhouse gas (GHG) emissions inventories for the 2019 and 2020 calendar years following the international GHG Protocol. Our scope 1 and 2 emissions (associated with building operations and electricity use) for 2019 were 7,545 tonnes of carbon dioxide equivalents (tCO₂e), which dropped to 5,239 tCO₂e in 2020 due to campus closures. In 2022, we began developing our first climate action plan and offset 450 tonnes of emissions through the purchase of carbon credits through the Great Bear Rainforest Initiative.

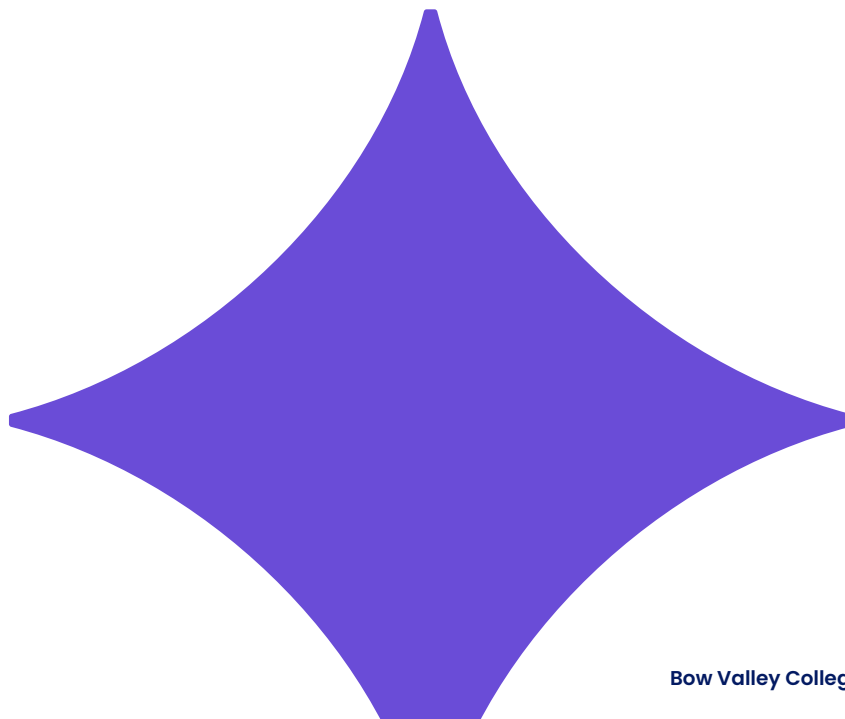
Sustainability Initiatives

Bow Valley College made several strides to improve our sustainability portfolio throughout 2021–2022:

- We installed two electric vehicle chargers in our South Campus parkade. We are participating in ENMAX's Charge Up pilot program to understand charging behaviour in Calgary.
- We planted a pollinator garden on our South Campus fourth-floor terrace. Our efforts to protect native pollinators granted us Bee Campus certification through Bee City Canada. We also partnered with the Alberta Community Bat Program to install a bat detector and track migration of hoary bats through the downtown core.
- An instructor in the School of Technology received the Inspired Educator award through Canada Green Building Council for their work in the Kitchen and Bath Design program.
- We engaged hundreds of employees and students through numerous sustainability-themed events, volunteering opportunities, and a campus podcast.

Policy Considerations

We recognize that Bow Valley College has a role to play in responding to climate change. A rising carbon price due to the federal *Greenhouse Gas Emissions Pricing Act* means that operations will become more expensive over the next decade unless we decarbonize. In May 2022, the Government of Canada launched public engagement on the National Climate Adaptation Strategy. We remain focused on emissions reduction (mitigation) and climate adaptation so our students can continue to thrive despite the challenges presented by climate change. Bow Valley College is a member of Colleges and Institutes Canada's National Planning Committee on Awareness Raising for Net Zero Campuses.





Financial and Budget Information:

Management Discussion and Analysis



1

Overview

Bow Valley College (the “College”) has prepared the following Management Discussion and Analysis (“MD&A”), which should be read in conjunction with the 2021–2022 audited financial statements and accompanying Notes included in the Annual Report. The MD&A and audited financial statements have been reviewed and approved by the Board of Governors (the “Board”) on the recommendation of the Audit and Risk Management Council (the Council). The College’s audited financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS).

This MD&A is an overview of the College’s financial results for the year ended June 30, 2022, and offers analysis of the following:

- Operating environment,
- 2021–2022 Financial results compared to budget,
 - Key positive variances,
 - Key negative variances,
- 2021–2022 Financial results compared to prior year,
 - Key positive variances,
 - Key negative variances,
- Full Load Equivalent (FLE) performance,
 - Expenditure Analysis
 - Expenditure by function composition
 - Expenditure by objective composition
- Capital expenditures,
- Areas of significant financial risk,
- Self-generated revenue.

2

Operating Environment

As a comprehensive community college, the College's work is guided by its strategic plan, Open Doors-Open Minds. Open Doors-Open Minds drives employment success, shapes the future of college education, and enables community and social success. Our plan provides the necessary guidance for the College to proactively address the changing realities of post-secondary education, the evolving Alberta economy, and the changing needs of Albertans.

Going into 2021–2022, there was significant uncertainty around the continued disruptive implications the COVID-19 pandemic would have upon Calgary, the Alberta economy, and the College's operations. The 2021–2022 budget, which was approved by the Board of Governors in May 2021, was a break-even budget with revenues of \$119.0 million equaling expenses. That budget was formulated with the following assumptions:

- i. Government of Alberta grant revenue would decline modestly.
- ii. Tuition rates would increase for both domestic (7.0%) and international (2.0%) learners. Overall student tuition and fees revenue would decrease on anticipation of lower enrolment, as a result of the ongoing pandemic restrictions and visa processing delays for international learners.
- iii. The College facilities would reopen by the first half of 2021–2022.
- iv. Salaries and benefits expenditure would increase as the College initiated its reopening strategy following the decline of the pandemic.
- v. Material, supplies, and services expenditures included implementation of a new Student Information System and costs to cover reopening of College facilities.
- vi. Investment income would be reduced driven by global economic conditions and market uncertainty.

Pandemic disruptions continued throughout the first half of 2021–2022. Despite this, the College succeeded in delivering high-quality educational services to learners in a safe and efficient manner.

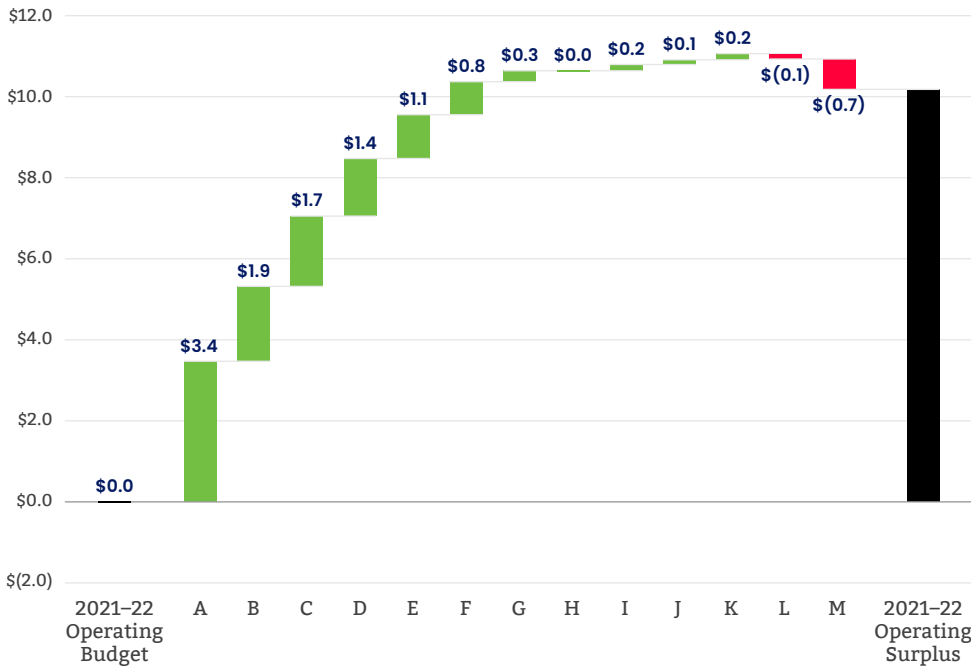
The College delivered an overall revenue performance result for 2021–2022, which was above budget. It did so while controlling its cost during its facility reopening process. The annual operating surplus, which excludes the impact of endowment-related income, totalled \$10.14 million and was lower than the \$13.56 million reported in the previous year and still reflects the College's continued sustainable financial performance even during a historically uncertain period.

3

2021–2022 Financial Results Compared to Budget

Although its 2021–2022 budget was developed with a break-even projection, the College reported an annual operating surplus of \$10.1 million. Revenue exceeded budget by \$3.0 million. But the primary driver for the annual surplus was trailing expenditures; actual expenses were below budget by \$7.1 million.

The below graph represents the key factors contributing to this over-budget performance:



3.1

Key Positive Variances

- A.** Compensation and Benefits trailed budget by \$3.4 million due to the following:
 - a.** Continuous staff compensation was below budget by \$2.0 million. Throughout the course of 2021–2022, the College deferred employment in areas where enrolment demand trailed budget expectations.
 - b.** Casual wage cost trailed budget by \$0.5 million as lower-than-budgeted enrolments required fewer casual positions.
 - c.** Benefits costs were below budget expectations by \$0.9 million.
- B.** Investment Income exceeded budget by \$1.9 million. Despite global disruptions, return on College general investments performed well.
- C.** Maintenance and Repairs costs trailed budget by \$1.7 million, primarily due to facility closures and savings from outsourced security and cleaning costs.
- D.** Student Tuition and Fees were ahead of budget by \$1.4 million, primarily due to improvement in enrolment trends towards the end of the academic year.
- E.** Material Supplies and Services trailed budget by \$1.1 million; supply-chain disruptions restricted much of the College's expenditures during the year.
- F.** Amortization of Capital Assets trailed budget by \$0.8 million. On June 30th, 2022, approximately half of the College's annual capital expenditure related to ongoing construction activities that remained in work-in-progress.
- G.** Donations Revenue was slightly ahead of budget by \$0.3 million.
- H.** Sales of Services and Products was on budget.
- I.** Scholarships and Bursaries were just above budget by \$0.2 million.
- J.** Utilities trailed budget by \$0.1 million.
- K.** Federal and other government grants exceeded budget by \$0.2 million.

3.2

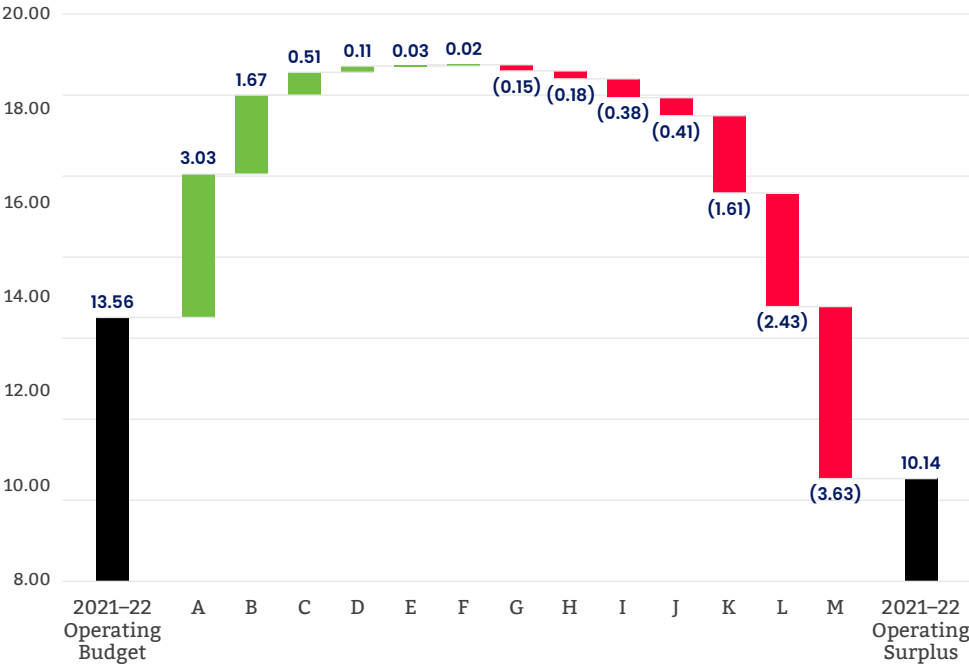
Key Negative Variances

- L.** Cost of Goods Sold were incurred of \$0.1 million as the College recognized costs of unutilized transit passes.
- M.** Government of Alberta grants trailed budget by \$0.7 million due to lower-than-expected Infrastructure and Maintenance Program (IMP) revenue.

4

2021–2022 Financial Results Compared to Prior Year

The following shows the movement between the operating surplus generated in the prior fiscal year compared with that generated in the current fiscal year:



4.1

Key Positive Variances

The following variances positively contributed to the year-over-year growth in the College's operating surplus:

- A.** Student tuition and fees grew over the prior year by \$3.0 million. Domestic tuition rates increased by 7.0 per cent, and international tuition rates increased by 2.0 per cent during the year. The total number of learners grew over the prior year by 397 full load equivalents (FLEs). Domestic learners represented the bulk of this increase (332) with international learners growing by 65 FLEs.
- B.** Investment income was higher than the prior year's realized income by \$1.7 million. The College invested an incremental \$20 million in its general investments over the past years, and this increase in assets under management helped to drive additional income revenue.
- C.** Sales of products and services revenue grew by \$0.5 million. Parking revenue was higher on a year-over-year basis by \$0.3 million with the College reopening its facilities. There was also \$0.2 million in additional one-time revenues associated with insurance claims covering minor damage caused during renovations.
- D.** Federal government grant revenue was higher than the prior year by \$0.1 million. Language Instruction for Newcomers to Canada program (LINC) was lower than the prior year by \$0.5 million; but this shortfall was offset by higher program grant (\$0.4 million) and testing (\$0.2 million) revenue.
- E.** Donation revenue was just higher than the prior year.
- F.** Scholarships and bursary expenses were slightly lower than the prior year.

4.2

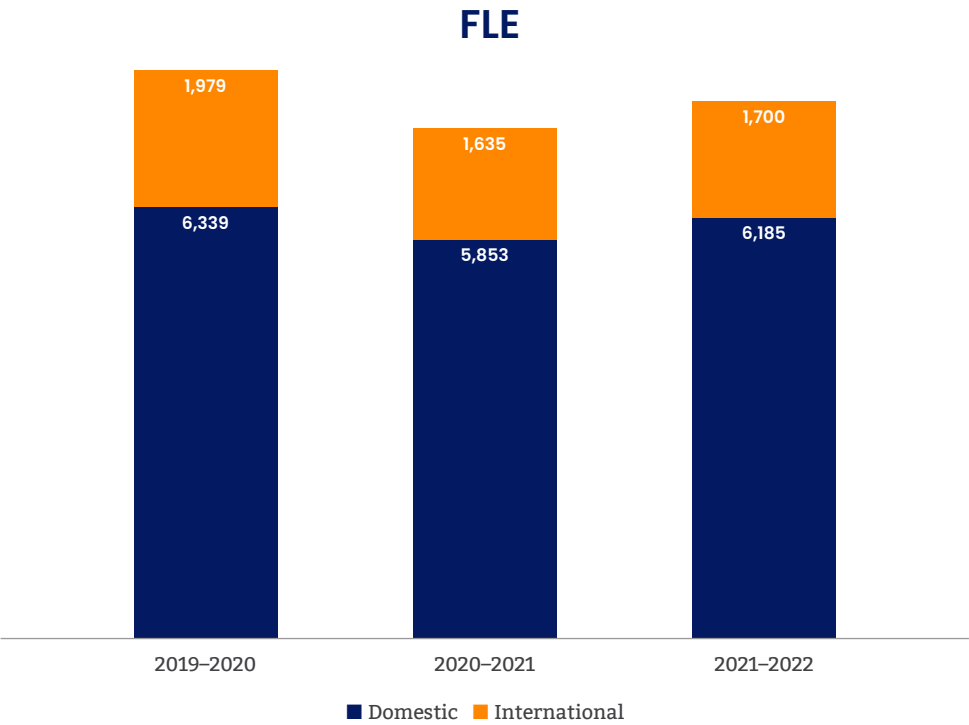
Key Negative Variances

- G.** Cost of goods sold was higher than the prior year by \$0.2 million. This was entirely due to the write-off of unused transit passes.
- H.** Government of Alberta grant revenue decreased by \$0.2 million. Conditional grant funding was lower than the prior year by \$0.5 million; this variance was partly offset by higher Infrastructure Maintenance Program revenue (\$0.3 million).
- I.** Amortization of Capital Assets was higher than the prior year by \$0.4 million, driven by a higher tangible capital asset base.
- J.** Utilities were higher than the prior year by \$0.4 million with higher energy costs and the reopening of the College facilities.
- K.** Salaries and benefits were higher than the prior year by \$1.6 million.
 - i.** Continuous staff compensation grew by \$1.3 million as staffing levels were rebuilt from pandemic period lows.
 - ii.** Casual wage cost decreased by \$0.7 million with a gradual improvement in the level of enrolment.
 - iii.** Benefits fell in absolute terms by \$0.4 million due to lower vacation payouts as staff opted to take vacation with the post-pandemic reopenings.
- L.** Maintenance and repairs costs were up on a year-over-year basis by \$2.4 million. The reopening of facilities resulted in the re-establishment of security and cleaning costs to pre-pandemic levels.
- M.** Materials, supplies, and services increased on a year-over-year basis by \$3.6 million. Professional fees grew by \$1.5 million due to increased expenditure on IT initiatives. Computer costs also increased by \$0.9 million during the year with increased expenditure on hardware infrastructure maintenance. Miscellaneous material and supplies expenditure, marketing and advertising, and travel expenses also increased over the period.

5

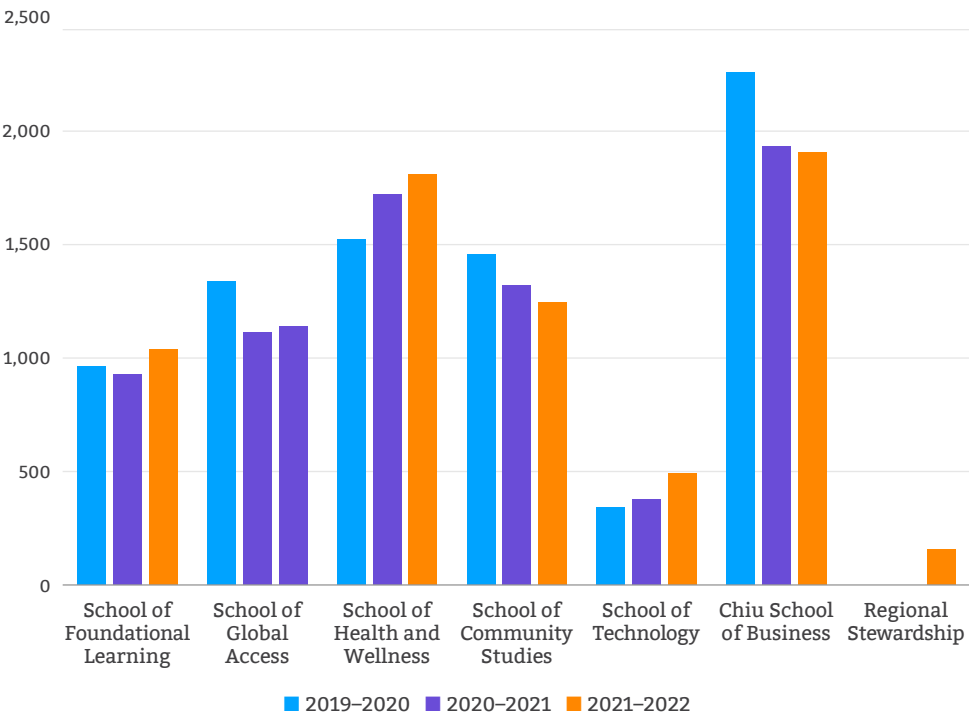
Full Load Equivalent (FLE) Performance

The College’s enrolment was negatively impacted by the pandemic. In 2020–2021, enrolment decreased on a year-over-year basis by 830 full load equivalents (FLEs). In 2021–2022, this trend was reversed, with FLEs increasing by 397. There has been a more rapid rebuild of enrolment around domestic learners. The year-over-year increase in domestic enrolment in 2021–2022 was 332 FLEs, with international enrolment increasing by 65 FLEs.



Although not quite yet at pre-pandemic levels, the College is optimistic that enrolment trends will continue to rebuild as we move into the future with the increased mobility of international learners, its focus on building domestic enrolment, and its plans to launch new programming.

The diagram below details the number of learners in each school with prior year comparisons.



The following observations can be drawn from the above:

- The School of Health and Wellness has experienced consistent year-over-year increases in enrolment, despite the pandemic pressures; during the year there was a growth in continuing learner count driven by a backlog in practicum placements.
- The Chiu School of Business continued to see enrolment decreases into 2021–2022, driven primarily by a course load change across the international learner segment; the headcount of international learners grew during the year, but the average course load amongst this group fell as course delivery tended to be online.
- The School of Foundational Learning increased in FLEs over 2021–2022 primarily due to an increase in funded learners.
- The School of Global Access increased slightly over 2021–2022 with an increase in LINC funded learners.
- The School of Technology experienced increases in enrolment in 2021–2022 due to Software Development programs.
- Enrolment trends continued to be challenged in the School of Community Studies in 2021–2022 due to a realignment of program course offerings.

6

Expenditure Analysis

The College’s expenditures can be reported based either upon their functional composition or their objective composition. The Statement of Operations categorizes expenditures in terms of their functional composition; note 12 to the audited financial statements illustrates expenditures according to their objective classification.

The relationship between these two categories is summarized in the table below:

| Functional/objective expense categories \$M | Instruction and Training | Academic and Student Support | Facility Operations and Maintenance | Institutional Support | Ancillary Services | 2022 |
|---|-----------------------------|------------------------------------|---|--------------------------|-----------------------|-------|
| Salaries and benefits | 34.3 | 22.3 | 0.7 | 12.5 | 0.5 | 70.3 |
| Materials, supplies and services | 3.0 | 3.7 | 1.1 | 15.2 | – | 23.0 |
| Maintenance and repairs | – | – | 4.3 | 0.7 | 0.2 | 5.2 |
| Amortization of capital assets | – | – | 8.3 | 2.4 | – | 10.7 |
| Cost of goods sold | – | 0.1 | – | – | – | 0.1 |
| Scholarships and bursaries | – | 0.8 | – | 0.1 | – | 0.9 |
| Utilities | – | – | 1.7 | – | – | 1.7 |
| Total Expenditures | 37.3 | 26.9 | 16.1 | 30.9 | 0.7 | 111.9 |

The prior year comparative expenditures matrix is outlined below:

| Functional/objective expense categories \$M | Instruction and Training | Academic and Student Support | Facility Operations and Maintenance | Institutional Support | Ancillary Services | 2021 |
|---|-----------------------------|------------------------------------|---|--------------------------|-----------------------|--------------|
| Salaries and benefits | 34.6 | 21.1 | 0.6 | 11.8 | 0.4 | 68.5 |
| Materials, supplies and services | 2.5 | 2.7 | 1.4 | 12.7 | 0.0 | 19.3 |
| Maintenance and repairs | 0.0 | 0.0 | 2.5 | 0.2 | 0.0 | 2.8 |
| Amortization of capital assets | – | – | 8.3 | 2.1 | – | 10.4 |
| Cost of goods sold | – | – | – | – | – | – |
| Scholarships and bursaries | – | 1.0 | – | 0.0 | – | 1.0 |
| Utilities | – | 0.0 | 1.3 | – | 0.0 | 1.3 |
| Total Expenditures | 37.1 | 24.8 | 14.1 | 26.8 | 0.5 | 103.3 |

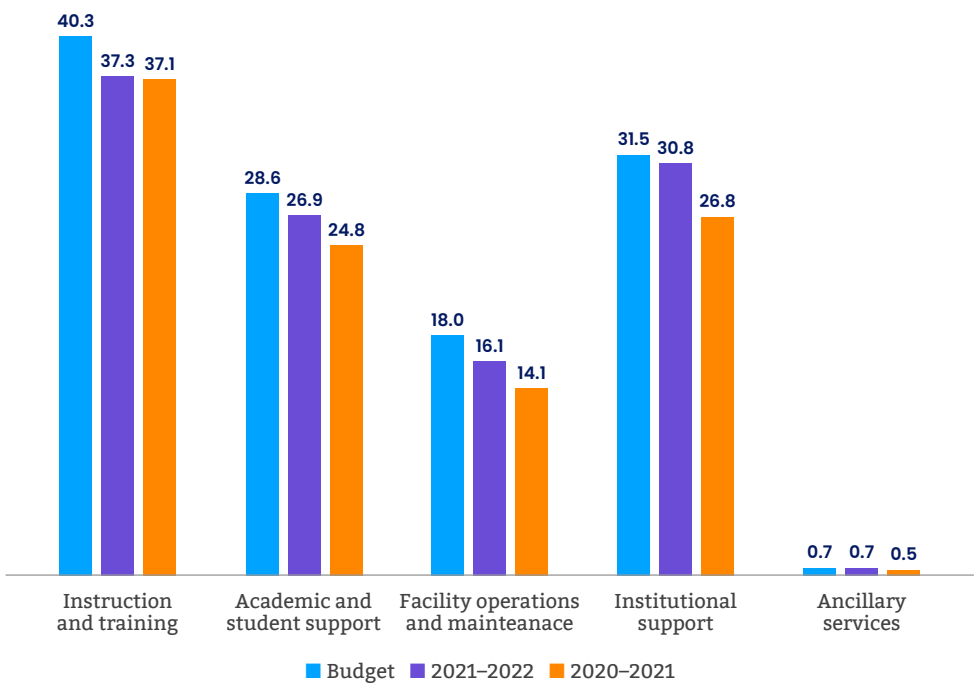
6.1

Expense by Function Composition

This categorization segments expenditures—irrespective of their object source—according to the activity supporting ongoing operations of the College. Those activity categories are broadly grouped in terms of the following operational areas:

- Instruction and training,
- Academic and student support,
- Facility operations and maintenance,
- Institutional support,
- Ancillary services.

College expenditure performance across this functional categorization is illustrated below:



Across all functional categories, the College expenditures trailed budget expectations due primarily to course-mode delivery remaining virtual for a larger than expected segment of the fiscal year.

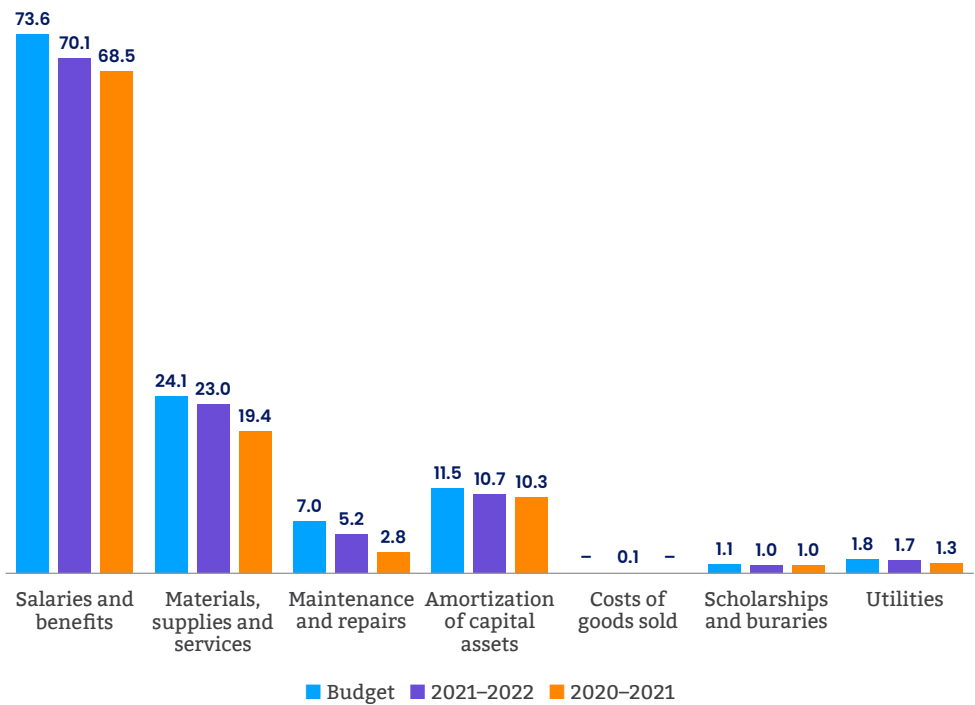
Instruction and training costs remained relatively unchanged from the prior year. Academic and student supports costs grew from the prior year due to higher salary and benefits (due to increased employee headcount) and higher material, supplies, and services expenditures

(due to higher cost of course delivery). Facility, operations, and maintenance costs grew due to higher security and cleaning costs resulting from facilities being reopened following the COVID-19 lockdown; maintenance and repair costs were also higher on a year-over-year basis. Institutional support costs were higher than the prior year, driven mostly by higher salaries and benefits costs caused by increased employee headcount and higher material supplies and services costs resulting from expenditures on strategic initiatives.

6.2

Expense by Objective Composition

College expenditure performance across this functional categorization is illustrated below:



Across all object categories, with the exception of Scholarships and bursaries, College expenditures exceeded the prior year but trailed budget expectations.

Salaries and benefits were higher than the prior year due to the increase in head count to 600 Full Time Equivalents (2020-2021 578 FTEs). Despite this growth in headcount, College FTEs still trailed the budget for the year of 652 FTEs.

Material supplies and services grew over the year as the College incurred additional professional fees and computer costs with the re-engagement of the Student Information System initiative; other expenditures in this category also grew over the prior year as supply chain constraints were resolved and expenditure patterns returned to pre-pandemic levels. This category was below budget as expenditure on non-capital equipment, hosting, and marketing and advertising expenses all trailed budget; insurance cost savings were also realized from a change in consortium policy cost allocation.

Maintenance and repair costs were higher than the prior year due to elevated infrastructure and maintenance program expenditures. This category trailed budget as certain repair projects planned for 2021-2022 needed to be pushed to the following fiscal year so that ongoing construction initiatives could be completed.

Amortization costs increased over the prior year due to additional capital expenditure completed during the year. Capital expenditure trailed budget expectations by approximately \$2.0 million, and as a result, amortization trailed budget.

Utility costs grew on a year-over-year basis with the reopening of College facilities. Those costs trailed budget as the reopening was delayed compared to the budget expectation.

7

Capital Expenditures

During 2021–2022, the net book value of the College’s tangible capital assets decreased by \$1.8 million due to net capital expenditures of \$8.9 million being exceeded by amortization of capital assets of \$10.7 million.

| \$M | Budget | 2022 | 2021 | Budget ▲ | YoY ▲ |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| Tangible Capital Assets | | | | | |
| Activity | | | | | |
| Net Capital Expenditure | \$ 10.40 | \$ 8.92 | \$ 1.60 | \$ (1.48) | \$ 7.32 |
| Amortization | (11.50) | (10.73) | (10.30) | 0.77 | (0.43) |
| | (1.10) | (1.81) | (8.70) | (0.71) | 6.89 |
| Opening Net Book Value | 258.70 | 258.70 | 267.40 | 0.00 | (8.70) |
| Closing Net Book Value | 257.60 | 256.89 | 258.70 | (0.71) | (1.81) |

Net capital expenditures of \$8.9 million are comprised of \$4.1 million of purchases capital assets (2021 – \$2.3 million), and an increase in the Work in Progress balance of \$4.8 million (2021 – decrease of \$0.7 million).

| \$M | Budget | 2022 | 2021 | Budget ▲ | YoY ▲ |
|--------------------------------|--------------|-------------|-------------|---------------|-------------|
| Net Capital Expenditure | | | | | |
| Purchase of assets | \$ 10.40 | \$ 4.07 | \$ 2.30 | \$ (6.33) | \$ 1.77 |
| Movement in Work in Progress | – | 4.85 | (0.70) | 4.86 | 5.56 |
| | 10.40 | 8.92 | 1.60 | (1.48) | 7.33 |

Purchase of assets by asset type is detailed below:

| \$M | Budget | 2022 | 2021 | Budget ▲ | YoY ▲ |
|---------------------------|--------------|-------------|-------------|---------------|-------------|
| Purchase of assets | | | | | |
| Computer Equipment | \$ 8.40 | \$ 3.62 | \$ 2.00 | \$ (4.78) | \$ 1.62 |
| Furniture and Equipment | 1.00 | 0.30 | 0.10 | (0.7) | 0.2 |
| Leasehold Improvements | 1.00 | 0.13 | 0.20 | (0.9) | (0.1) |
| Educational Resources | – | 0.02 | – | 0.0 | 0.0 |
| | 10.40 | 4.07 | 2.30 | (6.38) | 1.72 |

Computer expenditures were higher than the prior year by \$1.6 million as the College started to upgrade its devices as employees returned to College facilities and supply chain issues were resolved.

Overall, total purchase of assets for 2021–2022 was below budget as anticipated capitalization of Student Information System costs did not materialize.

8

Areas of Significant Financial Risk

The College operates in a complex environment and must deal with a variety of risks that it manages through its integrated enterprise risk management framework. The major risks that can affect the College from a financial perspective are as follows:

A

International Enrolment

Over the past five years, international tuition has become an important source of funding for the College. As anticipated, restrictions to international mobility created by the COVID-19 pandemic reduced the number of international learners attending the College in 2021–2022. The College anticipates a return of international learners as the world enters the post-pandemic period but is mindful of the enhanced level of competition for international learners now present. The College will continue to monitor this situation and take corrective actions to ensure financial stability is maintained.

B

Labour Relations

The province has passed legislation that brings all academic employees under the Labour Relations Code, thereby granting the College's staff associations all the rights and remedies that are granted to unions under the Code, including the right to strike. The College is also required to negotiate essential services agreements for both academic and support staff. These changes will have an impact on future salary negotiations in the near future.

C

Investments

The Federal Reserve and the Bank of Canada have both initiated monetary tightening policies to combat rising inflation. These policies have influenced the global interest rates and have impacted both equity and fixed income instrument market values. In addition to the above, the war in the Ukraine continues to introduce uncertainty across global financial markets.

The College's investments are professionally managed, diversified, and conservatively invested. Management and the Board will continue to monitor investment performance to ensure all appropriate actions are taken to safeguard the portfolio.

9

Self-generated Revenue

Self-generated revenue initiatives are for-profit activities undertaken by the College to help fund its core mandate of delivering job-ready graduates. This revenue is classified under sale of services and products on the Statement of Operations and is reflected below:

| Self-generated Revenue | Budget | 2022 | 2021 |
|-----------------------------|---------------|---------------|---------------|
| Academic Contracts | \$ 4.0 | \$ 2.8 | \$ 3.2 |
| Ancillary Service Contracts | 2.0 | 0.6 | 0.3 |
| | 6.0 | 3.4 | 3.5 |
| Other initiatives | – | 2.6 | 2.0 |
| Total | \$ 6.0 | \$ 6.0 | \$ 5.5 |

Academic Contracts self-generated revenue includes activities such as provision of educational programs under contracts. Ancillary Services Contracts self-generated revenue includes income from parking facilities, bookstore operations, and the provision of food services. Other initiatives represent revenue generated from not-for-profit activities.

Commercial Enterprises such as land development projects, real-estate transactions, or operating overseas campuses are also considered part of self-generated revenue; the College has not engaged Commercial Enterprises.

Profit and profit-margin on self-generated revenue is outlined below:

| Academic Contracts | Budget | 2022 | 2021 |
|-----------------------------|--------|--------|--------|
| Revenue | \$ 4.0 | \$ 2.8 | \$ 3.2 |
| Expense | (3.0) | (1.9) | (2.2) |
| Profit | 1.0 | 0.9 | 1.0 |
| Profit Margin | 25% | 31% | 30% |
| Ancillary Service Contracts | Budget | 2022 | 2021 |
| Revenue | \$ 2.0 | \$ 0.7 | \$ 0.4 |
| Expense | (0.2) | (0.2) | (0.2) |
| Profit | 1.8 | 0.5 | 0.2 |
| Profit Margin | 90% | 72% | 48% |
| Self-generated Revenue | Budget | 2022 | 2021 |
| Revenue | \$ 6.0 | \$ 3.5 | \$ 3.6 |
| Expense | (3.2) | (2.1) | (2.4) |
| Profit | 2.8 | 1.4 | 1.2 |
| Profit Margin | 47% | 39% | 32% |

Overall, self-generated revenue on both Academic Contracts and Ancillary Services generated profit of \$1.4 million (2021 – \$ 1.1 million). Profit generated from self-generated Academic Contracts in 2022 amounted to \$0.9 million (2021 – \$0.9 million). Profit generated from Ancillary Services in 2022 were \$0.5 million (2021 – \$0.2 million). Profit margin increased from the prior year to 39% (2021 – 32%) primarily due to an increase in parking fees—a high margin revenue source.

STATEMENT OF MANAGEMENT RESPONSIBILITY
YEAR ENDED JUNE 30, 2022



The financial statements of Bow Valley College (the College) have been prepared by management in accordance with Canadian public sector accounting standards as described in note 2 to the financial statements. The financial statements present fairly the financial position of the College as at June 30, 2022 and the results of its operations, changes in net financial assets, remeasurement gains and losses, and cash flows for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has developed and maintains a system of internal controls designed to provide reasonable assurance that College assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the financial statements.

The Board of Governors is responsible for reviewing and approving the financial statements, and overseeing management’s performance of its financial reporting responsibilities.

The Board of Governors carries out its responsibilities for review of the financial statements principally through its Audit and Risk Management Council. With the exception of the President and Chief Executive Officer, all members of the Audit and Risk Management Council are not employees of the College. The Audit and Risk Management Council meets with management and the external auditors and internal auditor to discuss the results of audit examinations and financial reporting matters. The external and internal auditors have full access to the Audit and Risk Management Council, with and without the presence of management.

These 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 the presentation of the information in the financial statements.

[Original signed by]

[Original signed by]

Misheck Mwaba
President and Chief Executive Officer

Vaughn Ravenscroft
Vice President, Corporate Services and
CIO

Independent Auditor's Report



To the Board of Governors of Bow Valley College

Report on the Financial Statements

Opinion

I have audited the financial statements of Bow Valley College (the College), which comprise the statement of financial position as at June 30, 2022, and the statements of operations, remeasurement gains and losses, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2022, 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 Financial Statements* section of my report. I am independent of the College in accordance with the ethical requirements that are relevant to my audit of the 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 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 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 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 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 financial statements

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

In preparing the financial statements, management is responsible for assessing the College'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 College's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the 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 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 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 College'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 College'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 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 College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

October 19, 2022
Edmonton, Alberta

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

(thousands of dollars)



| | 2022 | 2021 |
|---|-------------------|-------------------|
| Financial assets excluding portfolio investments restricted for endowments | | |
| Cash | \$ 7,452 | \$ 14,207 |
| Portfolio investments – non endowment (note 3) | 132,505 | 134,519 |
| Accounts receivable (note 6) | 4,238 | 3,309 |
| | 144,195 | 152,035 |
| Liabilities | | |
| Accounts payable and accrued liabilities | 10,798 | 9,796 |
| Employee future benefit liabilities (note 20) | 142 | 132 |
| Deferred revenue (note 8) | 30,253 | 28,935 |
| Capital lease obligation (note 7) | 227 | 307 |
| | 41,420 | 39,170 |
| Net financial assets excluding portfolio investments restricted for endowments | 102,775 | 112,865 |
| Portfolio investments – restricted for endowments (note 3) | 15,835 | 16,708 |
| Net financial assets | 118,610 | 129,573 |
| Non-financial assets | | |
| Tangible capital assets (note 7) | 256,891 | 258,701 |
| Prepaid expenses | 2,054 | 2,276 |
| | 258,945 | 260,977 |
| Net assets before spent deferred capital contributions | 377,555 | 390,550 |
| Spent deferred capital contributions (note 9) | 196,167 | 202,766 |
| Net assets (note 10) | \$ 181,388 | \$ 187,784 |
| Net assets is comprised of: | | |
| Accumulated surplus | \$ 187,589 | \$ 175,986 |
| Accumulated remeasurement (losses) gains | (6,201) | 11,798 |
| | \$ 181,388 | \$ 187,784 |

Contingent assets and Contractual rights (notes 13 and 15)

Contingent liabilities and Contractual obligations (notes 14 and 16)

Approved by the Board of Governors

[Original signed by]

[Original signed by]

Chair, Board of Governors

President and Chief Executive Officer

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

STATEMENT OF OPERATIONS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



| | Budget 2022 (note 22) | 2022 | 2021 |
|--|-----------------------------|------------|------------|
| Revenues | | | |
| Government of Alberta grants (note 18) | \$ 49,770 | \$ 49,029 | \$ 49,210 |
| Federal and other government grants (note 18) | 7,859 | 8,031 | 7,936 |
| Sales of services and products | 6,018 | 5,969 | 5,445 |
| Student tuition and fees | 49,490 | 50,914 | 47,880 |
| Donations and other contributions | 1,205 | 1,503 | 1,468 |
| Investment income (note 5) | 4,735 | 6,586 | 4,921 |
| | 119,077 | 122,032 | 116,860 |
| Expenses (note 12) | | | |
| Instruction and training | 40,268 | 37,299 | 37,080 |
| Academic and student support | 28,580 | 26,936 | 24,760 |
| Facility operations and maintenance | 18,048 | 16,093 | 14,113 |
| Institutional support | 31,457 | 30,834 | 26,813 |
| Ancillary services | 724 | 729 | 536 |
| | 119,077 | 111,891 | 103,302 |
| Annual operating surplus | - | 10,141 | 13,558 |
| Endowment contributions and capitalized investment income | | | |
| Endowment contributions (note 10) | - | 350 | 385 |
| Endowment capitalized investment income (note 10) | - | 1,112 | - |
| Annual surplus | - | 11,603 | 13,943 |
| Accumulated surplus, beginning of year | 175,986 | 175,986 | 162,043 |
| Accumulated surplus, end of year (note 10) | \$ 175,986 | \$ 187,589 | \$ 175,986 |

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

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



| | Budget 2022 (note 22) | 2022 | 2021 |
|---|-----------------------------|------------|------------|
| Annual surplus | \$ - | \$ 11,603 | \$ 13,943 |
| Acquisition of tangible capital assets | (10,400) | (8,915) | (1,598) |
| Amortization of tangible capital assets | 11,537 | 10,725 | 10,341 |
| Decrease (increase) in prepaid expenses | | 222 | (1,250) |
| Decrease in spent deferred capital contributions | (6,863) | (6,599) | (6,658) |
| (Increase) decrease in accumulated remeasurement (losses) gains | | (17,999) | 1,978 |
| Increase (decrease) in net financial assets | (5,726) | (10,963) | 16,756 |
| Net financial assets, beginning of year | 129,573 | 129,573 | 112,817 |
| Net financial assets, end of year | \$ 123,847 | \$ 118,610 | \$ 129,573 |

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES



YEAR ENDED JUNE 30, 2022

(thousands of dollars)

| | 2022 | 2021 |
|--|------------|-----------|
| Accumulated remeasurement gains, beginning of year | \$ 11,798 | \$ 9,820 |
| Unrealized (losses) gains attributable to: | | |
| Portfolio investments – non endowment | (16,054) | 2,394 |
| Amounts reclassified to statement of operations: | | |
| Portfolio investments – non endowment | (1,945) | (416) |
| Accumulated remeasurement (losses) gains, end of year (note 10) | \$ (6,201) | \$ 11,798 |

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

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



| | 2022 | 2021 |
|---|-----------------|------------------|
| Operating transactions | | |
| Annual surplus | \$ 11,603 | \$ 13,943 |
| Add (deduct) non-cash items: | | |
| Amortization of tangible capital assets | 10,725 | 10,341 |
| Gain on sales of portfolio investments | (1,945) | (416) |
| Expended capital contributions recognized as revenue | (6,710) | (6,727) |
| Increase in employee future benefits liabilities | 10 | 3 |
| Change in non-cash items | 2,080 | 3,201 |
| (Increase) decrease in accounts receivable | (929) | 1,857 |
| Decrease (increase) in prepaid expenses | 222 | (1,250) |
| Increase (decrease) in accounts payable and accrued liabilities | 1,002 | (2,059) |
| Increase in deferred revenue | 1,207 | 6,520 |
| Cash provided by operating transactions | 15,185 | 22,212 |
| Capital transactions | | |
| Acquisition of tangible capital assets | (8,915) | (1,598) |
| Cash applied to capital transactions | (8,915) | (1,598) |
| Investing transactions | | |
| Purchase of portfolio investments | (48,219) | (63,496) |
| Proceeds on sale of portfolio investments | 35,163 | 47,162 |
| Cash applied to investing transactions | (13,056) | (16,334) |
| Financing transactions | | |
| Increase (repayment) of capital lease obligation | (80) | (102) |
| Increase in spent deferred capital contributions, less expended capital contributions recognized as revenue | 111 | 69 |
| Cash provided by (applied to) financing transactions | 31 | (33) |
| (Decrease) increase in cash | (6,755) | 4,247 |
| Cash, beginning of year | 14,207 | 9,960 |
| Cash, end of year | \$ 7,452 | \$ 14,207 |

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



1. Authority and purpose

The Board of Governors of Bow Valley College is a corporation that manages and operates Bow Valley 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 and Chief Executive Officer, who is an *ex officio* member. Under the *Post-secondary Learning Act*, the College is a comprehensive community institution offering mandated credentials and 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 the payment of income tax.

2. Summary of significant accounting policies and reporting practices

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

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

The measurement of certain assets, liabilities, revenues and expenses is contingent upon future events; therefore, the preparation of these 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 financial statements and, together with the following notes, should be considered an integral part of the financial statements.

b. Valuation of financial assets and liabilities

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

| Financial statement component | Measurement |
|---|--|
| • Cash | Cost |
| • Portfolio investments – non endowment | Fair value and amortized cost |
| • Portfolio investments – restricted for endowments | Fair value and amortized cost |
| • Accounts receivable | Lower of cost or net recoverable value |
| • Accounts payable and accrued liabilities | Cost |

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



2. Summary of significant accounting policies and reporting practices (continued)

Unrealized gains and losses from changes in the fair value of financial assets and liabilities are recognized in the 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 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 portfolio investments are accounted for using trade-date accounting.

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

Management evaluates contractual obligations for the existence of embedded derivatives and elects to either designate the entire contract for fair value measurement or separately measure the value of the derivative component when characteristics of the derivative are not closely related to the economic characteristics and risks of the contract itself. Contracts to buy or sell non-financial items for the College's normal purchase, sale or usage requirements are not recognized as financial assets or financial liabilities. At June 30 2022, the College does not have any embedded derivatives.

c. Revenue recognition

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

Government grants, non-government grants and donations

Government transfers are referred to as government grants.

Restricted government grants and donations are recorded 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 assets.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



2. Summary of significant accounting policies and reporting practices (continued)

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

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

While volunteers and College staff contribute a significant amount of time each year to assist the College in carrying out its mission, these contributed services are not recognized in these financial statements because a fair value cannot be reasonably determined.

Grants and donations related to land

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

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

Endowment contributions

Endowment contributions are recognized as revenue in the statement of operations in the year in which they are received and are required by donors to be maintained intact 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



2. Summary of significant accounting policies and reporting practices (continued)

d. Endowments

Endowments consist of:

- Externally restricted donations received by the Institution and internal allocations by the Institution's Board of Governors, the principal of which is required to be maintained intact in perpetuity.
- Investment income earned (excluding unrealized income) by the endowments in excess of the amount required for spending allocation, which is capitalized to maintain and grow the real value of the endowments. Benefactors as well as institution policy stipulate that the economic value of the endowments must be protected by limiting the amount of income that may be expended and by reinvesting unexpended income.

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

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

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets, and costs associated with asset retirement obligations. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. Work in progress, which includes facilities and improvement projects and development of information systems, is not amortized until after the project is complete and the asset is in service. Assets or disposal groups that are classified as held-for-sale are measured at the lower of carrying amount and fair value less costs to sell.

2. Summary of significant accounting policies and reporting practices (continued)

Leases of tangible capital assets which transfer substantially all the benefits and risks of ownership are accounted for as leased tangible capital assets. Capital lease obligations are recorded at the present value of the future minimum lease payments at the inception of the lease, excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of lease payments is the lower of the College's rate for incremental borrowing or the interest rate implicit in the lease.

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

- Buildings, leasehold and site improvements 3 - 40 years
- Furniture and equipment, computer equipment and software 2 - 10 years
- Learning resources equipment 2 - 3 years

Tangible capital assets 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 expenses.

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.

f. Foreign currency translation

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities and non-monetary items included in the fair value category reflect the exchange rates at the statement of financial position date. Unrealized foreign exchange gains and losses are recognized in the statement of remeasurement gains and losses.

In the period of settlement, foreign exchange gains and losses are reclassified to the statement of operations, and the cumulative amount of remeasurement gains and losses is reversed in the statement of remeasurement gains and losses. Foreign exchange gains and losses are not significant and are therefore not disclosed separately in the statement of remeasurement gains and losses.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



2. Summary of significant accounting policies and reporting practices (continued)

g. Employee future benefits

Long-term disability health and pension premiums

Up to December 31, 2014, the College contributed both the employer and employee portion of pension premiums and the employer portion of premiums for the health spending account, dental and extended health account on behalf of employees on long-term disability (LTD) for the duration of their leave or until retirement age. The annual cost and ongoing liability for these benefits are determined by management's estimate based on a present value calculation taking into account the number of employees, the discount rate, the year of employee disability and the retirement age of the employee. Effective January 1, 2015, the College discontinued this practice, although this change does not affect those employees who were receiving LTD prior to 2015.

Notional defined contribution supplementary retirement plan (SRP)

The College maintains a notional defined contribution supplementary retirement plan (SRP) for its President and Chief Executive Officer. The pension expense for the SRP is actuarially determined using the projected benefit method prorated on service. Actuarial gains or losses on the accrued benefit obligation are amortized over the expected average remaining service life. The pension expense for the defined contribution supplementary retirement plan is the employer's current year contribution to the plan as calculated in accordance with the plan rules.

Defined benefit plans accounted for on a defined contribution basis

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

The College does not have sufficient plan information on the MEPP or PSPP to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension expense recorded for MEPP and PSPP is comprised of employer contributions to the plans 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



2. Summary of significant accounting policies and reporting practices (continued)

h. Liability for contaminated sites

Contaminated sites are a result of a chemical, organic, radioactive material or live organism that exceeds an environmental standard, being introduced into soil, water or sediment. It does not include airborne contaminants. The College recognizes a liability for remediation of contaminated sites when the following criteria have been met:

- an environmental standard exists,
- there is evidence that contamination exceeds an environmental standard,
- the institution is directly responsible or accepts responsibility for the contamination,
- it is expected that future economic benefits will be given up, and
- a reasonable estimate of the amount can be made.

A liability for a contaminated site may arise from operations that are either considered in productive use or no longer in productive use when environmental standards are exceeded. It will also arise when an unexpected event occurs resulting in contamination that exceeds an environmental standard.

At June 30, 2022, the College does not have any contaminated sites liability.

i. Funds and reserves

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



2. Summary of significant accounting policies and reporting practices (continued)

j. Expense by function

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

Instruction and training

Expenses relating to instruction and training 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, in both credit and non-credit courses.

Academic and student support

Includes activities directly relating to the support of the academic functions of the College such as libraries and galleries, as well as expenses for the deans. This category includes functions that support individual students or groups of students, such as student service administration, student recruitment, records and admissions, counselling or career services, social development and recreation, financial aid administration, and any other centralized student support group.

Facility operations and maintenance

Facility operations and maintenance costs includes centralized management of grounds and facilities, and buildings. This function also includes utilities, facility administration, building maintenance, custodial services, landscaping and grounds keeping, and major repairs and renovations. The College maintains service and operating contracts with external vendors for operations and maintenance, security and custodial services of its facilities. Amortization of buildings and capital assets is also included with the exception of those attributable to ancillary services.

Institutional support

Includes expenses for executive management, public relations, alumni relations and development, corporate insurance premiums, corporate finance, human resources and any other centralized college-wide administrative services. This category also includes computing, network and data communication expenses.

Ancillary services

Includes expenses for operations outside of the normal functions of instruction and research such as bookstores, food services and parking services. This also includes amortization directly related to ancillary services. The College maintains service and operating contracts with external vendors for its food services, printing, parking and bookstore operations.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



2. Summary of significant accounting policies and reporting practices (continued)

k. Future changes in Accounting Standards

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. Management has not yet adopted this standard, but has assessed the impact on the financial statements to remove asbestos from College facilities to be approximately two hundred thousand dollars.

In November 2018, PSAB issued 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. Management has not yet adopted this standard, and is currently assessing the impact on the financial statements.

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 recognize intangibles as non-financial assets. Management has not yet adopted this standard, and is currently assessing the impact on the financial statements.

In April 2021, PSAB issued PS 3160 Public Private Partnerships. This accounting standard is effective for fiscal years starting on or after April 1, 2023. Public private partnerships provides guidance on how to account for infrastructure when procured under these types of arrangements. Management has not yet adopted this standard, and is currently assessing the impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



3. Portfolio investments

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Portfolio investments – non endowments | \$ 132,505 | \$ 134,519 |
| Portfolio investments – restricted for endowments | 15,835 | 16,708 |
| | \$ 148,340 | \$ 151,227 |

The above investments are allocated across asset classes which include Canadian bonds, foreign bonds, equity pooled funds and money market accounts. Canadian bond investment yields ranged from 3.72% to 4.09% (2021 – 1.77% to 3.35%); foreign bond investment yields were 2.30% (2021 – 2.65%); equity pooled fund yields ranged from 0.49% to 3.55% (2021 – 0.34% to 2.78%); and the average annualized effective yields on the money market investments ranged from 0.52% to 1.36% (2021 – 0.04% to 0.55%).

Terms to maturity of fixed income investments are as follows:

- Canadian government, corporate and foreign bonds: range from less than one year to 30 years;
- Money market funds, short-term notes, and treasury bills: less than one year.

The primary objective of the College's investment policy is to have an established investment strategy that will preserve capital and achieve growth beyond the rate of inflation, while providing a secure and consistent income flow to meet daily operations, longer-term operating and capital needs, and endowment requirements. The College has a policy and procedures in place governing asset mix, diversification, exposure limits, credit quality and performance measurement.

The College, through two investment advisers, invests primarily in Canadian bonds and pooled investment funds containing Canadian government and corporate bonds, Canadian equities and foreign equities. Management has consulted with its investment advisers regarding the components of its investment portfolio and the College's exposure to derivatives is restricted to holdings in a short-term bond pooled fund in which derivatives represent less than 1% of the total portfolio value.

The College's Audit and Risk Management Council, a subcommittee of the Board of Governors, has delegated authority for oversight of the College's investments. The Audit and Risk Management Council meets regularly to monitor investments, to review investment managers' performance, to ensure compliance with the College's Investment Policy and to evaluate the continued appropriateness of that policy.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



3. Portfolio investments (continued)

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

| | 2022 | | | | |
|---|---------------|------------------|-------------------|-------------|-------------------|
| | % | Level 1 | Level 2 | Level 3 | Total |
| Bonds | | | | | |
| Pooled investment funds – Canadian government and corporate bonds | 48.7% | \$ - | \$ 72,187 | \$ - | \$ 72,187 |
| Pooled investment funds – Foreign Bonds | 1.1% | - | 1,587 | - | 1,587 |
| Equities | | | | | |
| Pooled investment funds – Canadian equity | 12.3% | - | 18,251 | - | 18,251 |
| Pooled investment funds – Foreign equity | 16.5% | - | 24,533 | - | 24,533 |
| Other | | | | | |
| Money market funds, short-term notes, treasury bills | 21.4% | 31,782 | - | - | 31,782 |
| Total portfolio investments | 100.0% | \$ 31,782 | \$ 116,558 | \$ - | \$ 148,340 |
| Percent of Total Portfolio Investments | | 21.4% | 78.6% | | 100.0% |

| | 2021 | | | | |
|---|---------------|------------------|-------------------|-------------|-------------------|
| | % | Level 1 | Level 2 | Level 3 | Total |
| Bonds | | | | | |
| Pooled investment funds – Canadian government and corporate bonds | 47.8% | \$ - | \$ 72,319 | \$ - | \$ 72,319 |
| Pooled investment funds – Foreign Bonds | 1.1% | - | 1,721 | - | 1,721 |
| Equities | | | | | |
| Pooled investment funds – Canadian equity | 11.8% | - | 17,860 | - | 17,860 |
| Pooled investment funds – Foreign equity | 22.2% | - | 33,561 | - | 33,561 |
| Other | | | | | |
| Money market funds, short-term notes, treasury bills | 17.1% | 25,766 | - | - | 25,766 |
| Total portfolio investments | 100.0% | \$ 25,766 | \$ 125,461 | \$ - | \$ 151,227 |
| Percent of Total Portfolio Investments | | 17.0% | 83.0% | | 100.0% |

The fair value measurements are those derived from:

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

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – Valuation techniques that include inputs for the assets that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



4. Financial risk management

The College is exposed to the following risks:

Market price risk

The College is exposed to market price risk, which 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 following details the College's portfolio sensitivity to a 5.80% increase or decrease in market prices. The sensitivity rate is determined by the College's investment advisers using the historical annualized standard deviation for the total endowment fund over a four-year period. At June 30, 2022, if market prices had a 5.80% (2021 – 4.87%) increase or decrease, with all other variables held constant, the increase or decrease in remeasurement gains and losses and endowment net assets for the year would have been \$6,710 (2021 – \$6,104).

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The College does not invest in investments or pooled funds denominated in foreign currencies. The College's exposure to foreign currency risk is very low due to minimal business activities conducted in a foreign currency.

Liquidity risk

Liquidity risk is the risk that the College will encounter difficulty in meeting obligations associated with its financial liabilities. The College maintains a short-term line of credit that is designed to ensure that funds are available to meet current and forecasted financial requirements in the most cost-effective manner. At June 30, 2022, the College had committed borrowing facilities of fifteen million dollars (2021 – fifteen million dollars), none of which has been drawn.

Commodity price risk

The College is exposed to commodity price risk as a result of substantial electricity and natural gas usage required to operate the College's facilities. To mitigate this risk, the College has entered into contracts to fix the price for electricity and natural gas (note 16).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



4. Financial risk management (continued)

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 its Investment Policy with required minimum credit quality standards and issuer limits to manage this risk. The credit risk from accounts receivable is low as the majority of balances are due from government agencies and corporate sponsors.

The credit ratings for investments held are as follows:

| | 2022 | 2021 |
|-----------|------|------|
| AAA | 24% | 22% |
| AA | 26% | 36% |
| A | 35% | 22% |
| BBB | 15% | 20% |
| Below BBB | 0% | 0% |
| | 100% | 100% |

Interest rate risk

Interest rate risk is the risk to the College's earnings that arises from fluctuations in interest rates and the degree of volatility of these rates. This risk is managed by the College's Investment Policy that limits the term to maturity of certain fixed income securities that the College holds. If interest rates increased by 1%, and all other variables are held constant, the potential loss in fair value to the College would be approximately \$3,396 (2021 - \$5,570).¹

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

| Asset class | < 1 year | 1-5 years | >5 years | Average effective market yield |
|--|-------------|--------------|-------------|---|
| Cash and cash equivalents | 100% | 0% | 0% | 1.08% |
| Portfolio investments, fixed income | 1% | 12% | 87% | 3.94% |

¹ Subsequent to June 30, 2022 the College disposed of a portion of its investments leading to a reduction in interest rate risk. See Note 24

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



5. Investment income

| | 2022 | 2021 |
|---|----------|----------|
| Portfolio investments – non endowment | \$ 6,856 | \$ 4,921 |
| Portfolio investments – restricted for endowments | 1,084 | 809 |
| | 7,940 | 5,730 |
| Deferred | (1,084) | (809) |
| | \$ 6,586 | \$ 4,921 |

6. Accounts receivable

| | 2022 | 2021 |
|---------------------------------------|-----------------|-----------------|
| Accounts receivable | \$ 708 | \$ 560 |
| Other receivables | 4,140 | 3,102 |
| Less: Allowance for doubtful accounts | (610) | (353) |
| Balance, end of the year | \$ 4,238 | \$ 3,309 |

Accounts receivable are unsecured and non-interest bearing.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



7. Tangible capital assets

| | 2022 | | | | | 2021 |
|--|--|---|------------------------------------|------------------|-------------------|------------|
| | Buildings, leasehold, and site improvements | Furniture and equipment, computer equipment and software | Learning resources equipment | Land | Total | Total |
| Cost | | | | | | |
| Beginning of year | \$ 294,445 | \$ 31,505 | \$ 785 | \$ 36,626 | \$ 363,361 | \$ 361,764 |
| Acquisitions | 132 | 8,766 | 17 | - | 8,915 | 1,598 |
| Disposals | - | - | - | - | - | (1) |
| | 294,577 | 40,271 | 802 | 36,626 | 372,276 | 363,361 |
| Accumulated amortization | | | | | | |
| Beginning of year | 78,629 | 25,303 | 728 | - | 104,660 | 94,320 |
| Amortization expense | 7,916 | 2,748 | 61 | - | 10,725 | 10,341 |
| Disposals | - | - | - | - | - | (1) |
| | 86,545 | 28,051 | 789 | - | 115,385 | 104,660 |
| Net book value at June 30, 2022 | \$ 208,032 | \$ 12,220 | \$ 13 | \$ 36,626 | \$ 256,891 | |
| Net book value at June 30, 2021 | \$ 215,816 | \$ 6,202 | \$ 57 | \$ 36,626 | | \$ 258,701 |

Included in Buildings, leasehold, and site improvements and Furniture and equipment, computer equipment, and software is work in progress of \$5,252 (2021 - \$397).

The College has multi-function print devices financed with a capital lease. The original present value of the capital lease obligation was \$533 and the related accumulated amortization on this equipment is \$346. At year end, the capital lease obligation owing was \$227 (2021 - \$307).

The College holds a collection of works of art including paintings, sculptures and photographs. Given the subjective nature of these assets, the values are not reported in this note.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



8. Deferred revenue

Deferred revenue is comprised of unspent externally restricted grants and donations, unspent deferred capital contributions, prepaid tuition and other fees. Deferred revenues are set aside for specific purposes as required by legislation, regulation or agreement.

| | 2022 | | | | 2021 |
|---|--|--|------------------------------|------------------|------------------|
| | Unspent externally restricted grants and donations | Unspent deferred capital contributions | Tuition and other fees | Total | Total |
| Balance, beginning of year | \$ 7,766 | \$ 2,642 | \$ 18,527 | \$ 28,935 | \$ 22,415 |
| Grants, tuitions, contract revenue, donations, and other fees received | 9,429 | - | 27,905 | 37,334 | 29,780 |
| Investment income | | | | | |
| Realized gains | 1,084 | - | - | 1,084 | 809 |
| Unrealized (losses) gains | (2,283) | - | - | (2,283) | 1,420 |
| Transfers to spent deferred capital contributions | (111) | - | - | (111) | (69) |
| Recognized as revenue | (8,196) | (440) | (26,070) | (34,706) | (25,420) |
| Balance, end of year | \$ 7,689 | \$ 2,202 | \$ 20,362 | \$ 30,253 | \$ 28,935 |

9. Spent deferred capital contributions

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

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Balance, beginning of year | \$ 202,766 | \$ 209,424 |
| Transfers from unspent externally restricted grants and donations | 111 | 69 |
| Expended capital contributions recognized as revenue | (6,710) | (6,727) |
| Balance, end of year | \$ 196,167 | \$ 202,766 |

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



10. Net assets

| | Accumulated surplus from operations | Investment in tangible capital assets | Internally restricted surplus (note 11) | Endowment | Total |
|--|---|---|--|-----------|------------|
| Net assets at June 30, 2020 | \$ 9,928 | \$ 57,611 | \$ 91,792 | \$ 12,532 | \$ 171,863 |
| Annual surplus | 13,943 | - | - | - | 13,943 |
| Endowments | | | | | |
| Contributions | (385) | - | - | 385 | - |
| Transfer to endowments | (40) | - | - | 40 | - |
| Tangible capital assets | | | | | |
| Internally funded acquisition of tangible capital assets | (1,880) | 1,528 | 352 | - | - |
| Amortization of internally funded tangible capital assets | 3,612 | (3,612) | - | - | - |
| Net change in investment in capital leased assets | (102) | 102 | - | - | - |
| Operating expenses funded from internally restricted reserves | 2,362 | - | (2,362) | - | - |
| Net Board appropriation to internally restricted reserves | (17,572) | - | 17,572 | - | - |
| Change in accumulated remeasurement gains | 1,978 | - | - | - | 1,978 |
| Net assets, beginning of year | 11,844 | 55,629 | 107,354 | 12,957 | 187,784 |
| Annual surplus | 11,603 | - | - | - | 11,603 |
| Endowments | | | | | |
| Contributions | (353) | - | - | 353 | - |
| Capitalized investment income | (1,112) | - | - | 1,112 | - |
| Tangible capital assets | | | | | |
| Internally funded acquisition of tangible capital assets | (4,475) | 8,801 | (4,326) | - | - |
| Amortization of internally funded tangible capital assets | 3,908 | (3,908) | - | - | - |
| Net change in investment in capital leased assets | 26 | (26) | - | - | - |
| Operating expenses funded from internally restricted reserves | 3,176 | - | (3,176) | - | - |
| Net Board appropriation to internally restricted reserves | (6,600) | - | 6,600 | - | - |
| Change in accumulated remeasurement losses | (17,999) | - | - | - | (17,999) |
| Net assets, end of year | \$ 18 | \$ 60,496 | \$ 106,452 | \$ 14,422 | \$ 181,388 |
| Net assets is comprised of: | | | | | |
| Accumulated surplus | \$ 6,219 | \$ 60,496 | \$ 106,452 | \$ 14,422 | \$ 187,589 |
| Accumulated remeasurement (losses) | (6,201) | - | - | - | (6,201) |
| | \$ 18 | \$ 60,496 | \$ 106,452 | \$ 14,422 | \$ 181,388 |

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



11. Internally restricted surplus

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

| | Balance, beginning of year | 2022 Net Board appropriation from accumulated surplus | | | Balance, end of year |
|---|----------------------------------|--|-------------|-------------------|-------------------------|
| | | Inflows | Transfers | Disbursements | |
| Appropriation for capital activities | | | | | |
| Facilities infrastructure improvements | \$ 68,336 | \$ 4,200 | \$ - | \$ (4,439) | \$ 68,097 |
| Appropriation for operating activities | | | | | |
| Special initiatives fund | 23,321 | 400 | - | (796) | 22,925 |
| College technology plan | 11,758 | 2,000 | - | (2,110) | 11,648 |
| Fund development plan | 3,939 | - | - | (157) | 3,782 |
| | \$ 107,354 | \$ 6,600 | \$ - | \$ (7,502) | \$ 106,452 |

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



12. Expense by object

The College uses functional expense categories for its statement of operations. These functional expenses categories can also be expressed in terms of the following object categories:

| | Budget 2022 (note 22) | 2022 | 2021 |
|----------------------------------|-----------------------------|------------|------------|
| Salaries and benefits | \$ 73,567 | \$ 70,137 | \$ 68,529 |
| Materials, supplies and services | 24,062 | 22,985 | 19,358 |
| Maintenance and repairs | 6,955 | 5,229 | 2,798 |
| Amortization of capital assets | 11,537 | 10,725 | 10,341 |
| Cost of Goods Sold | - | 146 | - |
| Scholarships and bursaries | 1,133 | 976 | 991 |
| Utilities | 1,823 | 1,693 | 1,285 |
| | \$ 119,077 | \$ 111,891 | \$ 103,302 |

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



13. Contingent assets

At June 30, 2022, the College had no outstanding legal matters or insurance claims where possible assets are being sought. Such matters can give rise to contingent assets and the outcomes from these matters will result in recognition of assets when settled.

14. Contingent liabilities

- a) The College, in the conduct of its normal activities, is a defendant in a number of legal proceedings. While the ultimate outcome and liability of these proceedings cannot be reasonably determined at this time, the College believes that any settlement will not have a material adverse effect on the College's financial position or operations. Based on legal advice, management has concluded that none of the claims meet the criteria for recording an accrued liability under Canadian public sector accounting standards. At June 30, 2022, the College recorded no contingent liabilities associated with legal proceedings.
- b) The College has identified a potential liability 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. 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 asset retirement obligations for these assets will be recorded in the year in which there is certainty that the renovation or demolition project will proceed and there is sufficient information to estimate the fair value of the obligation. At June 30, 2022, the College recorded no contingent liabilities associated with asset retirement obligations.
- c) The College's ongoing efforts to assess environmental liabilities may result in additional environmental remediation liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. Any changes to the environmental liabilities will be accrued in the year in which they are assessed as likely and measurable.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



15. 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:

| | 2022 | | |
|-------------------------------|-------------------|------------------|-----------------|
| | Service contracts | Operating leases | Total |
| Fiscal year: | | | |
| 2023 | \$ 1,819 | \$ 406 | \$ 2,225 |
| 2024 | 731 | 393 | 1,124 |
| 2025 | - | 319 | 319 |
| 2026 | - | 172 | 172 |
| 2027 | - | 155 | 155 |
| Thereafter | - | 665 | 665 |
| Total at June 30, 2022 | \$ 2,550 | \$ 2,110 | \$ 4,660 |
| Total at June 30, 2021 | \$ 1,199 | \$ 1,639 | \$ 2,838 |

16. Contractual obligations

- a) The College has contractual obligations that are commitments that will result in both liabilities and expenses in the future when the terms of the contracts or agreements are met. The estimated aggregate amount payable for the unexpired terms of these contractual obligations are as follows:

| | 2022 | | | |
|-------------------------------|-------------------|------------------------------------|------------------|------------------|
| | Service Contracts | Information systems and technology | Long-term leases | Total |
| Fiscal year: | | | | |
| 2023 | \$ 2,297 | \$ 1,114 | \$ 151 | \$ 3,562 |
| 2024 | 1,456 | 1,035 | 108 | 2,599 |
| 2025 | 1,336 | 474 | 98 | 1,908 |
| 2026 | 1,243 | 417 | 98 | 1,758 |
| 2027 | 64 | 421 | 49 | 534 |
| Thereafter | - | 567 | - | 567 |
| Total at June 30, 2022 | \$ 6,396 | \$ 4,028 | \$ 504 | \$ 10,928 |
| Total at June 30, 2021 | \$ 9,104 | \$ 5,319 | \$ 209 | \$ 14,632 |

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



- b) At April 1, 2019, the College entered into a capital lease obligation for multi-function print devices. The lease term will expire in March 2024.
- c) To manage its exposure to the volatility in electricity price, the Board of Governors has entered into contracts to fix its energy cost between January 2020 and December 2023 at \$0.05070/kWh.
- d) To manage its exposure to the volatility in natural gas price, the Board of Governors has entered into contracts to fix its energy cost between November 2019 and October 2022 at \$2.06/GJ.

17. Related parties

The College is a related party with organizations within the Government of Alberta reporting entity. Key management personnel and the Board of Governors of the College and their close family members are also considered related parties. The College may enter into arm's length transactions with these entities and individuals.

During the year, the College occupied space from a related party on an operating cost recovery basis. As well, certain related entities occupied space from the College. These costs and related revenues are recorded at carrying values that differ from values that would have been recorded if the parties were at arm's length.

The College has entered into transactions with an external vendor, where an executive of that organization is a Board member of Bow Valley College. All transactions between the College and that vendor are with normal commercial terms.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



18. Government transfers

| | 2022 | 2021 |
|--|-----------|-----------|
| Grants from Government of Alberta: | | |
| Advanced Education: | | |
| Operating | \$ 38,994 | \$ 39,391 |
| Health Workforce Action Plan | 1,176 | 1,176 |
| Infrastructure Maintenance grant | - | 987 |
| Other learner support grants | 3,243 | 1,869 |
| Total Advanced Education | \$ 43,413 | \$ 43,423 |
| Total contributions received | 43,413 | 43,423 |
| Expended capital contributions recognized as revenue | 6,710 | 6,727 |
| Deferred revenue | (1,094) | (940) |
| | \$ 49,029 | \$ 49,210 |
| Accounts receivable: | | |
| Other Government of Alberta departments and agencies | \$ 370 | \$ 272 |
| Other Post-secondary institutions | 11 | 2 |
| | \$ 381 | \$ 274 |
| Accounts payable: | | |
| Other Government of Alberta departments and agencies | \$ 15 | \$ 111 |
| Other Post-secondary institutions | - | - |
| | \$ 15 | \$ 111 |
| Federal and other government grants: | | |
| Contributions received | \$ 8,286 | \$ 9,068 |
| Less: Deferred revenue | (255) | (1,132) |
| Revenue | \$ 8,031 | \$ 7,936 |

During the year, the College conducted business transactions with related parties, including ministries of the Province of Alberta and other public colleges. The revenue earned from these business transactions amounts to \$2,764 (2021 - \$2,826) and is included in these financial statements. These transactions were entered into on the same business terms as with non-related parties and are recorded at fair market values.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



19. Salary and employee benefits

| | 2022 | | | | 2021 |
|---|----------------------------|------------------------------------|--|----------|----------|
| | Base salary ⁽¹⁾ | Other cash benefits ⁽²⁾ | Other non-cash benefits ⁽³⁾ | Total | Total |
| Governance⁽⁴⁾ | | | | | |
| Chair of the Board of Governors | \$ - | \$ - | \$ - | \$ - | \$ - |
| Members of the Board of Governors | - | 2 | - | 2 | 10 |
| | - | 2 | - | 2 | 10 |
| Executive | | | | | |
| President and Chief Executive Officer ⁽⁶⁾ | 265 | 5 | 42 | 312 | 227 |
| President and Chief Executive Officer (former) | - | - | - | - | 77 |
| Vice President, Academic ⁽⁵⁾ | 102 | - | 20 | 122 | 142 |
| Vice President, Academic and Chief Learning Officer (Interim) | 105 | 18 | 3 | 126 | 83 |
| Vice President, Learner Services and Chief Financial Officer | 197 | 246 | 35 | 478 | 248 |
| Vice President, External | 202 | 16 | 35 | 253 | 237 |
| Vice President, Strategy and Chief Information Officer | 202 | - | 36 | 238 | 234 |
| Associate Vice President, Human Resources | 195 | 24 | 33 | 252 | 250 |
| | \$ 1,268 | \$ 311 | \$ 204 | \$ 1,783 | \$ 1,508 |

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include vacation leave payouts and severance.

(3) Other non-cash benefits include College's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, out-of-country medical benefits, group life insurance, accidental death and dismemberment insurance, long and short-term disability plan, Employment Insurance, Canada Pension Plan, Workers' Compensation, car allowance, and fair market value of parking benefits. No bonuses were paid in 2022.

(4) The majority of board members do not accept honoraria from the College. Waived honoraria have been contributed to endowments and deferred donations.

(5) The Vice President, Academic was appointed January 2022.

(6) Under the terms of the notional defined contribution supplementary retirement plan (SRP), the President and Chief Executive Officer may 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 annual pension income over an actuarially determined post-employment period. SRP provides future pension benefits to participants based on years of service and earnings. The cost of these benefits is actuarially determined using the projected benefit method pro-rated on services, a market interest rate, and management's best estimate of expected costs and the period of benefit coverage. Net actuarial gains and losses of the benefit obligations are amortized over the average remaining service life of the employee group. Current service cost is the actuarial present value of the benefits earned in the fiscal year (note 20(b)).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



20. Employee future benefit liabilities

Employee future benefit liabilities are comprised of the following:

| | 2022 | 2021 |
|---|--------|--------|
| Long-term disability health and pension premiums | \$ 111 | \$ 120 |
| Notional defined contribution supplementary retirement plan | 31 | 12 |
| | \$ 142 | \$ 132 |

a) Long-term disability health and pension premiums

| | 2022 | 2021 |
|---|--------|--------|
| Expenses | | |
| Current service cost | \$ - | \$ - |
| Less: Previous service costs recognized | (9) | (9) |
| Net current service cost | (9) | (9) |
| Financial position | | |
| Accrued benefit obligation | | |
| Beginning of year | 120 | 129 |
| Net current service cost | (9) | (9) |
| Balance, end of year | \$ 111 | \$ 120 |

Significant management assumptions used to measure the accrued benefit obligation for the LTD health and pension premiums are as follows:

| | 2022 | 2021 |
|------------------------|--------|--------|
| Average inflation rate | 2.10 % | 2.10 % |
| Average discount rate | 3.00 % | 3.00 % |

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



20. Employee future benefit liabilities (continued)

b) Notional defined contribution supplementary retirement plan (SRP)

The expense and financial position of the notional defined contribution supplementary retirement plan are as follows:

| | 2022 | 2021 |
|-----------------------------------|--------------|--------------|
| Expense | | |
| Current service cost | \$ 19 | \$ 12 |
| Amortization of past service cost | - | - |
| Total Expense | \$ 19 | \$ 12 |
| Financial position | | |
| Accrued benefit obligation | | |
| Beginning of year | \$ 12 | \$ - |
| Current service cost | 23 | 12 |
| Actuarial gain | (4) | - |
| Balance, end of year | \$ 31 | \$ 12 |
| Plan assets | \$ - | \$ - |
| Plan deficit | \$ 31 | \$ 12 |
| Unamortized past service cost | \$ 31 | \$ 12 |
| Accrued benefit liability | \$ 31 | \$ 12 |

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

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

| | 2022 | 2021 |
|--|------------|------------|
| Accrued benefit obligation: | | |
| Discount rate | 4.36 % | 1.13 % |
| Long-term, average compensation increase | 0.00 % | 0.00 % |
| Benefit cost: | | |
| Average Wage Inflation | 3.00 % | 3.00 % |
| Alberta inflation (long-term) | 2.00 % | 2.00 % |
| Estimated average remaining service life | 3.33 years | 4.33 years |

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



20. Employee future benefit liabilities (continued)

c) Defined benefit plans accounted for on a defined contribution basis

The College participates with other employers in the Management Employees Pension Plan (MEPP) and the Public Service Pension Plan (PSPP).

Management Employees Pension Plan (MEPP)

The MEPP is a multi-employer contributory defined benefit pension plan for support staff members and is accounted for on a defined contribution basis. The pension expense recognized in these financial statements is \$618 (2021 - \$549).

At December 31, 2021, the MEPP reported an actuarial surplus of \$1,348,160 (2020 \$809,850).

An actuarial valuation of the MEPP was carried out as at December 31, 2020 and was then extrapolated to December 31, 2021. The pension expense recognized in these financial statements is \$27,279 (2020 \$20,968).

Other than the requirement to make additional contributions, the College does not bear any risk related to the MEPP deficit.

Public Service Pension Plan (PSPP)

The PSPP is a multi-employer contributory defined benefit pension plan for support staff members and is accounted for on a defined contribution basis. The pension expense recognized in these financial statements is \$4,710 (2021 - \$4,890).

An actuarial valuation of the PSPP was carried out as at December 31, 2020 and was then extrapolated to December 31, 2021. At December 31, 2021, the PSPP reported an actuarial surplus of \$4,588,479 (2020 \$2,223,582). For the year ended December 31, 2021, PSPP reported employer contributions of \$310,371 (2020 \$ 323,497) and employee contributions of \$299,408 (2020 \$323,832).

21. 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.

| | 2022 | 2021 |
|--|-------|-------|
| Bow Valley College Students' Association | \$ 15 | \$ 2 |
| Other | 47 | 35 |
| | \$ 62 | \$ 37 |

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(thousands of dollars)



22. Budget figures

The College's 2021-2022 budget was approved by the Board of Governors and submitted to the Minister of Advanced Education.

23. Approval of financial statements

The financial statements were approved by the Board of Governors of Bow Valley College.

24. Subsequent events

In July, 2022, the College transferred a portion of its investment portfolio to a new investment fund manager. This transaction resulted in a realized investment loss of the following:

| | Non endowment | Restricted for endowments | Total |
|--------------------------|------------------|------------------------------|------------|
| Proceeds on disposition | \$ 43,333 | \$ 6,651 | \$ 49,984 |
| Adjusted Cost Base | 45,764 | 7,578 | 53,342 |
| Realized Investment Loss | \$ (2,431) | \$ (927) | \$ (3,358) |

