



OLDS COLLEGE
OF AGRICULTURE & TECHNOLOGY

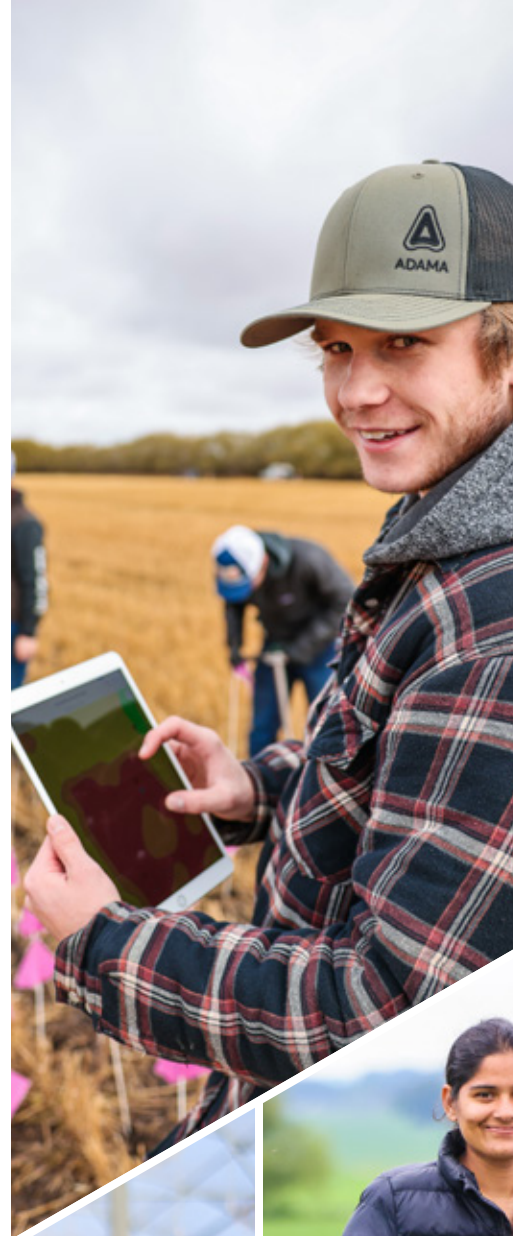
Break new ground.



ANNUAL
REPORT
2021 - 22

CONTENTS

- Accountability Statement3
- Public Interest Disclosure (Whistleblower Protection) Act3
- Management's Responsibility for Reporting3
- Message from the President & Board Chair4
- Board of Governors.....5
- Mandate.....6
- Operational Overview8
- Goals & Performance Measures10
- Capital Report17
- Applied Research & Scholarly Activities20
- Smart Agriculture Applied Research22
- Livestock Production25
- Entrepreneurship & Innovation27
- Environmental Stewardship28
- Field Crop Development Centre30
- Regional Stewardship, Foundational Learning & Underrepresented Learners32
- Financial Information34
- Financial Statements40



ACCOUNTABILITY STATEMENT

The Olds College of Agriculture & Technology Annual Report for the year ended June 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.

Leona Staples
Chair, Olds College Board of Governors
November 30, 2022

PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT

Under the *Public Interest Disclosure (Whistleblower Protection) Act*, Olds College employees can report in good faith when they believe wrongdoing has occurred. This Act protects employees from any reprisals when they make a disclosure of wrongdoing. A requirement of the Act is that Olds College report any disclosures during the year. In 2021-22 we received zero disclosures.

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

Olds 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 and executed in accordance with all relevant legislation, regulations and policies; reliable financial records are maintained; and assets are properly accounted for and safeguarded.

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

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

Susan Roy
Chief Financial Officer,
Olds College of Agriculture & Technology
November 30, 2022

Olds College of Agriculture & Technology is located on the traditional territories of the Niitsitapi (Blackfoot) and the people of the Treaty 7 region in Southern Alberta, which includes: the Siksika, Piikani, Kainai, Tsuut'ina and Stoney Nakoda First Nations. The area is also home to Metis Nation of Alberta, Region III.

MESSAGE FROM THE PRESIDENT & BOARD CHAIR

As a provincially-focused institution, Olds College of Agriculture & Technology understands the important role that the agriculture and agri-food industry plays in creating a diversified and sustainable economy for Alberta.

Important work was done in 2021-22 to achieve our strategic objectives outlined in the College Strategic Plan: Growing 2025, and to expand our impact on Canadian agriculture and the Alberta economy. A key piece of work that took place was creating a new mandate statement for the College (approved by the Minister of Advance Education in June 2022), that reflects the critical role Olds College plays within the post-secondary landscape by providing a diverse range of programming and associated credentials which address both student and industry needs primarily focused on the agriculture and agri-food sectors.



Olds College was once again recognized as one of Canada's top 50 research colleges. As one of five Alberta colleges that made the national list, Olds College was also ranked in the top 10 of small size colleges for number of research partnerships, and number of completed research projects.

In 2021-22, our applied research team, Olds College Centre for Innovation (OCCI), secured \$6.8 million in research grants and contracts and recognized \$6.5 million in capital items, grant and fee-for-service revenue for applied research. The team of 52 dedicated staff, scientists, and technicians worked on 99 separate entities on projects and proposals and collaborated with 72 industry partners, 18 public partners, and nine post-secondary institutions. Work-integrated learning opportunities were also provided to students on the College Smart Farm.

The COVID-19 pandemic continued to have negative impacts on the College, with revenues being impacted through public health restrictions on conference services, campus housing and food services. Domestic enrolments were up slightly (less than one per cent), while international enrolments were down 14 per cent due mostly to the travel restrictions that were in place.

In 2021-22, Olds College continued to evolve a new business model to improve our internal controls. Despite ongoing efforts to reduce administrative costs and find operational efficiencies, Olds College ended the year with a small deficit.

As we look ahead to 2022-23, it will be an exciting year for Olds College. The College will be welcoming a new President, launching several new programs, opening new state-of-the-art learning spaces on our campus that will enhance the student experience, and continuing to grow the Olds College Smart Farm and Smart Ag Ecosystem.

As Canada's Smart Agriculture College, Olds College remains committed to fulfilling our social purpose of transforming agriculture for a better world.

Dr. Ben Cecil
President, Olds College of
Agriculture & Technology

Leona Staples
Chair, Olds College Board of Governors

BOARD OF GOVERNORS

July 1, 2021 - June 30, 2022

Stuart Cullum
President

Leona Staples
Chair, Public Board Member

Gordon Cove
Public Board Member

Meghan Dear
Public Board Member

Marnie DesJardins
AUPE Representative

Mabel Hamilton
Public Board Member

Roy Weasel Fat
Public Board Member

Ted Menzies
Public Board Member

Donna Maxwell
Public Board Member

Paul McLaughlin
Public Board Member

Jennifer Wood
Public Board Member

Celia Sutton
Students' Association of Olds
College Representative

Brendan Richardson
Olds College Faculty Association
Representative

Kami Tams
Students' Association of Olds
College Representative



MANDATE

The following mandate has been developed by Olds College of Agriculture & Technology ('Olds College') in consultation with Alberta's Ministry of Advanced Education pursuant to Section 78(2)(a) of the *Post-Secondary Learning Act (PSLA)*.

1. Type of Institution, Sector & Governance

Olds 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

Olds College offers technology and hands-on learning experiences that lay the foundation for solving real world problems in agriculture, agri-foods and a diverse range of related sectors, including animal health, technology, horticulture, trades, business, hospitality/tourism, construction, communication and the environment. Aligning with Alberta 2030: Building Skills for Jobs, our focus on excellence in student learning ensures critical Alberta industries have the talent, knowledge and thought leadership to lead globally, and support a diversified and resilient Alberta and national economy.

3. Clients/Students

Olds College continues to grow its nationally recognized programming and applied research environments in agriculture, and related sectors, supporting the development of a highly skilled and relevant workforce.

This includes a residential campus environment that helps learners achieve successful outcomes by providing a safe, caring, living and learning community in rural Alberta; with access to a complete range of services designed to enable them to meet their individual educational goals. From an infrastructure perspective, Olds College offers unique, state-of-the-art facilities and learning environments. This includes the Werklund Agriculture and Technology Centre, the Olds College Smart Farm, with a

significant land base of 3,600 acres to support hands-on learning at a commercial production scale, and extensive greenhouse infrastructure.

Students have access to multiple learning platforms, including a wide array of interactive online-based learning opportunities, leveraging technology to support practical learning in virtual settings.

In addition, through our Continuing Education and Corporate Training Department, the College supports lifelong learning and works with industry partners and clients to develop and deliver a range of training programs and products serving provincial, national, and international markets.

Olds College is also committed to providing access to quality post-secondary learning opportunities for Alberta's high school students through dual credit courses and program offerings that give high school students an opportunity to experience post-secondary education while still earning high school credits, positioning them for future success in the workplace.

4. Geographic Service Area & Type of Delivery

Olds College is a provincially-focused institution and serves the entire province, with its main campus located in Olds, Alberta. While the majority of our students come from across Alberta, the College also attracts national and international students.

Since its founding in 1913, Olds College has also been an integral member of the central Alberta community, working with local organizations, industry partners, municipalities, First Nations, the K-12 system, and the Government of Alberta to support educational service delivery that addresses the

unique needs of the region. This focus on academic excellence has subsequently allowed the College to develop into an agriculture and agri-foods leader on both the national and international stage, providing expertise and vision regionally and beyond.

5. Program Mandates & Credentials Offerings

Olds College offers a diverse range of programming and associated credentials which address both student and industry needs primarily focused on the agriculture and agri-food sectors. This includes certificates, diplomas, post-diploma certificates, trades programs and apprenticeship, applied degrees, and now baccalaureate undergraduate degrees. The College also offers an array of non-credit courses and programs in priority industry areas, along with customized corporate training for domestic and international markets.

6. Special Program Areas/ Areas of Specialization

Agriculture Technology represents a core area of specialization for Olds College. Subsequently, in the summer of 2018, Olds College began transforming the College's existing farming operation into a farm of the future. Since that time, the College has collaborated with industry, government, and system partners, to convert the whole of its farming operation to a Smart Farm: an interconnected environment through which the College is leveraging its land (over 3,600 acres), and applied research programming, to provide a product development and demonstration venue to accelerate agriculture technology and industry development. At the same time, the Smart Farm provides a cutting-edge learning environment for students,

producers and the agriculture sector, for learners here in Alberta and across the globe.

The Olds College Smart Farm is essentially a giant laboratory environment that provides the agriculture sector a venue for commercial scale applied research and technology demonstration. The philosophy and principles guiding the development and operation of the Olds College Smart Farm are centered around engaging producers and industry on addressing problems to be solved by utilizing and integrating technology and data. It also provides our students with a learning environment focused on the future of agriculture and technology; teaching students how to integrate, manage and leverage agriculture technology for the enhancement and sustainability of agri-food production.

With the introduction of the Smart Farm, Olds College has established itself as a trusted space where our partners can collaborate together and work to advance agriculture and related sectors. The College creates a place for producers, industry partners, students and faculty to look at the opportunities and challenges facing the agriculture industry and investigate solutions to evolve agriculture practices.

7. System Collaboration & Partnerships

Olds College is committed to working with other post-secondary institutions to enable access to post-secondary opportunities for all Albertans. This includes leveraging memorandums of understanding and articulation agreements with other educational institutions to facilitate expanded student learning pathways, increasing the efficiency of the post-secondary sector and minimizing student costs and time commitments in the process.

To this end, the College is also engaged in Campus Alberta Central

(CAC), a joint venture between Olds College and Red Deer Polytechnic that enhances access to post-secondary programming in communities throughout central Alberta. CAC programs include training in high-demand fields such as trades and health care as well as a range of options in business and human services. Whether online or in a blended format that includes hands-on instruction, all programs supported by CAC provide access to high quality, accredited training for underserved communities.

8. Research & Scholarly Activities

Olds College Centre for Innovation (OCCI) is the applied research division of Olds College. The mandate of OCCI is to enhance economic development in Alberta's agriculture, horticulture, land and environmental management sectors through market-focused applied research and the development of enabling processes and new products.

Specific to the outcomes of the Alberta Research and Innovation Framework (ARIF), OCCI's activities catalyze growth and diversification of the economy, mitigate negative environmental impacts of food production, and promote effective resource management. OCCI further supports industry in developing, validating, scaling and demonstrating innovative products and practices in specific areas that include field crop production, livestock production, environmental stewardship, turfgrass, and smart agriculture technologies and practices. This includes working closely with Olds College academic schools to integrate applied research activities into the learning experience for students.

Further, OCCI has a profound impact on the ability of small, medium and large-sized companies in the agriculture sector to explore new ideas, test innovative products and processes and incubate technologies

toward commercialization; leading to Olds College being recognized as one of Canada's top 50 research colleges by Research Infosource.

From a scholarly activity perspective, Olds College supports the creation and dissemination of knowledge by fostering scholarly activities in an environment of open inquiry, academic freedom, creativity, and innovation. These activities cover a wide range of industry subsectors, including agriculture technology and data management.

9. System Mandate

By developing and expanding flexible career and education program pathways, coordinating industry engagement, fostering innovation and commercialization, and attracting domestic and international students, Olds College has evolved into a centre of excellence that is responding to industry needs and developing a new highly skilled generation of agricultural leaders.

This leadership position is further reinforced through the establishment of a Smart Agriculture Ecosystem to meet the agriculture technology education, training and applied research needs of Albertans. The cornerstones of the Smart Ag Ecosystem include the Olds College Smart Farm and the Werklund School of Agriculture Technology. Together, with our existing learning enterprises and our Schools of Trades and Skills and Life Science and Business, combine to create strategic assets that provide a one-of-a-kind, tech-focused environment where academic, research, industry and investment communities can coordinate and focus education, training and commercialization efforts to develop Alberta's next agri-food innovations, companies, entrepreneurs and leaders.

Approved by the Minister of Advanced Education on October 7, 2022.

OPERATIONAL OVERVIEW

Olds College continued to make progress in achieving our strategic drivers as outlined in our Strategic Plan: Growing 2025.

Overall, domestic enrolments were up slightly (less than 1 per cent) while International enrolments were down 14 per cent due mostly to the travel restrictions put in place to manage the COVID-19 pandemic. Demand for Olds College programs continued with FLE enrolment growth occurring in several program areas including:

- Agricultural and Heavy Equipment (+20%)
- Animal Health Technology (+6%)
- Apprenticeship Programs (+4%)
- Bachelor of Applied Science Horticulture (+27%)
- Business Management (+33%)
- Farrier Science (+26%)
- Pre-Employment Heavy Equipment Technician (+40%)
- Precision Agriculture (+270%)
- Veterinary Medical Receptionist (+28%)



As we look to 2022-23, Olds College anticipates growth in several program areas including:

- Agriculture Management
- Horticulture Technologist
- Business Management
- Land and Water Resources Management
- Meat Processing
- Vet Tech Assistant



Other key program changes that occurred in 2021-22 included the launch of microcredentials in horticulture production, cannabis retail and beverage production.

The Olds College Campus Master Plan was finalized, and provides long-term direction on how the College can sustainability develop spaces to align with our Strategic Plan: Growing 2025. Construction of three large projects continued in 2021-22, including the Ag Tech Learning Hub (opened in September 2022), the new Animal Health Education Centre set to open for fall 2023 (phase one was completed in fall 2022 that included the opening of the new National Meat Training Centre), and the Farm Shop that is scheduled to be complete in December 2022.

Effective Aug. 1, 2021 Olds College acquired full ownership and management of campus housing, which includes Centennial Village and College Courts. This transition and subsequent operational oversight allowed the College to streamline student support services, business services processes and marketing initiatives. Ongoing planning, including rate and policy development, will have a positive impact on future occupancy.

Olds College continued to grow our partnerships in 2021-22. In September 2021, Olds College received a pledge of \$300,000 from BASF Digital Farming in support of the College's Smart Farm HyperLayer Data project. Another significant partner, Wyvern – a Canadian satellite startup company in Edmonton – also partnered with the College on the hyperLayer data project.

Olds College also received a generous commitment of \$2 million from Bob and Carollyne Collier in support of enhancing the learning experiences of students within the Werklund School of Agriculture Technology.

Thanks to a generous pledge of 800 acres near Craik, Sask. by Margery Steckler and her late husband George Steckler, the College expanded farming operations and formed the Olds College Saskatchewan Smart Farm. This gift of land has grown the Smart Farm to 3,600 acres of land for commercial farming, applied research activities and academic integration.

In July 2021, Olds College along with seven of Alberta's Colleges and Polytechnics signed a declaration to work together to advance agriculture and food research in Alberta. The declaration will see Grande Prairie Regional College, Lakeland College, Lethbridge College, Medicine Hat College, NAIT, Olds College and SAIT work together to enhance agriculture and food research through the sharing of data, expertise and research capabilities, while supporting the evolution of policy and advocating for the industry.



Olds College signed a memorandum of understanding (MOU) with the University of Saskatchewan to collaborate in joint activities related to automation and increased incorporation of digital data in agriculture. A MOU was also created with Swedish University of Agricultural Sciences (SLU) to facilitate student exchange between the two institutions, and with Saskatchewan Polytechnic to collaborate in joint activities on the Olds College Saskatchewan Smart Farm including student work-integrated learning, technology demonstration and validation, and applied research activities.



GOALS & PERFORMANCE MEASURES

In 2018, Olds College produced a seven-year strategic plan: **Growing 2025 that positions the College for future growth. The plan is focused around seven strategic drivers that the institution is working to achieve, including:**

- Be a college known for academic excellence and student success.
- Achieve 2,000 full load equivalents (FLE's) and increase non-FLE enrolment by 50 per cent.
- Increase applied research activity to \$10 million or greater annually.
- Be a leader in smart agriculture.
- Increase earned revenue/ investment by \$100 million.
- Be recognized as an employer of choice.
- Be a smart and sustainable campus.

Our strategic drivers have been designed to support the Olds College Board of Governors' Ends.

Olds College Board of Governors' Ends (written policies) provide meaningful results that the College is trying to achieve.

Mega-End: Alberta's agriculture community has the talent, knowledge and thought leadership to lead globally. This result will be produced in a manner that demonstrates stewardship and sustainability.

E1. Learners have the relevant, transferable and diverse skills to achieve success and increase the number of qualified people to serve the global economy.

1. Learners are employment ready.
2. Learners have hands-on experience.
3. Learners are connected to industry.
4. Learners have an outstanding and enduring student experience.
5. Learners are equipped for life-long learning.
6. Learners acquire an entrepreneurial mindset.
7. Learners are prepared for next generation agriculture and related industries.

E2. New knowledge, products and technology are created, demonstrated and transferred to industry and learners.

1. Smart agriculture applied research solutions are created to address the challenges and opportunities in the value chain.
2. Agriculture industry has the skill sets needed to evolve at the pace of change.
3. Agriculture industry has the conditions necessary to adopt change.

E3. Alberta leads in agriculture.

1. The importance and holistic nature of the agriculture industry is recognized as being essential to the preservation and betterment of life.
2. Alberta is a region for agricultural innovation.
 - 2.1 Alberta leads in smart agriculture technology.



ALIGNED FOR SUCCESS

| Strategic Driver | Board Ends | Alberta 2030 Goals |
|--|--|---|
| By 2025, Olds College will be a College known for Academic Excellence and Student Success. | E1 Learners | Improve Access and Student Experience Develop Skills for Jobs Strengthen System Governance |
| By 2025 Olds College will have 2,000 full load equivalents (FLEs) and increase non-FLE enrolment by 50 per cent. | E1 Learners E2 New Knowledge, Products and Technology E3 Alberta Leads in Agriculture | Improve Access and Student Experience Develop Skills for Jobs Strengthen Internationalization Improve Sustainability and Affordability |
| By 2025 Olds College will increase applied research activity to \$10 million or greater annually. | E2 New Knowledge, Products and Technology E3 Alberta Leads in Agriculture | Improve Access and Student Experience Support Innovation and Commercialization Improve Sustainability and Affordability |
| By 2025 Olds College will be a leader in smart agriculture. | E1 Learners E2 New Knowledge, Products and Technology E3 Alberta Leads in Agriculture | Improve Access and Student Experience Support Innovation and Commercialization Improve Sustainability and Affordability Strengthen System Governance |
| By 2025 Olds College will increase earned revenue/investment by \$100 million. | E1 Learners E2 New Knowledge, Products and Technology E3 Alberta Leads in Agriculture | Support Innovation and Commercialization Improve Sustainability and Affordability Strengthen System Governance |
| By 2025 Olds College will be recognized as an Employer Of Choice. | E2 New Knowledge, Products and Technology | Improve Access and Student Experience Support Innovation and Commercialization Strengthen System Governance |
| By 2025 Olds College will be a Smart and Sustainable Campus. | E2 New Knowledge, Products and Technology E3 Alberta Leads in Agriculture | Improve Student Experience And Access Support Innovation and Commercialization Improve Sustainability and Affordability |

As part of our Strategic Plan: Growing 2025, each strategic driver has been given success measures that Olds College is working to achieve by 2025.

In this section, we have outlined the progress made in 2020-21 in achieving those success measures.



Strategic Driver 1 Be a college known for academic excellence and student success.

Greater than 80% of students agree or strongly agree that Olds College campus environment supports their mental health.

- 75.6% of students reported they would consider seeking help from a professional in the future if they were having a personal problem that was really bothering them (75% in 2016; 76.6% in 2019).

90% of instructional staff participate in pedagogy related professional development each year.

- 87% of instructional staff participated in pedagogy related professional development.

92% of students would recommend Olds College to a friend.

- 95% of students would recommend Olds College to a friend.

40% of students create a co-curricular record.

- After the co-curricular program was paused in 2020-21 due to COVID-19 impacts, the program relaunched in 2021-22 with 30% of eligible students creating a co-curricular record.

Increase Indigenous learner satisfaction.

- 82% of Indigenous learners feel welcome and supported (12.8% neutral).
- 95% of Indigenous learners would recommend Olds College to future Indigenous learners.

80% of our programs will include a work-integrated learning opportunity that is available to students.

- 85% of our programs include a Work Integrated Learning opportunity that is available to students.

100% of Program Curriculum Committees and Industry Advisory Committees are in operation.

- 100% of Program Curriculum Committees and 90% of Industry Advisory Committees are in operation.

Increase student completion by 2%.

- Compared to 2017-18, cohort graduation rates in the most recent reporting period have increased by 2%.

Strategic Driver 2 Achieve 2,000 Full Load Equivalents (FLEs) and increase Non-FLE enrolment by 50%.

Reduce the direct cost of program delivery per FLE.

- Olds College has focused on reducing costs associated with new program development and delivery, leveraging of courses across programs, as well as efforts to maximize enrolment in existing programs and identify program efficiencies.

Generate 3,500 applications annually.

- 2,779 applications were generated in 2021-22. This is a record for Olds College.

200 international Full Load Equivalents (FLEs).

- 72.7 FLE International Students in 2021-22.

Total number of non-credit registrations exceeds 4,500.

- 3,595 non-credit registration in 2021-22.

Achieve 2,000 Full Load Equivalents (FLEs).

- 1,388 FLEs in 2021-22.

Identify a minimum of 20 prospective programs (credit and non-credit).

- Through the new Product Development Process, the College identified 22 prospective credit-based programs, along with 23 non-credit opportunities. Highlights include the launching of over 49 non-credit microcredentials; and the identification, development and approval of three new credit programs to be launched in 2023.

Strategic Driver 3 Increase Applied Research Activity to \$10 million or greater annually.

100 products or processes developed or improved.

- 53 products or processes developed or improved as of June 30, 2022.

300 companies supported by and/or engaged with OCCI.

- 202 companies supported by and/or engaged with OCCI as of June 30, 2022.

20% of students have an applied research experience.

- 20 Olds College students formally employed by OCCI in year ending June 30, 2022.

Achieve a 3-year rolling average of \$15 million in annual grant and industry solicitations.

- Average annual research grant requests total \$8 million per year over last 3 years.

Projects with small to medium-sized Enterprises (SMEs) account for a minimum of 75% of all applied research projects.

- In 2021-22, 69% of projects involved SMEs.

15 applications (annually) to the Olds College faculty applied research seed fund.

- Seed fund not yet established. Planning will begin in 2022-23.

80% of clients would recommend OCCI to another company.

- 73% of industry partners in year ending June 30, 2022 were "repeat customers".

Strategic Driver 4 Be a leader in smart agriculture.

Agriculture technology programs launched with three new credentials.

- Two agriculture technology programs launched.
- One agriculture technology program to be launched in 2023-24.

50 companies collaborating on the Olds College Smart Farm.

- 72 companies were collaborating during the 2022 growing season.

100% of Olds College employees undertake smart ag professional development.

- Staff were invited to attend AgSmart and Applied Research Lunch & Learns.

75% of FLEs engaged on the Olds College Smart Farm.

- 64% of Olds College FLEs were engaged in a range of integrated academic activities on the Olds College Smart Farm. For 2022-23, additional Smart Farm student participation activities are being explored and implemented.

100% of smart ag research projects have faculty involvement.

- 42% of projects during the 2022 growing season had formal faculty involvement.

Demonstrate increased brand awareness as Canada's Smart Ag College.

- We saw social followers grow on all social platforms (LinkedIn, Twitter, Instagram and Facebook). We shared 380 stories through social media and had 1,688 editorial stories during the 2021-22 year. Primary topics included partnerships, the Smart Farm, applied research, and athletics.

Smart ag international presence is demonstrated through staff, faculty, research, industry and student involvement.

- PIN conference participation.
- Presentations and publications (@ international):
 - EEGS-WG-PSS-SEG SYMPOSIUM: Application of Proximal and Remote Sensing Technologies for Soil Investigation.
 - Title: *Validation of Soil Survey Maps using Different Proximal Soil Sensing Methods*.
 - Authors: Felipe H. S. Karp, Viacheslav Adamchuk, Alex Melnitchouk, Barry Allred and Luis R. Martinez.
 - Date: August 16 to 19, 2021.
 - 15th International Conference on Precision Agriculture.
 - Title: *Optimization of Batch Processing of High-Density Anisotropic Distributed Proximal Soil Sensing Data for Precision Agriculture Purposes*.
 - Authors: Felipe H. S. Karp, Viacheslav Adamchuk, Alex Melnitchouk and Pierre Dutilleul.
 - Date: June 26 to 29, 2022.
- Talk About Geophysics: Best of the Proximal/Remote Sensing Soil Investigation Symposium.
 - Title: *Validation of Soil Survey Maps using Different Proximal Soil Sensing Methods*.
 - Authors: Felipe H. S. Karp, Viacheslav Adamchuk, Barry Allred and Luis R. Martinez.
 - Date: December 8, 2021.



Strategic Driver 5 Increase earned revenue/investment by \$100 million.

Generate \$1.6 million from Conference Services revenue (annual) with a net 10% contribution.

- COVID-19 restrictions continued to have a significant impact on conference services revenue during the 2021-22 fiscal year. We are optimistic that we get back on track this year with the removal of restrictions.

Achieve a net contribution of 15% from Continuing Education and Corporate Training and contribute at least \$500k.

- Gross Revenue of \$3,600,805 with Net Revenue of \$990,436 for a contribution of 27.50%.

Attract 800 international student applications per year and generate \$2.7 million in tuition revenue.

- 312 applications generated in 2021-22.

- \$1,131,811.81 generated in International Student Tuition in 2021-22.

Generate \$40M in cumulative revenue in support of the Smart Farm.

- \$51.7 million in cumulative revenue.

Receive 100 donations/investments of 100k and greater.

- In 2021-22 we received \$4.2 million in new donations & pledges.
- In 2021-22 we received 10 new donations & pledges greater than \$100k.

- In new pledges we received \$3.25 million to be earned over multiple years.
- In new donations we received \$950K in the calendar year.

Strategic Driver 6 Be recognized as an employer of choice.

Recognized as an employer of choice from an external validator.

- Potential external validators will be assessed during the 2022-23 fiscal year.

Employee engagement and enablement scores greater than 75%.

- Biannual Employee Engagement Survey scores indicated employee engagement is 52%.

Achieve 50th percentile of compensation against comparable employers.

- As a result of the seven-year pay freeze and the increase in inflation, the majority of AME employees are below the 50th percentile - only approximately 18% are at or slightly above the 50th percentile. AUPE and OCFA employees are not measured by percentiles. This is a measure specific to market-based compensation model, where positions are benchmarked against similar roles in the market, through

surveys. AUPE and OCFA's salaries are based on levels and steps that are negotiated through the collective bargaining agreement. This is a different compensation model.

Reduce time lost due to accident, illness and discretionary absence to less than 3%.

- There were six lost-time incidents in 2021-22, this is below the 3% threshold.

20% of College employees are awarded an additional micro-credential certification or designation annually.

- Human Resources is currently working on a way to gather this data.

100% of our staff will participate in the Respect and Inclusion Program.

- 72% of staff completed the Respect and Inclusion Program.



Strategic Driver 7 Be a smart and sustainable campus.

College enterprise and ancillary business services are available online.

- Fusion, a financial and procurement cloud-based Enterprise Resource Planning (ERP) solution, continues to be used at the College.
- Two of the four ancillary businesses (Greenhouse and Campus Store) are available online for customers.

80% of systems are integrated.

- Vendor selection for the implementation of a Campus Wide Preventative Maintenance System was completed. Campus data collection completed June 2022, implementation on track to be completed for third quarter 2022-23.
- Building management system upgrades are 60% complete as of June 2022.

100% of space allocation and bookings are through an integrated space utilization platform.

- As of 2021, all internal and external room bookings, space allocations, and academic scheduling are completed through EMS.

Exceed \$50 million in facility development and upgrades.

- Olds College is currently upgrading and renovating three facilities:

- The Ag Tech Learning Hub: \$13.9 million budget.
- The Animal Health Education Centre: \$19.1 million budget.
- The Farm Shop \$4.3 million budget.
- During the last two fiscal years Olds College has realized \$27.5 million in construction progress related to these facilities as of June 30, 2022 This represents 55% of our targeted investment.

- With these projects, Olds College has committed a total of \$37.3 million in investment, 74.6% of the targeted \$50 million.

100% of facility development and upgrades include building automation systems.

- 100% of renovations and new capital builds include upgrading/replacement of building management software to maximize efficiencies and user comfort.

New facilities and renovations are designed to LEED standards.

- Three of our current major facility projects have been designed to meet the requirements of the new National Energy Code. Although the projects were not designated to be LEED certified, they were designed to LEED equivalent standards.



CAPITAL REPORT

Type of Project and Funding Sources

| Type | Project Description | Total Project Cost | Funding Sources | Funding Received to Date and Source | Revised Funding Sources |
|-------------|---------------------|--------------------|-------------------------------------|-------------------------------------|-------------------------|
| Proposed | | | % GoA | | |
| New | | | % GoC | | |
| Expansion | | | % PSI funds | | |
| Maintenance | | | % Donation | | |
| | | | % Foundation | | |
| | | | % Industry | | |
| | | | % Capital Maintenance Renewal (CMR) | | |

Priorities Projects (Top 3 Capital Priorities)

| | | | | | |
|----------------------|--|-----------------|---|---|--|
| Expansion/Renovation | Ag Tech learning Hub / James Murray Building Renovation Expansion. Repurpose existing 60-year-old building to provide learning spaces for new Ag Tech Learning Hub facility. Partial demolition and renovation will include 2,600 m2 and add an additional 800m2 to the footprint. | \$13.9 Million | GoA 45% Donation 40% CMR 15% | 95% Funding received, \$6.2 Million from GoA July 2020, \$5.7 Million committed from Donation August 2020, \$1 Million received from IMP 2020-21 (\$1 Million IMP funding 2021-22). | |
| Expansion/Renovation | Animal Health Education Centre Renovation Expansion. This project is a three phase renovation and expansion. Construction of an addition to house an expanded National Meat Training Centre to account for increased program demand. Renovation of the existing Animal Health Building to accommodate increased enrolment in Animal Health Technology, Veterinary Medical Receptionist and Veterinary Technical Assistant. | \$19.06 Million | GoA 80% PSI 8% Donation 5% CMR 7% | Government of Alberta grant funding was approved and received in 2020. | |
| Expansion/Renovation | Farm Shop Compound Upgrades and Expansion. This project is a significant renovation and upgrade to the farm precinct, renovating the existing farm shop building, adding 6,000 sq. ft. of office and additional service spaces, and upgrades to the surrounding site to alleviate ground drainage problems. | \$4.27 Million | CMR 23%, PSI Funds 19% Prairies Canada (Federal Government grant and donation): 32% Canada Foundation for Innovation (CFI) 26% | The PrairiesCan Funding of \$1.38M was approved and received in May 2022. The 1 M of CMR funding was received in July 2022. The CFI claim for 1.09 million will be submitted in October 2022. | |

| Type | Project Description | Total Project Cost | Funding Sources | Funding Received to Date and Source | Revised Funding Sources |
|---------------------------|---|--------------------|-------------------------|-------------------------------------|-------------------------|
| Other | | | | | |
| Renovation | WJ Elliott / Trades Building. We have produced a program and design for the complete redevelopment and expansion of this facility to meet future demands of enrolment growth and address life safety and occupational health and safety issues in the existing aged facility. | \$60 Million | GoA 90% Donation 10% | Funding not yet approved. | |
| Renovation/ Demolition | Frank Grisdale Hall. Redevelopment of decommissioned residence facility and renovation of the attached Dining Hall and Gymnasium Buildings. | \$11.9 Million | GoA 90% PSI 10% | Funding not yet approved. | |

Project Timelines and Status

| Project Description | Project Timelines | Expected Project Start | Expected Project Completion | Project Status | Progress Made in Last 12 Months |
|---------------------------------------|----------------------------------|------------------------|-----------------------------|-------------------|---|
| AgTech Learning Hub | Fall 2020 to Summer 2022 | September 2020 | August 2022 | Completed | Project is complete. Opened for fall 2022. |
| Animal Health Education Centre (AHEC) | Fall 2020 to Summer 2023 | September 2020 | August 2023 | In Progress | Construction commenced April 2021. Phase 1 completed summer 2022, project completion is slated for fall of 2023. |
| Utility Infrastructure Project | May 2018 to September 2021 | May 2018 | September 2021 | Completed | Project was completed September 2021. |
| WJ Elliott/ Trades Building | September 2021 to September 2022 | September 2021 | December 2022 | Phase 1 Completed | Gibbs Gage Architects were selected to define programming needs, produce a schematic design and a cost plan for redeveloping the existing facility. This phase of the project was completed in June 2022. |
| Farm Shop | September 2021 to September 2022 | September 2021 | December 2022 | In Progress | Planning, design and construction documents were completed. Tender was issued and Pearl Rose Construction selected as the successful proponent. Project is in construction phase and expected completion date and occupancy is December 2022. |
| Frank Grisdale Hall Redevelopment | September 2021 to June 2022 | September 2021 | December 2022 | Phase 1 Completed | Diamond Schmitt Architects were selected to define programming needs for this project, produce a schematic design and cost planning for the redeveloped facility. This phase of the project was completed June 2020. |



APPLIED RESEARCH & SCHOLARLY ACTIVITIES

July 2021 to June 2022

To date, Olds College Centre for Innovation has engaged with over 185 clients, partners and organizations which resulted in over 100 companies and organizations becoming engaged in a project.



Olds College of Agriculture & Technology has grown the Smart Farm to 3,600 acres of farmland and expanded farming operations to form the Olds College Saskatchewan Smart Farm.

In January 2022, Olds College of Agriculture & Technology was recognized as one of Canada's top 50 research colleges by Research Infosource.

Introduction

Olds College Centre for Innovation (OCCI) is the applied research division of Olds College of Agriculture & Technology with a focus on agriculture and smart ag technology. Industry partners connect with OCCI for support in the development and testing of innovative products in core areas: crop production, livestock production, environmental stewardship, cereal breeding and technology integration. These focus areas align with infrastructure at the College, available expertise and gaps identified by the agriculture sector. OCCI incorporates its applied research activities into work-integrated learning opportunities for students, and focuses on practical, industry-driven applied research that can be easily implemented by the agriculture industry.

In 2021-22, the OCCI team secured \$6.8 million in research grants and contracts and recognized \$6.5 million in capital items, grant and fee-for-service revenue for applied research; worked on 99 separate entities on projects and proposals and collaborated with 72 industry partners, 18 public partners, and nine post-secondary institutions; and expanded to 30 dedicated staff including managers, scientists, technicians, support staff, and a dedicated communications advisor building on a strong reputation for leading agricultural applied research with industry in Alberta. Throughout the year, OCCI provided work-integrated learning opportunities by employing two directed field study students, nine summer students, two post-grad interns and one Ph.D. candidate.

Thanks to a generous pledge of 800 acres near Craik, Sask. by Margery Steckler and her late husband George Steckler, the College expanded farming operations and formed the Olds College Saskatchewan Smart Farm. This gift of land has grown the Smart Farm to 3,600 acres of land for commercial farming, applied research activities and academic integration.

The Field Crop Development Centre in Lacombe continues to operate under OCCI with a new strategic plan to define the work to be done going forward for developing enhanced cereal varieties for feed, forage, malt, food and bio-industrial uses.

The Pan-Canadian Smart Farm Network – led by Olds College of Agriculture & Technology – continues to link smart farms across the country to multiply the learnings and increase the value of data generated to connect farmers with industry and research partners to find practical solutions to ag challenges. The latest project for the network is Comparisons of In-Field MicroClimate Variability and External Weather Stations. This project is

comparing data from infield to out of boundary stations at the three network sites and evaluating disease modeling via disease scouting to provide producers with improved accuracy of localized weather data to make informed farm management decisions.

AgSmart celebrated its second edition in August 2021 featuring over 2,000 people in attendance, 50 educational sessions, 45 in-field demonstrations and 102 exhibitors profiling the latest commercialized products. The two-day educational expo focused on agriculture technology and data across the sector – how to gather it, and how to use it to enhance productivity and profits.

Olds College of Agriculture & Technology signed numerous Memorandum of Understandings (MOUs) with post-secondary institutions to increase collaboration and work-integrated learning for students.

- The College and Saskatchewan Polytechnic signed a MOU to collaborate in joint activities on the Olds College Saskatchewan Smart Farm including student work-integrated learning, technology demonstration and validation, and applied research activities.
- Another MOU was signed between the College and the University of Saskatchewan to collaborate on joint activities related to automation and increased incorporation of digital data in agriculture. One of the first areas of collaboration will be supporting livestock research.
- The College also signed a three-year MOU with Bioenterprise, Canada's Food & Agri-Tech Engine, to collaborate on agri-food innovation initiatives.

Smart Agriculture Applied Research

The Olds College Smart Ag Ecosystem is focused on accelerating the progress and innovation needed to grow Canada's ag industry – and the Olds College Smart Farm is at the heart of it all. The Smart Farm has grown to include 3,600 acres of farmland, infrastructure, and staff who are experienced in ag tech research and development. The goal of the Smart Farm is to accelerate the development and adoption of technologies and practices that result in improved productivity, profitability, and sustainability of agriculture and the agri-food sector.

The Smart Ag team managed 17 applied research projects throughout 2021 which grew to 25 active projects for the 2022 growing season.



Smart Agriculture

Smart Agriculture Applied Research supports the refinement and optimization of technologies, and provides manufacturers and users with information on functionality, accuracy and value of technologies – particularly in Alberta stubble, soil and climate conditions.

The research team collaborates on industry-driven applied research related to smart ag technologies such as application maps using satellite imagery, in-bin monitoring systems, soil moisture probes and weather stations – with the goals of saving producers time or money, improving efficiency, and improving environmental sustainability. The Smart Ag Applied Research team is also contracted by companies who need support in validating a recently developed innovative product or technology.

In 2021, several projects provided interesting results and the continued opportunity to build new partnerships and programs:

- The team worked on a proof of concept with Alberta Financial Services Corporation (AFSC) to see if using drone imagery in simulated hail damaged fields can assist the assessment process with promising initial results. The project is continuing into 2022 as researchers create a database of natural hail damaged crops imagery. Additional projects with AFSC include using soil moisture measurements to estimate forage yield potential, and a historical data analysis to learn what variables matter most to forage growth.
- Researchers conduct weather station comparisons to help producers identify the equipment that would work best for their farms. The team evaluates and audits the stations based on the data collected, add-on options, user platforms, and pricing between numerous stations and technologies.
- Olds College and TELUS Agriculture continue their million dollar partnership to help farmers and producers optimize operations and profits to access more accurate, timely data to make informed farm management decisions. The team is exploring variable rate technology with TELUS Agriculture with savings, improved yield and reduced environmental footprint as key variables impacting the return on investment.
- The team is working with Spornado to evaluate

how its innovative wind trap, the Spornado Sampler, can assist producers in making good fungicide application decisions.

Other technologies being tested include equipment to determine carbon content in soil to help farmers access carbon credits, on-combine NIR (Near Infrared) for real-time grain constituent analysis, in-bin drying sensors and algorithms with mobile connectivity to optimize the process and cost of drying, soil nutrient sensors for yield management, soil moisture sensors for improved yield prediction and plant growth, and optical spot-spray technology for reduced input cost and improved environmental sustainability. Connectivity, data collection and communications on the Smart Farm includes extensive 5G, Wi-Fi, LoRaWAN and cellular networks to work towards a better data integration on the farm.

Autonomous Agriculture Equipment

Olds College of Agriculture & Technology continues to conduct future-focused research on the evaluation and improvement of economic, environmental, and logistical benefits of autonomous agricultural equipment for broad acre crop production with the Raven OMNiPOWER™ platform. The team is confident stating that autonomous technology is available and mature enough for broad acre farming. The confidence gained from two years of operations has led to the Smart Farm relying on OMNiPOWER to perform seeding, spraying and spreading duties in the 2022 growing season.

A few highlights of ongoing applied research with OMNiPOWER:

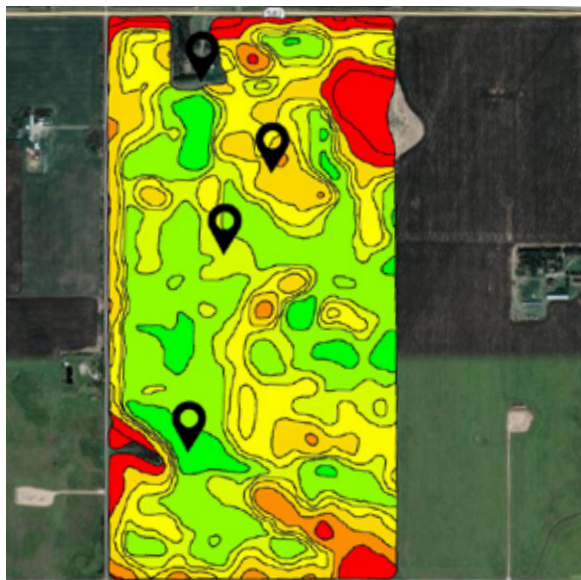
- During the 2021 growing season, the team collected data from autonomous agriculture equipment on a total of 60 missions seeding, spraying, spreading and training across 5,408 acres in partnership with Carlson Ag, Gatez Farms Ltd., and Pattison Farms in Alberta and Saskatchewan.
- The team performs two methods of data capture for OMNiPOWER: observational data and digital data from Somat-eDAQ – a device installed on OMNiPOWER which electronically collects location specific data (GPS) and equipment data (CAN bus). This data comes in at a rate of two times a second including starts, stops, distance traveled and fuel consumption rates.

- During the 2022 growing season, the team is performing comparable autonomous data collection with the addition of a second Somat-eDAQXR used with conventional equipment to collect data, such as measuring field efficiency and route efficiency, that can be compared to OMNiPOWER for evaluating autonomous versus conventional equipment.
- OMNiPOWER was part of synchronous operations on Antler Valley Farm in May 2022 where one operator controlled two seeders to improve efficiency.
- The Canadian Agri-Food Automation and Intelligence Network (CAAIN) announced funding of \$1.5 million in August 2021 to OCCI's ongoing research with autonomous agricultural equipment.

Digital Agriculture

Smart and precision agriculture are heavily reliant on data – developing a Digital Ag Strategy is providing guidance for the collection, integration, and utilization of agricultural data for evidence-based decision making to enhance farming decisions.

- The College uses digital technologies and tools to enable the collection of millions of data points from individual fields on the Smart Farm. These provide training for students, and are used for applied research and the development of new, next generation technologies.
- The HyperLayer Data Concept centers around compiling multiple layers of geospatial information, including topographical data, detailed soil organic matter and nutrient



and moisture mapping, multispectral and hyperspectral imagery, yield data, and other layers of information to assist in machine learning for easy analysis, data extraction, and the building of next-generation analytical algorithms.

- The predictive algorithms developed with this information will be used on-farm to create significant environmental benefits – such as reduced fertilizer and input use, as well as water and other environmental benefits.
- The team is building a web-based platform to organize, store, manage, and process data, and building machine learning algorithms for predicting plant available soil nutrients, soil organic matter, and other field characteristics. Partner organizations, such as CAAIN, TELUS Agriculture, xarvio/BASF, FarmVu, VizworX and 4S Analytics, all see the opportunities of a robust digital agriculture program.
- The College is working with Edmonton-based Wyvern, a space data company, to see what cutting-edge satellite technology could mean for the next chapter in digital innovation in agriculture, and expect the data collected from the Smart Farm to provide solutions related to crop input efficiencies and improved yields.

The College collaborates with McGill University and other post-secondary institutions in the area of data collection and analysis. The first Ph.D. candidate from McGill University pursues his candidacy in close collaboration with Digital Ag Research. He collected, processed and analyzed field data to add to the dataset for the HyperLayer Data Concept including various types of proximal soil and canopy sensors. These research findings are presented at several conferences across Canada and internationally, and published in peer-reviewed scientific journals.

A recipient of the Mitacs Accelerate Grant joined the Digital Ag team for a year-long internship working on a joint research project with both an academic institution, Olds College of Agriculture & Technology, and an industry partner, Algo-Rythmn Corp. The project provides work-integrated learning and aims to enhance market and financial risk management innovations with the goal to provide actionable insights and tools to be used by farmers.

BASF Digital Farming announced a \$300,000 pledge to Olds College in September 2021, which benefits the HyperLayer Data Concept and supports the development of new technologies for Western Canadian growers.

Livestock Production

The Technology Access Centre for Livestock Production (TACLP) at Olds College is an important resource for the livestock community. The facilities and assets of the TACLP – including 140 commercial cattle, 16 Purebred Red Angus, 150 head sheep flock and a 1,000-head capacity feedlot – can be utilized to demonstrate and advance the use of technology to improve production efficiency, animal health and welfare, and enhance environmental sustainability.

Thanks to the funding support of the Natural Sciences and Engineering Research Council of Canada (NSERC), the TACLP can provide access to every step in the production cycle – from seedstock to feedlot. The TACLP allows innovators and businesses the opportunity to evaluate proprietary concepts, technologies, and advances for the technological needs of the livestock sector.

The TACLP received an additional \$220,000 in funding from NSERC earlier this year through the Applied Research and Technology Partnership (ARTP) grants with another \$220,000 the following year. With this funding, the TACLP is using its facilities and expertise to test products and technologies for improving environmental sustainability and climate change resiliency in Western Canada. The TACLP's applied research activities will also support multiple small to medium-sized industry partners – Wyvern, Carbon Asset Solutions, Union Forage and AdvancedAg – with plans to involve more partners over the next two years.



Just a few highlights of projects from the past year demonstrate the commitment of the livestock research team to the goals of efficiency, environmental sustainability and animal welfare:

- In the 2021-22 feeding trial season, the TACLP evaluated approximately 550 non-college animals through a variety of performance evaluations and research projects at the Olds College Smart Farm. This included ongoing residual feed intake testing using GrowSafe® feeding systems, basic growth and feed conversion tests, and behavioural assessments.
- Alberta Innovates provided funding for a study looking at grazing management practices (continuous vs rotational). Smart technologies were employed to monitor animals, resources such as fence lines and watering systems, and the impact of crop cocktails on soil health.
- Floating Island Technology for Water Remediation is a multi-year study using native wetland plants and floating island technology to treat feedlot runoff water which could effectively improve water quality for irrigation or livestock consumption.
- Animal health and welfare studies included a pre-conditioning study in collaboration with the University of Calgary that looked at the impacts of various weaning techniques to better prepare calves for the feedlot. The goal was to reduce the necessity for preventative treatments when they arrive at the feedlot, reducing antimicrobial use overall.

The TACLP also conducts off-campus projects and fee-for-service work with collaborating producers – specifically Neilson Cattle Development who has been working with the College since 2020 with a total of six projects completed at its operation. These projects include further research investigating the impact of handling acclimation to reduce stress and improve reproductive performance in beef heifers. Another collaboration was a study investigating different calf weaning methods combined (or not) to an adoption of a novel handling procedure on newborn calves. The health of calves was closely monitored after nose flap, fenceline and abrupt weaning methods were employed. Technology was used to measure activity and other performance criteria in the weeks and months following weaning.

The TACLP also works on project definitions and pilot-scale projects with new and emerging small and mid-size enterprises. These projects focus largely on animal health products, innovative technologies, and animal management procedures where the skilled team provides technical advisory and research services to achieve the clients' objectives.

The TACLP is integrated into college academics, supporting knowledge transfer, in-field training and volunteer experiences for students. The TACLP team is currently providing connections to industry partners for Agri-Business Applied Degree students for real world experience projects. Olds College's Agriculture Management and Animal Health Technology programs have also benefited from the TACLP's involvement with over 6,000 student hours contributing directly to TACLP research projects.



Entrepreneurship & Innovation

Olds College of Agriculture & Technology continues to play a key role in the development of an innovative and entrepreneurial ecosystem for the ag sector to help small to medium sized enterprises develop new products, processes and services. The ecosystem at the College provides partners with a unique means of gaining boots-on-the-ground testing and learnings for their technologies and practices. This also includes support in disseminating results to producers and other industry stakeholders through communications and events, such as the annual educational expo AgSmart.

Through connections with Alberta Innovates, the Central Alberta Regional Innovation Network (CARIN), SVG Thrive and UCEED, the Smart Farm is able to connect clients with business readiness supports, training, and resources to help innovators market products and ideas – which includes access to venture capitalists to further develop ideas. The Smart Farm offers guidance to external networks and support systems, provides training and resources to market products and ideas, and encourages innovation towards a sustainable agriculture industry.

In May 2022, Alberta Innovates announced \$1.6 million of funding for CARIN that funnels down to both Olds College of Agriculture & Technology and Red Deer Polytechnic to support ag tech and manufacturing innovation in their institutions. Both post-secondary institutions co-manage CARIN which supports ag tech and manufacturing entrepreneurs and an innovative ecosystem in Central Alberta.

The third annual UFA Student Pitch competition, a partnership with UFA dedicated to training and supporting the best and brightest future entrepreneurs in agriculture, took place in early 2022. The winner was a student in the Agriculture Management Diploma. This event helps foster entrepreneurship in agriculture and teaches students many skills, such as performing customer discovery, developing a value proposition, and learning to pitch ideas professionally.



Environmental Stewardship

Within its agricultural environmental stewardship portfolio, OCCI's priorities were water resource management, climate change management (mitigation and adaptation), by-product development and utilization, and renewable energy utilization. Of the four focus areas, most of the emphasis was in water resource management since it had two established and ongoing field projects. The other three focus areas remain in their strategic planning phase.



Water Resource Management

OCCI actively engaged in two significant field-based projects and two paper studies in the 2021-22 fiscal year. With investments from Results Driven Agriculture Research (RDAR), Alberta Real Estate Foundation (AREF), United Farmers of Alberta (UFA), Highfield Investment Group (HIG), and a private donation from Henry Heuver, OCCI commenced a field research study at four beef cattle feedlots located in central Alberta (three commercial feedlots and the feedlot at Olds College of Agriculture & Technology). The objective of this field study is to assess the efficacy of using phytoremediation (plants) to remove contaminants and improve the quality of runoff water that is stored in catch basins or holding ponds on the feedlots. This study is scheduled to conclude in the 2024-25 fiscal year.

The other project involved monitoring water quality in constructed wetland ponds located in High Plains Industrial Park (HPIP) near Balzac, Alta. Several water quality parameters were monitored weekly at pre-determined locations in the ponds between July and October 2021 as well as April and June 2022.

A technical annual report and a financial report were submitted to the project sponsor, Highfield Investment Group, in October 2021. Highfield Investment Group was recognized as Olds College of Agriculture & Technology 2022 Partner of the Year in April.

Finally, in March 2022, OCCI initiated and led a strategic research planning discussion related to the constructed wetland ponds at HPIP. In attendance were participants from Alberta Environment and Parks, University of Calgary - Civil Engineering Department, Westhoff Engineering Resources, and Tannas Conservation Services Ltd. The strategic research plan is still under development.

Field Crops

In the 2022 growing season, the field crop production covered 2,198 acres for crop production (feed, silage and cash crops), 832 acres of forage production (hay, forage and pasture), and 283 acres of dedicated plots for crop research and breeding.

With 3,600 acres of farmland to work with, the crop research team at Olds College of Agriculture & Technology is able to perform in-field crop research with small plots trials and full-field commercial scale investigations. The key research goals for this group are to develop and test ways to improve agronomic practices; enhance yields, while consuming fewer

resources; and transition to a climate-resilient agriculture economy. Services include regional variety, fertility, herbicide, fungicide and insecticide trials. Field and lab studies focus on integrated pest management, soil health, nematode management, crop rotation, nitrogen use efficiency, new crop evaluation and variety testing programs.

In the 2021 cropping season, 1,700 small plots were conducted. The crop research team worked on 25 projects which include:

- Testing optical spray technology at farm level – in replicated field trials – and achieved strong results with significant reductions and efficiencies in the chemical amount application. Funding partners for this project include Western Grains Research Foundation and Alberta Innovates.
- An ongoing project with Ducks Unlimited Canada on enhanced yields in winter wheat looks at improving profitability and suitability for growing conditions in central Alberta.
- The team has been testing fall-seeded rye with great success over the last three years looking at winter survivability, winter kill, disease resistance and yield. The findings are encouraging and should provide a good option for cereal growers – especially during drought prone years.
- Another ongoing survey funded by the Alberta Wheat Commission is looking into the prevalence of disease and pests in cereal fields, along with integrated pest management for canola.
- An Agriculture and Agri-Food Canada project with funding from the Canadian Canola Council looked at nitrogen use and efficiency, application rates, and other factors that impact the environmental footprint of this crucial crop.
- Contract research is also part of the work being undertaken each year. Companies like Nufarm, FMC, Brett Young and Adama put their products and hybrid seed to the test using the extensive resources available at Olds College of Agriculture & Technology and the Smart Farm.

The crop research team delivers results that can be applied to real farms to meet the goals of efficiency, profitability and sustainability.

Field Crop Development Centre

The Field Crop Development Centre (FCDC) is located in Lacombe, Alta. and has been developing enhanced cereal varieties for feed, forage, malt, food and bio-industrial uses since 1972. In 2021-22, FCDC financials was \$3 million spent.

The FCDC is recognized as a world-class research facility that:

- Employs a team of 22, including dedicated researchers, technicians and support staff.
- Employed seven students in 2021-22 to support work-integrated learning.
- Has over 600 dedicated acres and equipment for plot scale research.
- Planted, analyzed and harvested 40,000 plots in four Alberta locations in 2021-22.
- Collaborates with research institutions in over 30 countries.
- Has released 50+ barley and triticale varieties to date.

In collaboration with the Smart Farm, the FCDC aims to streamline the breeding process to develop better barley and triticale varieties faster. The FCDC identifies and measures every characteristic possible, using all types of technology – from molecular markers to Near Infrared Spectroscopy. And while conventional and contemporary plant breeding techniques are used, all of it is cutting-edge science focused on attaining high yield, improved disease resistance and superior end use quality characteristics.



The research centre is based in Lacombe; however, FCDC also farms and maintains off-station sites at Olds, Trochu and Morrin. FCDC sent several thousand breeding lines for screening across Western Canada and internationally last year, and continues to use a winter nursery in southern California as well as an indoor growth facility in Lacombe to speed up the advancement of genetic material.

The team at FCDC has been bringing partners together for various projects including the Beef and Cattle Research Council, Alberta Beef Producers, Brewing and Malting Barley Research Institute, Canadian Malting Barley Technical Centre, Rahr Malting as well as a number of seed companies that will eventually be selling varieties.

FCDC has five active research partnerships and projects:

- CAP Barley Cluster Activity 5 Project – Barley Council of Canada
- CAP Barley Cluster Activity 7 Project - Barley Council of Canada
- 2021R075R Disease Nursery Project – RDAR (Results Driven Agriculture Research), Alberta Barley Commission, Saskatchewan Barley Development Commission
- 2021F071 Forage Coop Project - RDAR (Results Driven Agriculture Research), CAP (Canadian Agricultural Partnership), Sask Cattle, ABP (Alberta Beef Producers)
- BCRC Feed & Forage Production Project - BCRC (Beef Cattle Research Council Division), ABP (Alberta Beef Producers, Alberta Barley Commission)

Agromatic traits such as yield, standability, lodging resistance, and disease resistance are primary goals for all three breeding programs. In addition, FCDC aims to improve the nutritional profile for the feed forage cereals with higher digestibility, feed conversion and efficiency. In malting barley – along with the improved agronomic traits – FCDC is seeking enhanced quality traits to meet the demand of the malting, brewing and distilling industry.

The transition of the FCDC from Alberta Agriculture and Forestry to Olds College in January 2021 allowed those involved to build a strategic plan and define the work to be done going forward. The FCDC is focused on developing enhanced cereal varieties for feed, forage, malt, food and bio-industrial uses, and the team will continue to work towards being an industry leader in research and development.



REGIONAL STEWARDSHIP, FOUNDATIONAL LEARNING & UNDERREPRESENTED LEARNERS

Underrepresented Learners

Indigenous Learners

The number of self-identified Indigenous learners increased by 7 per cent year-over-year.

Indigenous Student Enrolment

| | 2020-21 | 2021-22 | Change |
|------------------|---------|---------|--------|
| FLE | 108.003 | 117.202 | 8.5% |
| Headcount | 173 | 185 | 7% |

In 2021-22, additional steps were taken to advance the College's Indigenous Strategy and Action plan including broad consultations with campus stakeholders that will inform a refresh of the plan in 2022-23.

Students Registered with Accessibility Services

Number of Students Registered with Accessibility Services

| 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---------|---------|---------|---------|---------|---------|
| 156 | 179 | 196 | 160 | 130 | 142 |

| # of students | Type of Disability |
|---------------|--|
| 69 | Students registered with one disability only |
| 39 | Students registered with multiple disabilities |
| 4 | Students registered without supporting documentation |
| 30 | Other (Temporary Accommodations) |
| 142 | Total number of registered students |

Olds College had 142 students registered with Accessibility Services in 2021-22. This trend is due to multiple factors including access impacts related to COVID-19. Within this year, Accessibility Services expanded its integrated and holistic approach through the implementation of a central case management software solution, allowing students to have multiple support services coordinated from one location.

Regional Stewardship

Campus Alberta Central (CAC) is Olds College of Agriculture and Technology's joint venture with Red Deer Polytechnic that provides learners with post-secondary access within a 45-minute commute from every rural center in central Alberta. CAC has service locations in 24 locations with outreach services in two additional communities. In 2021-22:

- 492 unique learners enrolled in CAC supported courses, which include 28 online programs and 6 community-based cohorts supported by CAC partners including Community Adult Learning Programs.
- 471 full-time learner equivalents were achieved, a 120% increase compared to the previous year.
- Students continue to receive quality programming with a 93% successful completion rate.
- CAC partners received a total of 1,149 inquiries regarding post-secondary education; 3,112 support services were delivered and a total of 5,858 regional contacts were made.
- CAC continued to make progress toward its goals, which support CAC's mission to provide stewardship to meet the learning needs of central Alberta communities.

Foundational Learning

Dual Credit

Olds College is committed to providing access to quality post-secondary learning opportunities for Alberta's high school students through dual credit course and program offerings. In 2021-22, 560 high school students from across Alberta enrolled in dual credit course offerings, including:

- Meat Processing
- Agricultural and Heavy Equipment
- Animal Health Technology
- Hospitality and Tourism Management
- Precision Agriculture
- Horticulture
- Business Management
- Sports Management
- Land and Water Resources
- Pre-employment HET and Welder
- Veterinary Technical Assistant

In 2021-22, 33 dual credit partnerships were in place between Olds College and individual school divisions for the delivery of face-to-face, blended, and online dual credit opportunities.

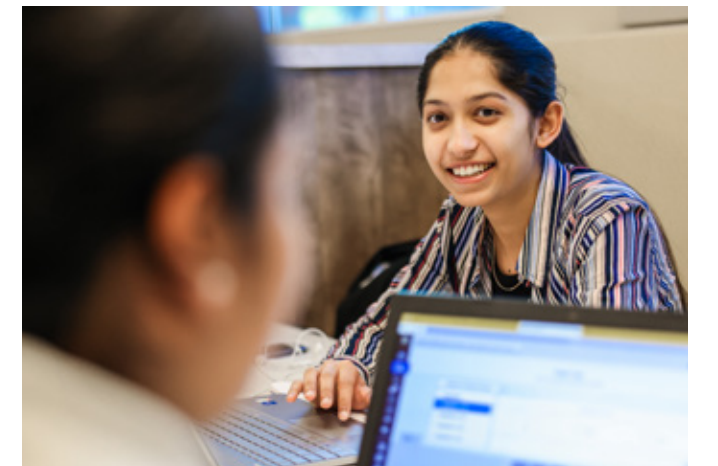


Dual Credit FLEs

| 2020-21 FLE | 2021-22 FLE | Change |
|-------------|-------------|--------|
| 68.3 | 86.3 | 26% |

Internationalization

Olds College is committed to internationalization, international student mobility, and cultural sensitivity in pursuit of the Growing 2025 goal of 200 International FLEs by 2025. Despite significant COVID-19 related disruptions that impacted the previous two years, and a bleak initial forecast, Olds College welcomed 86 international students from over 20 countries.



International Student Enrolment

| | 2020-21 | 2021-22 | 2022-23 Projection |
|------------------|---------|---------|--------------------|
| FLE | 83.4 | 72.7 | 100 |
| Headcount | 97 | 86 | 108 |

FINANCIAL INFORMATION

The following information should be read in conjunction with Olds College audited consolidated financial statements and accompanying notes for the year ended June 30, 2022. The College's consolidated financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

This discussion and analysis provide an overview in the following areas:

- Economic and Operating Environment
- Financial Results
- Net Assets
- Capital Expansion
- Areas of Significant Financial Risk
- Deferred Maintenance

Economic and Operating Environment

Consistent with Growing 2025, Olds College is focused on strategic growth to advance all aspects of the agriculture industry. Despite restrictions to hands-on learning due to COVID-19, the College achieved stable enrolment. The College remains committed to ensuring its enrolment and corresponding program suite meets the needs of current and future learners, industry, and community partners.

As the Provincial government continued to experience significant budgetary pressures, the tabling of the Provincial government's budget reduced the College's base operating grant by 3.6% over 2020-21 levels, representing a \$1.0 million decline to revenues. The Ministry of Advanced Education introduced the first stage of a performance-based funding (PBF) model in 2020-21. Five percent of the provincial grant was subject to the PBF, and therefore "at risk" based on the College's achievement of the target in a work integrated learning metric. The College achieved the work integrated learning target.

Due to ongoing public health restrictions to revenue generating activities that both support students and attract visitors and events to the campus, the College constrained spending across all functions to ensure critical student services remained accessible and responsive.

The financial impacts of the COVID-19 pandemic continued into 2021-22, primarily in self-generating revenue streams for the College. In addition, reductions to the operating grant, alongside anticipated increases to the proportion of "at risk"

funding, pose a revenue threat for the College. Although growth in applied research revenue is anticipated, the net financial impact of this activity is limited, as equal expenditures are needed to support the activity.

The College historically offered student residence services through a third-party management company. A lack of direct control over student service offerings, and a contractual revenue guarantee to the management firm did not provide the College with the most advantageous business model. The Board of Governors approved a \$35 million acquisition of the campus residences that was carried out early in 2021-22. This has been a very positive acquisition with occupancy rates significantly improved from prior years.

The College holds a 100% interest in the Olds College Trust. The Trust is a profit-oriented Trust property and exists to advance the interests of its primary beneficiary, the College. The Trust is a limited partner in the Olds Hotel and Convention Centre. In past years the College has responded to cash calls to support the operations of the hotel as needed. The need for the College to provide financial backing to the Trust declined substantially as public health measures eased and the hotel was able to operate normally. This has had a positive impact on the College by not having the fiscal pressures that have existed in recent years.

The College has continued fiscal pressures for 2022-23, with a further 3.2% operating grant reduction in the 2022-23 approved budget. Forecasting strategies that would lead to expense mitigation, offsetting any anticipated revenue losses help ensure the next year to be a fiscal success.

Financial Results

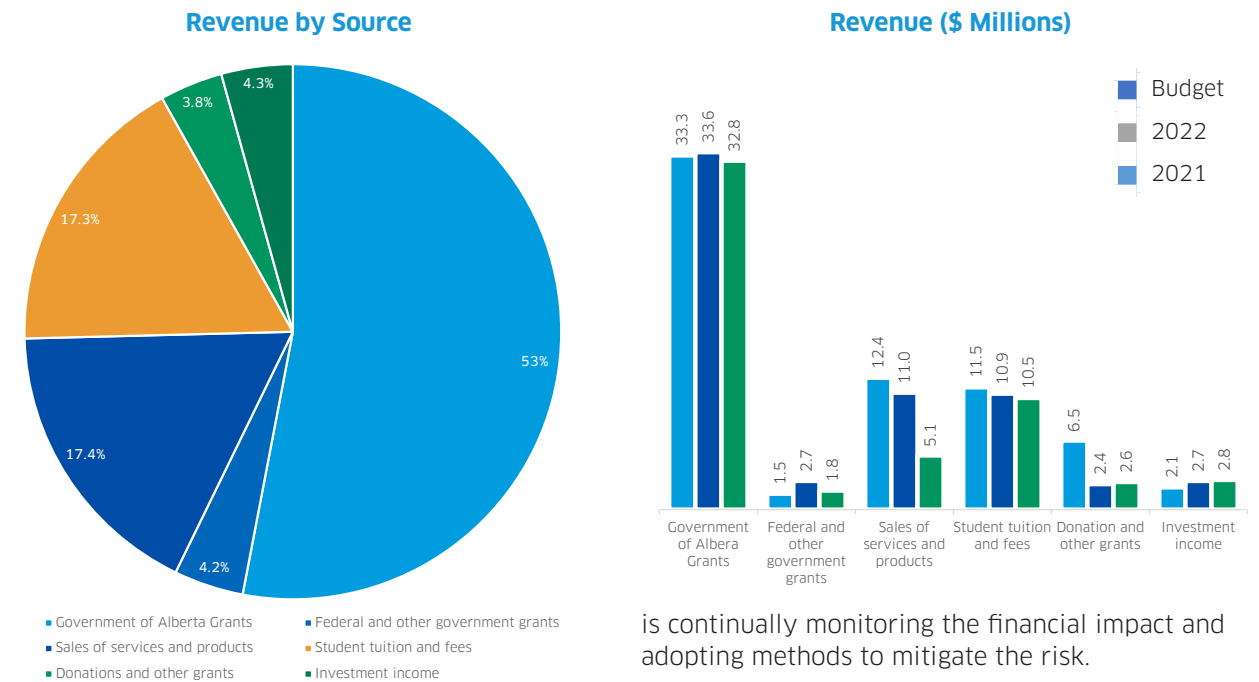
For the year ended June 30, 2022, the College's operating expenses exceeded revenues by \$1 million.

Total net assets decreased by \$4.5 million from June 30, 2021 as a result of the \$1 million operating deficit, \$3.8M in remeasurement losses, and partially offset by \$0.5 million in new endowment donations.

REVENUE

Total revenues for the year ended June 30, 2022, were \$63.3 million, an increase of \$7.7 million compared to the prior year and \$3.9 million under budget. Revenue from the Government of Alberta represented the College's single largest source of income, at 53% of total College revenue, and played a key role in the ability to fund College activities.

The major components of revenue are as follows:



Grant Funding Streams

The Government of Alberta Provincial grant revenue of \$33.6 million, reflected a 3% year-over-year increase. The general operating grant comprised \$26.9 million of this total and decreased by 3.6% from the prior year. The remaining balance consists of specific grants from Advanced Education and grants from other Provincial agencies. The budget included \$3 million in capital maintenance and renewal (CMR) funding. Actual CMR funding was \$2.3 million and \$2 million was capitalized.

Federal and other government grants contributed \$3.6 million to program specific activities, including externally funded research activities.

Sales of Services and Products

Although the 2021-22 budget anticipated solid sales of services and products, there was still an impact on revenues in this category because of COVID-19. Campus closures and event cancellations were required to comply with public health restrictions, in addition to reduced food service offerings. This resulted in both a decrease in revenue and corresponding decrease in expenses. The College

is continually monitoring the financial impact and adopting methods to mitigate the risk.

Student Tuition and Fees

Over 2021-22, the College experienced strong enrolment and strong applications. Tuition and fee revenue was less than budget due to less than expected international students. The College continues to focus on increasing enrolment and developing market specific programs and services that contribute to advancing all aspects of the agricultural industry.

Donations and Other Grants

Donations and other grants were \$4 million lower than budget and \$0.2 million lower than the prior year due to the budget including a grant that was actually received and classified as Government of Alberta grants.

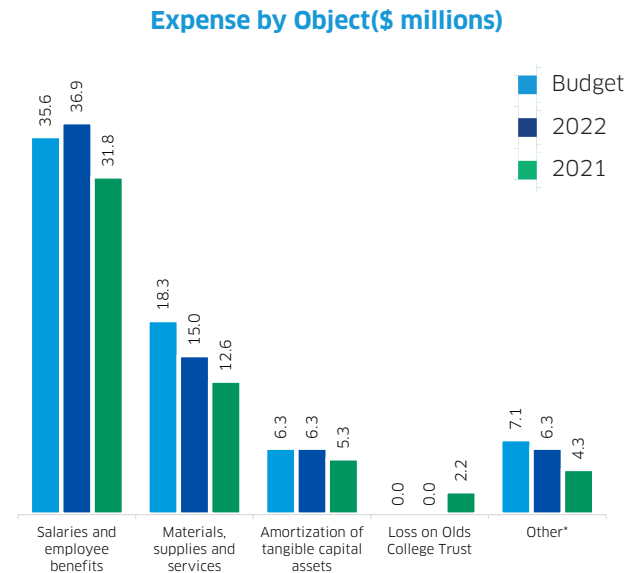
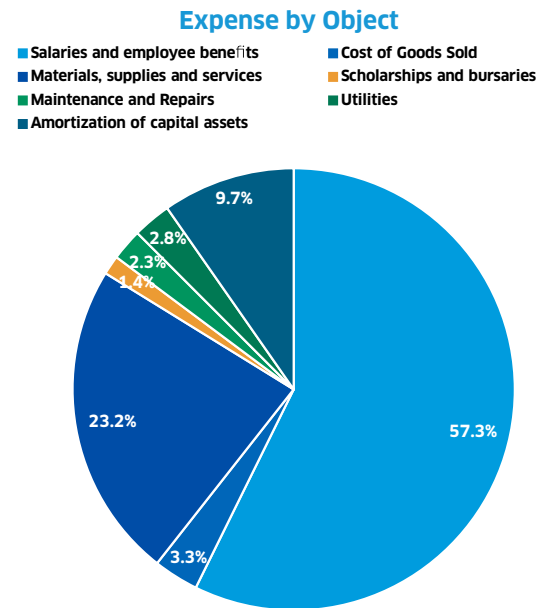
Investment Income

The College budgeted conservatively for investment income, as the prior years' results were lower than anticipated. The performance of the investment portfolio exceeded budget but experienced significant remeasurement losses, impacting net assets, at June 30, 2022.

EXPENSES

For the year ended June 30, 2022, the College recorded \$64.4 million in expenses representing an increase of \$8.1 million (14.5%) over the prior year and \$2.8 million lower than budget (4.2%). Salaries and benefits are the largest expenditure component at the College, representing 57.3% of the College's expenses.

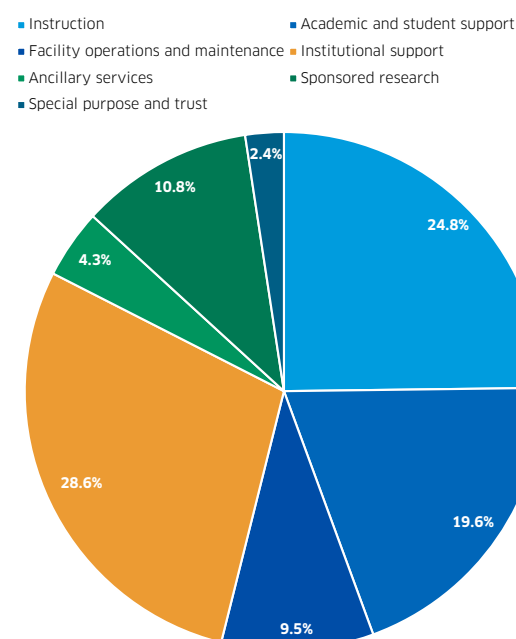
The major components of expense are as follows:



Other

Other expenses totaling \$6.3 million were \$2 million higher than prior year and \$0.8 million lower than budgeted amounts due to the partial return of some pre-pandemic activities.

Expense by Function



Salary and Benefit Expense

Salaries and employee benefits of \$36.9 million (57.3% of total expenditures) increased by \$5.1 million over the prior year and exceeded the budget by \$1.3 million. The budget variance was due to the addition of staff for the newly acquired residence building and to respond to staffing needs in various areas of the College.

Materials, Supplies and Services

Materials, supplies and services expenditures represent the second largest expense component for the College with current year costs \$23.2 million higher than the prior year and \$3.3 million lower than budget. The variance from budget is largely due to capital maintenance and renewal expenditures that were capitalized.

Amortization of Tangible Capital Assets

Amortization of tangible capital assets of \$6.3 million was on par with budget and \$1 million higher than the prior year due to the acquisition of the campus residences and other capital additions.

Net Assets

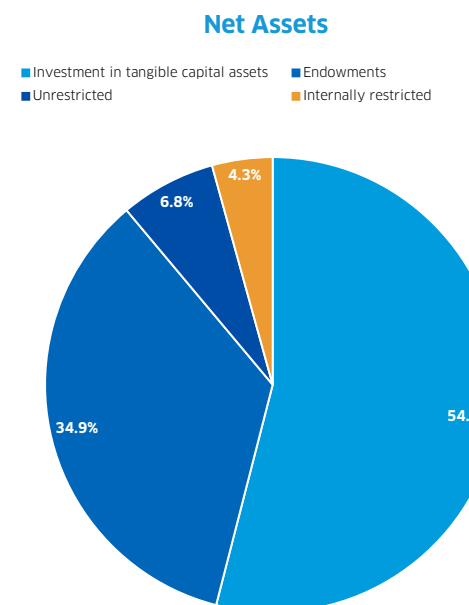
The College's net asset balance is an important indicator of financial health for the College. Net assets decreased by \$4.5 million primarily due to a deficit of \$1.0 million and investment remeasurement losses of \$3.9 million. This was offset by donor contributions to endowments of \$0.5 million. The College's accumulated surplus from operations is 3.8% of total revenue which exceeds the 3% guideline set by the Board of Governors. This indicates the College has adequate resources to respond to risks and opportunities as needed to advance the College's goals.

Investment in tangible capital assets represents the amount of College's net assets that has been invested in capital assets. During the year, there was \$37.9 million of acquisitions partially funded by \$31.7 million in debt. There was \$2.6 million of amortization related to internally funded tangible capital assets.

Endowments consist of externally restricted donations received by the College, the principal of which is required to be maintained in perpetuity. During the year, \$0.5 million in new donations were received. Investment income earned on endowments is used to fund specific research, scholarship, and donor supported initiatives.

Net Assets

Net assets at June 30, 2022 are comprised of the following balances



Capital Expansion

During the 2021-22 fiscal year, acquisitions of tangible capital assets totalled \$63 million. \$60 million in capital acquisitions relate to the acquisition of the residence building and construction on two major capital expansion projects: The Werklund Agriculture and Technology Centre and the Animal Health Education Centre. The acquisition of the residence allows the College to be able to more effectively support students. The completion of these expansion projects enhances student learning experience and the quality and breadth of program offerings. Other capital acquisitions totalled \$2.9 million for furniture, equipment, vehicles and technology.

Areas of Significant Financial Risk

Budgetary Pressure

Achievement of the College's strategic plan of Growing 2025 is predicated on predictable, stable, and sustained financial support from the Government of Alberta. In the fiscal 2022 year, the College received a 3.6% decrease in the base operating grant, which is 80% of revenue from the Government of Alberta and 42% of overall revenue. A 1% change to the College's Campus Alberta base operating grant equates to a \$0.3 million impact to revenue.

Performance based funding metrics and associated "at risk" funding is expected to increase for the post-secondary sector. A targeted 40% of the College's base operating grant by 2023-24 is anticipated to be subject to metrics that the College must achieve outlined targets. The College supports accountability to the Province for its funding, and the risk of any negative impact of these metrics to the College's revenues are dependent on the collaboration to establish purposeful and achievable targets.

The College produced a balanced budget for 2022 and is committed to work diligently to achieve operating efficiencies and continue to practice prudent fiscal management. Coupled with ambitious targets to increase its own sourced revenues and identify new sources of revenue, the College will continue to work toward mitigating risks to ensure delivery of strategic goals and fulfilling its mandate and social purpose.



Olds College of Agriculture & Technology
CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022



OLDS COLLEGE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

CONTENTS

| | |
|--|----|
| Statement of Management Responsibility | 41 |
| Independent Auditor's Report | 42 |
| Consolidated Statement Of Financial Position | 45 |
| Consolidated Statement Of Operations | 46 |
| Consolidated Statement Of Change In Net Financial Assets | 47 |
| Consolidated Statement Of Cash Flows | 48 |
| Consolidated Statement Of Remeasurement Gains And Losses | 49 |
| Notes To The Consolidated Financial Statements | 50 |



Statement of Management Responsibility

The consolidated financial statements of Olds College ("the College") have been prepared by management in accordance with Canadian public sector accounting standards as described in note 2 to the consolidated financial statements. The consolidated financial statements present fairly the financial position of the College as at June 30, 2022 and the results of its operations, changes in (net debt) 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 control designed to provide reasonable assurance that College assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the consolidated financial statements.

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

The Board of Governors carries out its responsibility for review of the consolidated financial statements principally through its Audit Committee. With the exception of the President, all members of the Audit Committee are not employees of the College. The Audit Committee meets with management and the external auditor to discuss the results of audit examinations and financial reporting matters. The external auditor has full access to the Audit Committee, with and without presence of management.

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

President

Chief Financial Officer



To the Board of Governors of Olds College

Report on the Consolidated Financial Statements

Opinion

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

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2022, and the results of its operations, its remeasurement gains and losses, its change from net financial assets to net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

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

Other information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

February 23, 2023
Edmonton, Alberta

Olds College

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at June 30, 2022 (thousands of dollars)

| | 2022 | 2021 Restated (note 3) |
|--|--------------------|------------------------------|
| Financial assets excluding portfolio investments restricted for endowments | | |
| Cash | \$ 7,261 | \$ 28,339 |
| Portfolio investments - non-endowment (note 4) | 23,040 | 31,238 |
| Accounts receivable (note 6) | 8,662 | 2,250 |
| Inventories for resale | 1,044 | 983 |
| Commercial/Industrial Lots Held (note 7) | 2,245 | 2,361 |
| | <u>42,252</u> | <u>65,171</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities | 10,415 | 6,450 |
| Debt (note 10) | 31,349 | - |
| Deferred revenue (note 11) | 28,753 | 46,563 |
| | <u>70,517</u> | <u>53,013</u> |
| (Net debt) net financial assets excluding portfolio investments restricted for endowments | <u>(28,265)</u> | 12,158 |
| Portfolio Investments - Restricted for Endowments (note 4) | 12,458 | 11,968 |
| (Net debt) net financial assets | <u>\$ (15,807)</u> | <u>\$ 24,126</u> |
| Non-financial assets | | |
| Tangible capital assets (note 8) | 138,421 | 82,021 |
| Prepaid expenses | 826 | 552 |
| | <u>139,247</u> | <u>82,573</u> |
| Net assets before spent deferred capital contributions | <u>\$ 123,442</u> | <u>\$ 106,699</u> |
| Spent deferred capital contributions (note 12) | 87,755 | 66,523 |
| Net assets (note 13) | <u>\$ 35,687</u> | <u>\$ 40,178</u> |
| Net assets is comprised of: | | |
| Accumulated surplus | 34,109 | 34,659 |
| Accumulated remeasurement gains | 1,578 | 5,519 |
| | <u>\$ 35,687</u> | <u>\$ 40,178</u> |

Contingent assets and contractual rights (notes 14 and 16)

Contingent liabilities and contractual obligations (notes 15 and 17)

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

Olds College

CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED June 30, 2022
(thousands of dollars)

| | Budget | 2022 | 2021 |
|--|-----------|-----------|----------------------|
| | (note 24) | | Restated (note 3) |
| Revenues | | | |
| Government of Alberta grants (note 21) | \$ 33,279 | \$ 33,632 | \$ 32,815 |
| Federal and other government grants (note 21) | 1,483 | 2,651 | 1,774 |
| Sales of services and products | 12,402 | 11,026 | 5,133 |
| Student tuition and fees | 11,469 | 10,940 | 10,450 |
| Donations and other grants | 6,494 | 2,418 | 2,640 |
| Investment income | 2,114 | 2,744 | 2,773 |
| (Loss) Gain on disposal of tangible capital assets | | (50) | 19 |
| | 67,241 | 63,362 | 55,604 |
| Expenses (note 18) | | | |
| Instruction | 16,001 | 15,967 | 15,161 |
| Academic and student support | 12,704 | 12,644 | 11,531 |
| Facility operations and maintenance | 7,298 | 6,106 | 5,255 |
| Institutional support | 14,817 | 18,440 | 15,470 |
| Ancillary services | 6,016 | 2,795 | 858 |
| Sponsored research | 8,610 | 6,918 | 4,247 |
| Special purpose and trust | 1,795 | 1,533 | 3,747 |
| | 67,241 | 64,402 | 56,269 |
| Annual operating deficit | - | (1,040) | (665) |
| Endowment contributions (note 13) | | 490 | 268 |
| Endowment capitalized investment income (note 13) | | - | 43 |
| Annual deficit | - | (550) | (354) |
| Accumulated surplus at beginning of year | 34,659 | 34,659 | 35,013 |
| Accumulated surplus at end of year | \$ 34,659 | \$ 34,109 | \$ 34,659 |

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

Olds College

CONSOLIDATED STATEMENT OF CHANGE IN (NET DEBT) NET FINANCIAL ASSETS
YEAR ENDED June 30, 2022
(thousands of dollars)

| | Budget | 2022 | 2021 |
|--|-----------|----------|-----------|
| | (note 24) | | |
| Annual deficit | \$ - | \$ (550) | \$ (354) |
| Acquisition of tangible capital assets | | (62,765) | (12,769) |
| Proceeds from sale of tangible capital assets | | 55 | 19 |
| Amortization of tangible capital assets | 6,320 | 6,254 | 5,299 |
| Loss (Gain) on disposals of tangible capital assets | | 50 | (19) |
| Increase in prepaid expenses | | (274) | (94) |
| Increase in spent deferred capital contributions | | 21,235 | 6,940 |
| (Decrease) Increase in accumulated remeasurement gains | | (3,938) | 4,961 |
| | | (39,933) | 3,983 |
| (Decrease) Increase in net financial assets | | | |
| Net financial assets at beginning of year | | 24,126 | 20,143 |
| (Net debt) net financial assets at end of year | \$ | (15,807) | \$ 24,126 |

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

Olds College

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED June 30, 2022
(thousands of dollars)

| | 2022 | 2021 |
|---|-----------------|------------------|
| Operating transactions | | |
| Annual (deficit) | \$ (550) | \$ (354) |
| Add (deduct) non-cash items: | | |
| Amortization of tangible capital assets | 6,254 | 5,299 |
| Gain on sale of portfolio investments | (2,490) | (1,678) |
| Loss (Gain) on disposals of tangible capital assets | 50 | (19) |
| Expended capital contributions recognized as revenue | (3,675) | (3,565) |
| Loss on Investment in Olds College Trust | - | 2,200 |
| Increase in accounts receivable | (6,410) | (170) |
| Increase in inventories for resale | (61) | (169) |
| Increase (Decrease) in accounts payable and accrued liabilities | 3,965 | (1,384) |
| Decrease in land intended for sale | 116 | - |
| (Decrease) Increase in deferred revenue | (15,758) | 21,055 |
| Increase in prepaid expenses | (274) | (94) |
| Cash (applied to) provided by operating transactions | (18,833) | 21,122 |
| Capital transactions | | |
| Acquisition of tangible capital assets, less in-kind contributions | (62,749) | (12,673) |
| Proceeds on sale of tangible capital assets | 55 | 19 |
| Cash applied to capital transactions | (62,694) | (12,654) |
| Investing transactions | | |
| Purchase of portfolio investments | (4,568) | (12,151) |
| Proceeds on sale of portfolio investments | 8,777 | 11,049 |
| Investment in Olds College Trust | - | (2,200) |
| Cash provided by (applied to) investing transactions | 4,209 | (3,302) |
| Financing transactions | | |
| Debt - repayment | (351) | - |
| Debt - new financing | 31,700 | - |
| Increase in spent deferred capital contributions, less expended capital contributions recognized as revenue, less in-kind donations | 24,891 | 10,412 |
| Cash provided by financing transactions | 56,240 | 10,412 |
| (Decrease) Increase in cash | (21,078) | 15,578 |
| Cash at beginning of year | 28,339 | 12,761 |
| Cash at end of year | <u>\$ 7,261</u> | <u>\$ 28,339</u> |

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

Olds College

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
YEAR ENDED June 30, 2022
(thousands of dollars)

| | 2022 | 2021 |
|---|-----------------|-----------------|
| Accumulated remeasurement gains, beginning of year | \$ 5,519 | \$ 558 |
| Unrealized (losses) gains attributable to: | | |
| Portfolio investments - non-endowment/non-externally restricted | (1,062) | 7,337 |
| Foreign exchange | (389) | (512) |
| Amounts reclassified to consolidated statement of operations: | | |
| Portfolio investments - non-endowment/non-externally restricted | (2,490) | (1,864) |
| Accumulated remeasurement gains, end of year | \$ 1,578 | \$ 5,519 |
| Accumulated remeasurement gains are comprised of: | | |
| Portfolio investments - non-endowment/non-externally restricted | \$ 2,007 | \$ 5,559 |
| Foreign exchange | (429) | (40) |
| | <u>\$ 1,578</u> | <u>\$ 5,519</u> |

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

Olds College

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED June 30, 2022 (thousands of dollars)

1. Authority and Purpose

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

2. Summary of Significant Accounting Policies and Reporting Practices

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

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

The measurement of certain assets, liabilities, revenues and expenses is contingent upon future events; therefore, the preparation of these consolidated financial statements requires the use of estimates, which may vary from actual results. The College's management uses judgment to determine such estimates. 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 measured as follows:

| <u>Financial Statement Component</u> | <u>Measurement</u> |
|--|--|
| Cash | Cost |
| Portfolio investments | Fair Value |
| Accounts receivable | Lower of cost or net recoverable value |
| Accounts payable and accrued liabilities | Cost |
| Debt | Amortized cost |

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

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

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

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

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

Olds College

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED June 30, 2022 (thousands of dollars)

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

c. Revenue Recognition

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

Government Grants, Non-government Grants and Donations

Government transfers are referred to as government grants.

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

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

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

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 consolidated statement of operations in the year in which they are received, and are required by donors to be maintained intact in perpetuity.

d. Endowments

Endowments consist of:

- externally restricted donations received by the College and internal allocations by the College's Board of Governors, the principal of which is required to be maintained intact in perpetuity.
- Investment income earned (excluding unrealized income) by the endowments in excess of the amount required for spending allocation 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 of the conditions of endowments to enable:

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

If included in the terms of the endowment agreement, a portion of annual investment earnings, if any, is allocated to the endowment for the preservation of the endowment's capital purchasing power. Any remaining investment income earned on endowments, after the related spending allocation and capitalization of interest, is deferred. If the investment income earned in the current year and the amounts previously deferred are insufficient to fund the related spending allocation, the College will either reduce the spending allocation, ask the donor to fund the deficiency, fund the deficiency with cumulative capitalized investment income, and/or encroach on the endowment principal. Investment income losses are applied in the following order: first, against accumulated investment earnings that have been previously deferred, second, against accumulated investment earnings that have been previously capitalized, and third, against the endowment principal. Any encroachment on endowment principal is expected to be recovered by future investment income.

Olds College

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED June 30, 2022
(thousands of dollars)

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

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.

e. Inventories held for sale

Inventories held for sale are valued at the lower of cost and expected net realizable value and are determined using the first-in, first-out (FIFO) basis. Inventories of supplies are valued at cost.

f. Commercial/Industrial lots held

Commercial/Industrial lots held are recorded at cost. Carrying costs that are incurred are expensed in the year incurred.

g. Tangible Capital Assets

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

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 & improvements | 3 - 40 years |
| Furniture, equipment & vehicles | 2 - 25 years |
| Computer hardware & software | 3 - 10 years |

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

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

h. Foreign Currency Translation

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

In the period of settlement, foreign exchange gains and losses are reclassified to the consolidated statement of operations, and the cumulative amount of remeasurement gains and losses is reversed in the consolidated statement of remeasurement gains and losses.

i. Employee Future Benefits

Pension

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

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

Olds College

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED June 30, 2022
(thousands of dollars)

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

Deferred Salary Leave

This four-for-five leave plan requires participating employees to make contributions of 15% of their salary over a four year period (to a total of 60%). Interest earnings are attributed by the College to the accumulated employee contributions at the end of each month. In the year of leave, the College pays the employee 85% of their salary and the employee also receives eligible benefits. This is funded by the employee's contributions and accumulated interest. When the employee contributions and accumulated interest is depleted, any remaining leave is funded by the College. This is expensed and recorded as a liability in the year the employee is scheduled and approved to take their leave and the option to opt-out is no longer available to the employee.

j. Basis of Consolidation

The consolidated financial statements include the financial results of Olds College Trust – a profit-oriented Trust to advance the interest of its primary beneficiary, the College. The intent of the Trust is to provide revenue streams for the College from the administration of the Trust property and it is considered an Other Government Organization (OGO). It is consolidated on a line by line basis, with equity being computed in accordance with standards applicable to those entities. Olds College Trust is not material to the College's financial statements, and therefore, separate condensed financial information is not presented.

The proportionate consolidation method is used to record the College's share of each financial statement component of the following joint ventures:

- Community Learning Campus (CLC) (50% interest)

CLC is an innovative approach to high school, post-secondary, and community education, which addresses specific rural needs by sharing resources and working jointly with a variety of community groups and agencies. The CLC is a joint venture between Olds College and Chinook's Edge School Division.

- Campus Alberta Central (CAC) (50% interest)

CAC is a partnership between Olds College and Red Deer College to bring college programming into Central Alberta communities not directly served by either College. Operating through community learning sites, CAC develops programs uniquely tailored to local needs they've identified.

Separate condensed financial information and a description of these joint ventures is presented in note 22.

The accounts for consolidated entities are consolidated using the line-by-line method.

All inter-entity accounts and transactions between these organizations are eliminated upon consolidation.

k. Liability for Contaminated Sites

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

Where an environmental standard does not exist or contamination does not exceed an environmental standard, a liability for remediation of a site is recognized by the institution when the following criteria have been met:

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

Olds College

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED June 30, 2022 (thousands of dollars)

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

These liabilities reflect the College's best estimate, as of June 30, 2022, of the amount required to remediate the sites to the current minimum standard of use prior to contamination. Where possible, provisions for remediation are based on environmental assessments completed on a site; for those sites where an assessment has not been completed, estimates of the remediation are completed using information available for the site. This liability is reported in accounts payable and accrued liabilities in the Consolidated Statement of Financial Position.

I. Expense by Function

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

Instruction

Expenses directly related to the delivery of programming and training within the College, whether for credit or non-credit programs.

Academic and student support

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

Facility operations and maintenance

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

Institutional support

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

Ancillary services

Expenses relating to the College's business enterprises that provide services and products to the College community and to external individuals and organizations.

Sponsored research

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

Special purpose and trust

Expenses for joint venture partnerships and programs, and Olds College Trust.

m. 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.

n. 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.

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.

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

Olds College

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED June 30, 2022 (thousands of dollars)

3. Restatement of Prior Period

Upon review of the spent deferred capital contributions investment in tangible capital assets it was determined that the balance was not correct and should be in line with the net book value of tangible capital assets. This difference is from prior periods and results in an impact on the comparative amounts by increasing the opening spent deferred capital contributions and a corresponding decrease in the accumulated surplus of \$645 as well as a decrease in the opening investment in tangible capital assets and corresponding increase in opening accumulated surplus of \$1,921. This restatement has no impact on the annual operating surplus.

| | 2021 | | |
|---|--------------------------|-----------------------|-------------|
| | As previously recognized | Adjustment recognized | As restated |
| Increase in opening spent deferred capital contributions | \$58,936 | \$645 | \$59,581 |
| Decrease in opening investment in tangible capital assets | \$16,828 | \$1,921 | \$14,907 |
| Increase in opening accumulated surplus | \$5,498 | \$1,276 | \$6,774 |

4. Portfolio investments

| | 2022 | 2021 |
|---|---------------------------------------|------------------|
| | Portfolio investments – non-endowment | \$ 23,040 |
| Portfolio investments – restricted for endowments | 12,458 | 11,968 |
| | \$ 35,498 | \$ 43,206 |

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

| | 2022 | | | |
|-----------------------------|------------------|-----------------|---------------|------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Bonds | | | | |
| Canadian corporate bonds | \$ - | \$ 2,650 | \$ - | \$ 2,650 |
| Pooled investment funds | - | 4,456 | - | 4,456 |
| Equities | | | | |
| Canadian equities | 18,108 | - | - | 18,108 |
| Foreign equities | 9,795 | - | - | 9,795 |
| Other | - | - | 490 | 490 |
| Total portfolio investments | \$ 27,903 | \$ 7,106 | \$ 490 | \$ 35,498 |
| | 79% | 20% | 1% | 100% |

Olds College

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED June 30, 2022
(thousands of dollars)

4. Portfolio investments (continued)

| | 2021 | | | |
|-----------------------------|------------------|-----------------|---------------|------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Bonds | | | | |
| Canadian corporate bonds | \$ - | \$ 2,876 | \$ - | \$ 2,876 |
| Pooled investment funds | - | 4,074 | - | 4,074 |
| Equities | | | | |
| Canadian equities | 19,999 | - | - | 19,999 |
| Foreign equities | 15,898 | - | - | 15,898 |
| Other | - | - | 359 | 359 |
| Total portfolio investments | \$ 35,897 | \$ 6,950 | \$ 359 | \$ 43,206 |
| | 83% | 16% | 1% | 100% |

The fair value measurements are those derived from:

- Level 1 – Quoted prices in active markets for identical assets;
- Level 2 – Fair value measurements are those derived from inputs other than quoted prices included with level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the assets that are not based on observable market data (unobservable inputs).

The following table reconciles the changes in fair value of level 3 investments:

| | 2022 | 2021 |
|--------------------------------|---------------|---------------|
| Balance, beginning of the year | \$ 359 | \$ 182 |
| Unrealized gains | 46 | 4 |
| Purchases | 85 | 173 |
| Balance, end of year | \$ 490 | \$ 359 |

Olds College

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED June 30, 2022
(thousands of dollars)

5. Financial risk management

The College is exposed to the following risks:

Market price risk

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

The College assesses its portfolio sensitivity to a percentage increase or decrease in the market prices. The sensitivity rate is determined using the historical annualized standard deviation for the total fund as determined by the investment advisor. At June 30, 2022, if market prices had a 10% (2021 - 10%) increase or decrease with all other variables held constant, the increase or decrease in remeasurement gains and losses and endowment net assets for the year would have been a total of \$ 1,518 (2021 - \$1,804).

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

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The College is exposed to foreign exchange risk on investments that are denominated in foreign currencies. The College does not use foreign currency forward contracts or any other type of derivative financial instruments for trading or speculative purposes. The College's exposure to foreign exchange risk is low due to minimal business activities conducted in a foreign currency.

Credit risk

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

The credit risks on investments held are as follows:

| Credit Rating | 2022 | 2021 |
|---------------|---------------|---------------|
| Bonds | | |
| A+ | 18.0% | 8.0% |
| A- | 27.1% | 11.8% |
| BBB+ | 54.9% | 69.5% |
| BBB- | 0.0% | 10.7% |
| | 100.0% | 100.0% |

Liquidity risk

Liquidity risk is the risk that the College will encounter difficulty in meeting obligations associated with its financial liabilities. The risk is mitigated by maintaining excess funds in the College's operating bank account and cash within the investment portfolio which earn interest income.

Interest rate risk

Interest rate risk is the risk to the College's earnings that arise from the fluctuations in interest rates and the degree of volatility of these rates. This risk is managed by investment policies that limit the term to maturity of certain fixed income securities that the College holds. If interest rates increase by 1.0%, and all other variables are held constant the potential loss in the fair market value to the College would be approximately 0.5% (2021 - 0.4%) of the total investments. Interest rate on the College's debt is managed through fixed-rate agreements with the Department of Treasury Board and Finance (note 10).

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

| | < 1 year | 1 to 5 years | > 5 years | Average effective market yield |
|--------------------------|----------|--------------|-----------|--------------------------------|
| Canadian Corporate Bonds | \$ - | \$ 2,173 | \$ 477 | 3.76% |

Olds College

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED June 30, 2022 (thousands of dollars)

6. Accounts receivable

| | 2022 | 2021 |
|--------------------------------------|-----------------|-----------------|
| Accounts receivable | \$ 8,778 | \$ 2,380 |
| Less allowance for doubtful accounts | (116) | (130) |
| | \$ 8,662 | \$ 2,250 |

Accounts receivable are unsecured and non-interest bearing.

7. Commercial/Industrial lots held

Olds College acquired parcels of land in fiscal 2018-19 with the sole intent to sell the land to realize a benefit. The lots consist of 12 lots zoned Highway Commercial and 5 lots zoned Light Industrial. On May 18, 2020 Olds College received a Ministerial Order which provides Olds College with the required authority to sell the lots. These lots are recorded as financial assets on the consolidated statement of financial position. The College expects that the sale of the lots will occur over a number of years.

8. Tangible capital assets

| | 2022 | | | | | 2021 Total |
|--|-----------------|--------------------------|--|------------------------------|-------------------|---------------|
| | Land | Buildings & Improvements | Furniture, Equipment & Vehicles ⁽¹⁾ | Computer Hardware & Software | Total | |
| Cost | | | | | | |
| Balance, beginning of year | \$ 3,573 | 137,311 | \$ 22,895 | \$ 10,375 | \$ 174,154 | \$ 161,432 |
| Acquisitions | - | 59,879 | 1,824 | 1,062 | 62,765 | 12,769 |
| Disposals, including write-downs and transfers | - | (408) | (1,846) | (1,083) | (3,337) | (44) |
| | 3,573 | 196,782 | 22,873 | 10,354 | 233,582 | 174,157 |
| Accumulated Amortization | | | | | | |
| Balance, beginning of year | \$ - | \$ 67,092 | \$ 16,712 | \$ 8,336 | \$ 92,140 | \$ 86,881 |
| Amortization expense | - | 4,182 | 1,300 | 772 | 6,254 | 5,299 |
| Effects on disposals, including write-downs | - | (408) | (1,742) | (1,083) | (3,233) | (44) |
| | - | 70,866 | 16,270 | 8,025 | 95,161 | 92,136 |
| Net book value at June 30, 2022 | \$ 3,573 | \$ 125,916 | \$ 6,603 | \$ 2,329 | \$ 138,421 | |
| Net book value at June 30, 2021 | \$ 3,573 | \$ 70,217 | \$ 6,192 | \$ 2,039 | | \$ 82,021 |

Additions to capital assets includes capitalized interest of \$52 (2021 - \$0).

Cost includes work-in-progress at June 30, 2022 totaling \$23,157 (2021 - \$7,552) comprising of buildings, equipment, and computers. Work-in-progress is not amortized until projects are completed and the assets are available for use.

Acquisitions during the year include in-kind contributions in the amount of \$16 (2021 - \$93).

(1) Furniture, equipment & vehicles includes heavy equipment, vehicles, office equipment and furniture, and other equipment.

Olds College

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED June 30, 2022 (thousands of dollars)

9. Employee future benefit liabilities

(a) Deferred salary leave

This four-for-five leave plan requires participating employees to make contributions of 15% of their salary over a four year period (to a total of 60%). Interest earnings are attributed by the College to the accumulated employee contributions at the end of each month. In the year of leave, the College pays the employee 85% of their salary and the employee also receives eligible benefits. This is funded by the employee's contributions and accumulated interest. When the employee contributions and accumulated interest is depleted, any remaining leave is funded by the College. This is expensed and recorded as a liability in the year the employee is scheduled and approved to take their leave and the option to opt-out is no longer available to the employee. This amount, \$48 (2021 - \$61), is included in the accounts payable and accrued liabilities balance.

(b) Local Authorities Pension Plan

The Local Authorities Pension Plan (LAPP) is a multi-employer contributory defined benefit pension plan for support staff members and is accounted for on a defined contribution basis. At December 31, 2021, the LAPP reported an actuarial surplus of \$11,922,371 (2020 - \$4,961,337 surplus). An actuarial valuation of the LAPP was carried out as at December 31, 2020 and was extrapolated to December 31, 2021. The pension expense recorded in these financial statements is \$2,507 (2021 - \$2,332). Other than the requirement to make additional contributions, the College does not bear any risk related to any LAPP deficit.

10. Debt

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

| | Collateral | Maturity | Interest rate % | 2022 | 2021 |
|--|------------|----------|-----------------|-----------|------|
| Debentures payable to the Department of Treasury Board and Finance | 1 | Sep-51 | 2.616 | \$ 31,349 | - |

Collateral - (1) Title to building (carrying cost - \$35,777);

Principal and interest repayments are as follows:

| | Principal | Interest | Total |
|------------|------------------|------------------|------------------|
| 2023 | \$ 716 | \$ 815 | \$ 1,531 |
| 2024 | 735 | 797 | 1,532 |
| 2025 | 754 | 777 | 1,531 |
| 2026 | 774 | 757 | 1,531 |
| 2027 | 795 | 737 | 1,532 |
| Thereafter | 27,575 | 9,948 | 37,523 |
| | \$ 31,349 | \$ 13,831 | \$ 45,180 |

Interest expense on debt is \$652 (2021 - \$ nil) and is included in the consolidated statement of operations.

Olds College

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED June 30, 2022
(thousands of dollars)

11. Deferred revenue

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

| | 2022 | | | 2021 | |
|---|------------------------------|-------------------------------|------------------------|-----------------|-----------------|
| | Research and Special Purpose | Unspent Capital Contributions | Tuition and other fees | Total | Total |
| Balance, beginning of year | \$18,743 | \$25,440 | \$2,380 | \$46,563 | \$22,854 |
| Grants, tuition, donations | 13,374 | 2,528 | 2,559 | 18,461 | 39,254 |
| Restricted investment income | 1,308 | - | - | 1,308 | 706 |
| Unrealized (losses) gains | (2,052) | - | - | (2,052) | 2,653 |
| Transfers to spent deferred capital contributions | (3,127) | (21,779) | - | (24,906) | (12,061) |
| Recognized as revenue | (8,896) | - | (1,725) | (10,621) | (6,843) |
| Balance, end of year | \$19,350 | \$6,189 | \$3,214 | \$28,753 | \$46,563 |

12. Spent deferred capital contributions

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

| | 2022 | 2021 Restated (note 3) |
|---|-----------------|------------------------------|
| Spent deferred capital contributions | | |
| Balance, beginning of year | \$66,523 | \$59,581 |
| Transfers from unspent externally restricted grants and donations | 24,906 | 10,445 |
| Expended capital contributions recognized as revenue | (3,675) | (3,564) |
| Other transfers | - | 60 |
| Balance, end of year | \$87,755 | \$66,523 |

Olds College

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED June 30, 2022
(thousands of dollars)

13. Net assets

| | Accumulated surplus from operations Restated (note 3) | Investment in tangible capital assets Restated (note 3) | Internally restricted surplus | Endowments | Total accumulated surplus |
|---|---|---|-------------------------------|-----------------|---------------------------|
| Net assets, as at July 1, 2020 Restated (note 3) | \$6,774 | \$14,907 | \$2,232 | \$11,657 | \$35,570 |
| Annual operating deficit | (665) | - | - | - | (665) |
| New donations | - | - | - | 268 | 268 |
| Capitalized investment income | - | - | - | 43 | 43 |
| Acquisition of internally funded tangible capital assets | (2,324) | 2,324 | - | - | - |
| Net book value of tangible capital asset disposals | - | - | - | - | - |
| Amortization of internally funded tangible capital assets | 1,735 | (1,735) | - | - | - |
| Net transfer | (34) | - | 34 | - | - |
| Change in accumulated remeasurement gains | 4,961 | - | - | - | 4,961 |
| Net assets, as at June 30, 2021 | \$10,447 | \$15,496 | \$2,266 | \$11,968 | \$40,178 |
| Annual operating deficit | (1,040) | - | - | - | (1,040) |
| New donations | - | - | - | 490 | 490 |
| Acquisition of internally funded tangible capital assets | (37,859) | 37,859 | - | - | - |
| Debt repayment | (351) | 351 | - | - | - |
| Debt - new financing | 31,700 | (31,700) | - | - | - |
| Net book value of tangible capital asset disposals | 104 | (104) | - | - | - |
| Amortization of internally funded tangible capital assets | 2,627 | (2,627) | - | - | - |
| Net transfer | 722 | - | (722) | - | - |
| Change in accumulated remeasurement losses | (3,941) | - | - | - | (3,941) |
| Net assets, as at June 30, 2022 | \$ 2,409 | \$19,276 | \$1,544 | \$12,458 | \$35,687 |
| Net assets is comprised of: | | | | | |
| Accumulated surplus | \$ 831 | \$19,276 | \$1,544 | \$12,458 | \$34,109 |
| Accumulated remeasurement losses | 1,578 | - | - | - | 1,578 |
| | \$ 2,409 | \$19,276 | \$1,544 | \$12,458 | \$35,687 |

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

Olds College

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED June 30, 2022 (thousands of dollars)

13. Net assets (continued)

Internally Restricted Surplus

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

| | July 1, 2021 | Appropriations | Disbursements | June 30, 2022 |
|--|-----------------|----------------|-----------------|-----------------|
| Appropriations for operating activities | | | | |
| Infrastructure renewal | \$ 406 | \$ - | \$ (406) | \$ - |
| Reserve for operational and capital assets | 418 | - | (418) | - |
| Faculty professional development | 100 | - | - | 100 |
| Continuing Education development | 74 | - | (74) | - |
| Community Learning Campus operations | 760 | 166 | - | 926 |
| Scholarships | 7 | - | (7) | - |
| Campus Alberta Central | 501 | 17 | - | 518 |
| | <u>\$ 2,266</u> | <u>\$ 183</u> | <u>\$ (905)</u> | <u>\$ 1,544</u> |

14. Contingent assets

The College, in conduct of its normal activities, initiated insurance claims where possible assets are being sought. These contingent assets are not recognized in the financial statements. While the outcomes of these matters cannot be reasonably estimated at this time, the College believes that any settlement will not have a material effect on the financial position or the results of operations of the College.

15. Contingent liabilities

The College continues to review environmental objectives and liabilities for its activities and properties as well as any potential remediation obligations. There may be contaminated sites identified that have the potential to result in remediation obligations. A liability has not been recorded for these sites because either the likelihood of the College becoming responsible for the site is not determinable, the amount of the liability cannot be estimated, or both.

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.

The College has identified potential asset retirement obligations related to the existence of asbestos in a number of its facilities. Although not a current health hazard, upon renovation or demolition of these facilities, the College may be required to take appropriate remediation procedures to remove the asbestos. As the College has no legal obligation to remove the asbestos in these facilities as long as the asbestos is contained and does not pose a public health risk, the fair value of the obligation cannot be reasonably estimated due to the indeterminate timing and scope of the removal. Once the public sector accounting standard for asset retirement obligations comes into effect (see note 2(n)), retirement obligations related to asbestos removal will be recorded at that time.

In 2015, the College recorded a liability of \$59 for a noxious weed growing on College grounds, this liability still remains as the noxious weed still exists. The College has a potential liability for the reclamation of a borrow pit located on College grounds, however, at this time the potential cost is not determinable. In its normal course of operations the College may incur environmental liabilities, at this time we are not aware of any other environmental liabilities.

Olds College

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED June 30, 2022 (thousands of dollars)

16. Contractual rights

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

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

| | Operating Leases | Other Contracts | Total |
|------------------------|------------------|-----------------|----------------|
| 2023 | \$146 | \$947 | \$1,093 |
| 2024 | 98 | 458 | 556 |
| 2025 | - | 58 | 58 |
| 2026 | - | 3 | 3 |
| 2027 | - | 1 | 1 |
| Thereafter | - | 7 | 7 |
| Total at June 30, 2022 | <u>\$244</u> | <u>\$1,474</u> | <u>\$1,718</u> |
| Total at June 30, 2021 | <u>\$360</u> | <u>\$1,470</u> | <u>\$1,830</u> |

17. Contractual obligations

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

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

| | Service Contracts | Information Systems and Technology | Capital Projects | Long-term Leases | Total |
|------------------------|-------------------|------------------------------------|------------------|------------------|------------------|
| 2023 | \$ 1,205 | \$ 340 | \$ 7,972 | \$ 466 | \$ 9,983 |
| 2024 | 921 | 58 | - | 342 | 1,321 |
| 2025 | 204 | 58 | - | 317 | 579 |
| 2026 | - | 58 | - | 216 | 274 |
| 2027 | - | - | - | 216 | 216 |
| Thereafter | - | - | - | 23 | 23 |
| Total at June 30, 2022 | <u>\$ 2,330</u> | <u>\$ 514</u> | <u>\$ 7,972</u> | <u>\$ 1,580</u> | <u>\$ 12,396</u> |
| Total at June 30, 2021 | <u>\$ 2,433</u> | <u>\$ 846</u> | <u>\$ 23,189</u> | <u>\$ 1,008</u> | <u>\$ 27,476</u> |

Olds College

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED June 30, 2022 (thousands of dollars)

18. Expense by object

The following is a summary of expense by object.

| | 2022 | | 2021 |
|---|------------------|------------------|------------------|
| | Budget | Actual | Actual |
| (note 24) | | | |
| Salaries and employee benefits | \$ 35,553 | \$ 36,876 | \$ 31,813 |
| Cost of goods sold | 2,033 | 2,131 | 1,052 |
| Materials, supplies and services | 18,308 | 14,971 | 12,646 |
| Scholarships and bursaries | 493 | 908 | 878 |
| Maintenance and repairs | 2,919 | 1,476 | 1,090 |
| Utilities | 1,615 | 1,786 | 1,291 |
| Loss on Olds College Trust | - | - | 2,200 |
| Amortization of tangible capital assets | 6,320 | 6,254 | 5,299 |
| | <u>\$ 67,241</u> | <u>\$ 64,402</u> | <u>\$ 56,269</u> |

19. Salary and employee benefits

| | 2022 | | | | 2021 | |
|--|----------------------------|------------------------------------|--|-------|-------|--|
| | Base salary ⁽¹⁾ | Other cash benefits ⁽²⁾ | Other non-cash benefits ⁽³⁾ | Total | Total | |
| | | | | | | |
| Governance | | | | | | |
| Chair of the Board of Governors | \$ - | \$ 9 | \$ 1 | \$ 10 | \$ 8 | |
| Members of the Board of Governors | - | 32 | 2 | 34 | 33 | |
| Executive | | | | | | |
| President | 236 | 30 | 33 | 299 | 309 | |
| Vice-Presidents: | | | | | | |
| Vice-President Development & Strategy | 206 | 7 | 33 | 246 | 244 | |
| Vice-President Academic and Student | 210 | 7 | 33 | 250 | 248 | |
| Vice-President Corporate Services & CFO ⁽⁴⁾ | 155 | 7 | 29 | 191 | - | |
| CFO and Director of Business Services ⁽⁵⁾ | 32 | - | 5 | 37 | 177 | |
| Chief Human Resources Officer ⁽⁶⁾ | 139 | - | 28 | 167 | 130 | |

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include earnings such as vacation payouts, honoraria, car allowances and other lump sum payments. No bonuses were paid in 2022.

(3) Other non-cash benefits include employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, employment insurance, short and long term disability plans, professional memberships and tuition fees.

(4) This position was filled on September 20, 2021, replacing the CFO and Director of Business Services position.

(5) This position was vacated on September 20, 2021, being replaced by the Vice-President Corporate Services & CFO position.

(6) In 2022, two individuals held this position for 5 months and 7 months respectively.

Olds College

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED June 30, 2022 (thousands of dollars)

20. Related parties

The College is a related party with organizations within the Government of Alberta reporting entity. Key management personnel of the institution 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 conducted business transactions with related parties, including Ministries of the Government of Alberta, school districts and other public Colleges and Universities. The revenues and expenses incurred for the business transactions have been included in the Statement of Operations but have not been separately quantified.

During the year, the College received the following services at nominal or reduced amounts:

The College occupied space owned by Bow Valley College, an entity subject to common control, at a nominal cost. The cost differs from the estimated fair value of \$5 (2021- \$517) that would have been recorded if the parties were at arm's length.

21. Government transfers

| | 2022 | 2021 |
|---|------------------|------------------|
| Grants from Government of Alberta | | |
| Advanced Education: | | |
| Operating | \$ 27,523 | \$ 33,742 |
| Capital | 2,283 | 24,028 |
| Total Advanced Education | <u>\$ 29,806</u> | <u>\$ 57,770</u> |
| Other Government of Alberta departments and agencies | | |
| Alberta Innovates | 312 | 603 |
| Other | 459 | 479 |
| Total other Government of Alberta departments and agencies | <u>\$ 771</u> | <u>\$ 1,082</u> |
| Total contributions received | <u>30,577</u> | <u>58,852</u> |
| Expended capital contributions recognized as revenue | 2,513 | 2,433 |
| Deferred revenue | 542 | (28,470) |
| | <u>\$ 33,632</u> | <u>\$ 32,815</u> |
| Federal & Other Government Grants | | |
| Contributions Received | 3,585 | 1,836 |
| Restricted Expended Capital Contributions Recognized as Revenue | 497 | 465 |
| Deferred Revenue | (1,431) | (527) |
| | <u>\$ 2,651</u> | <u>\$ 1,774</u> |

During the year, Olds College had business transactions with other Alberta post-secondary institutions. These transactions were at market prices and on the same terms as those with non-related parties and have been included on the consolidated statement of operations.

Olds College

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED June 30, 2022
(thousands of dollars)

22. Joint ventures

a. Community Learning Campus

Community Learning Campus (CLC) is a joint venture of the College and Chinook's Edge School Division to enhance rural learning opportunities by developing an environment that provides students with a seamless transition between high school, college, university, apprenticeship trades and the workplace. CLC facilities consist of a high school, health and wellness facility, fine arts and multi-media center, e-learning center and bus maintenance facility on the College campus. The high school, fine arts and multi-media center and bus maintenance facility are owned by Chinook's Edge School Division. The health and wellness facility, e-learning center and land are owned by the College.

The College consolidates 50% of all operations relating to the CLC. A financial summary of the College's portion of CLC operations as at June 30 for the years ended is as follows:

| | 2022 | 2021 |
|--------------------|----------|---------|
| Financial Position | | |
| Total assets | \$ 925 | \$ 793 |
| Total liabilities | 17 | 52 |
| Net assets | \$ 908 | \$ 741 |
| Operations | | |
| Total revenues | \$ 1,020 | \$ 829 |
| Total expenses | 854 | 883 |
| Surplus (deficit) | \$ 166 | \$ (54) |

b. Campus Alberta Central

Campus Alberta Central (CAC) is a joint venture between the College and Red Deer College to form unique partnerships with existing community based learning organizations, as well as a number of post-secondary institutions, allowing access to accredited post-secondary programs and courses in communities throughout rural Central Alberta. The CAC is administered by the College.

The College consolidates 50% of all operations relating to the CAC. A financial summary of the College's share of CAC as at June 30 and for the years then ended is as follows:

| | 2022 | 2021 |
|--------------------|--------|--------|
| Financial Position | | |
| Total assets | \$ 607 | \$ 597 |
| Total liabilities | 29 | 36 |
| Net assets | \$ 578 | \$ 561 |
| Operations | | |
| Total revenues | \$ 703 | \$ 742 |
| Total expenses | 686 | 654 |
| Surplus | \$ 17 | \$ 88 |

Olds College

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED June 30, 2022
(thousands of dollars)

23. 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 |
|---------------------------|----------|----------|
| Community Learning Campus | \$ 887 | \$ 743 |
| Campus Alberta Central | 549 | 490 |
| | \$ 1,436 | \$ 1,233 |

24. Budget figures

The College's 2021-22 budget was approved by the Board of Governors and submitted to the Minister of Advanced Education.

25. Comparative figures

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

26. Approval of Financial Statements

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



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