



2020-2021

ANNUAL REPORT

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Coral Madge, a student in Portage College's Fine Arts Certificate program, shares some of her artwork. Students in the program learn visual arts skills in drawing, painting, sculpture, printmaking, ceramics, photography, digital art, and mixed media.

EXECUTIVE SUMMARY

Portage College is a public, board-governed college operating as a Comprehensive Community Institution under the authority of the Post-Secondary Learning Act. The College operated seven campuses in 2020-2021.

We completed our new Strategic Plan titled *Strategy 2025 – Connecting People with Knowledge, Skills and Opportunities* which includes new mission and vision statements for the College. Our new mission statement is “connecting people with knowledge, skills and opportunities” while our vision statement is “learners are empowered to transform and make a difference.” We adhere to the five Adult Learning System Principles of accessibility, affordability, quality, accountability, and coordination.

ACCESSIBILITY

Portage provided continuing education, ad-hoc training, certificate, diploma, and degree opportunities to 1,840 students in 2020-2021; 46% of students in academic programs self-identified as Indigenous. We provided online and blended instruction and enhanced supports to students during COVID-19 while ensuring our campuses were safe. This included using the Portage Alert app to provide updates and for students and staff

to sign in and out of campus. The College also received approval to launch Barbering Certificate and Professional Cooking Certificate programs in 2021-2022. We continued to search for funding to expand the College's Museum of Aboriginal Peoples' Art and Artifacts (MOAPAA) and to establish a scholarly home of the world-renowned Professional Native Indian Artists Incorporated (PNIAI). MOAPAA is the only place in the world where works of all seven PNIAI artists are on permanent display. We explored avenues to expand our IT network capacity and completed a comprehensive three-year IT Strategic Plan. We continued to partner and consult with industry, municipalities, students, and our Indigenous populations to ensure that our programs and services are meeting the needs of our region and the province.

AFFORDABILITY

The College continues to ensure our programs are affordable while ensuring we remain financially sustainable. In 2020-2021, students were able to access up to \$690,000 in scholarships and bursaries to help support their education.

QUALITY

For the second year in a row (after seven years of growth), enrolment shrank, decreasing from 912 full-load equivalents in 2019-2020 to 875 in 2020-2021. Student satisfaction decreased from the previous academic year, with 82% of our students indicating that they would recommend Portage College to others. Response rates were lower than usual for the year-end survey. Graduates continued to find employment in a challenging economy, with 80% of the Class of 2019-2020 working (72% in training-related jobs). In addition, 93% of employers surveyed believe that Portage graduates are on equal or better footing than graduates from other post-secondary institutions.

ACCOUNTABILITY

For the fiscal year ended June 30, 2021, the College posted an annual surplus of \$1.401 million, due mainly to cost-containment austerity measures and prudent financial management. From an audit of the 2020 financial statements, the Office of the Auditor General (OAG) awarded the College two "green lights" for the timeliness and accuracy of our financial statements while also reiterating a recommendation to implement processes for testing and monitoring the effectiveness of internal controls. The College also implemented numerous guidelines and procedures and received two disclosures of wrongdoing under Public Interest Disclosure (Whistleblower Protection). Corrective action was taken in one of the cases. No formal discipline was issued in either instance.

COORDINATION

As part of a Memorandum of Agreement with NAIT, the College offered the fourth year of NAIT's Bachelor of Business Administration program at Portage College campuses. Portage also partnered with Conestoga College and the Government of Canada to deliver a 32-week, tuition-free Welder Pre-Apprenticeship Program and signed an agreement with CodeCore College in New Westminster, B.C. to offer Portage's Business Administration and Educational Assistant programs. The College was selected in April by Colleges and Institutes Canada (CICan) to offer the tuition-free Supportive Care Assistant Program. CICan also awarded Portage \$498,000 over four years to fund program-related international travel for students. Portage also partnered with industry to offer opportunities for students in the region, such as collaborating with five Northern Alberta Indigenous communities and Cenovus Energy to offer a 24-week Construction and Trades Readiness program. In addition, the College signed a partnership agreement with Alaxo Airway Stents to establish operations at the St. Paul campus while helping to support programs, develop training and clinical and sports enhancement testing. The College continued to explore options to develop programs and to share an Enterprise Resource Planning (ERP) system in conjunction with other post-secondary institutions (PSIs) and continued to partner with other PSIs, industry and funding agencies to conduct several applied research projects. The College also continued to work to increase the transferability of our courses to other institutions in the province and across the country and maintained and expanded our dual credit offerings with school divisions in our service region. Portage currently has formal transfer agreements with 17 post-secondaries in the province.

ACCOUNTABILITY STATEMENT

The Portage College Annual Report for the year ended June 30, 2021 was prepared under the Board’s direction in accordance with the *Fiscal Planning and Transparency Act* and ministerial guidelines established pursuant to the *Post-Secondary Learning Act*. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

[Original signed by]

Randolph Benson
Chair, Board of Governors
Portage College

MISSION STATEMENT

Connecting people with knowledge, skills and opportunities.

VISION STATEMENT

Learners are empowered to transform and make a difference.



OUR MANDATE

(Approved by Minister of Advanced Education June 14, 2021)

1. Type of Institution, Sector, and Governance

Portage College is a board-governed Public Post-secondary Institution operating in Alberta as a Comprehensive Community College under the authority of the PSLA.

2. Outcomes

As a Comprehensive Community College, Portage College stewards its region providing adult education and training in its geographic service region in alignment with the strategic planning initiatives of the Ministry of Advanced Education. Program quality assurance processes ensure that training is relevant to employers and a balance of technical and soft skills is provided. Portage College undertakes in-depth consultation with all of its community stakeholders including community adult learning providers, school districts, current and past students, service and industry employers, Program Content Advisory Committees, and Municipal and Indigenous Community Leaders.

3. Clients/Students

Open to all Albertans, focused in the Northeast of the province, Portage College's mandate is to serve learners typically underrepresented in post-secondary institutions. Portage College students are older, more likely to be married or single parents, and more likely to be Indigenous than the student body at other post-secondary institutions. Many students benefit from learning supports, smaller classes, and local campuses.

4. Geographic Service Area and Type of Delivery

Portage College has campus locations in Lac La Biche, Cold Lake, St. Paul, Frog Lake First Nation, Saddle Lake Cree Nation, Boyle, and Whitefish Lake First Nation #128.

Portage College excels in designing and delivering programs that respond to the learning needs of students and local employers. Portage programs utilize leading-edge learning technologies and are offered in multiple instructional modalities, including traditional face-to-face, online (synchronous and asynchronous), and a blend of online and face to face. The College's blended learning offerings, outreach programming aimed at foundational and integrated learning, and service to small cohorts demonstrate its ability to make both instruction and learning supports readily available to students at times and places convenient to them. The College offers learning assistance counselling and other support services addressing the needs of disadvantaged learners.

As a Comprehensive Community College, Portage College's mandate includes regional stewardship. This is achieved

through partnership, in-community customized training and direct delivery of Community Adult Learning Programs. The College partners with many organizations to support the learner as close to home as possible.

5. Program Mandates and Credentials Offering

Portage College offers foundational learning programs to meet regional needs. In addition, the College offers certificate and diploma programs in diverse areas, including: Natural Resources, Business, Health and Wellness, Human Services, Indigenous Arts and Culture, University Transfer, Power Engineering and Fine Arts. The College also offers trades and technical training delivered as certificates, diplomas, pre-employment or as apprenticeship programs. These include Heavy Equipment Operator, Electrical, Welding, Hairstyling and Culinary Arts.

Portage College expands its program offerings through articulation and transfer agreements, program delivery collaborations, brokering arrangements, and strategic partnerships. The College has a history of collaborating with Northern Lakes College to expand Business program streams and is currently working on Culinary Arts and several Continuing Education Programs. In addition, the College collaborates with the University of Alberta, University of Calgary, and NAIT to deliver degree completion programming and anticipates future collaborations with Red Deer College and Norquest College.

6. Special Program Areas/Areas of Specialization

Areas of specialization include: academic upgrading, pre-employment trades training, and continuing education customized training programs delivered in Indigenous communities in the region. Certificate and diploma programs in Indigenous Arts and Culture are unique to Western Canada and are fully transferable to Alberta University of the Arts.

7. System Collaboration and Partnerships

Portage College works to maximize learning opportunities that support the economic growth and human development needs of diverse communities in northeast Alberta. A focus on community-based learning enables the College to partner with municipalities as well as First Nations and Métis communities. In addition, the College partners with training and support agencies, for example: North East Alberta Apprenticeship Initiative, Trades Winds to Success and Canadian Native Friendship Centres. We have extensive networks with the local school divisions for the provision of access to dual credit learning and other experiential activities. In addition, the College partners

with local providers for recreation facilities, counselling, recruitment, and learning commons services.

Portage College uses a collaborative approach with communities, institutions and organizations as well as evidence-based demand analysis to prioritize opportunities. The College is focused on maintaining partnerships with other post-secondary institutions to ensure that students have recognized pathways to continue their studies beyond Portage. The partnerships include robust transfer agreements and shared deliveries to allow Portage College's program mix to include degree completion and additional certificates and diplomas.

8. Research and Scholarly Activities

Portage College encourages applied research focusing on improvement of rural education, and supports scholarly activity strengthening our understanding of rural communities.

Portage College embraces every opportunity to collaborate with communities when conducting research identifying economic development and learning needs.

9. System Mandate

Portage College provides education and employment training programs that instill passion for lifelong learning, promote personal wellness, develop appreciation for cultural diversity, and inspire social engagement. A holistic approach to supporting our students is critical to ensure students are fully confident in their journey. "Portaging Students to Success" is a way we see our supportive role in helping students surmount life's challenges.

10. Other

Portage College's model of bringing learning to the learner has a direct impact on raising the numbers of Indigenous, single parent, first generation, and rural learners in general in a post-secondary system where these non-traditional learners are typically underrepresented.

Additionally, Portage College is unique in its direct operation of several Community Adult Learning programs (CALPs) throughout the region. CALP-funded foundational learning programming is delivered in three rural communities and all seven First Nation communities in the College's stewardship region. The CALPs focus primarily on providing foundational literacy, numeracy, and digital skills to support individual employment or educational goals. These informal programs provide non-traditional learners with responsive, community-based learning that bridges learners into further post-secondary training. Our expertise has been recognized and we have been funded to develop and deliver training for CALP operators.



Associate Dean Al Bertschi (left) and Vice President People, Planning and Public Relations Carrie Froehler (right) hosted Portage College's virtual Convocation on June 4, 2021.

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

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

The Annual Report has been developed under the oversight of the Portage College Board of Governors' Finance, Infrastructure and Risk Committee, as well as approved by the Board of Governors and is prepared in accordance with the *Fiscal Planning and Transparency Act* and the *Post-Secondary Learning Act*.

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

[Original signed by]

Nancy Broadbent
President and CEO

BOARD OF GOVERNORS' MESSAGE



On behalf of my dedicated colleagues on the Board of Governors, it is my privilege to present Portage College's 2020-2021 Annual Report, a publication that captures the many accomplishments of our students, faculty, staff and partners in the past academic year and highlights our institution's continued significant contributions to the region and province that we serve.

This past academic year was a challenging voyage. COVID-19, government cutbacks and a slow-to-heal economy were just a few of the rapids the Board of Governors, employees and students had to navigate through in an academic year like no other. Despite this, Portage College continued to thrive, achieve new firsts, and lay the foundation for future success. In 2019, initiated by the Board, the College developed new mission and vision statements and a new set of values as part of a year-long effort to renew Portage's strategic plan. This past academic year *Strategy 2025 – Connecting People with Knowledge, Skills and Opportunities* was completed, establishing the underlying strategies and performance measure targets that will guide our institution for the next three years. Portage once again

received international recognition in 2020-2021, issued a silver award from the internationally-judged Brandon Hall Group award for excellence in learning in the Best Team Development Program category. The award recognized the concerted effort the College, along with partner Vivo Team, made to focus on team development and group coaching sessions, even during a global pandemic. Portage was also recognized nationally, being named one of the 10 best institutions in Canada in 2020 by *The Education Magazine*. Graduates and employers continued to be impressed with Portage College. Surveyed six months after convocating, 80% of responding graduates indicated they were working, 72% in training-related jobs. Although these numbers are down slightly from the previous graduating class, considering the Class of 2019-2020 entered the workforce during a difficult economic time ravaged by the pandemic and low oil prices, these numbers are still impressive. Furthermore, 87% also indicated that they were satisfied with their overall College experience. All employers surveyed in 2021 indicated that they would recommend our graduates to others while 93% of them indicated that Portage graduates were equal to or better than graduates from other post-secondary institutions.

I would like to thank my colleagues on the Board for their contributions this past year. I have been privileged to serve alongside such a remarkable group of selfless individuals, who have expertly handled the uncertainty and challenges presented by COVID-19 and a slowly-healing economy. We work together for the betterment of our College, our communities and our province. We are a financially well-managed institution, submitting balanced budgets while pursuing partnerships to help fund new programs and capital projects. The College received two "green lights" from the Office of the Auditor General (OAG) in March 2021 for the timeliness and accuracy of our 2020 financial statements.

We are grateful for the support of the Government of Alberta, our valued donors and partners, and the continuing dedication of our employees and members of the Board of Governors. Thank you.

Sincerely yours,

[Original signed by]

Randolph Benson
Chair, Board of Governors

BOARD OF GOVERNORS

July 1, 2020 – June 30, 2021

PUBLIC MEMBERS



Board Chair
Randolph Benson



Deputy Chair
Michelle Wright
(Second term ended October 18, 2020)



1st Deputy Chair
Ted Langford



Public Member
Christopher Best
(Resigned effective April 1, 2021)



Public Member
Ruth Isley
(First term began November 18, 2020)



Public Member
John Orr
(First term ended October 10, 2020)



Public Member
Brian Rudyk
(First term began November 18, 2020)



Public Member
Floyd Thompson



Public Member
Susan White
(First term ended April 30, 2021)



Public Member
Ron Young
(First term began November 18, 2020)

PORTAGE MEMBERS



Faculty Member
Lyla Allan
(Second term ended January 22, 2021)



Faculty Member
Geoff Sander
(First term began April 23, 2021)



Staff Member
Doug Furgason



Student Member
Vicki Schaeffer



Student Member
Pamela Cameron
(Term ended May 14, 2021)



College President and CEO
Nancy Broadbent

PRESIDENT'S MESSAGE



After two years of consultations and hard work—most of which took place during the first global pandemic in a century and challenging economic times—Portage College's new strategic plan is complete. *Strategy 2025 – Connecting People with Knowledge, Skills and Opportunities* highlights a challenging but achievable path ahead for the next three years, with strategic goals of improving graduate success, increasing efficiency and increasing partnerships. There are many key words in the plan that help to provide a picture of our institution but I'd like to focus in on two that particularly resonate with me: "connecting people." In my 30-plus years at the College, it has not been uncommon to hear current and former students and employees describe Portage as a family. We celebrate our successes together; we support each other during difficult times; we advocate for each other and for the people and communities we serve. Never has this been more clear than during the past academic year. COVID-19 continued to disrupt daily life and force many changes on all of us in 2020-2021 but it also continued to shine a light on the very best of our College, our partners and our communities:

- Faculty continued to find new ways to deliver courses and help our students complete their programs while staff ensured that on-site and online supports were as robust as possible.
- Canadian Natural donated \$20,000 towards our Emergent Needs Bursary to help students struggling to access and maintain their education while balancing childcare and other family challenges during the pandemic. We are grateful to Canadian Natural for stepping up to assist our students in their time of greatest need.
- COVID-19 was not strong enough to overcome the determination of our dedicated staff and community members to keep meaningful traditions going. On March 12, Portage hosted our 17th annual—and first-ever virtual—Round Dance. More than 1,000 school children and visitors from across North America watched the ceremony online, broadcast live from the gym at our Lac La Biche campus.
- We held our second annual "virtual convocation" June 4, a live-streamed ceremony with recorded videos from dignitaries and special guests. The event also featured a moving performance of Fawn Wood's "Remember Me" by Aboriginal Art Certificate graduate Kaylee Weigelt to honour all the lives lost at residential schools.
- We collaborated with five Northern Alberta Indigenous communities and Cenovus Energy to offer a 24-week Construction and Trades Readiness Program. Funded by the company, the program provided training opportunities and gave hands-on experience for students building legacy projects in their communities.
- In a North American first, Alaxo Airway Stents signed a partnership with the College to establish operations at our St. Paul campus.
- We partnered with Kitchener, Ontario-based Conestoga College and the Government of Canada to deliver a 32-week Welder Pre-Apprenticeship Program. The tuition-free program, which started in May 2021, was aimed at—but not limited to—women and Indigenous students.
- We signed an agreement with CodeCore College which will allow the New Westminster, B.C.-based private institution to offer Portage's Business Administration and Educational Assistant programs to international students.
- Our staff turned a \$25,000 grant from Colleges and Institutes Canada (CICan) to research program-related international travel for students, into a \$498,000 grant from CICan to provide program-related travel opportunities for our students for the next four years. In 2021-2022, the College will explore options to provide students with virtual international experiences.

- In April, we were pleased to be selected by CICan to offer the tuition-free Supportive Care Assistant Program, intended to attract and rapidly train long-term care workers across Canada. The program includes a four-month paid practicum.
- We signed an agreement with Yorkville University that allows graduates of our Fine Arts Certificate and Artisan Entrepreneurship Diploma programs to transition directly into Yorkville's Bachelor of Creative Arts program.
- We received approval to launch the Barbering Certificate and Professional Cooking Certificate programs in 2021-2022. Both programs provide students with an earlier exit point—and a parchment—without increasing our costs.
- Our Practical Nursing team did an amazing job securing a four-year program accreditation from the College of Licensed Practical Nurses of Alberta, receiving a 100% compliance score to top it off.
- We partnered with Lac La Biche County to host an Agriculture Appreciation Symposium at the Bold Center in Lac La Biche on July 15, 2021.

Our students continued to impress, scoring highly on provincial exams and achieving provincial and national recognition for their work. A few are particularly worthy of mention:

- All Advanced Care Paramedic students who wrote the Canadian Organization of Paramedic Regulators Entry to Practice exam passed, 20% above the national average.
- Second-year Community Social Work students raised an impressive \$5,610 for shelters, food banks and other support agencies in several communities.
- Alumnus Jennifer Vardy received a prestigious national award on October 5. The 2019 graduate of Portage's Early Learning and Child Care Diploma received the Prime Minister's Award for Excellence in Early Childhood education. Jennifer was honoured for creating Fort McMurray #468 First Nation's first-ever Aboriginal Head Start, starting a child care program, ensuring that the centre's curriculum embraced First Nations culture, language and traditions, and doing her utmost to provide opportunities and support for every child and their families.
- Five Portage College Business students did themselves and their institution proud, taking home first place in the annual Alberta Deans of Business Case Competition, held online March 11-13. Andrea Aguilar, Dylan Craig, Keally McDermott, Kelly Orr, and Katie Pankhurst bested teams from 13 other post-secondary institutions in the province to claim the top prize, a truly amazing accomplishment.

It is a tribute to our dedicated Board of Governors, faculty, staff and management as well as our determined students that in spite of a myriad of obstacles that 2020-2021 ended up being

such a successful year. Everyone pulled together and showed once again that Portage College is, and will continue to be, a beacon of hope for our region, our province and our country. I am truly honoured to be connected to this exceptional College.

Sincerely yours,

[Original signed by]

Nancy Broadbent
President and CEO

EXECUTIVE COMMITTEE

July 1, 2020 – June 30, 2021

Nancy Broadbent
President and CEO

Guy Gervais
Vice President Academic

Bev Moghrabi
Vice President Student and College Services

Carrie Froehler
Vice President People, Planning and Public Relations

Cynthia Quintal
Finance Manager



City of Cold Lake Mayor Craig Copeland (front row, first from left) visited our Cold Lake campus in the spring of 2021 to celebrate Portage College's partnership with Women Building Futures to deliver the Class 3 Driver and Operator program.

PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT

Under the *Public Interest Disclosure (Whistleblower Protection) Act*, public entities including post-secondary institutions are required to publish in their annual reports the number of disclosures received, acted or not acted upon, investigations started and any corrective actions taken. In 2020-2021, there were two disclosures received. The College investigated both and issued recommendations and took corrective actions on one of them. No formal discipline was issued in either instance.

The College is committed to maintaining the highest ethical standard in all of its activities and to acting immediately on any reported wrongdoing. In addition, the College is committed to protecting all complainants for reporting a possible wrongdoing. Portage provides several options for anyone who wishes to report a possible wrongdoing, including a toll-free number, emails through Meyers Norris Penny (MNP), a text line, a fax line and a secure web-portal. Complainants have the option to remain anonymous.

2020-2021 Reports	
General Inquiries	0
Disclosures of Wrongdoing	2
Investigations	2
Reports Written	2

OPERATIONAL OVERVIEW

"If we design our courses to be delivered in a blended way, it means that if suddenly the campus is inaccessible to us, we have some choices. So I think we're going to see more uptake really in terms of blended or hybrid or HyFlex course design as a way to avoid disrupting education and the business of the college should we have flooding in New Orleans, wildfires in Fort McMurray, earthquakes, pandemics...we've had all sorts of things that have shut campuses down. Now it's internet outages that shut us down rather than those physical things. But I think having the back-up of online is something that is going to continue to be important."

— Ken Steele, Chief futurist at Eduvation Inc. in an online professional development session with Portage College employees and Board of Governors on March 11, 2021

Portage College has always been connected to community. From its inception in 1968 to the present day, the College has worked in tandem with communities to educate the workforce, to create more opportunities for disadvantaged learners, to innovate, and to generate economic development, whether those communities be students, businesses, municipalities, non-profit organizations or First Nations. As a small but connected post-secondary institution, Portage College has historically been able to respond relatively quickly to change, to find creative ways to address challenges, and to adapt to meet the programming needs of the students, the communities and the province it serves. The ongoing global pandemic put the College to the test in 2020-2021 and while there were difficult periods and hurdles that still remain, Portage emerged a more streamlined organization, ready to help the province achieve its *Alberta 2030: Building Skills for Jobs* vision.

POST-SECONDARY EDUCATION IN A COVID WORLD

Like other post-secondary institutions, Portage College had to quickly pivot to online delivery for all programs after COVID-19 struck in March 2020. Unlike some, the College was well set up to respond quickly, thanks to astute planning and the smaller size of the institution. Within one week of the College shuttering on-campus instruction, most Portage students were attending classes online and were still able to access support services as needed. Employees quickly adjusted to teaching or working from home while online supports were enhanced to ensure students were not left behind.

As chaotic as the first few months of the pandemic were, in retrospect they may have been easiest of the past year and a half. As it became clear that COVID-19 would linger into 2020-2021, the College had to prepare for a variety of scenarios, from 100% online course delivery to face-to-face classes and labs with protocols in place (and being prepared to quickly pivot should health directives change), while also ensuring necessary supports were in place, regardless of delivery method. All this

while facing further budget cutbacks and an expected decrease in enrolment, given some students' preference for traditional classroom learning. This led the College to make some difficult decisions, including suspending all athletic programs for the year (resulting in a loss of 48 students), shuttering on-site recreation activities and food services, suspending three programs in 2021-2022 (Heavy Equipment Operator, Pre-Employment Heavy Equipment Technician and Accounting Technician) and reducing staffing by the equivalent of 10.8 employees, 4.7 of which were in vacant positions. "As a small institution we are closely connected to our colleagues and as such releasing people from their jobs is a difficult decision," noted President and CEO Nancy Broadbent when the layoffs were announced in April. "This has a very emotional impact on the individuals let go and the staff who remain. We are also very aware of the ripple effect on our communities."

Despite the challenges, Portage employees and students proved to be a resilient bunch once again. Several staff and faculty continued to take advantage of the College's payroll deduction program to buy new laptops for students while the IT department continued to lend out laptops to students and provide technical support. The Students Association and staff arranged online activities and end-of-month socials to connect during a time of isolation and financial struggles. With many employees working from home, IT began exploring ways to save money on a new phone system without desktop phones, and finalized a three-year project plan. The PortageAlert app, launched a month before the onset of the pandemic, continued to be an invaluable tool for updating students and staff about the pandemic, safety protocols, programming changes and signing in and out of campus. More than 1,230 staff and students signed on to the app.

Program areas also continued to find creative ways to reach more students where they live in a cost-effective manner, forming partnerships with other post-secondary institutions, communities and industry to provide online and training in communities throughout the region. A prime example is College's partnership with Cenovus Energy that provided home

construction and maintenance training opportunities for 22 members of five northeastern Alberta Indigenous communities. At the end of the 24-week Construction Trades and Readiness Program, students from Beaver Lake Cree Nation, Chard, Conklin, Cold Lake First Nations and Heart Lake First Nation completed legacy builds in their respective communities, including greenhouses and small homes. The Cenovus-funded program is part of the energy company's Indigenous Housing Initiative.

The academic year concluded on a positive note with Portage's second-annual virtual convocation, a live-streamed event attended by more than 350 people. Students were pre-mailed special gifts along with their caps so they could turn the tassel to officially mark their graduation.

THE ECONOMY

After enduring an economic recession, a global pandemic and historically low natural resource prices in 2020, Alberta's economy began to recover in 2021, albeit slowly. Oil prices went on a bit of a rollercoaster ride in 2020-2021, after cratering in April 2020. Daily Western Canada Select (WCS) prices fluctuated significantly, starting at \$32.10 USD a barrel in July 2020 (due to increased demand and reduced production), then decreasing for three consecutive months before rebounding strongly during the second half of the fiscal year. On June 21, 2021, WCS reached a 12-month high of \$59.91 USD a barrel.

As prices increased, so did the number of active drilling rigs, at least when compared to a similar time frame from the previous year. For instance, in June 2021, there were 80 active drilling rigs in the province, up 69 (or 627%) from June 2020. Overall oil production in the province increased significantly compared to the previous year, peaking at 18,746.8 thousand cubic metres in December 2020 before finishing at 17,141.5 thousand cubic metres in June 2021, up 16% compared to June 2020 production.¹

Other industries also experienced significant increases in activity as the 2020-2021 academic year progressed. Wholesale trade reversed a declining trend, increasing 16% from year over year. From a 10-year low of \$4.62 billion in April 2020, manufacturing sales continued to rebound throughout 2020-2021, finishing the academic year 46% higher than June 2020. Natural gas prices continued to rally significantly from a low of \$0.55 CDN/GJ at the end of 2018-2019, reaching a high of \$3.00 CDN/GJ in February 2021 before finishing the academic year (June 2021) at \$2.78 CDN/GJ. This represented a 68% increase from June 2020.

The news was not all good, however. Throughout the 2020-2021 academic year, pipeline projects remained stalled, either because of delayed regulatory approval or because of a lack of corporate investment, hampering the longer-term Alberta economy. While some projects were greenlighted towards the end of 2020-2021, including Pembina's Phase IX Peace Pipeline

Expansion and a \$509 million NOVA Gas Transmission Ltd. Edson Mainline Expansion Project, a major blow was delivered on June 9, 2021, when TC Energy terminated the Keystone XL Pipeline Project. The Government of Alberta had partnered with the Calgary-based company, investing \$1.5 billion in the project, which was to carry 830,000 barrels a day from Alberta to the Gulf Coast of the United States when completed. The government was expecting upward of 2,000 construction jobs to be created as part of the project. Construction was already underway on the Alberta-portion of the pipeline when the project was cancelled.

Nonetheless, as the combination of a recession and a global pandemic had an adverse effect on the province in 2020, improving oil prices and the availability of vaccines helped put more Albertans back to work in the first and second quarter of 2021. From a peak of 15.8% in June 2020, the provincial unemployment rate steadily decreased throughout 2020-2021, reaching 8.7% in May 2021 before climbing slightly to 9.3% in June 2021. While this was 6.5% less than 12 months earlier, it was still 2.6% higher than June 2019. Certain sectors of the economy were particularly adversely affected by rising COVID-19 cases and subsequent government-mandated restrictions during certain times of the year, most notably the accommodation, food and fitness sectors. As a result, employment levels fluctuated significantly due to the cycle of imposing and lifting restrictions because of COVID-19. In January 2021, employment levels were down 17.3% compared to the previous month and 44.6% compared to January 2020. By June 2021, the picture was slowly improving, with employment levels up 9.9% over the previous quarter.

The tenuous nature of the recovery is reflected in the number of Alberta residents collecting Employment Insurance (EI). In July 2020, there were 28,880 EI recipients. By May 2021, that number had increased 611% to 205,230. The number decreased slightly in June 2021, to 189,430, but that was still 260% higher than June 2020.

Throughout the year, the provincial and federal governments continued to spend billions of dollars to support the health care system and ensure the economy continued to function. The province alone spent \$5.5 billion dealing with the pandemic, including costs for vaccine distribution, lab testing equipment, and capital projects. This was somewhat offset by \$1.8 billion in transfers from the federal government.

The investments by both levels of government helped to offset some of the job losses caused by the pandemic and the sluggish economy but were not enough to spur substantial investment in the province. At \$43.1 billion, revenues were down nearly \$7 billion from 2019-2020 and the original fiscal-year forecast. Meanwhile, as spending in other areas of the economy was scaled back and higher-than-expected natural resource prices boosted the economy, the provincial government announced

¹ Numbers obtained from the Alberta Economic Dashboard – Oil Production. Other industry figures also gleaned from wholesale trade and manufacturing dashboards on the same site.

a deficit of \$16.9 billion at the end of June 2021. While this was \$3.2 billion lower than forecasted three months earlier, it was still more than twice as high as originally forecast in Budget 2020. At the same time, the province's debt ballooned to \$93 billion, \$19 billion higher than at the start of the pandemic. The large deficit and debt will have ramifications for years to come as the province grapples with balancing the books while maintaining quality essential services.

The Wood Buffalo-Cold Lake Region (which encompasses much of the Portage Service Region) continues to be particularly impacted by the ebbs and flows of the oil-and-gas-related economy. There are many contractors, suppliers, and service providers in the region whose livelihood is largely dependent on the oil and gas industry. The region's unemployment rate trend line essentially mirrored the province's, finishing the academic year at 6.6%, down 5.4% from June 2020. In the Portage Service Region, employment levels dropped slightly, with 96 fewer jobs in the region in 2021 compared to 2020.² By sector, the largest decrease was in construction (-96) while the largest increase was in health care and social assistance (+74). Few businesses expanded their operations while several closed their doors or downsized.

The combination of a global pandemic and a slowly-improving but uncertain economy has provided challenges for Portage College. For the second year in a row, enrolment decreased, from 912 full-load equivalents in 2019-2020 to 875 in 2020-2021. The total is still higher than the three consecutive academic years between 2013 and 2016. Tuition and fee revenue was \$204,000 lower than originally budgeted.

The College provides continuing education, ad-hoc training, dual credit, certificate, diploma, and degree opportunities to approximately 3,000 students per year. Objectives continue to be to increase program attractiveness, provide small cohort delivery, design multiple entry, and exit opportunities to improve long-term program viability and opportunities for part-time learners. Portage continues to keep its programs affordable for students. Due to the uncertainty created by the pandemic and low oil prices, it is the College's position to institute the maximum tuition increase permitted by the government to help ensure the long-term financial sustainability of the institution, while still maintaining tuition rates and fees that are comparable to other post-secondaries in the province.

Despite facing a sometimes-tight job market, graduates continued to find employment, with 80% of the Class of 2019-2020 working six months after graduating (72% in training-related jobs). This is 7% lower than the previous academic year, however. Reflecting the current state of the provincial economy and the increasing importance of academic credentials for many jobs, 37% indicated they were pursuing further education.

This is the sixth survey in a row where the percentage continuing in post-secondary education has exceeded 30 and the third highest percentage ever recorded on the College's annual graduate survey.

COVID-19 and a sluggish economy have made it difficult for Portage to find industry partners, sponsors and individual donors for our programs and scholarships. The pandemic in particular has had a huge effect on the College's fundraising efforts. Two years ago, Portage posted a record fundraising net profit of \$185,418.56. In 2020-2021, gross fundraising revenues totaled \$15,648.³ This is partly due to the cancellation of the annual Student Scholarship Fundraising Dinner, historically the most significant annual fundraising event on the College calendar. As a result, Portage changed its fundraising focus in 2020 to supporting programs, particularly honing in on developing experiential learning opportunities for students. An example is a College and Institutes Canada (CICan) program aimed at providing domestic students—particularly those in remote communities—with the opportunity to travel abroad as part of their programs. The College secured a \$25,000 grant in 2020-2021 to develop guidelines, research sponsorship and fundraising opportunities and survey students and employees about program-related international travel. The research allowed Portage to subsequently secure a \$498,000 grant through CICan's Global Skills Opportunity program, which will fund program-related international travels for the next four academic years.

FISCAL SITUATION

Despite operating during a global pandemic, a 7.1% decrease in the Campus Alberta Grant and revenues being \$2.381 million lower than budgeted, the College finished the 2020-2021 fiscal year with an operating surplus of \$1.402 million. The surplus was mostly due to continued cost-containment efforts in supplies and wages, staffing reductions, attrition in vacant positions, travel restrictions, and prudent financial management.

Portage employees once again exercised considerable restraint and understanding during the fiscal year. The measures were necessary due to the 7.1% cut in the Campus Alberta grant with a further 4.2% reduction in 2021-2022 and 3.89% in 2022-2023. Since 2019-2020 (including 2021-2022), the College's provincial funding has been reduced by 12.5% (\$2.864 million). The introduction of performance metrics tied to funding further emphasize the importance of austerity measures and focusing on what is essential for student success. For 2020-2021, Government of Alberta grants were \$1.066 million less than originally budgeted for, mostly due to reductions to the Campus Alberta grant and the Infrastructure Maintenance Program. The College has continued to submit balanced budgets despite

² The numbers are generated using Emsi Analyst, factoring in subdivisions which include the Portage Service Region (Lac La Biche County, the M.D. of Bonnyville, the City of Cold Lake, the towns of St. Paul and Bonnyville, the Village of Boyle, and Indigenous communities in northeastern Alberta).

³ This includes money raised through a raffle for the Indigenous Cultural Space administered by the Portage College Athletics Association.

inflation, recent government cuts, and cumulative funding reductions prior to 2015-2016. As per government directive in 2020, the College also submitted a three-year plan which reduces spending by \$3.3 million. Portage continues to collaborate with other post-secondary institutions, communities, and industries to pool resources and find cost-effective ways to deliver new and quality programming, maintain facilities and update critical IT infrastructure.

Portage continues to face significant cost pressures now and into the coming years. The College has a balanced budget for 2021-2022 but limited ability to build up a reserve fund of any significance. With decreased grant funding for the next two fiscal years and limited opportunities to find new revenue sources (particularly during a global pandemic), it is imperative that the College remain fiscally prudent and introduce new cost-efficient programming that meets the needs of the students, communities and province that we serve. Partnerships with industry, high schools, post-secondary institutions, various levels of government, Indigenous communities and municipalities will remain critical to our success.

With infrastructure dollars at a premium for post-secondary institutions, the College has had to seek government grants and provide matching funds or largely self-fund major projects such as Portage's hairstyling salon, Indigenous Cultural Space or IT infrastructure in order to continue to offer new programs demanded by the communities we serve. The net result has been a steady decline in the College's reserves. The College took the proactive step to move \$1 million of the \$2.146 million 2018-2019 operating surplus to restricted net assets but did not add any funds to the internally restricted surplus in the past two academic years. As a result, at the end of the fiscal year, the College's restricted net asset balance was \$2.967 million. This still leaves Portage without a contingency fund of any significance. The College did allocate \$945,000 to endowments in 2020-2021, which included \$725,000 of the academic year's surplus. This translates into an additional \$29,000 in annual interest for the endowments.

STUDENT FOUNDATIONAL LEARNING FUNDING

Adult Foundation Learning grant funding continues to be of significant assistance in Portage College's ability to enable access to education for marginalized populations and at-risk learners. After a successful pilot in 2017-2018 of a new delivery structure, the grant was increased in 2018-2019, to allow more access for students. In 2019-2020, the College received \$504,000 for Integrated Pathway training, in addition to foundational learning grants. In 2020-2021, the College's Foundational Learner Grant totaled \$1,145,510, \$547,725 of which was allocated for Integrated Pathways training in Saddle Lake Cree Nation and Buffalo Lake Métis Settlement. Portage greatly appreciates Advanced Education's willingness to address issues and concerns and to help streamline the process for learners by removing barriers.

INFRASTRUCTURE MAINTENANCE CHALLENGES

While developing capital projects are critical for program and community development, it is equally important that Portage College effectively utilize and sustain our existing infrastructure. Information technology (IT) maintenance is not part of Infrastructure planning and funding, which presents a challenge for the College. As the government builds a 20-year infrastructure vision, we continue to remain hopeful that there is some consideration of the significance of IT in infrastructure planning. The College completed a three-year strategic plan this past academic year which includes a schedule of IT projects through 2025. Focal areas include the importance of continuing IT improvement activities, making a decision with regard to the College's ageing ERP system, setting expectations for a dramatically shifting IT cost structure, and providing guidance on the nature of collaborative agreements that deliver the most value from an IT perspective. In 2020-21 we also partnered with Lakeland College and Northern Lakes College to identify opportunities for IT collaboration and strategic planning and worked closely with the provincial ShareIT Advisory Committee. It is through collaboration that we intend to pursue the renewal of our ERP system and a student portal as an independent solution is not feasible nor sustainable.

The College continues to deal with more than \$20 million in deferred maintenance projects but has traditionally received only a fraction of that total, making it difficult to undertake essential upgrades. The situation has been exacerbated by Portage having to self-fund a number of major capital projects during the past few years, including the hairstyling salon in Lac La Biche, leaving the College with few reserves and a low net asset balance to address maintenance issues. After being suspended in 2019-2020, the restoration of the Infrastructure Maintenance Program (IMP) grant funding was a welcome development in 2020-2021. The \$1.2 million allotment allowed the College to fund a few small maintenance projects during the academic year. The College still needs to address some critical infrastructure deficits, particularly at our ageing Lac La Biche Campus, that IMP grants alone will not help address. Portage continued to work throughout the year on a model to build net asset funds for long-term asset management. It is critical to work with government and community partners to plan, finance, and develop our infrastructure effectively and consider how IT fits as part of infrastructure renewal planning.

Another challenge is leased space. To effectively utilize and create cost-effective and sustainable infrastructure solutions, leasing in communities is an option. We currently lease space at Frog Lake First Nation. The main issue is a lack of control of basic building services such as cleaning, room temperature, ventilation and lighting maintenance. These are not always timely, when compared to owned facilities. As Portage plans our future sustainable infrastructure footprint for community programming, there needs to be some discussion about collaborative space use and lights on money for leased space

to address facility operation issues while avoiding long-term deferred maintained on owned space.

INDIGENOUS STUDENTS

Indigenous engagement for the region is in decline in most program areas. This is traceable to federal and provincial funding policy changes, although increases in Adult Foundational Learning grants in the last few years and changes in how they are administered are encouraging and helpful. Adequate funding would see another 800-1,000 students return to full-time learning and subsequent employment. This is why we continue to endorse the Alberta Colleges Economic Recovery Task Force recommendation that colleges “work with Indigenous leaders, the Government of Canada and the new Alberta Indigenous Opportunities Corporation to design a student funding model that increases participation and success.”⁴

During the past few years, the College has tried to access federal and provincial funding for programming for Indigenous people and in Indigenous communities. In many cases, the grants are the responsibility of several ministries, rendering it difficult and complex to obtain funding and offer programming in the communities we serve. This is particularly true of Continuing Education programming.

AUDITOR GENERAL RECOMMENDATION

The Office of the Auditor General (OAG) issued an unqualified opinion for the College’s audited financial statements for the year ended June 30, 2021. In addition, the OAG awarded Portage two “green lights”⁵ citing the College for timeliness and accuracy of financial statements as part of an audit of the 2020 financial statements. The OAG reiterated a recommendation to Portage and several other post-secondaries to implement processes for testing and monitoring the effectiveness of internal controls “to ensure key risks are mitigated”⁶ as part of the 2019 audit.

LEGISLATIVE COMPLIANCE, GUIDELINES, PROCEDURES AND THE INVESTMENT MANAGEMENT AGREEMENT

The College continued to dedicate considerable management, staff and faculty time and resources to develop and maintain a legislative compliance framework and a legislative and enterprise risk registry in 2020-2021, even during a global pandemic. The College’s Strategic Investment Committee, created in 2019 to provide oversight of IT and enterprise-level projects, continued to assess proposed capital and operational

projects as well as streamlining processes for project vetting. Furthermore, the College also approved, updated, and implemented numerous guidelines and procedures including:

- Code of Conduct
- Electronic Signature
- External Grant Application
- Student Enrolment
- Travel Subsequence Hospitality and Working Sessions
- Course Numbers, Descriptions and Credits

Delaying the Investment Management Agreement between the College and Advanced Education until 2021 allowed Portage to focus on providing a quality education experience for students despite the restrictions imposed by the pandemic. The College appreciates the government’s flexibility during these uncertain times.

⁴ *Alberta Colleges Economic Recovery Task Force – Final Recommendations*, October 2020, p. 5. Portage is a member of the task force.

⁵ A “green light” indicates that the Auditor General has not “identified significant weaknesses in the institution’s control environment.” *Report of the Auditor General – March 2021*, p. 3.

⁶ *Ibid*, p. 16.



Vice President Academic Guy Gervais (centre) was honoured during the College's first-ever virtual Round Dance on March 12, 2021. Bea and Carla Neumeier were also honoured during the ceremony.

GOALS AND PERFORMANCE MEASURES

In June 2020, the Portage College Board of Governors approved a new mission, vision, set of values and strategic goals, after a year-long review. The process included establishing a strategic review committee, and extensive consultations with staff, students and the communities that the College serves. When the process was initiated in 2019, the intention was to adhere to measures in the incoming Investment Management Agreement (IMA) that the provincial government was introducing to replace the Comprehensive Institutional Plan (CIP) while developing the strategies and performance measures to support the new strategic goals. Plans changed after COVID-19 struck, with the College focusing on providing instruction and necessary supports and the provincial government delaying the implementation of the IMAs. During the course of the 2020-2021 academic year, the College was able to develop the supporting strategies and performance measures, with the Board of Governors approving *Strategy 2025* at the end of the academic year. Without a CIP to map back to as part of the Annual Report and the IMA delayed by a year, the College made the decision to measure the past academic year against the strategies and performance measures outlined in *Strategy 2025*, even though these were not officially in place until the end of 2020-2021.

STRATEGY 2025 GOALS

1. Improving Graduate Success
2. Increasing Efficiency
3. Increasing Partnerships

The following section outlines the results of the projects and initiatives undertaken to try to meet the strategic goals outlined above.

INVESTMENT MANAGEMENT AGREEMENT

It is important to note that starting in the 2021-2022 academic year, Portage College will have 5% of its total operating and program support grant tied to performance, as per a one-year Investment Management Agreement (IMA) with the provincial government. It will be based on one metric only: "the proportion of approved programs at Portage College that have a Work Integrated Learning component." The 2021-2022 target is 65%, with a tolerance threshold of 2.5%. In future years, a three-year IMA will be signed with the province with at least three other metrics tied to performance.

GOAL: IMPROVING GRADUATE SUCCESS

Strategy	Performance Measure Target	Progress Made in 2020-2021
Maintaining and improving student satisfaction and retention	90% average satisfaction of graduates	<ul style="list-style-type: none"> 87% of responding Class of 2019-2020 satisfied with their overall experience at Portage College.
	Student portal available for application, marks and credential badging	<ul style="list-style-type: none"> In partnership with Lakeland College and Northern Lakes College, conducted a series of workshops focused on developing a joint framework and identifying opportunities for Information Technology collaboration and strategic planning. Sessions were attended by more than 30 IT staff and executive leadership from the three colleges as well as staff from Cybera. Innovative methods were subsequently adapted by same participants on the ShareIT advisory committee.
	20% improvement in retention rates	<ul style="list-style-type: none"> Data metrics were set up in 2020-2021. In 2021-2022, will establish benchmarks and form a working group to identify as well as monitor strategies to positively impact student retention rates.
	15% of rooms converted to flexible learning options for students	<ul style="list-style-type: none"> IT set up several rooms in Cold Lake, Lac La Biche and St. Paul as part of a HyFlex classroom pilot project, which will begin in the 2021-2022 year. This includes video-conference/HyFlex, MS Teams meeting rooms and three new HyFlex classrooms (one at each campus listed above) enabled for Teams classrooms. Pending evaluation of pilot projects, a decision will be made on how to proceed in 2022-2023.
Increasing experiential learning	80% of credit programs have work-integrated learning	<ul style="list-style-type: none"> In 2020-2021, the following programs had a work-integrated learning component: 3rd and 4th Class Power Engineering, Accounting Technician (<i>program is suspended for the 2021-2022 academic year</i>), Aboriginal Art, Advanced Care Paramedic, Apprenticeship Electrician, Apprenticeship Welder, Artisan Entrepreneurship, Community Social Work, Culinary Arts, Emergency Medical Responder, Hairstyling, Practical Nursing, Pre-Employment Cooking, Primary Care Paramedic, Office Administration. This represents 69% of credit programs that are factored into Work-Integrated-Learning calculations offered in the academic year.
	15% of students participating in service learning	<ul style="list-style-type: none"> Planning will begin in the 2021-2022 academic year, which will include identifying a way to offer service learning as an option to all students commencing Fall 2022. Began looking at best practices at other PSIs and system capacity for tagging student registrations and outcome tracking.

GOAL: IMPROVING GRADUATE SUCCESS (CONT.)

Strategy	Performance Measure Target	Progress Made in 2020-2021
Meeting labour market needs in our region	80% employment rate in a related job	<ul style="list-style-type: none"> As per the College's latest graduate survey, 72% of 2019-2020 graduates are working in training-related jobs.
	At least five micro-credentials will be developed and delivered	<ul style="list-style-type: none"> Established a Micro-credential Working Group Developed and received funding to offer four micro-credentials during the 2021-2022 academic year: Supportive Care Assistant, Autoclaved Aerated Concrete (AAC) Builder, Permaculture, Foundational Learner Instructor Program.
	Majority of College programs aimed at areas identified in labour market studies	<ul style="list-style-type: none"> In conjunction with Alberta Chambers of Commerce and the Council of Post-Secondary Presidents of Alberta Talent Development Task Force, began work on standardizing labour market data to enable development of strong culture of direct engagement, alignment and coordination between Alberta PSIs and the business community.
Incorporating Indigenous Ways of Knowing in programs and services	Protocols for engagement completed	<ul style="list-style-type: none"> Protocols were shared with the President's Indigenous Advisory Committee; feedback suggested increasing information on Métis Protocols. Renewed land recognition statement, which will be officially adopted in the 2021-22 academic year.
	Quality assurance processes help track progress	<ul style="list-style-type: none"> Not started in 2020-2021 but VPA and Program and Policy Review Committee will begin process of revising quality assurances processes to incorporate during the upcoming academic year.
	All programs and services incorporate listening circles and other restorative practices	<ul style="list-style-type: none"> Put together a business case and project charter for providing Indigenous Ways of Knowing to Portage College students and employees, as well as the communities the College serves. Plans call for programming to be offered a minimum of four times per month, encompassing Indigenous teachings, as well as guidance and awareness of Indigenous ways and practices facilitated by First Nations and Métis elders. Programming will consist of workshops, lectures, activities, one-on-one supports, videos, field trips and virtual activities. A website will also be developed. The President's Indigenous Advisory Committee will ask for presentations by program in 2021-2022 to understand what has been done in various programs. The intent is to officially launch the Indigenous Ways of Knowing program in conjunction with the official opening of the Indigenous Cultural Centre at our Lac La Biche Campus in early 2022.

GOAL: IMPROVING GRADUATE SUCCESS (CONT.)

Strategy	Performance Measure Target	Progress Made in 2020-2021
Incorporating Indigenous Ways of Knowing in programs and services (cont.)	Increased ceremony, services and use of traditional languages to raise appreciation for First Nation, Métis and Inuit history and culture	<ul style="list-style-type: none"> • Offered Conversational Cree course online to 35 faculty and staff from Northern Lights Public Schools. Introductory Cree course will be offered to University Transfer students in the spring of 2022. • Held first-ever Virtual Educational Round Dance on March 12, 2021; schools throughout the Portage Service Region were invited to attend online and share their participation. Based on Facebook Live and YouTube numbers, more than 1,000 people from across Canada and the United States watched the event live or on demand afterwards.

GOAL: INCREASING EFFICIENCY

Strategy	Performance Measure Target	Progress Made in 2020-2021
Leveraging shared services	Reduce non-academic service costs by 5%	<ul style="list-style-type: none"> • Non-academic service costs decreased by 12% from 2019-2020 levels. This is due to operating for the entire academic year under COVID protocols, reduced services and staffing, fewer students than originally budgeted for and fewer on-campus events and meetings. (<i>Statement of Operations</i>) Service costs are likely to increase as the College adds more students post-pandemic.
	100% of internal control framework implemented	<ul style="list-style-type: none"> • As per a recommendation from the Office of the Auditor General to develop and implement an internal control network, the College began to explore ways to meet the recommendation in 2020-2021. The decision is to address through a sector-wide collaborative framework and internal audit services. The College will endeavour to implement the framework in 2021-2022.
Establishing priorities for capital and project investments	Strategic “friendraising” and fundraising plan in place and operational	<ul style="list-style-type: none"> • Updated College website to be able to accept online donations for fundraising campaigns and scholarships. • Community Relations and Alumni department researched strategic plans at other institutions and developed strategic department goals and strategies. • Began building a system to collect metrics to create benchmarks.
	The College has a balanced budget and contributes 1% per year into reserves	<ul style="list-style-type: none"> • College finished the 2020-2021 academic year with a \$1.401 million surplus; \$945,000 was transferred to endowments. The internally restricted surplus remained unchanged at \$2.967 million.

GOAL: INCREASING EFFICIENCY (CONT.)

Strategy	Performance Measure Target	Progress Made in 2020-2021
Maximizing student enrolment in existing programs	75% fill rate	<ul style="list-style-type: none"> 2020-2021 fill rate: 59% (this calculation does not include Open Studies)
	950 credit FLEs	<ul style="list-style-type: none"> 2020-2021 FLE total: 875, 55 lower than budgeted for and 36 less than the previous year. Enrolment decrease is due to several factors, including the suspension of all athletics programs for the academic year (a decrease of 48 students) and a 26% increase in withdrawals in Fall 2020 due to COVID. Projecting 920 FLEs for 2021-2022 academic year.
	60% Indigenous enrolment	<ul style="list-style-type: none"> 2020-2021 Indigenous Enrolment in credit programs: 508 (or 46% of overall College enrolment) Some of the increase is expected to come from moving the non-credit Pathways and Career Exploration and Job Readiness (CEJR) programs into credit programs. These programs have traditionally been offered in partnership with First Nations in the College's service region.
	15% increase in international enrolment FLE	<ul style="list-style-type: none"> Due to the suspension of all athletic programs and the decision to not accept international students in 2020-2021, international FLE numbers decreased in 2020-2021 compared to the previous academic year. With protocol plans in place and the College focusing more on international recruitment, these numbers are expected to increase in future academic years.
	New brand platform approved in 2021-2022	<ul style="list-style-type: none"> Developed brands for Portage College, Voyageurs Athletics and Portage Alumni as well as timelines and implementation plans. Set up a focus group of College employees to provide feedback on proposed new brand platforms. The group will begin meeting in Fall 2021.
	Strategic marketing plan launched in 2023-2024	<ul style="list-style-type: none"> Conducted extensive marketing and brand research (using Hanover Research, Inshtrix Research and EV+ Digital Marketing Agency) and developed recommendations for market positioning, establishing brand pillars, reaching more potential students and establishing what differentiates Portage College from other institutions.
Automating manual high touch processes	20% improvement in costs when a process is automated	<ul style="list-style-type: none"> Initiated work on a Visa Automation process, where cardholders are able to electronically code and access statements on a monthly basis. The project expected to be completed in the 2021-2022 academic year. Reduced two positions in Finance due to automation and process streamlining.

GOAL: INCREASING EFFICIENCY (CONT.)

Strategy	Performance Measure Target	Progress Made in 2020-2021
Automating manual high touch processes (cont.)	Continue to have a red tape reduction idea process	<ul style="list-style-type: none"> • Set up a SharePoint site for employees to share red-tape-reduction ideas throughout the year. Executive committed to finding ways to improve processes and procedures, in addition to finding cost savings. A suggestion to defer appraisals (unless there are performance issues) for one year while the College modernizes its approach to this important work was implemented.
Increasing earned revenue	10% improvement in earned revenue	<ul style="list-style-type: none"> • Due to the pandemic and resulting decrease in the number of students and fundraising events, earned revenue decreased by \$735,000 from 2019-2020 levels.
	The College has at least one sponsored research program per year <i>(For more details, please refer to the Research, Applied Research, and Scholarly Activities section of the Annual Report)</i>	<ul style="list-style-type: none"> • Research projects underway/initiated in 2020-2021: <ul style="list-style-type: none"> – Feasibility of terrestrial lichen transplantation and seeding technology for woodland caribou habitat restoration. Working in conjunction with NAIT, the project is funded by the Alberta Regional Caribou Knowledge Partnership. – Reclamation of borrow pits. Working in conjunction with Higher Grounds Consulting, the project is funded by Canadian Natural Resources Limited. Also searching for other industry partners. – Social Work in health and senior care in rural Alberta. Working in conjunction with Keyano College and Northern Lakes College, the project is being partly funded by Portage, with additional funding expected from the Social Sciences and Humanities Research Council. • Research projects awaiting Natural Sciences and Engineering Research Council of Canada (NSERC) funding in 2020-2021: <ul style="list-style-type: none"> – Effective remediation and reclamation in the Northwest Territories. Partners include post-secondary institutions, Indigenous communities and industry partners. – A circular approach to adding value to Kraft Pulp industry by-products. Partners include NAIT and Collège La Cité. – Boreal wetland restoration through applied research, community engagement, technology transfer, and student/HQP training. Partners include NAIT, Grande Prairie Regional College and Ducks Unlimited.
Reduce administrative costs	Less than 12% of budget spent on administration	<ul style="list-style-type: none"> • 11.15% of 2020-2021 budget spent on administration (institutional support).

GOAL: INCREASING PARTNERSHIPS

Strategy	Performance Measure Target	Progress Made in 2020-2021
Shared program development delivery as a priority choice for all new programs	At least three new shared program development and delivery projects completed	<ul style="list-style-type: none"> In collaboration with Colleges and Institutes Canada (CICan), developed curriculum for and offered a six-week, self-paced online Supportive Care Assistant Program. After completing the tuition-free training, students are connected to an employer who provides 560 hours of paid employment over four months. Graduates also receive a \$5,000 stipend to up-skill. The goal is to train 2,600 Supportive Care Assistants by the end of 2022, to help address labour shortages.
Partner with communities to open doors to our facilities, showcase College expertise and garner support for communities, partners and College initiatives	100% student work-integrated learning activities have an employer partner	<ul style="list-style-type: none"> The College began discussion with Mitacs, a national, not for profit that helps design and deliver training programs, to help fund some of the costs of work-integrated learning (WIL).
	50% of all work-integrated learning costs covered externally	<ul style="list-style-type: none"> Connected with the Alberta Chambers of Commerce regarding breaking down the barriers of work-integrated learning. The College will work closely with the organization in the coming year to procure funding and create WIL opportunities for students.
	75% of scholarships and bursaries externally funded	<ul style="list-style-type: none"> 73% of scholarships and bursaries were externally funded in 2020-2021 (\$506,000 of the \$690,000 in scholarships made available to students).
	50% of Indigenous Service Centre externally funded	<ul style="list-style-type: none"> Received \$38,000 grant from Canada Infrastructure Plan. Launched capital campaign at end of April 2021. With support from the Portage College Athletic Association raised \$14,658 through online raffle for the Indigenous Cultural Space at the Lac La Biche campus.
	20% increase from 2020-2021 levels in engagement events by the President and Community Relations	<ul style="list-style-type: none"> Although COVID-19 limited the amount of in-person events and meetings, the President and/or Community Relations attended or helped to organize 34 community meetings and four events, including the 17th Annual Round Dance, held online on March 12, 2021.
	Every program has at least one YouTube video providing free teaching	<ul style="list-style-type: none"> Training videos currently available from Aboriginal Art, Artisan Entrepreneurship, Culinary Arts, Hairstyling, and Natural Resources Technology programs.
	Stakeholder plan is created and updated annually, with key messages and actions	<ul style="list-style-type: none"> Not fully in place yet. Expect to be able to report and provide updates starting in 2021-2022.

RESEARCH, APPLIED RESEARCH, AND SCHOLARLY ACTIVITIES

To help foster more of an applied research culture, the College created a research group in 2019, tasked with exploring possible research projects and partnerships. The five-member panel, with two PhDs, one EdD and two Masters graduates, explored several avenues of possible research, starting with environmental sciences. Through the province's environmental legislation, the courts have the option of imposing a creative sentencing order on offenders, which includes clean-up, community service, and paying fines. The money collected is then made available through environmental research grants. The research group determined that Portage College is eligible to apply for these grants and continued to discuss possible projects.

Portage faculty initiated or were invited to participate in several research projects during the academic year, all of which will continue into 2021-2022:

- In partnership with researchers from NAIT, Natural Resources Technology Instructor Michael Schulz is examining the feasibility of terrestrial lichen transplantation and seeding technology for woodland caribou habitat restoration. The research is being funded by the Alberta Regional Caribou Knowledge Partnership.
- Canadian Natural Resources Limited (CNRL) approached Portage to lead a study on the reclamation of borrow pits. The College subsequently submitted a proposed budget and methodology to the company for approval. Natural Resources Technology (NRT) Coordinator Rae Boisvert and NRT Instructor Chris Conradie will work in partnership with Higher Grounds Consulting on the study.
- In conjunction with Keyano College and Northern Lakes College, Dr. Tracy Orr, Jana McKinley and Audrey Cochrane of Portage's Community Social Work department, began studying social work in health and senior care in rural Alberta. The research is being partly funded by the College, with additional funding expected from the Social Sciences and Humanities Research Council.
- Portage joined several post-secondary, Indigenous community and industry partners in applying for Natural Sciences and Engineering Research Council of Canada (NSERC) funding to examine effective remediation and reclamation in the Northwest Territories. Researchers will be seeking to understand the net ecological benefit, baseline environmental conditions and cumulative impacts of remediation and reclamation including social implications for communities and expectations for stakeholders.
- In conjunction with NAIT and Ottawa-based Collège La Cité, the College applied for NSERC funding to undertake research examining ways to add value to Kraft Pulp industry

by-products and reduce the amount sent to landfills.

The forestry industry currently produces approximately 140 million metric tons of Kraft Pulp per year. The research will be led by Academic Dean Al Bertschi.

- Partnering with NAIT, Grande Prairie Regional College and Ducks Unlimited, the College applied for NSERC funding to study boreal wetland restoration through applied research, community engagement, technology transfer, and student/highly-qualified-personnel training. NRT Instructor Chris Conradie is Portage's representative on the research team.

The College continued to work on building a scholarly home for the Professional Native Indian Artists Incorporated (PNIAI), although some expansion plans were delayed due to the pandemic. Joseph Sanchez and Alex Janvier, the two surviving members of the world-famous group of Indigenous artists, both want to ensure that the importance of the group is not forgotten, that scholarly research regarding the PNIAI is possible and that their work is accessible to the young Indigenous artists they have sought to support through their Incorporation. Both artists believe that the College's Museum of Aboriginal Peoples' Art and Artifacts (MOAPAA) is the appropriate location to be the scholarly home of the group. Sanchez is so committed to the project that he became the museum's curator in 2018.

Portage College believes that this project is of significant cultural importance to both the province and the country. As Sanchez himself notes in a video about the MOAPAA, the museum is "the only place in the world where you can visit the whole group in a permanent exhibition of paintings and prints." Finding opportunities to honour Indigenous role models is a responsibility of the College and a legitimate response to the Call to Action from the Truth and Reconciliation Commission of Canada and the United Nations Declaration of Rights of Indigenous Peoples.

The College's research group also continued to study the feasibility of setting up a researcher-in-residence program and put a proposal forward to a major regional employer but the initiative remained delayed due to COVID-19. The College believes it is important to do more than to simply clear hurdles for established researchers to work in the region. It is equally if not more important to partner with researchers and allow Portage faculty to work with them. The College has partnership agreements with the University of Alberta and Athabasca University in place, and continued to discuss paramedicine research possibilities with Charles Sturt University in Australia. In addition, Portage signed an MOU with the university for a pathway into a degree program.

Research dollars are not always readily available, particularly for colleges and polytechnics. Dr. Donna Feledichuk, dean of several



Students in the College's Natural Resources Technology program spend a lot of time learning and working in the boreal forest.

programs and responsible for the College's research portfolio in 2019-2020⁷, represented Portage on a couple of committees looking to remedy this. The Tri-Agency Grants Management Solution Initiative, comprised of the three federal granting agencies⁸, focused on streamlining the grant management life cycle and to better support applicants. In the past, a disproportionate amount of grant funding was made available to universities, to the detriment of colleges and polytechnics. Portage joined other institutions in pushing for this to change. Feledichuk was also one of 30 international representatives on a committee of the World Federation of Colleges and Polytechnics, charged with forging partnerships and forming an international definition of applied research. The committee developed and shared best practices in Applied Research and continued to meet throughout the year.

The College also remained an active partner in Labour Education Applied Research North (LEARN) in 2020-2021. The AR group, facilitated by the Northern Alberta Development Council

(NADC), included representatives from Athabasca University, Grande Prairie Regional College, Keyano College and Northern Lakes College. LEARN funded Northern-Alberta-specific research on community and post-secondary topics such as skill shortages, information technology, student recruitment and innovation. LEARN, which produced 128 labour-market research reports since its inception in 1995, completed a research project in 2020-2021 focusing on micro-credentials. The LEARN partnership represented effective management of resources and was an example of post-secondary institutions collaborating with the NADC to find solutions to common challenges. Due to provincial department restructuring and cutbacks, the NADC pulled out of the partnership at the beginning of the 2021-2022 academic year, leaving the remaining partners to decide whether to continue the consortium, create a new association, or discontinue the arrangement altogether.

⁷ Feledichuk is now the Interim Vice President Academic.

⁸ Canadian Institutes of Health Research (CIHR), Natural Sciences and Engineering Research Council (NSERC), and the Social Sciences and Humanities Research Council (SSHRC).

REGIONAL STEWARDSHIP, FOUNDATIONAL LEARNING, UNDERREPRESENTED LEARNERS

There are many potential post-secondary students in Northeastern Alberta who are not being adequately served. They face many barriers, including financial concerns, mobility issues, and family challenges. However, with our local campuses, community-based programming, and wrap-around services, Portage College is uniquely positioned to serve these underrepresented learners. The College has always been connected to the students and communities we serve, and this continued in a significant way in 2020-2021 despite limitations on face-to-face interactions due to COVID-19 restrictions.

The College continued to proactively seek to partner with community and industry partners, to provide students with a breadth of learning experiences. Portage strongly believes that we thrive from the diversity of our partnerships and initiatives and actively seeks out and welcomes partnering opportunities. In 2020-2021, Portage College continued to grow foundational training opportunities across the region, with a focus on our Indigenous Communities. Of note, 46% of Portage College learners self-identify as Indigenous and 16% are single parents. Collaborative initiatives included:

1. As a component of Cenovus Energy's five-year Indigenous Housing Initiative, the company and Portage College worked to sponsor a training program in six Indigenous communities in Northeastern Alberta. During the 24-week program, students received training in academic readiness and trades exposure and also participated in a construction project. A total of 22 students from Beaver Lake Cree Nation, Chard, Conklin, Cold Lake First Nations, and Heart Lake First Nation participated in the program, launched in March 2021. Chipewyan Prairie First Nation was unfortunately unable to participate in the pilot year. Based on student testing results, 76% began the program without the required academic skills to enter into more formalized trades training. By the end of the program, 43% were operating at a high school level and more than 90% were able to enter more formalized trades training right away or with one more year of the program. Legacy builds includes a greenhouse in Beaver Lake Cree Nation and small homes in Conklin and Cold Lake First Nations.
2. Frog Lake Partnership/Training: During the past few years, the College has partnered with Frog Lake First Nation to offer a variety of Foundational and Career Programs. In 2020-2021, Portage provided two unique foundational education programs which focused on resiliency and personal development, as well as trades readiness. The College also offered an aesthetics course through the Continuing Education department. Graduates, with help of partnerships within the community, opened Hidden Beauty, a hair and aesthetics salon in the Frog Lake Careers Building.
3. Whitefish Lake Open Campus: The Open Campus is a seamless operation of High School completion, and entry-level career preparation. The focus is on providing individualized education and removing barriers to education. The model in Whitefish Lake First Nation #128 has increased student retention and provided strong evidence of student empowerment and success. In 2020-2021, 14 students enrolled in the program.
4. Cold Lake First Nations Partnership/Training: In 2020-2021, Portage College continued to partner with Cold Lake First Nations to offer more in-community programming. In October Portage College began their Employment Readiness and Foundational Skills Training program, and later a Health Care Aide Program. This led to discussions of ongoing partnerships and planned in-community programming.
5. The College continued to work with the University of Alberta to offer the Aboriginal Teacher Education Program (ATEP) to the region in 2022 through 2024 as part of a cyclical plan. The College hosted two successful iterations of the program in 2010 and 2014 and offered the 4th year of ATEP to students in Cold Lake, Lac La Biche, and St. Paul in 2019-2020. The partnership responds well to the ongoing need for teachers in Northeastern Alberta, and allows students to maintain their local community supports as they complete their program.
6. Expanding our Museum: Portage College is home to the Museum of Aboriginal Peoples' Art & Artifacts (MOAPAA), a unique museum that has one of the largest collections of Indigenous Art outside of Federal Government holdings. In addition to displaying Indigenous art from across the country, the Museum houses the only permanent exhibit in the world featuring works from all the artists of the Professional Native Indian Artist Incorporated (PNIAI). Today, the works of Alex Janvier, Daphne Odjig, Norwal Morrisseau, Eddy Cobiness, Carl Ray, Jackson Beardy and Joseph Sanchez adorn the hallways of Portage College in Lac La Biche, along with art from other well-known Indigenous painters, sculptors and craftspeople. Janvier and Sanchez, the surviving members of the PNIAI, both believe that MOAPAA is the right place for the scholarly home of the group. In fact, Sanchez is so committed to the project and the College's Native Arts & Culture program that he became the museum curator and continued to seek opportunities to share his knowledge and expertise with the student artists in the program. MOAPAA is gaining more attention. In 2020-2021, received \$19,368 in donations, a 142% increase over the previous year.

7. Portage College secured funding to offer the Pathways to Employment program at Saddle Lake Cree Nation and Buffalo Lake Métis Settlement. Starting in January 2021 and March 2021 respectively, these programs have given foundational learners the opportunity to complete this comprehensive 52-week program without having to leave their communities. Portage was also successful in securing Pathways to Employment as an approved credential program for 2021-2022, and has scheduled an offering at Cold Lake First Nations.
8. The College, through our St. Paul CALP, partnered with the Blue Quills Literacy Centre to help launch the Read Learn Laugh Program Resource Guide, aimed at supporting Indigenous family literacy.
9. Collaborating with Women Building Futures, the College delivered the Driver and Operator program to 12 women in the Cold Lake region in 2020-2021. The tuition-free program, funded by the Government of Canada's Women in Construction Fund, provides students with essential safety awareness and certification to become a Class 3 Driver. The program generated lots of interest, with 144 people applying for the 12 spots available.
10. After a successful pilot through CALPs in Elk Point and Frog Lake First Nation in the spring of 2020, the College offered its Conversational Cree course to 35 faculty and staff from Northern Lights Public Schools in the fall. The interactive, online course was funded by a dual credit start-up grant.
11. In partnership with the Government of Canada and Conestoga College in Kitchener, ON, Portage began delivering a 32-week, Welder Pre-Apprenticeship Program in May 2021. The tuition-free program provides students with academic upgrading and basic welding orientation as well as Period 1 equivalency training and an eight-week work placement. Ten students participated in the program, which continued into the 2021-2022 academic year.
12. Portage secured funding to develop and deliver four micro-credentials, focusing on regional needs and the College's areas of specialization. The short-term, competency-based courses that are additional, alternate, complementary or a component of a formal qualification, are becoming increasingly relevant as individuals look to quickly up-skill or re-skill. The four micro-credentials that the College developed in 2020-2021—Supportive Care Assistant, Autoclaved Aerated Concrete (ACC) Builder, Permaculture, and the Foundational Learner Instructor Program—were all slated to start in the late-summer/early fall of 2021. The College also established a micro-credential sub-committee, which worked to create a clear process and guiding principles for micro-credentials, based on credible research and case studies from groups such as College and Institutes Canada, the Higher Education Quality Council of Ontario, and Labour Education Applied Research North (LEARN).

Every year, the College makes more than \$279,000 in scholarships and bursaries specifically available to First Nation, Métis, and Inuit students. This is in addition to the \$411,000 in scholarships and bursaries available to all Portage students, mostly funded by generous donors. In 2020-2021, students availed themselves of \$493,000 of the \$690,000 available in scholarships and bursaries.

While Portage College has a long-standing history of working with Indigenous people, we continue to actively work to ensure we achieve the outcomes reflected in the spirit and facts of the Truth and Reconciliation Commission of Canada: Call to Action. The President's Indigenous Advisory Committee continued to be active in developing a connection with Elders and setting some broad direction for the College as well as overseeing cultural ceremonies and programming.

Using an inclusive campus model, Portage College offers many supports to learners with disabilities. Through Student Learning Services (SLS), students are able to access a wide variety of services including individual learning assessments, instruction in effective learning strategies, reading and writing enhancement programs, individual educational assistance, innovative learning technology and equipment, classroom supports and accommodations, exam accommodations, alternate formatting of materials, reduced course load and assistance for students with English as an additional language. In 2020-2021, SLS helped 97 students, including providing weekly online drop-in sessions. This was 22 fewer than the previous year, but considering all services were online is still a significant number. Prior to COVID-19, the College offered an in-person workshop for students each semester just before exams titled "Night Against Procrastination." Due to the pandemic, the workshop was moved online, renamed "5 Days of Learning" and sent to all Portage College students for five consecutive days. Each day focused on specific learning resources including exam anxiety, relaxation strategies, essay writing tips, and various resources for learning. At the St. Paul campus, SLS offered group tutoring sessions two to three times per week for the first six weeks of students' programs. The College also continued to partner with Inclusive Education Alberta to offer a Kitchen Worker non-credit certificate for persons with disabilities at our St. Paul Campus. Funding for Mental Health counselling at the Lac La Biche and Cold Lake campuses allowed the College to increase services in the region.

Portage continued to work to make strides in providing access to post-secondary education to underrepresented learners. Student enrolments in our foundational and career-entry programming decreased from 2001-2002 (801 students) through 2017-2018 (243 students) as a direct result of declining Alberta Works grant funding. Eligibility criteria was adjusted throughout these years, and each time, the number of students declined. 2018-2019 was the first year that the trend was reversed, with 307 students enrolling in Academic Upgrading programming. The increase not coincidentally coincided with an increase in the Adult Foundation Learning grant. In 2020-2021, 300 students

enrolled in upgrading programming. First Nations and Métis communities want their learners to engage in post-secondary learning but are unable to fund all of those interested. As shown by several of our initiatives listed above, the College is cognizant of the fact that outreach, community-based programs are necessary to bring training as close to the learner as possible. However, these programs are currently not sustainable and cannot be expanded as they rely on cost-recovery funding by third parties.

With regards to regional stewardship, College initiatives included:

1. Continued implementation of the College's Community Engagement Plan, structured to ensure stakeholders in our region not only have input into the future strategic directions of the College but also have an ability to design how Portage College interacts with their particular community on operational activities.
2. Contract Training and Continuing Education in Indigenous Communities: The College's Continuing Education Department continued to work more strategically with Indigenous communities with whom we have had historically high levels of engagement. The College's Dean structure is geared to ensure all academic departments focus on outreaching our programs and services.
3. General interest engagement and access to College facilities: The College continued to build relationships with community organizations to host general interest and family-oriented events at all College locations but were limited due to COVID-19 restrictions. We wish to create more opportunities for community organizations to use College facilities once the pandemic subsides. In the interim, the College has developed a guide outlining protocols to follow to host an event on-site during COVID-19. A specific strategy aimed at increasing interest includes making Portage College's Museum of Aboriginal People's Arts and Artifacts a place of engagement and celebration of Indigenous Art and the permanent home of the works of the Professional Native Indian Artists Incorporated (PNIAI).

The College also continued to partner with Dragonfly Counselling and Support Centre, a non-profit organization based in Bonnyville that provides sexual assault services and support to those impacted by sexual violence. Portage provided space at our Lac La Biche campus for Dragonfly to offer outreach services to staff, students and community members.

The College continued to increase our connection with Community Adult Learning Programs (CALPs), including offering facility space to the CALPs in St Paul and Lac La Biche. We partnered on a referral basis students with CALPs – especially ESL and basic-Foundational-level students who achieve success – to our Academic Upgrading programs. In addition, the College has again secured three more years of funding to operate CALPs within our region. Currently, Portage works with local

communities to offer CALP programming in Bonnyville, Cold Lake First Nations, Elk Point, Kehewin Cree Nation, Saddle Lake Cree Nation, St. Paul, and Whitefish Lake First Nation #128.

The Portage College CALP programs work regularly with municipal libraries, Parent Link, Friendship Centres, Franco-accueil, Family and Community Support Services, Alberta Health Services and Alberta Works to provide programming. Furthermore, the College delivered programs at Heritage and Elders' lodges to provide opportunities for families to meet their literacy needs.

Portage College's Community Adult Learning Programming continues to be viewed highly across the province, and other community and college programs have reached out to connect and build on Portage's model. This was highlighted when both the Portage College CALP program and Bonnyville's CALP Coordinator Carmen Murphy were recognized in September 2020 for their excellence at the provincial level. Portage's programming received the 2020 Council of the Federation Literacy Award from Premier Jason Kenney, and Murphy received the Outstanding Contribution to Community Adult Learning from the Community Learning Network. In addition, the College now chairs the Regional Stewardship Committee.

Portage continued to provide space at our Lac La Biche campus to the Learning Network Educational Services, which offers professional development and training to staff, administrators and parent councils at K-12 schools in northeastern Alberta.

Dual Credit Memoranda of Understanding (MOUs) were signed with the following school divisions: Aspen View Public Schools, Black Gold School Division, East Central Francophone, Elk Island School Division, Lakeland RCSSD, Northern Lights Public Schools, St. Albert Public Schools and the St. Paul School Division. These memoranda explain how the College and the school divisions will partner to expand opportunities to high school students including allowing any registered high school student to take one University Transfer course per semester.

The College updated a catalogue in 2021 titled "Opportunities for High School Students" to promote the variety of courses and camps available to students while they are still enrolled in high school. This catalogue includes a variety of training programs covering the range of faculties in the College. Dual Credit options are also highlighted.

Prior to the pandemic, the College continued to deliver Practical Nurse, Primary Care Paramedic, Advanced Care Paramedic, University Transfer, College Preparation, Educational Assistant, Early Learning Childcare, Third Class Power Engineering and Pre-employment Heavy Equipment Technician programs using a blended format. Depending on the program, the students can take portions or in some cases full training from anywhere.



Beginning summer 2021, Portage College and CodeCore will partner to offer Portage's Business Administration program in New Westminister, British Columbia.

INTERNATIONALIZATION

While Portage College remained focused this past academic year on attracting and serving students from within the Portage service region and within Alberta for specific program clusters, the College continued to explore capstone project opportunities for international students at all campuses and continued to discuss international student recruitment with other post-secondary institutions in Alberta, most notably Lakeland College. However, due to the restrictions and additional expenses imposed by the COVID-19 pandemic, the College made the decision to not accept any international students in 2020-2021, excepting three who were already attending the institution. The College reversed an earlier decision not to accept international students for the 2021-2022 academic year once a COVID-19 Readiness Plan and necessary supports were in place.

In 2014, Portage College became a Designation Institution with Citizenship and Immigration Canada International Student Program. Since that time, approximately 50-55 international students per year have applied to attend Portage College, although typically fewer than a dozen have actually subsequently enrolled. For the Fall of 2020, the College received applications from 53 international applicants.

Ever since the College was approved to offer Alberta College Athletic Conference (ACAC) men's and women's soccer in late 2017, the College has recruited athletes from across Canada and outside of the country, which has helped to slightly increase the number of international students at Portage. However, as all athletics were suspended for the 2020-2021 academic year due to COVID-19, the number of international students was minimal. Portage has an approved tuition reduction in place for hockey players and soccer players (approved in June 2018) which reduces the triple tuition rate for international students to normal domestic tuition for athletes.

In 2020-2021, the College undertook a ground-breaking partnership with CodeCore College in New Westminister, British Columbia. The first-of-a-kind partnership with a private institution will allow CodeCore to offer Portage's Business Administration program. Given that most of CodeCore's students are from outside of Canada, the partnership represents an opportunity for more international students to take Portage programs and allows the College to meet the priorities identified in the *Alberta 2030* vision.

The College also explored ways to provide domestic students with program-related international travel opportunities. Through a \$25,000 grant from Colleges and Institutes Canada (CICan), the College surveyed faculty, staff and students about their experiences with and interest in international travel, the relevance of out-of-country opportunities to particular programs, and policies, procedures and practices that would have to be in place for them to feel comfortable. Most respondents—particularly students—were supportive of international travel as part of a College-sanctioned trip, as long as there was strong financial support available and the relevance of the trip to their program was established. The College also used the grant funding to develop guidelines and procedures around international travel and explore fundraising and partnership possibilities. Portage subsequently submitted a proposal titled "International Experiences for Portage College Students" through CICan's Global Skills Opportunity program and successfully procured \$498,000 to fund program-related international travel for the next four academic years. For 2021-2022, the College plans to assist with virtual international experiences for students.

CAPITAL PLAN

Given limited resources, shifting government priorities and COVID-19, Portage College re-evaluated its capital projects priority list in May 2021 and – with the approval of the Board of Governors – subsequently submitted a revised list to the Government of Alberta’s Building, Land, and Infrastructure Management System (BLIMS). Two large projects were removed from the list: Cold Lake Campus expansion as the government has indicated that this is not likely to be green-lighted, and the Seven Gallery and Cultural Spaces (Portage College Museum of Aboriginal People’s Art and Artifacts) as the College has self-funded small portions of the project and continued to seek grants from federal sources. Conversely, three projects were added: Learning Space/Classroom Modernization, a process that was underway prior to COVID-19 but has taken on increased importance since the pandemic struck, particularly as the College pilots HyFlex classrooms); Cold Lake Student Space,

given the limited space that current students have to gather on campus; and Cultural Spaces at the Cold Lake, Lac La Biche and St. Paul campuses.

In 2021-2022, the College’s Finance and Infrastructure and Information Technology departments continued a thorough review of the College’s long-term capital financing needs under the Strategic Investment Committee and finalized a three-year plan, focusing on strategic needs of the Enterprise and specifically on how to finance future capital and IT projects. The College reduced the internally-funded Capital Budget from \$600,000 in 2020-2021 to \$400,000 in 2021-2022. The austerity measures and strategic planning are critical, given the College’s relatively small capital reserves and Infrastructure Maintenance funding allotment, in order to continue to be able to fund necessary capital projects.

PRIORITY PROJECTS (LISTED IN DESCENDING ORDER OF PRIORITY)

Type	Project Description	Total Project Cost	Funding Sources	Funding Received to Date and Source	Revised Funding Sources
New	Learning Space/ Classroom Modernization	\$864,025	100% Government of Alberta	No funds received to date.	No change.
New	Cold Lake Student Space	\$814,216	100% Government of Alberta	No funds received to date.	No change.
Maintenance	Replace Concrete Sidewalk, Curb and Driveways	\$2,649,009	100% Government of Alberta	No funds received to date.	No change.

OTHER

Type	Project Description	Total Project Cost	Funding Sources	Funding Received to Date and Source	Revised Funding Sources
Maintenance	Asphalt Overlay and Line Painting	\$2,649,009	100% Government of Alberta	No funds received to date.	No change.
New	Cultural Spaces (Cold Lake, Lac La Biche and St. Paul)	\$894,520	100% Government of Alberta	No funds received to date.	No change.
Maintenance	St. Paul Campus Renewal (gymnasium ceiling, washrooms, exterior cladding)	\$1,367,212	100% Government of Alberta	No funds received to date.	No change.

PROJECT TIMELINES AND STATUS

Project Description	Project Timelines	Expected Project Start	Estimated Project Completion	Project Status	Progress Made in Last 12 Months
Learning Space/ Classroom Modernization	July – December 2022 (assuming approval)	July 2022	December 2022	Project pending funding approval.	Project pending funding approval.
Cold Lake Student Space	July 2022 – June 2023 (assuming approval)	July 2022	July 2023	Project pending funding approval.	Project pending funding approval.
Replace Concrete Sidewalk, Curb and Driveways	April – September 2022 (assuming approval)	April 2022	September 2022	Project pending funding approval.	Project pending funding approval.
Asphalt Overlay and Line Painting	April – September 2022 (assuming approval)	April 2022	September 2022	Project pending funding approval.	Project pending funding approval.
Cultural Spaces	July 2023 – June 2024 (assuming approval)	July 2023	June 2024	Project pending funding approval.	Project pending funding approval.
St. Paul Campus Renewal	July 2023 – June 2024 (assuming approval)	July 2023	June 2024	Project pending funding approval.	Project pending funding approval.

OUR VALUED PARTNERS

We are grateful to the following agencies, companies, municipalities, organizations and individuals for their ongoing support of our College. Their support has proven essential to ensuring that the College delivers on its promise to provide exceptional learning experiences for its students.

A

A&T Construction Ltd.
ARC Resources Ltd.
A/Vian Ecological Consulting Inc.
Access Pipeline
Agrinova, Services agronomiques en milieu industriel
Alaxo Airway Stents
Alberta Aboriginal Women's Society
Alberta Arts Foundation
Alberta Agriculture and Forestry
Alberta Apprenticeship and Industry Training
Alberta Biodiversity Monitoring Institute
Alberta Blue Cross
Alberta Chapter of the Wildlife Society
Alberta College of Paramedics
Alberta College of Social Workers
Alberta Colleges Athletics Conference
Alberta College Economic Recovery Task Force
Alberta Community and Social Services
Alberta Conservation Association
Alberta Construction Safety Association
Alberta Craft Council
Alberta Culture and Tourism
Alberta Employment and Immigration
Alberta Energy Regulator
Alberta Environment and Parks
Alberta Fish and Game Association
Alberta Health Services
Alberta Human Services
Alberta Lakeland Direct Marketing: Lakeland Heritage Partners
Alberta Law Foundation
Alberta Museums Association
Alberta Mycological Society
Alberta Pacific Forest Industries
Alberta Rural Development Network
Alberta Safety Council
Alberta Snowmobile Association
Alberta Solicitor General
Alberta Sport, Recreation and Wildlife Foundation
Alberta Sustainable Resource Development

Alberta Transportation
Aspen View Public Schools
ATCO Energy
Athabasca County
Athabasca Oil Corporation
Athabasca University
Aurora Middle School

B

Beaver Lake Cree Nation
Bigstone Lake Cree Nation
Bird Studies Canada
Black Gold School Division
Blue Quills Literacy Centre
Bobocel Lumber
Boreal Centre for Bird Conservation
Britton's Your Independent Grocer
Buffalo Lake Métis Settlement
BuildForce Canada

C

Campus Alberta
Canada Infrastructure Plan
Canada Safety Council
Canadian Forces Base Cold Lake
Canadian Forest Products Ltd.
Canadian Imperial Bank of Commerce
Canadian Land Reclamation Society
Canadian Medical Association
Canadian Natural Resources Limited
Canadian Red Cross
Canadian Wildlife Service
Cenovus FCCL Ltd.
Choice Environmental Consulting Group
Chwedoruk Trucking
City of Cold Lake
CleanHarbors
Coffee News
Cold Lake First Nations
Cold Lake Hatchery

Collège Alma, CCTT Agrinova
Collège Le Cité
College of Licensed Practical Nurses of Alberta
Colleges & Institutes Canada (CICan)

Community Adult Learning Councils

- Bonnyville Community Learning Council
- Cold Lake Community Learning Council
- Elk Point & District Further Education
- Lac La Biche Community Learning for Adult Student Society
- Lac La Biche Program for Adult Learning
- Smoky Lake County Community Learning Council
- St. Paul Community Learning Association
- VegMin Learning Society (Vegreville)

Community Futures Lac La Biche

Community Programs Branch of Alberta Advanced Education

Conestoga College

ConocoPhillips

County of St. Paul

C.S.T. Consultants

D

Daninject Canada

Department of National Defence

Devon Energy

Dragonfly Centre

Ducks Unlimited Canada

E

East Central Francophone School Division

École Plamondon School

Ed Bobocel Lumber

Edcon Power Tongs

Edmonton Oilers Community Foundation

Elizabeth Métis Settlement

Elk Island Public Schools

Energy Safety Canada

F

Fatal Light Awareness Program Canada

Fort McMurray First Nation

fRI Research

Frog Lake Education Authority

Frog Lake First Nation

G

Game Day Grill Cold Lake

Goodfish Lake Development Corp.

Grande Prairie Regional College

Great West Media

H

Hammerhead Resources Inc.

Harvest Energy

Heart Lake Construction

Heart Lake First Nation

History and Heroes Foundation

Husky Energy

I

Imperial Oil Resources

Inside Education

Integrated Environment

Inter Pipeline Ltd.

J

Jane Ash Poitras

J.A. Williams High School

Janvier Chipewyan Prairie Dene First Nation

JHL Forestry

Johnson Incorporated

Joseph Sanchez

Junior Forest Rangers

K

Kehewin First Nation

Keyano College

Kihew Asiniy Education Centre

Kikino Métis Settlement

L

Lac La Biche Animal Care Group

Lac La Biche Birding Society

Lac La Biche Canadian Native Friendship Centre

Lac La Biche & District Chamber of Commerce

Lakeland Connect

Lac La Biche County

Lac La Biche IGA

Lac La Biche Mission

Lac La Biche Pow Wow & Fish Derby Association

Lac La Biche Regional Museum

Lac La Biche Region Watershed Stewardship Society

Lac La Biche Stationers

Lac La Biche Transport

Lakeland Catholic School District



To help celebrate Métis Week in 2020, the College created a website filled with resources and videos about Métis culture. One of the families featured was the Lavallee family: (left to right) Doreen Cadieux, Kenneth Lavallee, Diane Lavallee and grandchildren. Kenneth and Diane have passed down the Métis traditions of hunting, trapping and fishing to their children and grandchildren the same way it was passed down to Kenneth from his father and mother.

Lakeland College
 Lakeland Today
 Lesser Slave Lake Bird Observatory
 Lieutenant Governor of Alberta Arts Awards Foundation
 LiftTruck

M

MEG Energy Corp.
 Mercer Canada
 Métis Crossing
 Métis Nation of Alberta
 Mighty Peace Watershed Alliance
 Mikisew Cree First Nation
 Municipal District of Bonnyville

N

National Centre for Truth and Reconciliation
 National Food Safe
 Nexen Incorporation
 North Star Science & Technology Ltd.
 Northern Alberta Development Council
 Northern Alberta Institute of Technology (NAIT)

Northern Lakes College
 Northern Lights Public Schools

O

Oil Sands Discovery Centre
 Omar's Barbershop
 OSUM

P

Pembina Pipeline Corporation
 Piikani Nation
 Portage College Athletics Association
 Portage College Faculty Association
 Prestosports

R

Randolph Benson Professional Corp
 RDK Electric
 Royal Alberta Museum
 Royal Canadian Legion
 Rupertsland Institute

S

Saddle Lake Cree Nation
Saddle Lake Employment & Training
Sahtu Renewable Resources Board
Samson Cree Nation
Saskatchewan Polytechnic
Seven Lakes – Primco Dene
Shell Canada
Skills Alberta Canada
Smiley's Furniture Appliance Electronics
Smoky Lake Nursery
SMR Diesel Trucks
St. Paul Champions for Change Society
St. Paul Education Regional Division
St. Paul Municipal Seed Cleaning Association Ltd.
Stantec Consulting
Stingray Radio
STRIX Ecological
Stuart MacPherson Public Library
Students' Association of Portage College

T

Tara's Pizza
TD Insurance Meloche Monnex
Tervita Corporation
The Stitchin' Man
Thurber Engineering
Town of Bonnyville
Town of Elk Point
Town of St. Paul
Trade Commissioner Service
TransCanada Corporation

U

University of Alberta
University of Calgary
University nuxehot'įnethaa?ehots'į nistameyimâkanak Blue Quills

V

Venture Building Supplies
Village of Boyle
Vivo Team

W

Waschuk Pipeline
Western Air Rescue
Western Economic Diversification Canada
Whitefish Lake First Nation #128
West Fraser Timber Con Ltd.
Weyerhaeuser Company Ltd.
Wild and Pine Canada
Wind Speaker Radio Network
Wolf Midstream
Woodland Trainers Association
Women Building Futures
WSP Canada Ltd.

X

Xerox Canada

Y

Yorkville University

Portage College would also like to acknowledge the tremendous support received from residents of our service region for our annual fundraisers and events, student scholarships and bursaries, and Voyageurs Athletics. Thank you.

2020-2021 SUPPORTERS AND FRIENDS OF PORTAGE COLLEGE

Portage College greatly values the donations made by individuals, businesses, organizations, and industry. We responsibly steward and allocate all contributions. Please note that the list represents donation revenue earned during the reporting period. Thank you to the following:

\$10,000 – \$29,999

Canadian Natural Resources Ltd.
Cenovus Energy Inc.
Jane Ash Poitras

\$5,000 – \$9,999

Access Pipeline Inc.
C.S.T. Consultants Inc.
Meloche Monnex Inc.
Thompson and Hawkins

\$1,000 – \$4,999

Chase Morgan
History and Heroes Foundation
Michael Mucz
Portage College Athletics Association
Royal Canadian Legion
Students' Association of Portage College

\$100 – \$499

Brian McMeekin
Lisa Beniuk
Mel Pesony
Rod & Wendy Webb
Sherisse Janvier
Sylvannah Densmore

\$50 – \$99

Ali Ghutmy
Allan Robertson
Fran Stewart
Geraldine Hagen
Jim Booth
Jim Henson
Karen Perry
Matthew Harnum
Michelle Francis

We have made every effort to ensure all our contributors to our 2020-2021 fiscal year are correctly recognized in the Annual Report. We apologize if an error or an omission has occurred. The timing of your donation can also determine the year in which it is acknowledged. The College also acknowledges \$981.25 in donations of less than \$50.

CAMPUSES OPERATED IN 2020-2021

Boyle
Cold Lake
Frog Lake First Nation
Lac La Biche
Saddle Lake Cree Nation
St. Paul
Whitefish Lake First Nation #128

PROGRAMS OFFERED IN 2020-2021

Academic Foundations
Accounting Technician
Ad-hoc Training (skills certification)
Advanced Care Paramedic
Apprenticeship Electrician
Apprenticeship Welding
Business Administration
Career and Technology Studies
College Preparation
Community Social Work
Culinary Arts
Early Learning and Child Care
Educational Assistant
Emergency Medical Responder
Employability Skills
English as a Second Language
Fine Arts
Hairstyling
Heavy Equipment Operator
Indigenous Arts and Entrepreneurship
Natural Resources Technology
Office Administration
Open Studies
Power Engineering
Practical Nurse
Pre-Employment (Cooking, Heavy Equipment Technician,
Welding)
Primary Care Paramedic
Truck Transport
University Transfer
Wildland Firefighter Type I Firetack



Some of the fine food created by Culinary Arts students at our St. Paul campus is made available to the public at the Portage Market.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

(Thousands of dollars)

INTRODUCTION

This Management Discussion and Analysis (MD&A) should be read in conjunction with the Portage College financial statements and accompanying notes. The MD&A and financial statements are reviewed and approved by the Portage College Board of Governors and President/CEO on the recommendation of the Portage College Board Finance, Infrastructure and Risk Committee. The financial statements represent the financial position and results of operations of Portage College. The College's financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards and are expressed in Canadian dollars.

The MD&A is an overview of the financial results Portage College achieved in the fiscal year ended June 30, 2021 and offers a detailed discussion and analysis of the following:

1. Operating Environment
2. Financial Results
3. Net Assets
4. Capital Spending
5. Institutional Self-Generated Revenues
6. Areas of Significant Financial Risk

1. OPERATING ENVIRONMENT

In 2019-20, the provincial government announced a reduction of 1.2% (\$291) to our Campus Alberta Grant funding. Further reductions were experienced in 2020-21 of 7.1% (\$1,667). Beginning in fiscal 2021-22, the provincial government will be introducing Investment Management Agreements for all institutions.

Through these agreements, the province plans to build a stronger connection between education and jobs. These agreements will emphasize bringing costs down and will introduce performance-based funding. A portion of the Campus Alberta grant funding will be awarded based on these performance metrics.

Faced with these operational budget challenges, the College evoked spending restrictions on non-essential costs such as: travel and hosting in 2019-20. Further cost containment strategies included: attrition in vacant positions, and a reduction in supply costs. Because of these cost containment efforts and prudent financial management resulted in a surplus of \$1,401 on June 30, 2021.

The College will commence bargaining with Staff Association in December, as their collective agreement expired June 30, 2020. In March 2016, the College received a letter from Advanced Education recommending a two-year freeze to Management and Excluded employee salaries effective April 1, 2016 through to March 31, 2019, GOA has extended the freeze through to March 2022; which the College implemented.

2. FINANCIAL RESULTS

From total revenues of \$33,121 for the fiscal year ended June 30, 2021, the College incurred an annual surplus of \$1,401. The operating surplus is primarily a result of a reduction in supplies, and wages from budget. The College has approved the transfer of \$725 of the current year surplus to increase the endowment fund.

Revenues

The College revenues for 2021 were \$33,121, a decrease (\$2,574) from prior year. Revenues were lower than budgeted by 6.71% or (\$2,381). The main source of revenue for the College are grants from the Government of Alberta which totaled \$25,565, representing 77% of total revenues. Advanced Education is the primary funder of the College.

	2021 Budget	2021 Actual	2020 Actual
Government of Alberta grants	\$26,631	\$25,565	\$27,424
Federal and other government grants	431	498	436
Sales of services and products	3,865	2,859	3,571
Student tuition and fees	4,031	3,827	3,760
Donations and other grants	252	114	204
Investment income	292	258	300
Total	\$35,502	\$33,121	\$35,695

Capital Revenue Earned

Tangible capital assets purchased with externally restricted funds results in an obligation to the external funding agency to use the purchased assets over their useful lives in the provision of services. Under Public Sector Accounting (PSA) standards deferred capital revenue when earned must be attributed to the primary revenue source in the statement of operations. The following schedule depicts operating and deferred capital revenue earned by source for the year ended June 30, 2021.

	Actual June 30, 2021		
	Operating	Capital	Total
Government of Alberta Grants	\$23,497	\$2,068	\$25,565
Federal and other government grants	134	364	498
Sales of services and products	2,859	-	2,859
Student tuition and fees	3,827	-	3,827
Donations and other contributions	73	41	114
Investment income	258	-	258
Total revenue	\$30,648	\$2,473	\$33,121

Government of Alberta Grants

Revenues from the Government of Alberta represent the College's single largest source of income and play a key role in the ability to fund College activities. Government of Alberta grants decreased by \$1,859 over the prior year. Also, GOA grants were \$1,066 lower than budget. The decrease consisted of various changes in government funding such as: decrease in Campus Alberta Grant Funding of \$436, expenditure of Electrical Distribution Renewal and Needs Assessment grants of \$198, reduction in Infrastructure Maintenance Program grant funding spent \$843, and various other increases of \$16.

Federal and Other Government Grants

Revenues from federal and other government grants increased by \$62 over the prior year and were \$67 higher than budget. Conditional grants will have a corresponding equal expenditure offset.

Sales of Services and Products

Revenues from sales of services and products decreased by \$712 from the prior-year and were \$1,006 lower than budget. The decrease from budget was due to decreased ancillary revenue and contract revenue in Continuing Education.

Student Tuition and Fees

Tuition fees are regulated by Advanced Education under Tuition Regulation Policy. Advanced Education has mandated that tuition fees can be raised to a maximum of 7% overall for the College and that no program can have an increase of greater than 10%. The College tuition rates approved for 2020-2021 were within the approved mandate, with a blended increase sheltering vulnerable programs.

Revenues from student tuition and fees were \$204 lower than budget. The student full load equivalents (FLE) were 875, compared to the budget of 930 FLE. The 2021 FLE's decreased by 36.93 from the prior year of 911.93.

In the past, the College provided compliance reporting to the department. The tuition policy stipulated that tuition revenue and fees could not exceed 30% of the College's net operating expenditure. Although, this is no longer mandated the current year rate has been provided for reference.

Tuition revenue and fees as a % of net operating expenditure

	2020-2021	2019-2020
Tuition and Related fees revenue	\$3,827	\$3,760
Net Operating Expenditure	30,278	31,700
%	12.63%	11.86%

Donations and Other Grants

Donations and other grants were \$138 lower than budget due to a decrease in donations, fundraising activities and capital revenue earned.

Investment Income

Revenue from investment income decreased by \$42 over prior year, and was \$34 lower than budget due to lower returns in the financial markets than anticipated for the first half of the year.

Expenses by Function

For the year ended June 30, 2021 the College recorded \$31,940 in operating expenses representing a decrease of \$1,651 (5%) from the prior year and \$3,562 (10%) lower than budget.

Instruction

Instruction represents the single largest function at the College, representing teaching for all credit and non-credit programming. This category also includes non-sponsored research and scholarly activity undertaken by faculty and within College departments. Instruction accounted for 36% of total expenditures for the year ended June 30, 2021. With this function representing such a significant component of the College's activity, the \$1,047 increase in costs over the prior year represents the function's proportionate share of the College's salary and benefits and material, supplies and services.

In comparison to the 2021 budget, Instructional costs were \$190 higher than expected.

Academic and Student Support

Academic and student support is the third largest function at the College. This category includes Student Services, Student Recruitment, Student Records and Admissions, Counselling, Social Development, Scholarships and other student related support. Academic and student support accounted for 18% of total expenditures for the year ended June 30, 2021.

Expenses decreased by \$1,259 from the prior year and represent the function's proportionate share of the College's salary and benefits and material, supplies and services decrease. In comparison to budget, academic and student support costs were \$1,545 lower than expected.

Institutional Support

Institutional Support is the fourth largest function at the College. This category represents activities for Executive and Corporate Management, Public Relations, Corporate Finance, Human Resources and other corporate administrative activities. Institutional support accounted for 11% of total expenditures for the year ended June 30, 2021.

Expenses decreased by \$419 from prior year. Analysis is provided further in the report under the administrative as a percentage of operating expenditures section. In comparison to the 2021 budget, Institutional support costs were \$651 lower than budget. The reduction is due to changes in institutional support to meet the ministry's mandate on operational efficiency.

Information Technology

Information Technology represents activities for Computing Services, Network and Data Communication. Information Technology accounted for 6% of total expenditures for the year ended June 30, 2021.

Expenses decreased by \$125 from prior year and were \$180 lower than budget.

Facilities Operations and Maintenance

This function represents all expenditures associated with facility operations and maintenance of buildings, grounds and equipment. Due to our business model of bringing learning closest to the learner it is in fact the second largest expense category. It also includes all utility costs and rent of leased facilities, and capital amortization. This function accounted for 23% of total expenditures for the year ended June 30, 2021.

Expenses decreased by \$885 from the prior year and were \$1,201 lower than budget. The variance consists of decreased infrastructure maintenance grant and costs associated with conditional grants.

Ancillary Services

Ancillary Services represents operating activities that are not grant funded which support students. It includes the College Bookstore, Cafeteria, Salon, Conference Centre and Student Residences and Housing. Ancillary services accounted for 5% of total expenditures for the year ended June 30, 2021.

Expenses decreased by \$229 from prior year and were \$416 lower than budget.

Special Purpose Trust

Special Purpose Trust represents costs for fundraising activities and other programs specifically funded from restricted grants and donations. Special purpose trust accounted for 1% of total expenditures for the year ended June 30, 2021. Expenses increased by \$219 from the prior year and were \$241 higher than budget.

Institutional Support as a Percentage of Total Operating Expenditures

Advanced Education tracks the efficiency of post-secondary institutions by monitoring an institution's institutional support expenditures as a percentage of total operating expenditures. This percentage was calculated by taking Institutional Support function category expenditures and dividing it by total expenditures (minus ancillary services). The table below shows the College's performance on this measure.

Institutional Support as a Percentage of Total Operating Expenditures Less Ancillary		
	2020-2021	2019-2020
Institutional Support	\$3,560	\$3,979
Total Operating	\$31,940	\$33,591
Less Ancillary Services	(\$1,662)	(\$1,891)
Net Operating Expenditures	\$30,278	\$31,700
Institutional Support/ Net Total Operating	11.76%	11.64%

The decrease in institutional support from 2020 was \$419. This decrease is due to an organizational restructuring of the College's institutional support aimed directly at reducing these costs.

3. NET ASSETS

The College’s net asset balance is an important indicator of the financial health for the institution. It is comprised of Accumulated Surplus and Accumulated Re-measurement Gains and Losses.

Accumulated surplus from operations increased by \$1,215 over the prior year due to operating surplus of \$1,401 explained

earlier. Setting aside of surpluses is necessary to partially fund self-funded capital expenditures and replenish net asset reserves. This has resulted in an accumulated surplus from operations of \$7,460 versus \$6,245 in the prior year. Internally restricted funds balance remains unchanged from 2020-2021 at \$2,967.

Accumulated surplus	Accumulated surplus from operations	Internally restricted surplus	Invested in capital assets	Endowments	Total
Balance as at June 30, 2020	6,245	2,967	7,744	2,882	19,838
Balance as at June 30, 2021	7,460	2,967	7,089	3,827	21,343
Change +/-	1,215	0	(655)	945	1,505

4. CAPITAL SPENDING

Capital expenditures were \$473 (2020 – \$508). Capital expenditures consisted of \$10 in contributed capital and \$463 in self-funded capital.

Acquisitions were made in the following asset categories:

- Land \$nil (2020 – \$nil)
- Building, trailers and improvements \$210 (2020 – \$116)
- Equipment \$201 (2020 – \$349)
- Computer hardware and software \$62 (2020 – \$43)

Project	Contributed	Self-funded	Total
Program equipment	0	151	151
Smudge Room	10	67	77
Classroom conversions	0	74	74
Security doors	0	66	66
Whitefish Lake First Nation #128 trailer relocation	0	44	44
Siding for Townhouses	0	30	30
Various equipment – non program	0	25	25
Various IT projects	0	6	6
Total	10	463	473

5. INSTITUTIONAL SELF-GENERATED REVENUES

In the face of increasing budgetary pressures, post-secondary institutions are increasingly looking to self-generating revenue enterprises. These enterprises are also known as alternative revenue sources. Such enterprises provide revenues that extend beyond traditional sources like government grants and student tuition and fees. If done appropriately, they can provide an additional stream of revenue to the institution and enhance program quality and accessibility for students. Self-generated revenue enterprises can also enhance an institution's reputation and give it a greater presence in the community.

Institutional self-generated revenue enterprises can be categorized as:

Auxiliary/Ancillary Services: An auxiliary or ancillary enterprise furnishes a service to students, faculty, or staff, and charges a fee at a minimum of cost recovery to ensure the cost is not subsidized by other sources such as government grants. The public may be served incidentally by some auxiliary/ancillary enterprises including bookstores, student residences, parking lots, salon operations, institutional catering services, and cafeterias.

Academic Enterprises: The activity is deemed to be an integral part of the post-secondary institution's educational,

research, public service, and campus support functions, as well as other educational and support activities. Profit is not the primary motivator. Examples are continuing education, culinary school restaurants, agricultural operations, and breweries.

Commercial Enterprises: The activity or enterprise is outside an institution's primary education and research mandate and exists for the purpose of revenue generation. The institution's domestic students, faculty and staff are not directly served by, nor do they derive direct benefit from, the activity or enterprise. Examples are commercial land development, real-estate deals, and overseas campuses.

For fiscal 2020-21, the College had the following self-generating revenue enterprises:

ANCILLARY SERVICES (IN THOUSANDS)

Service	2020-2021			2019-2020
	Gross Revenues	Expenditures	Net Profit/ (Loss)	Net Profit/ (Loss)
Student Residences and Housing (three campus locations) ⁽¹⁾	530	858	(328)	19
College Bookstore	627	588	39	115
College Cafeteria ⁽²⁾	-	105	(105)	(91)
St. Paul Market and Catering	27	33	(6)	(25)
Hairstyling Salon Sales and Service	88	76	12	5
Exam Invigilation	1	-	1	15
St. Paul Incubator and Labs	11	-	11	7
Conferencing	-	-	-	6
Art Sales	2	2	-	1
Total	1,286	1,662	(376)	52

The COVID-19 pandemic is complex and rapidly evolving. It has caused material disruption to business and has resulted in an economic slowdown. The College continues to assess and monitor the impact of COVID-19 on its financial condition, including the likelihood of decreased revenues and increased expenses as a direct result of this crisis. The magnitude and duration of COVID-19 is uncertain and, accordingly, it is difficult to reliably measure the potential future impact on the College's ability to generate higher net returns of self-generating revenues.

The College has no commercial or academic enterprises to report for fiscal 2020-21.

⁽¹⁾ Student Residences and Housing were subject to reduced occupancy over the past year due to the ongoing pandemic and restrictions imposed; resulting in a significant loss in 2021.

⁽²⁾ The College Cafeteria closed during the pandemic; as a result, staff working in the cafeteria were provided with pay in lieu of notice totaling \$93 per the AUPE agreement. Remaining inventory of \$12 was also written off.

6. AREAS OF SIGNIFICANT FINANCIAL RISK

Net Assets

The College has an accumulated surplus of \$21,343 in net assets, which includes endowment principle of \$3,827 and invested in capital assets of \$7,089.

Accumulated surplus from operations and internally restricted surplus in net assets is \$7,460 or 23% of total revenues. College management has taken steps to replenish College reserves in net assets to provide funds to meet capital investment requirements and for future program growth and expansion. The College has increased these reserves by \$1,215 (19%) in 2021.

Unfunded Deferred Maintenance

The College directs a significant amount of resources towards renewing existing facilities to ensure that these facilities are updated with relevant technology and operate efficiently. Due to a reduction in provincial funding for Infrastructure Maintenance in 2019-2020, an ageing infrastructure and a shortage of skilled facility maintenance workers has created a backlog of unfunded deferred maintenance more than \$20M.

Budgetary Pressure

Although the College has a balanced budget for 2020-21, the College is facing several risk factors. The College has reduced its operating budget over the past several years from reductions in government funding and declining enrolments.

In the 2020-23 institutional plan the College has projected a decrease in the Campus Alberta Grant funding for 2020-21, and subsequent years. The provincial government has deferred the implementation of the Investment Management Agreements (IMA) to fiscal 2021-22.

In lieu of an IMA agreement, the provincial government requested a three-year savings plan demonstrating how the College plans to address a multi-year reduction in funding. The College has prepared a three-year savings plan to reduce spending by \$3.3M. Although the IMA's have been delayed due to the current global pandemic, College management felt it prudent to maintain the targets provided by the provincial government.

The provincial government has lifted the mandatory tuition freeze effective 2020-21, permitting Post-Secondary Institutions to increase tuition and mandatory fees up to 7%. The College has increased tuition fees effective 2020-21 academic year within the permissible limits.

Budgetary pressure is further compounded by limited opportunities to find new revenue sources. The College will continue with prudent financial management, introduce new programming, and seek collaborative opportunities within the post-secondary sector to maintain a sustainable future.

Enterprise Resource Planning System (ERP)

The College operates an Enterprise Resource Planning System that is limited in meeting current demands of a contemporary post-secondary institution. The capital investment required to bring the existing ERP system to a level of acceptable functionality is beyond the financial means of the College. The College is collaborating with other post-secondaries who use the Unit 4 ERP system to jointly pursue system enhancements.

APPENDIX: PORTAGE COLLEGE AUDITED FINANCIAL STATEMENTS





Financial Statements
June 30, 2021

Portage College

Financial Statements
Year Ended June 30, 2021

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Portage College

Financial Statements

Statement of Management Responsibility

Year Ended June 30, 2021

The financial statements of Portage College ("the College") have been prepared by management in accordance with Canadian public sector accounting standards. The financial statements present fairly the financial position of the College as at June 30, 2021, and the results of its operations, remeasurement gains and losses, changes in net financial assets and cash flows for the year then ended.

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

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

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

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

[Original signed by Nancy Broadbent]
President & CEO

[Original signed by Cynthia Quintal]
Finance Manager

Independent Auditor's Report

To the Board of Governors of Portage College

Report on the Financial Statements

Opinion

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

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2021, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

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

Other information

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

October 21, 2021
Edmonton, Alberta

Portage College
Statement of Financial Position
As at June 30, 2021
(thousands of dollars)

	2021	2020
Financial assets excluding portfolio investments restricted for endowments		
Cash (Note 3)	\$ 6,476	\$ 12,777
Portfolio investments - non-endowment (Note 4)	11,104	1,904
Accounts receivable	504	398
Inventories held for sale	202	247
	18,286	15,326
Liabilities		
Accounts payable and accrued liabilities	2,657	2,199
Employee future benefits liabilities (Note 6)	61	185
Debt (Note 7)	138	185
Deferred revenue (Note 8)	5,649	4,255
	8,505	6,824
Net financial assets excluding portfolio investments restricted for endowment	\$ 9,781	\$ 8,502
Portfolio investments - restricted for endowments (Note 4)	3,461	2,821
	\$ 13,242	\$ 11,323
Non-financial assets		
Tangible capital assets (Note 9)	44,450	47,569
Inventories of supplies	42	57
Prepaid supplies	896	640
	45,388	48,266
Net assets before spent deferred capital contributions	\$ 58,630	\$ 59,589
Spent deferred capital contributions (Note 10)	37,288	39,751
	\$ 21,343	\$ 19,838
Net assets is comprised of:		
Accumulated surplus	21,094	19,693
Accumulated remeasurement gains	249	145
	\$ 21,343	\$ 19,838
Contractual rights (Note 14)		
Contingent liabilities and contractual obligations (Note 13 and Note 15)		

Approved by the Board of Governors:

[Original signed by Randolph Benson]
Chair, Board of Governors

[Original signed by Nancy Broadbent]
President & CEO

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

Portage College

Statement of Operations
Year Ended June 30, 2021
(thousands of dollars)

	Budget (Note 21)	2021	2020
Revenues			
Government of Alberta grants (Note 19)	\$ 26,631	\$ 25,565	\$ 27,424
Federal and other government grants (Note 19)	431	498	436
Sales of services and products	3,865	2,859	3,571
Student tuition and fees	4,031	3,827	3,760
Donations and other grants	252	114	204
Investment income	292	258	300
	35,502	33,121	35,695
Expenses (Note 16)			
Instruction	11,382	11,572	10,525
Facilities operations and maintenance	8,391	7,190	8,075
Institutional support	4,211	3,560	3,979
Academic and student support	7,283	5,738	6,997
Ancillary services	2,078	1,662	1,891
Information technology	2,001	1,821	1,946
Special purpose and trust	156	397	178
	35,502	31,940	33,591
Annual operating surplus	-	1,181	2,104
Endowment contributions (Note 11)	55	10	103
Endowment capitalized investment income (Note 11)		210	14
Annual surplus	55	1,401	2,221
Accumulated surplus, beginning of year	18,545	19,693	17,472
Accumulated surplus, end of year	\$ 18,600	\$ 21,094	\$ 19,693

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

Portage College

Statement of Change in Net Financial Assets

Year Ended June 30, 2021

(thousands of dollars)

	Budget (Note 21)	2021	2020
Annual surplus	\$ 55	\$ 1,401	\$ 2,221
Acquisition of tangible capital assets	(600)	(473)	(508)
Proceeds from sale of tangible capital assets		8	8
Amortization of tangible capital assets	3,673	3,591	3,951
(Gain) loss on disposal of tangible capital assets		(8)	93
Change in inventories of supplies	(1)	15	(14)
Change in prepaid expenses	(12)	(256)	(59)
Change in spent deferred capital contributions	(2,473)	(2,463)	(2,594)
Change in accumulated remeasurement gains (losses)		104	24
Increase in net financial assets		1,919	3,122
Net financial assets, beginning of year		11,323	8,202
Net financial assets, end of year		\$ 13,242	\$ 11,323

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

Portage College

Statement of Remeasurement Gains and Losses

Year Ended June 30, 2021

(thousands of dollars)

	<u>2021</u>	<u>2020</u>
Accumulated remeasurement gains, beginning of year	\$ 145	\$ 121
Unrealized gains attributable to:		
Quoted in active market financial instruments		
Portfolio investments - non-endowment	121	49
Amounts reclassified to the statement of operations:		
Quoted in active market financial instruments		
Portfolio investments - non-endowment	(17)	(25)
Change in accumulated remeasurement gains	104	24
Accumulated remeasurement gains, end of year	\$ 249	\$ 145

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

Portage College

Statement of Cash Flows Year Ended June 30, 2021 (thousands of dollars)

	2021	2020
OPERATING TRANSACTIONS		
Annual surplus	\$ 1,401	\$ 2,221
Add (deduct) non-cash items:		
Amortization of tangible capital assets	3,591	3,951
Gain on sale of portfolio investments	(161)	(42)
(Gain) loss on disposal of tangible capital assets	(8)	93
Expended capital recognized as revenue	(2,463)	(2,594)
(Decrease) increase in employee future benefit liabilities	(124)	64
Change in non-cash items	2,236	3,693
(Increase) decrease in accounts receivable	(107)	273
Decrease (increase) in inventories held for sale	45	(53)
Increase (decrease) in accounts payable and accrued liabilities	458	(564)
Increase in deferred revenue	1,316	1,012
Decrease (increase) in inventory for supplies	15	(14)
Increase in prepaid expenses	(256)	(59)
Cash provided by operating transactions	3,707	4,288
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(473)	(508)
Proceeds on sale of tangible capital assets	8	8
Cash applied to capital transactions	(465)	(500)
INVESTING TRANSACTIONS		
Purchase of portfolio investments	(15,180)	(2,505)
Proceeds on sale of portfolio investments	5,684	2,290
Cash applied to investing transactions	(9,496)	(215)
FINANCING TRANSACTIONS		
Debt - repayment	(47)	(45)
Cash applied to financing transactions	(47)	(45)
(Decrease) Increase in cash	(6,301)	3,527
Cash at beginning of year	12,777	9,250
Cash end of year	\$ 6,476	\$ 12,777

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

Portage College

Notes to the Financial Statements

Year Ended June 30, 2021

(thousands of dollars)

1. Authority and Purpose

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

2. Summary of Significant Accounting Policies and Reporting Practices

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

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

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

b. Valuation of Financial Assets and Liabilities

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

Financial Statement Component	Measurement
Cash	Cost
Portfolio investments	Fair value and amortized cost
Inventories held for sale	Lower of cost or net realizable value
Accounts receivable	Lower of cost or net recoverable value
Accounts payable and accrued liabilities	Cost
Debt	Amortized cost

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

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

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

The College does not use foreign currency 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.

Portage College

Notes to the Financial Statements

Year Ended June 30, 2021

(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 recognized as deferred revenue.

i. Government grants, non-government grants and donations

Government transfers are referred to as government grants.

Restricted grants and donations are recognized as deferred revenue if the terms for the use, or the terms along with the College's actions and communications as to the use, create a liability. These grants and donations are recognized as revenue 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 recognized as revenue when the College is eligible to receive the funds. Unrestricted non-government grants and donations are recognized as revenue in the year received or in the year the funds are committed to the College if the amount can be reasonably estimated and collection is reasonably assured.

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

ii. Grants and donations related to land

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

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

iii. Endowment contributions

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

iv. Investment income

Investment income includes dividends, interest income and realized gains or losses on the sale of portfolio investments and interest earned on deposit accounts. 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.

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

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

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

The spending allocation is funded from the cumulative investment income and spending will not exceed the amount available.

e. Inventories

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 method. Inventories of supplies are valued at cost.

Portage College

Notes to the Financial Statements

Year Ended June 30, 2021

(thousands of dollars)

2. Summary of Significant Accounting Policies and Reporting Practices continued

f. Tangible Capital Assets

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

Work-in-progress, which includes facilities and improvement projects and development of information systems, is not amortized until after the project is complete and the asset is in service. Assets or disposal groups that are classified as held-for-sale are measured at the lower of carrying amount and fair value less costs to sell.

Leases of tangible capital assets which transfer substantially all the benefits and risks of ownership are accounted for as leased tangible capital assets. Capital lease liabilities are recognized at the present value of the future minimum lease payments at the inception of the lease, excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of the College's rate for incremental borrowing or the interest rate implicit in the lease. Note 7 provides a schedule of repayments and amount of interest on the leases.

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, trailers & site improvements ⁽¹⁾	20 - 40 years
Equipment	5 - 10 years
Computer hardware & software	4 - 5 years
Learning resources & other assets	2 - 10 years

⁽¹⁾ Leasehold improvements are amortized on a straight-line basis over the life of the lease.

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

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

g. Foreign Currency Translation

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

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

h. Employee Future Benefits

i. Pension

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

The College does not have sufficient plan information on the PSPP or the MEPP to follow the standards for defined benefit accounting, and therefore, follows the standards for defined contribution accounting. Accordingly, pension expense recognized for the PSPP and MEPP 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.

ii. Long-term disability

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

Portage College

Notes to the Financial Statements Year Ended June 30, 2021 (thousands of dollars)

2. Summary of Significant Accounting Policies and Reporting Practices continued

h. Employee Future Benefits continued

iii. Professional leave

Under the collective agreements, the College may approve unpaid administrative, professional or faculty leave which is fully funded by the employee. As a result, the College incurs no liability and therefore, no actuarial valuations are required.

i. Liability for Contaminated Sites

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

Contaminated sites in productive use:

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

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

Contaminated sites no longer in productive use:

A liability for remediation of contaminated sites from an operation(s) no longer in productive use, and/or an unexpected event occurs resulting in contamination, is recognized net of any expected recoveries when all of the following criteria are met:

- i. College is directly responsible or accepts responsibility;
- ii. it is expected that future economic benefits will be given up; and
- iii. a reasonable estimate of the amount can be made.

As of June 30, 2021, the College had no environmental liabilities to report (2020 - \$nil).

j. Expense by Function

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

Instruction

Expenses related to the support for the academic functions of the College both directly and indirectly. This function includes expenses incurred by faculties for their scholarly and non-sponsored research activities.

Academic and student support

Expenses relating to activities directly supporting the academic functions of the College. This includes items such as program deans, student services, student recruitment, student records and admissions, counselling, social development, and scholarships.

Facilities 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. Also includes amortization expense.

Institutional support

Includes expenses for centralized College-wide administration including executive management, public relations, corporate finance and human resources.

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. Services include bookstore, student residences, food services and conferencing.

Special purpose and trust

Expenses for fundraising activities and alumni relations and other programs specifically funded by restricted grants and donations.

Information Technology

Expenses relating to activities for computing services, network and data communication.

Portage College

Notes to the Financial Statements

Year Ended June 30, 2021

(thousands of dollars)

2. Summary of Significant Accounting Policies and Reporting Practices continued

k. 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.

l. Future Accounting Changes

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

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

In November 2020, PSAB issued PSG-8 Purchased intangibles. This accounting guideline is effective for fiscal years starting on or after April 1, 2023, and early adoption permitted. Purchased intangibles provides guidance on how to recognize intangibles as non-financial assets.

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

The College has not yet adopted these standards. Management is currently assessing the impact of these standards on the financial statements.

3. Cash

	2021	2020
Cash ⁽¹⁾	<u>\$ 6,476</u>	<u>\$ 12,777</u>

Cash also includes deposits in the Consolidated Cash Investment Trust Fund (CCITF).

⁽¹⁾ Cash includes restricted capital funds of \$1,241 (2020 - \$1,222).

4. Portfolio Investments

	2021	2020
Portfolio investments - non-endowment	\$ 11,104	\$ 1,904
Portfolio investments - restricted for endowments	3,461	2,821
	<u>\$ 14,565</u>	<u>\$ 4,725</u>

Portage College

Notes to the Financial Statements

Year Ended June 30, 2021

(thousands of dollars)

4. Portfolio Investments continued

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

	2021			
	Level 1	Level 2	Level 3	Total
Portfolio investments at fair value				
Bonds				
Canadian Bonds	\$ 9,120	\$ -	\$ -	\$ 9,120
Equities				
Canadian Equities	1,987	-	-	1,987
Foreign Equities	2,805	-	-	2,805
Other				
Money market, short-term notes and treasury bills	653	-	-	653
Total portfolio investments	\$ 14,565	\$ -	\$ -	\$ 14,565
	100 %	0 %	0 %	100 %
	2020			
	Level 1	Level 2	Level 3	Total
Portfolio investments at fair value				
Bonds				
Canadian Bonds	\$ 2,817	\$ -	\$ -	\$ 2,817
Equities				
Canadian Equities	847	-	-	847
Foreign Equities	888	-	-	888
Other				
Money market, short-term notes and treasury bills ⁽¹⁾	173	-	-	173
Total portfolio investments	\$ 4,725	\$ -	\$ -	\$ 4,725
	100 %	0 %	0 %	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 within 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).

⁽¹⁾ All mature in three months or greater from date of acquisition.

Portage College

Notes to the Financial Statements

Year Ended June 30, 2021

(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 asset mix that is diversified by asset class with individual issuer limits and is designed to achieve a long-term rate of return that in real terms equals or exceeds total endowment expenditures with an acceptable level of risk.

The College assesses its portfolio sensitivity to a percentage increase or decrease in market prices. The sensitivity rate is determined using the historical annualized standard deviation for portfolio investments over ten years, as determined by the College's investment fund manager's reports.

At June 30, 2021, the impact of a change in return on portfolio investments would be as follows:

Endowment Portfolio

A one standard deviation change in bonds would result in an increase (decrease) in bonds of \$61 (2020 - \$44).

A one standard deviation change in equities would result in an increase (decrease) in equities of \$163 (2020 - \$106).

Non Endowment Portfolio

A one standard deviation change in bonds would result in an increase (decrease) in bonds of \$256 (2020 - \$38).

A one standard deviation change in equities would result in an increase (decrease) in equities of \$301 (2020 - \$47).

The standard deviations of the bond and equity segments at June 30, 2021 were; bonds 3.47% (2020 - 2.92%), and equities 9.67% (2020 - 8.78%).

Credit risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty to fully honour its financial obligations with the College. The College is exposed to credit risk on investments and has established an investment policy with required minimum credit quality standards and issuer limits to manage this risk. The credit risk from accounts receivable is low as the majority of balances are due from government agencies and corporate sponsors. Credit risk from tuition receivables is managed through restricted enrolment activities and managed collection procedures for students with delinquent accounts.

The credit risks on investments held are as follows:

	2021	2020
Money market funds		
R-1 (high)	100.0 %	100.0 %
Bonds		
AAA	34.3 %	35.6 %
AA	32.0 %	34.1 %
A	18.4 %	19.2 %
BBB	15.3 %	11.1 %
	<u>100.0 %</u>	<u>100.0 %</u>

Portage College

Notes to the Financial Statements

Year Ended June 30, 2021

(thousands of dollars)

5. Financial Risk Management continued

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. A 1% change in interest rates on bonds would result in a \$91 increase or decrease (2020 - \$28) in interest income.

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

	< 1 year	1 - 5 years	> 5 years	Average effective market yield
Money market, short-term notes and treasury bills	100.00 %	- %	- %	0.21 %
Canadian government and corporate bonds	- %	29.93 %	70.07 %	1.86 %

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 portfolio investments that are denominated in foreign currencies, specifically U.S. dollars. The College does not hedge its foreign currency exposure with currency forward contracts or any other type of derivative financial instruments. The College's exposure to foreign exchange risk is very low due to minimal business activities conducted in a foreign currency.

Liquidity risk

Liquidity risk is the risk that the College will encounter difficulty in meeting obligations associated with its financial liabilities. The risk is managed by maintaining excess funds in the College's operating bank account which earns interest at a rate comparable to a short-term redeemable investment product, as well as a revolving 6-month guaranteed investment certificate.

6. Employee Future Benefit Liabilities

Pension

The College participates in multi-employer pensions plans and has insufficient information to follow the standards for defined benefit accounting, and therefore, follows the standards for defined contribution accounting. No employee future benefit liability is reported.

The expense for these plans is \$1,798 (2020 - \$1,827).

At December 31, 2020 the MEPP reported a surplus of \$809,850 (2019 - surplus of \$1,008,135). Also, at December 31, 2020 the PSPP reported a surplus of \$2,223,582 (2019 - surplus of \$2,759,320).

Long-term disability

The College's employment benefit plan includes the contribution of extended health care, dental, health spending account and pension contributions for employees on long-term disability (LTD).

The employees future benefit liability for employer paid contributions for staff on LTD was \$61 (2020 - \$185). The amortization of the employee future benefit liability was \$88 (2020 - \$107). An actuarial valuation report was prepared as of June 30, 2015. An updated accrued benefit obligation was prepared as of June 30, 2017 by an external actuarial service. An updated accrued benefit obligation was prepared as of June 30, 2021 by the College.

Portage College

Notes to the Financial Statements

Year Ended June 30, 2021

(thousands of dollars)

7. Debt

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

	2021		2021	2020
Collateral ⁽¹⁾	Maturity	Fixed Interest Rate %	Amortized Cost	Amortized Cost
Liabilities under capital leases				
Lease 527-261-200	1	Apr 17, 2024	2.765 \$ 138	\$ 185

⁽¹⁾Collateral – leased Xerox equipment.

In November 2018, leased capital assets were exchanged for new equipment under a new agreement. Interest expense on debt is \$5 (2020 - \$6) and is included in the statement of operations.

Principal and interest repayments are as follows:

	Principal	Interest	Total
2022	\$ 48	\$ 3	\$ 51
2023	49	2	51
2024	41	-	41
	\$ 138	\$ 5	\$ 143

8. Deferred Revenue

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

	2021		2020
	Unspent externally restricted grants and donations	Tuition and other fees	Total
Balance, beginning of year	\$ 3,844	\$ 411	\$ 4,255
Grants, tuition, and donations	2,904	2,344	5,248
Investment income	182	-	182
Unrealized gains	79	-	79
Transfers to spent deferred capital contributions	(10)	-	(10)
Recognized as revenue	(2,504)	(1,601)	(4,105)
Balance, end of year	\$ 4,495	\$ 1,154	\$ 5,649

Portage College

Notes to the Financial Statements

Year Ended June 30, 2021

(thousands of dollars)

9. Tangible capital assets

The composition of tangible capital assets are as follows:

	2021					2020	
	Land	Buildings, trailers & site improvements	Equipment ⁽¹⁾	Computer hardware & software	Learning resources & other assets	Total	Total
Cost							
Balance, beginning of year	\$ 1,883	\$ 74,845	\$ 11,053	\$ 14,177	\$ 926	\$ 102,884	\$ 102,555
Acquisitions	-	210	201	62	-	473	508
Disposals, including write-downs	-	(4)	(160)	-	(926)	(1,090)	(179)
	1,883	75,051	11,094	14,239	-	102,267	102,884
Accumulated Amortization							
Balance, beginning of year	\$ -	\$ 31,798	\$ 9,242	\$ 13,350	\$ 926	\$ 55,316	\$ 51,443
Amortization expense	-	2,483	636	472	-	3,591	3,951
Effects on disposals, including write-downs	-	(4)	(160)	-	(926)	(1,090)	(78)
	-	34,277	9,718	13,822	-	57,817	55,316
Net book value at June 30, 2021	\$ 1,883	\$ 40,774	\$ 1,376	\$ 417	\$ -	\$ 44,450	
Net book value at June 30, 2020	\$ 1,883	\$ 43,047	\$ 1,811	\$ 827	\$ -	\$ 47,569	

No interest was capitalized by the College in 2021 (2020 - \$nil).

Historic cost includes work-in-progress at June 30, 2021 totaling \$212 (2020 - \$nil) comprised of buildings \$133 (2020 - \$nil), equipment \$24 (2020 - \$nil) and computer hardware and software \$55 (2020 - \$nil).

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

The College holds library permanent collections and other permanent collections which include works of art, museum specimens, archival material and maps. These collections are not included in tangible capital assets.

10. 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).

	2021	2020
Spent deferred capital contributions, beginning of year	\$ 39,751	\$ 42,345
Transfers from unspent externally restricted grants and donations	10	-
Expended capital recognized as revenue	(2,473)	(2,594)
Spent deferred capital contributions, end of year	\$ 37,288	\$ 39,751

Portage College

Notes to the Financial Statements

Year Ended June 30, 2021

(thousands of dollars)

11. Net Assets

	Accumulated surplus from operations	Investment in tangible capital assets ⁽¹⁾	Internally restricted surplus	Endowments	Total
Net assets, as at June 30, 2019	\$ 3,559	\$ 8,698	\$ 2,967	\$ 2,369	\$ 17,593
Annual operating surplus	2,104	-	-	-	2,104
Endowments					
New donations	-	-	-	103	103
Capitalized investment income	-	-	-	14	14
Transfer to endowments	(396)	-	-	396	-
Tangible capital assets					
Amortization of tangible capital assets	1,357	(1,357)	-	-	-
Acquisition of tangible capital assets	(504)	504	-	-	-
Net book value of tangible capital asset disposals	101	(101)	-	-	-
Change in accumulated remeasurement gains	24	-	-	-	24
Net assets, beginning of year	6,245	7,744	2,967	2,882	19,838
Annual operating surplus	1,181	-	-	-	1,181
Endowments					
New donations	-	-	-	10	10
Capitalized investment income	-	-	-	210	210
Transfer to endowments	(725)	-	-	725	-
Tangible capital assets					
Amortization of tangible capital assets	1,118	(1,118)	-	-	-
Acquisition of tangible capital assets	(463)	463	-	-	-
Change in accumulated remeasurement gains	104	-	-	-	104
Net assets, end of year	\$ 7,460	\$ 7,089	\$ 2,967	\$ 3,827	\$ 21,343

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

Net assets is comprised of:

Accumulated surplus	\$ 7,211	\$ 7,089	\$ 2,967	\$ 3,827	\$ 21,094
Accumulated remeasurement gains	249	-	-	-	249
	\$ 7,460	\$ 7,089	\$ 2,967	\$ 3,827	\$ 21,343

Portage College

Notes to the Financial Statements

Year Ended June 30, 2021

(thousands of dollars)

12. Internally Restricted Surplus

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

The composition of internally restricted surplus is as follows:

	Balance at beginning of year	Appropriations	Distributions	Balance at end of year
Appropriations for Capital Activities				
Campus development fund	\$ 117	\$ -	\$ -	\$ 117
Housing development fund	250	-	-	250
Furnishings, equipment and renovations	272	-	-	272
Facility development fund	512	-	-	512
Capital equipment replacement fund - HEO	7	-	-	7
	<u>1,158</u>	<u>-</u>	<u>-</u>	<u>1,158</u>
Appropriations for Operating Activities				
E-learning technology	150	-	-	150
Program development	193	-	-	193
Student scholarship and bursary investment fund	350	-	-	350
Program enhancement fund	87	-	-	87
Professional services - transition fund	334	-	-	334
Financially assisted educational leave	63	-	-	63
Emergency facility repair	78	-	-	78
Operating contingency	521	-	-	521
College rebranding initiatives	33	-	-	33
	<u>1,809</u>	<u>-</u>	<u>-</u>	<u>1,809</u>
Total	<u>\$ 2,967</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,967</u>

13. Contingent Liabilities

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

Portage College

Notes to the Financial Statements Year Ended June 30, 2021 (thousands of dollars)

14. 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. Contracts are mainly for sponsorship agreements and sales contracts.

	Contracts
2022	\$ 425
2023	102
2024	102
2025	2
	<hr/>
Total at June 30, 2021	<u>\$ 631</u>
	<hr/>
Total at June 30, 2020	<u>\$ 221</u>

15. 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	Long-term Leases	Total
2022	\$ 776	\$ 206	\$ 982
2023	314	155	469
2024	224	-	224
2025	198	-	198
2026	113	-	113
	<hr/>	<hr/>	<hr/>
Total at June 30, 2021	<u>\$ 1,625</u>	<u>\$ 361</u>	<u>\$ 1,986</u>
	<hr/>	<hr/>	<hr/>
Total at June 30, 2020	<u>\$ 682</u>	<u>\$ 567</u>	<u>\$ 1,249</u>

16. Expense by Object

The following is a summary of expense by object:

	2021		2020
	Budget		
	(Note 21)	Actual	Actual
Salaries and benefits	\$ 21,162	\$ 20,998	\$ 21,024
Materials, supplies and services	6,964	4,851	5,695
Amortization of tangible capital assets	3,673	3,591	3,951
Maintenance and repairs	2,160	1,277	1,600
Utilities	853	730	691
Scholarships and bursaries	690	493	630
	<hr/>	<hr/>	<hr/>
	<u>\$ 35,502</u>	<u>\$ 31,940</u>	<u>\$ 33,591</u>

Portage College

Notes to the Financial Statements

Year Ended June 30, 2021

(thousands of dollars)

17. Funds Held on Behalf of Others

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

	2021	2020
Faculty Association	\$ 100	\$ 100
Other funds held	172	217
Security deposits held	21	16
	<u>\$ 293</u>	<u>\$ 333</u>

18. Related Parties

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

Portage College

Notes to the Financial Statements

Year Ended June 30, 2021

(thousands of dollars)

19. Government Transfers

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

	2021	2020
Grants from Government of Alberta		
Advanced Education:		
Operating	\$ 21,762	\$ 23,192
Capital	-	1
Other	2,257	2,933
Total Advanced Education	<u>\$ 24,019</u>	<u>\$ 26,126</u>
Other Government of Alberta departments and agencies		
Culture, Multiculturalism, and Status of Women	-	84
Alberta Foundation for the Arts	-	29
Total other Government of Alberta departments and agencies	<u>-</u>	<u>113</u>
Total contributions received	<u>24,019</u>	26,239
Expended capital recognized as revenue	2,068	2,169
Transfers to deferred revenue	(522)	(984)
	<u>\$ 25,565</u>	<u>\$ 27,424</u>
Federal and other government grants		
Contributions received	617	481
Transfers to deferred revenue	\$ (119)	(45)
Revenue	<u>\$ 498</u>	<u>\$ 436</u>

Portage College

Notes to the Financial Statements

Year Ended June 30, 2021

(thousands of dollars)

20. Salary and Employee Benefits

	2021			2020	
	Base salary ⁽²⁾	Other cash benefits ⁽³⁾	Other non-cash benefits ⁽⁴⁾	Total	Total
Governance⁽¹⁾					
Chair of the Board of Governors	\$ -	\$ 6	\$ -	\$ 6	7
Members of the Board of Governors	-	10	-	10	18
Executive					
President and CEO	204	-	30	234	235
Vice-President Academic	162	28	27	217	192
Vice-President, Student & College Services	162	-	30	192	193
Vice-President, People, Planning & Public Relations	162	-	30	192	193
Manager, Finance	130	-	26	156	144

(1) The Chair and Members of the Board of Governors receive no remuneration for participation on the Board other than honoraria for participation in board meetings.

(2) Base salary include pensionable base pay.

(3) Other cash benefits include earnings such as flex cash, employee long service recognition, vacation payout, retirement allowance and administrative honorarium. No bonuses were paid out.

(4) Other non-cash benefits include the College's share of all employee benefits and contributions or payments made on behalf of employees including pension, group life insurance, health care, health spending account, short and long term disability plans, vision coverage, dental plan, accidental disability and dismemberment insurance and out of country medical insurance.

21. Budget Figures

Budgeted figures have been provided for comparison purposes and have been derived from the College's three year budget plan as approved by the Board of Governors.

22. Approval of Financial Statements

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

OUR VALUES



Collaboration



Inclusion



Success



Accountability

At Portage College, we are committed to promoting diversity, equity and inclusion in our workplace, classrooms, services and research.

Portage College works to maximize local learning opportunities that support economic growth and human development. We influence student success and bring opportunities to our region that would not otherwise exist in rural Alberta. We provide community-based outreach programs to many other communities in our region.

Portage College offers programming at multiple campus locations across northeast Alberta: Cold Lake, Frog Lake First Nation, Lac La Biche, Saddle Lake Cree Nation, St. Paul and Whitefish Lake First Nation #128.



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