

LEADERSHIP AND TRANSFORMATION

LETHBRIDGE COLLEGE
ANNUAL REPORT
2022-23



> LAND ACKNOWLEDGEMENT

LOCATED ON THE TRADITIONAL LANDS OF THE BLACKFOOT CONFEDERACY, LETHBRIDGE COLLEGE IS COMMITTED TO HONOURING THE LAND FROM A PLACE OF KNOWING. WE HONOUR THE SIKSIKAITSITAPI AS BOTH THE TRADITIONAL AND CURRENT LAND KEEPERS OF THIS AREA, AND WE WELCOME ALL FIRST NATIONS, MÉTIS, INUIT AND NON-INDIGENOUS PEOPLES WHO CALL BLACKFOOT TERRITORY THEIR HOME.



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> ACCOUNTABILITY STATEMENT

Lethbridge College's Annual Report for the year ended June 30, 2023, 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 Michael Marcotte, Nov. 30, 2023]

Mr. Michael Marcotte

Chair, Board of Governors, Lethbridge College



LETHBRIDGE COLLEGE BOARD OF GOVERNORS 2022-23

Michael Marcotte, Board Chair

Dr. Brad Donaldson, Lethbridge College President and CEO

Janene Moch, Vice Chair

Kristine Cassie, Vice Chair

Calvin Scott, public representative

Nolan Johnson, public representative

Joshua Day Chief, public representative

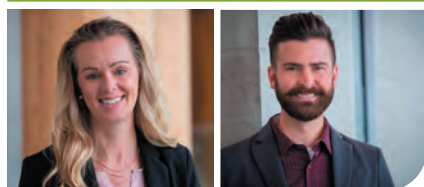
Perry Stein, public representative

Dr. Sheila French, faculty representative

Muneer Nazam, student representative

Sarah Harland, student representative

Emory Hache, non-academic representative



Amanda Paul, Board Administrative Support

Bryon Anderson, Board Governance Officer

> MANAGEMENT'S RESPONSIBILITY FOR REPORTING

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

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

The Auditor General of Alberta, the institution's external auditor appointed under the Post-Secondary Learning Act, performs an annual independent audit of the consolidated financial statements which are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS).

On behalf of management,
[Original signed by Brad Donaldson, Tracy Holt, Nov. 30, 2023]

Brad Donaldson, EdD
President and CEO

Tracy Holt, CPA, CGA, MBA
Chief Financial Officer

> PRESIDENT'S MESSAGE

It is my true pleasure to introduce this year's annual report, detailing the activities and accomplishments of the people and programs at Lethbridge College during the 2022-23 academic year – which also aligns with my first year as President and CEO of Lethbridge College.



When I think about this past year, the things that really strike me are the diversity of capability and interests across our institution, whether it be our employees, alumni or students. There's such a range of activities and interests that are being explored and developed, and to me, that characterizes the capability of the college. The college's brand language - "Be Ready" and "What Happens Next Matters Most" – truly helps guide our direction, show who we are and what we value, and how we work to achieve our goals. This annual report provides a thoughtful reflection of that work – and the steps we took to get there.

Some of the most memorable moments I've had of the college so far range from the formal activities we do, such as convocation, to the less formal, such as interacting with everybody in the hallways and meeting rooms. I have been surprised by a lot of the hidden gems in this organization, from the simulation labs to our applied research and so much more.

Lethbridge College is a reflection of Lethbridge as a whole. We have so much to be proud of and celebrate – our programs, our trades capabilities, our research and so many wonderful cultural pieces that exist in southern Alberta, particularly our Blackfoot connections. The work we do on truth and reconciliation is shaping our understanding of southern Alberta.

Connecting with our students helps me frame and shape what's going on – and that enthusiasm and desire to learn is perpetually encouraging.

The culture of working at Lethbridge College was quite evident to me very early in my time here. When I got here, I felt that I belonged. I was embraced. And I've seen evidence of that throughout that the people in this institution genuinely care. They care about the people they're serving, they care about their colleagues, they care about the reason that we're here. I have met with employees who have come to the college in the last year who expressed the same feeling of welcoming and belonging. I think that speaks to the character and nature of the people who make up this college.

We welcome all of the people who entrust us with their learning, and we'll do our best to make sure they have a great experience here.

In the pages of this report, you'll have the opportunity to celebrate our successes from this recent academic year. And you'll see the thought, care and design that has gone into preparing learners and shaping communities, and the best practices we have relied on as we worked towards these goals. Thank you for sharing in our story.

Brad Donaldson, EdD

President and CEO, Lethbridge College

BE READY.®



PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT

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

The purposes of the Act are to:

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

As per Section 32(1)(2)(3) of the Act, the following is a report from the Lethbridge College chief officer on all disclosures that have been made to the designated officer during the 2022-23 year:

1. The number of disclosures received, acted on and not acted on.
 - a. There was one disclosure received by the Public Interest Commissioner regarding Lethbridge College during the 2022-23 year. Following a review of the disclosure by the Office of the Public Interest Commissioner, it was determined that an investigation was not required as per section 19(1)(e) of the Act.
2. The number of investigations commenced.
 - a. There were no investigations commenced during the 2022-23 year.
3. A description of any wrongdoing found, and any recommendations made, or corrective measures taken regarding the wrongdoing or the reasons why no corrective measure was taken.
 - a. There were no investigations and therefore no wrongdoing.

[Original signed by Brad Donaldson, Nov. 30, 2022]

Chief Officer

Brad Donaldson, EdD

Lethbridge College President and CEO

> OUR STRATEGIC FRAMEWORK, VISION, MISSION, STRATEGIES, VALUES AND PRINCIPLES

STRATEGIC FRAMEWORK

Lethbridge College's goals, priority initiatives and expected outcomes are founded within the strategic framework that was approved by the Board of Governors in June 2013 with revisions approved in March 2020. The vision, mission and strategies for the college are grounded in the college's values, principles and strengths.

VISION

Leading and transforming education in Alberta.

MISSION

Lethbridge College inspires and facilitates learning and innovation to meet economic and social needs.

STRATEGIES

ACADEMIC TRANSFORMATION

We will collaboratively create innovative and creative learning experiences that meet the diverse and integrated needs of learners, the economy and society.

COLLABORATIVE PARTNERSHIPS

We will be model collaborators focused on achieving unprecedented levels of collaboration in education.

INNOVATION AND ENTREPRENEURSHIP

We will embrace the full spectrum of innovation as we cultivate entrepreneurial activities.

PEOPLE DEVELOPMENT

We will develop our people to realize their highest potential.

> VALUES AND PRINCIPLES

PEOPLE

We treat each other with trust and respect and support professional development for all employees.

LEARNER SUCCESS

We deliver current and relevant learning experiences and applied research opportunities, and we provide effective learner support services.

QUALITY

We strive for the highest standards of performance and innovation in all areas of the college, including programs, services, applied research and scholarly activity.

COLLABORATION

We work together within and between departments, and with community partners, business and industry, and other educational institutions to enhance student learning, mobility and employment.

SUSTAINABILITY

We cultivate a college environment that supports continuous development of social, economic, cultural and environmental sustainability.

ACCESSIBILITY

We create and maintain flexible learning pathways that enable learners to achieve their educational and career goals.

DIVERSITY

We provide a safe and inclusive learning and working environment for a diverse population of people.



> OPERATIONAL OVERVIEW

Throughout the 2022-23 academic year, Lethbridge College maintained its long-standing reputation as an integral pillar within the post-secondary educational fabric of our province. Proudly situated on Blackfoot territory, we remained committed to our vision of leading and transforming education in Alberta. We worked collaboratively to offer programs that are hands-on, engaging, immersive and designed to prepare students to enter Alberta's workforce.

Guided by the Government of Alberta's priorities and the college's internal strategic framework, we remained focused on education, applied research and community engagement. With more than 60 certificate, diploma, degree and apprenticeship programs, we continue to shape the way education is delivered in our region and province.

Lethbridge College has remained resilient and innovative to address the labour shortages caused in part by economic uncertainty, the decrease in skilled workers and global unrest. We remained diligent in ensuring we aligned our priorities with the provincial government so that we can continue to support and strengthen Alberta's post-secondary education system through collaboration with sustainable business and people practices.

As you will see below, we were guided by our strategic framework focused on our strategies: Academic Transformation; Collaborative Partnerships; Innovation and Entrepreneurship; and People Development. Our priorities within each strategy will be reflected throughout specific sections of the annual report. Within those sections you will find examples pertaining to demographic, social, economic and workforce trends and our institution's response to those changes.



STRATEGY ONE: ACADEMIC TRANSFORMATION

This strategy, which focuses on optimizing domestic and international enrolment, aligns with government priorities 1 and 2 by ensuring students are entering relevant programs that prepare them for fulfilling careers in industries that support the regional and provincial economies. It also supports government priority 3 by ensuring sustainable fiscal management through student tuitions. This annual report includes details about our priorities of Excellence in Teaching and Learning (page 22), Internationalization (page 24), Supporting Learners with Disabilities (page 25), and Academic Upgrading/Foundational Learning (page 27).



STRATEGY TWO: COLLABORATIVE PARTNERSHIPS

This strategy focuses on implementing our *Coming Together in a Holistic Way Niitsitapi Strategy*, as well as facilitating and developing the growth of LC Extension, including regional stewardship, and dual credit and youth initiatives.

Implementing our *Coming Together in a Holistic Way Niitsitapi Strategy* aligns with government priorities 1 and 2 by ensuring Indigenous students receive academic and



social supports that better prepare them to succeed in the classroom and as they enter their post-college careers (see pages 30). Facilitating and developing the growth of LC Extension, including regional stewardship, aligns with all four key government priorities. By providing customized corporate training opportunities and upskilling and reskilling training for teams or individuals, LC Extension fills a key role in being able to quickly adapt to the needs of industry.

LC Extension is a key part of the college's Regional Stewardship activities, providing customized training opportunities to businesses and community partners throughout southwestern Alberta and beyond that support local economies and learners in surrounding communities (see pages 32). Youth initiatives and dual credit strategies align with government priorities 2 and 4, by expanding the pool of students who come to learn at our institution and offering new programs that build off existing areas of strength. This area has expanded significantly in 2022-23 (see pages 31).

STRATEGY THREE: INNOVATION AND ENTREPRENEURSHIP

This priority, which focuses on growing our applied research activities, revenue and national ranking, aligns with government priorities 1 and 4, by working directly with industry to find real-world solutions that meet their needs, creating research opportunities for Lethbridge College students and employees, and creating new funding opportunities through fee-for-service applied research projects. CARIE has been the college's fastest growing area over the past few years. Key research areas include irrigation, post-harvest technology, aquaculture, greenhouse production, spatial technologies and public safety research. Read more about the work on this strategy area on pages 36.



STRATEGY FOUR: PEOPLE DEVELOPMENT

This priority, which focuses on implementing the *LC Cares: Stronger Together Health and Wellness Strategy*, and our Institutional Learning and Development Framework, align with government priorities 1 and 2 by ensuring students and employees receive holistic care during their time at Lethbridge College, which better prepares them to succeed in the classroom and workplace. The work to implement recommendations from the Support Services Operational Review align with government priorities 3 and 4 by promoting fiscal responsibility and looking to diversify revenue sources. Read more about this work on pages 40.



We are grateful to our employees, students and community partners who believe in our mission and vision, and our ability to make southwestern Alberta a great place to live, work and learn. We look forward to even more successes in 2023-24.

GOALS AND PERFORMANCE MEASURES

Amended and Restated 2022-2025 Investment Management Agreement

The parties originally entered into a 2022-2025 Investment Management Agreement on Oct. 7, 2022 (“Original IMA”).

The parties conducted the annual review contemplated in the Original IMA and the parties wish to update targets and add performance metrics of the Original IMA and have prepared this Amended and Restated Investment Management Agreement (“Amended and Restated IMA”) to reflect those amendments.

PURPOSE

This Amended and Restated IMA with the Board of Governors of Lethbridge College (“Institution”) describes the investment framework related to the Base Operating Grant (BOG). The purpose of the investment framework is to identify and incentivize measurable progress towards the vision and goals contained in *Alberta 2030: Building Skills for Jobs*.

This Amended and Restated IMA also contains the Institution’s Mandate as required under section 78 of the Post-Secondary Learning Act.

TERM

This Amended and Restated IMA is effective from the Effective Date to March 31, 2025 (“Term”).

CONDITIONS

The total at risk funding for this 2022-25 Amended and Restated IMA is as follows:

Total Three-Year At-Risk Funding

Fiscal year	Total percentage of BOG
2022-23	15% of the 2022-23 BOG
2023-24	25% of the 2023-24 BOG
2024-25	40% of the 2024-25 BOG

Listed in the section PERFORMANCE METRICS below are the weighting, targets and tolerance bands for all Funding Metrics. If an actual result for a specific funding metric does not meet the identified target, and is outside of the respective tolerance threshold, an adjustment will be applied to BOG funding. The calculated percentage reduction to the BOG that will be applied is subject to the final discretion of the Minister but will not exceed the percentages listed above.

The adjustment will be contingent on the following factors:

- The weighting applied to a funding metric; and
- The extent to which the actual result is outside the tolerance threshold.

The adjustment will be applied, as determined by the Minister, when all funding metric data for the respective fiscal year has been finalized.

The Transparency Metrics listed below do not have any at risk funding implications associated with them. Actual results for these metrics are for accountability purposes only.

All of the metrics data, and their associated weightings, targets and thresholds, in the section PERFORMANCE METRICS below is subject to an annual review by the Minister and the Institution. The Minister may remove or add PERFORMANCE METRICS during the annual review, and the Parties will amend this IMA to reflect amendments resulting from the annual review.

PERFORMANCE METRICS

Funding Metrics

Funding Metric 1: Work Integrated Learning (WIL) by School Year

Weighting: 6%	2020-21 Actual	2021-22 Actual	2022-23 Actual	Tolerance Threshold	2023-24 Target	2024-25 Target
Proportion of approved programs that offer WIL opportunities to students	91%	95.5%	97% Target 96%	5%	96% Threshold 5%	96% Threshold 5%

Funding Metric 2: Total Domestic Enrolment (excludes apprentices) by School Year

Weighting 2%	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	Tolerance Threshold	2023-24 Target	2024-25 Target
Total domestic Fulltime Learning Equivalents (FLE) Enrolled in approved programs as reported in LERS	3,919	3,947	3,697	3,672	3,453 Target 3,780 Drop of 6% Year over Year	378	3,800 Threshold 380/3%	3,800 Threshold 380/5%

Funding Metric 2 (a): Total Domestic Enrolment for Apprenticeship School Year

Weighting 2%	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	Tolerance Threshold	2023-24 Target	2024-25 Target
Total apprentice enrolment count as reported in the Apprenticeship, Trade and Occupation Management System	815	628	827	709	821 Target 913	91	TBD	TBD

Funding Metric 3: Graduate Outcomes by Survey Year*

Weighting 5%	2018 Actual	2020 Actual	2022 Actual	Tolerance Threshold	2024 Target	2025 Target
Proportion of recent graduates in employment two years after graduation whose current main job is very or somewhat related to the general skills and abilities acquired during their program	93%	95%	95% Target 91%	10%	TBD	TBD

**The Graduate Outcome Survey is completed every two years.*

Transparency Metrics

Transparency Metric 1: International Student Enrolment by School Year

	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Target	2024-25 Target
Total International FLE count as reported in LERS	416	418	735 Target 450	600	600

Transparency Metric 2: Indigenous Student Enrolment by School Year

	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Target	2024-25 Target
Total self-reported Indigenous FLE count as reported in LERS.	301	332	318 Target 301	330	330

Transparency Metric 3: Graduate Employment Rate by Survey Year

	2018 Actual	2020 Actual	2022 Actual	2024 Target	2026 Target
Proportion of graduates of credential programs who are in the labour force and employed, two years after graduation	94%	93%	94% Target 91%	TBD	TBD

**The Graduate Outcome Survey is completed every two years.*

MANDATE STATEMENT

This mandate statement has been developed by Lethbridge College in consultation with Alberta's Ministry of Advanced Education pursuant to Section 78 of the Post-secondary Learning Act (PSLA).

1. Type of Institution, Sector and Governance

Lethbridge College is a board-governed public post-secondary institution currently operating in Alberta as a Comprehensive Community College under the authority of the PSLA.

2. Outcomes

Lethbridge College is driven by our mission of inspiring and facilitating learning and innovation to meet economic and social needs.

Lethbridge College's outcomes are:

- Learners have access to relevant responsive learning experiences that prepare them for multiple careers and life-long learning
- Employers have access to a prepared workforce
- The economic, cultural and social prosperity of southern Alberta is enhanced

3. Clients/Students

Lethbridge College serves a diverse student population predominantly from Southern Alberta, with students also from other regions, provinces and countries. We serve adult learners in foundational learning, upgrading, university transfer, apprenticeship programs, certificates, diplomas, as well as applied degrees and CAQC-approved baccalaureate degrees. Furthermore, several of Lethbridge College's graduates from degree programs have moved on to master's programs across the country.

We are deeply committed to serving the Indigenous community, and to creating an inclusive, diverse and safe learning environment for all learners. Our *Coming Together in a Holistic Way: Lethbridge College Niitsitapi Strategy* guides our response to truth and reconciliation and our relationship and work with the Indigenous community.

4. Geographic Service Area and Type of Delivery

Lethbridge College plays a stewardship role for the roughly 178,000 adult learners within our geographic service region. Although our main campus is located in the City of Lethbridge, we provide educational opportunities for learners of all ages throughout southern Alberta. Regional work in Claresholm, Pincher Creek and Vulcan County have been developed in conjunction with community advisory councils, based on a learner support service model and collaboratively developed resources for program mix and delivery.

As a member of the Alberta Adult Learning System, Lethbridge College works with other post-secondary institutions, community organizations, school divisions, employers and other partners to enhance access to programs and services throughout the region. Through our commitment to a variety of educational delivery methods including face-to-face, online, hyflex and blended learning, we strive to address diverse learning styles and needs to increase access for students. In addition, we have designed a broad range of student support services to enhance learner success for both on- and off-campus learning.

5. Program Mandates and Credentials Offering

Lethbridge College offers certificate, diploma, applied degree and CAQC-approved baccalaureate degrees as well as journeyman certificates through Alberta Apprenticeship and Industry Training. Lethbridge College provides lifelong learning opportunities through LC Extension (formerly called the Collaborative Centre of Excellence in People Development). The focus of LC Extension is on reskilling and upskilling through a variety of course offerings and micro-credentials and corporate and industry training to support economic growth and development.

6. Special Program Areas/Areas of Specialization

Consistent with the previous academic year, programs and applied research opportunities at Lethbridge College are focused on the economic and labour market needs in the region and the province. Agriculture, particularly aquaponics and irrigation, represents a strength area as does Environmental Studies, Justice Studies, and Communication and Media Technologies. We offer programming in General Arts and Science, Business and Trades/Apprenticeship, all of which contribute to a strengthened and diversified economy.

7. System Collaboration and Partnerships

Lethbridge College works collaboratively with Alberta Industry Training (AIT) and industry partners to provide accessible, affordable and quality apprenticeship training opportunities within the region. As a member of the Alberta Adult Learning System, Lethbridge College works with other post-secondary institutions, community organizations, school divisions, employers and other partners to enhance access to programs and services throughout the region.

Lethbridge College has a memorandum of understanding with Red Crow College to help facilitate the delivery of specialized programming to Indigenous learners. The English Language Centre (ELC) at Lethbridge College has been providing high-quality English as a Second Language (ESL) instruction and essential skills training to new immigrants, Canadian citizens, corporate clients and international students. The programming is coordinated in collaboration with Lethbridge Family Services-Immigrant Services, Southern Alberta Language Assessment Services (SALAS), Lethbridge school divisions and Flexibility Learning Systems.

Lethbridge College works collaboratively with Lethbridge Public, Holy Spirit, Palliser, Westwind, Horizon and Livingstone Range school divisions, as well as Careers and Career Transitions through the Pathway Partnership of Southern Alberta to develop exploratory and dual credit opportunities for youth in southern Alberta. Together, these partners are collaborating to establish the Southern Alberta Collegiate Institute.

Lethbridge College has an MOU with Olds College that outlines a commitment to collaboration in Applied Research in Agriculture and is exploring further collaboration with academic programming.

8. Research and Scholarly Activities

Lethbridge College's Centre for Applied Research, Innovation and Entrepreneurship is a catalyst for economic growth and diversification, sustainability and social development. It brings together community organizations, researchers and students to collaborate to solve real-world challenges with immediate practical applications. Project outcomes often lead to innovative products and services that benefit our economy and society.

Lethbridge College's applied research serves many sectors yet has strength in emerging technologies and agriculture, including the areas of greenhouse, ag-tech, food processors and large-scale crop producers. To date, this record has included 135 industry partnerships resulting in 85 successful applied research projects and \$12.3 million in external funding, leading to many new and improved technologies.

We continue to enhance our applied research and have gained the reputation as one of Canada's top research colleges, ranking 16th in the annual Research Infosource ranking of Canada's Top 50 research colleges. It should be noted that this is our highest ever appearance in the rankings and our first time cracking the top 20. Another notable accomplishment is we are now ranked fifth in research income growth – the third straight year we have been recognized as one of the country's 10 fastest-growing research colleges.

9. System Mandate

The college promotes a holistic approach to health and wellness, which encompasses physical, spiritual, emotional and social wellbeing. Specific focus has been given to mental health initiatives as a key driver in student academic success. In 2021, Lethbridge College *launched LC Cares: Stronger Together*, a college-wide Health and Wellness Strategy. The strategy includes a five-year roadmap toward the goal of promoting an inclusive and healthy learning and work environment that nurtures the health and well-being of all students and employees.

Lethbridge College is committed to internationalization that provides growth and learning opportunities for students, faculty and staff, maintains a diverse campus community, encourages global awareness and contributes to the sustainability of the college.

10. Other

A key goal for Lethbridge College is to have an engaged workforce where employees feel passionate about their jobs and are committed to the college and its success in helping to prepare students from all walks of life to reach their potential.

LETHBRIDGE COLLEGE STRATEGIC PRIORITIES

Lethbridge College's goals, priority initiatives and expected outcomes are founded within the strategic framework that was approved by the Board of Governors in June 2013 and updated annually. The four long-term strategies of Academic Transformation, Collaborative Partnerships, People Development and Innovation and Entrepreneurship are fundamental to achieving our vision of leading and transforming education in Alberta and our mission of inspiring and facilitating learning and innovation to meet economic and social needs. Underpinning all that we do are our values – people, excellence and success – and the principles of quality, collaboration, sustainability, accessibility and diversity.

The college's focus in achieving the goals of delivering high-quality, accessible and affordable post-secondary education is grounded in our history of excellence in teaching and learning and our work to date.

On the following pages, you will find information on how Lethbridge College is working towards meeting both its internal strategic priorities and the Government of Alberta's performance measures.

STRATEGY 1

> ACADEMIC TRANSFORMATION

- EXCELLENCE IN TEACHING AND LEARNING..... 22
- INTERNATIONALIZATION..... 24
- SUPPORTING LEARNERS WITH DISABILITIES 25
- ACADEMIC UPGRADING/FOUNDATIONAL LEARNING..... 27



STRATEGY 1: Academic Transformation

We will collaboratively create innovative and creative learning experiences that meet the diverse needs of learners, the economy and society.

EXCELLENCE IN TEACHING AND LEARNING

Tying into one of our priority areas of optimizing domestic and international enrolment, Lethbridge College is committed to ensuring students enroll in programs that align with their skills and passions and provide promising career outcomes that lead to exciting job opportunities.

Our domestic student enrolment dropped by six per cent (excluding apprentices). However, international student headcount numbers increased substantially in 2022-23 to 735, up from 419 the previous year. Our graduate employment rate increased by one per cent which reflects our program strength and relevance in today's labour market.

Lethbridge College's enrolment by full load equivalent (FLE) for 2022-23 increased significantly with a jump of 2.95 per cent from 2021-22. Enrolment numbers overall this year increased by 6.11 per cent, which is an encouraging sign as we continue on a positive trajectory.

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	Percent Change for 2022-23
FLE	4,604	4,746	4,339	4,301	4,428	+2.95%
Headcount	6,947	6,808	6,394	6,436	6,829	+6.11%

New programming

Our Bachelor of Agriculture Science is a flexible program that ladders out of the current Agriculture Sciences diploma program. The program is the only one of its kind in southern Alberta and is comparable to Bachelor of Science degree programs offered at the University of Alberta and University of Saskatchewan. The new Bachelor of Agriculture Science program is recognized by the Alberta Institute of Agrologists, meaning students will earn a Professional Agrologist designation following graduation. The program also prepares students to pursue further MSc and PhD training.

Our Practical Nurse Refresher program is supporting Alberta's health-care system by increasing the number of Licensed Practical Nurses who are returning to work. A new requirement means Licensed Practical Nurses in Alberta must work 1,000 hours every four years to maintain their licence. Nurses who don't meet that requirement can now complete a refresher course through Lethbridge College, which will allow them to continue or return to work as a Licensed Practical Nurse.

The program has grown steadily due to its flexibility for learners to pursue higher education locally. By offering a comprehensive and targeted curriculum, the Practical Nurse Refresher program allows returning learners to refresh their knowledge, polish their skills, and familiarize themselves with the current best practices in nursing. This specialized training not only rebuilds their confidence but also equips them with the tools and expertise necessary to provide high-quality care in today's health-care environments.

Work Integrated Learning

Lethbridge College prides itself on preparing students to succeed once they enter the workforce by providing real-world, hands-on training experiences. In 2022-23, 64 out of 66 eligible programs (96.9 per cent) offered work integrated learning opportunities. We dropped from 67 to 66 eligible programs as one program was placed on suspension.

Student Satisfaction

The national and provincially driven surveys (CUSC and GOS) are only provided bi-annually. Current year's data is unavailable as 2022-23 is an off-cycle year. Our perceptions would be that our year-over-year results would be similar to the year prior in our region suggesting students enrolled at Lethbridge College are very satisfied with their education.

Graduate Outcomes

In 2022-23 we had 1,582 program completers vs. 1,452 in 2021-22. That is an overall increase of 8.9 per cent year over year.

Due to the CUSC providing bi-annual information, the current year's data is unavailable as 2022-23 is an off-cycle year.

Business Systems

Since we started issuing Lethbridge College transcripts via MyCreds (a national digital credential wallet for students), we've issued 4,257 transcripts. In July 2023, we also started using MyCreds to issue Confirmation of Enrolments (COE). Since then, we've issued 1,228 COEs.

INTERNATIONALIZATION

International Services is committed to focusing on student support to help all stakeholders in navigating the international student journey. In 2022-2023, we saw a growing, more diverse international student population at Lethbridge College.

With a focus on targeted international student recruitment, technology implementation and support improvements, International Services continues work towards improved risk management, increased student retention and more personalized services and supports for our international students.

International Initiatives 2022-23

Overall – International Services

- Technology implementation, with a focus on our customer relationship management system (CRM), for increased efficiency and improved communications to prospective, incoming and current international students
- Initiation of a services review and working group to find areas of improvement during the international student journey

International Student Recruitment

- Active engagement in virtual recruitment events, campaigns for targeted student markets and program areas to increase international student diversity
- Reviewing and updating recruitment agent processes to ensure quality of services with partner agencies and prompt, appropriate resolution of issues and concerns

International Student Support

- Roll out of the LC Humanitarian Program in Fall 2022 to provide financial assistance to international students on valid study permits whose ability to access financial supports have been negatively affected due to unexpected events in their home country
- Improvements and additional resources for pre-arrival and orientation
 - International Student Hub Canvas course – provides transition/settlement resources and information, including housing, banking, transportation and health services
 - Pre-arrival webinars and communications focused on timely dissemination of resources and information
 - Collaboration with Indigenous Services for education about Indigenous culture and history
- Collaboration with the Lethbridge College Students' Association (LCSA) and English Language Centre for social events to promote connection and community building among newcomers, domestic students and international students

SUPPORTING LEARNERS WITH DISABILITIES

Learning Services, a branch of the Centre for Teaching, Learning and Innovation, provides a range of services in support of students' academic success and retention. Teams from three interrelated departments (Accessibility Services, the Learning Café and Testing Services) work with diverse student populations and faculty at Lethbridge College. Accommodating the growing and diverse needs of learners have been identified as a key driver in student success and thus is a top priority at Lethbridge College.

Lethbridge College continues to experience growth in the number of students identifying disability-related challenges. During the 2022-23 academic year, Accessibility Services supported 581 registered students, an increase of 63 students compared to 518 in the 2021-22 academic year. Students reporting only one primary disability rose to 268 students from 257 students, while those reporting multiple disabilities rose significantly, increasing by 52 to a total of 313.

This speaks to the complexity of the students that Accessibility Services provides supports for: not only learning disabilities but also psychiatric disabilities. As per last year, Psychiatric and Attention Deficit Hyperactivity Disorder (ADHD) are the two most common identified types of disabilities. Learning disabilities were the most common additional disability.

We report a notable surge in student registrations within our office, aligning precisely with our projections. This substantial uptick is attributed to the classification of prolonged and persistent conditions. We have observed a rise in students awaiting documentation, 131, due, in part, to the prevailing shortage of medical professionals in southern Alberta. In collaboration with our dedicated intake nurses, we diligently assess the need for accommodations and potential external referrals to private psychologists.

The current academic year has witnessed an unprecedented volume of exams administered by Accessibility Services. A total of 3,265 exams were administered, of which 1,897 necessitated a distraction-free environment. To meet this demand, we maximized our limited six distraction-free exam rooms, even utilizing private office spaces. Intriguingly, we have observed an increase in requests for live readers and scribes over the past academic year. An exciting advancement has been the adoption of the Accommodate software by Simplicity, enhancing operational efficiency within our department.

Financial

In addition to financial support from Lethbridge College, Accessibility Services received \$258,180 in grant funding from Alberta Advanced Education to support students with disabilities. Student grants from Specialist Support Services also provided \$16,799.75 to offset costs associated with supporting this student population. This has been consistent with previous years of \$258,180 for the Advanced Education Grant.

Operations

Collaboration remains at the forefront of our endeavours. Over the past year, we have continued to engage with community disability agencies to orchestrate the International Day for People with Disabilities. Lethbridge College's steadfast commitment to this initiative spans six years and counting, fostering community cohesion and emphasizing diversity and inclusion in the Lethbridge community. Notably, some of our students have actively participated, further enriching this event.

With high student demand, our staffing budget exceeded projections. Concurrently, student expectations for academic aides, live readers and scribes have risen, contributing to higher support staff demands. To mitigate these expenses, we are researching assistive technology solutions with a more personalized touch to align with student preferences.

Projects

In order to enhance operational efficiency for students with disabilities, we implemented Accommodate software by Simplicity. The software allows us to modernize the request process from both students and employees who are seeking accommodations to access our programs and services. In addition, we created and implemented the "Getting Started with Accessibility" course in our learning management system, Canvas. The course is designed for both students and employees of Lethbridge College. The purpose of this complimentary course is to destigmatize disabilities through navigational strategies and create awareness campus wide.

ACADEMIC UPGRADING/FOUNDATIONAL LEARNING

At Lethbridge College, we understand a career path doesn't always progress in a straight line. So, we've created different pathways to help students achieve their life and career goals in ways that work for them. Our upgrading courses, which are accepted in lieu of high school courses at Alberta's post-secondary institutions, can help students change directions or choose a new path to professional success. Whether they need to complete high school equivalency courses or upgrade their marks, Academic Upgrading prepares them for where they want to go.

Highlights of the 2022-23 academic year from the team working with foundational learning and academic upgrading include:

- Continuing to offer a full slate of 009 (Grade 9) to 0030 (Grade 12) level courses that will allow learners to get prerequisite courses for post-secondary program entrance across all Alberta post-secondary institutions.
- As a follow up to the development of "Math for the Trades" courses that academic upgrading faculty developed to increase access for students to our Trades programs, we have incorporated features of those modules into existing math courses to improve success and retention.
- Academic upgrading has incorporated a new Lab Safety course into all science courses that have a lab component. These modules were developed for students and employees and will have an associated Badge that learners can carry forward and apply to future programs and the workplace.
- Courses offer a work integrated learning option and in the past year 25 students in Biology 0020 worked on a project in conjunction with the Helen Schuler Nature Centre and the City of Lethbridge.
- In collaboration with Testing Services and Academic Support Services, we improved placement testing and are utilizing the campus Early Alert system to improve success and retention for our learners.

STRATEGY 2

> COLLABORATIVE PARTNERSHIPS

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STRATEGY 2: Collaborative Partnerships

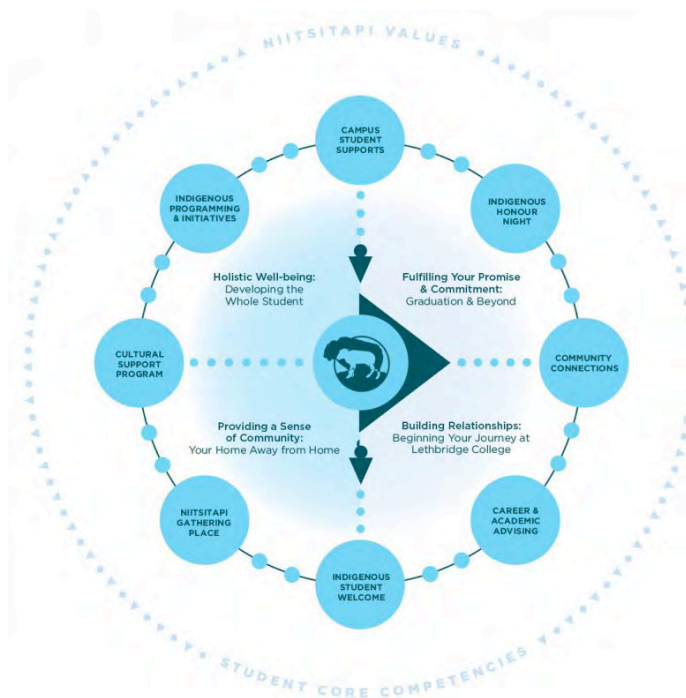
We will be model collaborators focused on achieving unprecedented levels of collaboration in education.

INDIGENOUS SERVICES REPORT

Lethbridge College is dedicated to fulfilling its responsibilities to all students, recognizing the importance of creating an inclusive and holistic educational environment. At the heart of our commitment to student support is our innovative approach through Indigenous Services, which integrates Indigenous perspectives into our student support model. This approach reflects our recognition of the rich cultural diversity within our student body.

One significant aspect of our approach is the Circle of Services, an educational tool that has been seamlessly woven into our Student Affairs service models. This tool helps us provide a well-rounded and culturally sensitive support system for all students. It exemplifies our commitment to acknowledging and respecting Indigenous ways of knowing and learning.

Our Indigenous Services operations remain guided by the Niitsitapi Strategy, reflecting our deep respect for Indigenous cultures and traditions. As we approach the three-year anniversary of this strategy, we will be conducting a thorough analysis to determine our institution's next steps. We are committed to ensuring that Indigenous students thrive in our educational community and contribute to the richness of our college's diverse tapestry.



2022-23 Highlights

- **Governance and Community**
 - We are proud to be the first college in Canada to support and sign on to the Buffalo Treaty to promote education and research within a cross-border effort to honour, recognize and revitalize the relationship between people and buffalo, a relationship that nurtures culture and spirit.
- **Indigenous Students**
 - We expanded to include Indigenous mental health experts on campus for Indigenous student wellness
- **Collective Environment**
 - Included Indigenous language and culture into our institution's convocation ceremonies
- **Research and Innovation**
 - Completed an Indigenous inclusion research project to analyze the effects of Indigenous inclusion in Equity, Diversity and Inclusion (EDI)
- **Curriculum and Pedagogy**
 - Expanded programming for students by developing Niitsitapipaitiysinni Cultural Series and the redevelopment of the Niitsitapi Proficiency micro-credential both designed to develop cultural competency through focused Indigenous cultural awareness training

YOUTH INITIATIVES

Lethbridge College has dedicated time and resources, expanding the scope of Youth Initiatives to include diverse offerings to K-12 students and their teachers through Dual Credit, Exploratory and Teacher Outreach programs. These programs have expanded significantly over the past two years.

- The roles of Associate Dean, Youth Initiatives, as well as Youth Initiatives Coordinator have been established to pursue ongoing sustainable development of all youth initiatives, including Dual Credit.
- Youth Initiative Partnerships grew significantly which include numerous school divisions, independent schools across Southern Alberta as well as community organizations such as Careers and Career Transitions.
- Several school division partnerships have resulted in two Alberta Education approvals for collegiate schools in collaboration with Lethbridge College – PEAKS Collegiate in Crowsnest Pass, and the Southern Alberta Collegiate Institute in Lethbridge, with opening scheduled for 2024/25.
- Dual Credit course registrations have grown from 77 in 2021/22 to 236 in 2022/23 and are on track for further growth in 2023/24.
- Lethbridge College now offers 44 approved Dual Credit course offerings, representing all academic centres in the fields of agriculture, digital communications and media, general arts and science, environmental science, trades, justice, health care and more.

- Dual Credit courses are largely structured for online asynchronous delivery, providing equitable access to rural partners and to address scheduling discrepancies. Some courses also include on-campus, experiential components on a flexible schedule.
- Summer camp registrations returned to pre-pandemic levels at 696 participants in 2023.
- 80 STEM activity kits aligning K-12 math and science concepts to the trades have been distributed to eight communities across Westwind School Division, with additional kits in production for wider distribution in spring 2024.
- Exploratory activities for students and teachers saw more than 400 youth and 115 teachers on campus for experiential exploratory activities through 2022/23.

REGIONAL STEWARDSHIP

Lethbridge College plays a significant stewardship role for adult learning and other age demographics within our southern Alberta geographic service region. The college works with other post-secondary institutions, community organizations, school divisions, employers and other partners to enhance access to programs and services throughout the region. We support Claresholm, Pincher Creek and Vulcan County through both testing services and recruitment efforts. We are active partners on the Work Integrated Learning (WIL) Practitioners Committee, Co-operative Education and Work-Integrated Learning (CEWIL), Canada EDI Committee and the Project Advisory Committee for the Apprenticeship Learning Model Project.

Regional Stewardship is a major contributor to the creation of work integrated learning (WIL) at Lethbridge College, which aims to provide college students hands-on experiences where they can put their classroom theory into practice, build a professional network and hone professional skills. We have collaborated to increase opportunities with combined enrolments of approximately 200 students. We have made a concerted effort to prioritize recruitment in the southwestern Alberta region to ensure high school students are aware of the educational opportunities at Lethbridge College.

Regional Stewardship Highlights 2022-23

- The launch of our new website.
- Built collaborative partnership and strategies with our Testing Services to increase the opportunities for students to take tests in the region and have flexible time offerings (evenings/weekends).
- Inter-agency meetings in Vulcan, Pincher Creek and Claresholm. No other PSI has received same invites.
- Community Adult Learning Partners (CALPs) - Rebuilding relationships with southern Alberta CALPs and looking at building stronger pathways for foundational learners. Have been invited to monthly regional CALP meetings starting in the fall.

Developed key relationships with Willow Creek Adult Learning and Immigrant Services and Select Recruiting to create networks for recruitment to the English Language Centre, including Settlement, Integration and Language Projects (SILP) and WIL placements respectively.

Lakeshore Campus

Lethbridge College's Lakeshore Campus provides learning opportunities to the offenders at the Lethbridge Correctional Centre and Medicine Hat Remand Centre. The purpose of such programming seeks to promote offender rehabilitation by increasing educational skills levels in provincial correctional centres. This successful partnership provides face-to-face instructional opportunities in foundational learning, academic upgrading, personal development, and trades programming to sentenced offenders at Lethbridge Correctional Centre. Self-study opportunities are provided to remanded offenders at both Lethbridge Correctional Centre and Medicine Hat Remand Centre in a variety of personal development courses.

The 2022-2023 academic year saw programming returning fully to pre-pandemic procedures, allowing offenders to attend a variety of courses throughout the year. Using a successful self-study model during the pandemic, has shown the campus can offer different modalities for instruction. As such, the campus continues to use both face-to-face and self-study instruction to provide as many learning opportunities as possible to offenders.

One highlight of this year was the introduction of a non-credit home renovation course that provided opportunities for learners to develop skills in framing, drywalling, roofing, tiling, fixture installation and basic electrical, with hope of entering non-ticketed trades in the future or utilizing these same skills in their own homes.

In July 2022, Lakeshore Campus continued to expand the self-study courses offered at the Medicine Hat Remand Centre. This allowed for a greater variety and frequency of courses available to these individuals to help them upon their release. Collaboration with Remand Centre staff has made this partnership continue to be successful.

STRATEGY 3

> INNOVATION AND ENTREPRENEURSHIP

- CENTRE FOR APPLIED RESEARCH,
INNOVATION AND ENTREPRENEURSHIP 36



STRATEGY 3: Innovation and Entrepreneurship

We will embrace the full spectrum of innovation as we cultivate entrepreneurial activities.

CENTRE FOR APPLIED RESEARCH, INNOVATION AND ENTREPRENEURSHIP

Fundamental to the college's vision of leading and transforming education in Alberta, the Centre for Applied Research, Innovation and Entrepreneurship (CARIE) is a catalyst for economic growth, sustainability and social development in the region.

Our integrated approach brings together industry, community organizations, researchers, employees and students to collaborate on projects that use new or existing knowledge to solve real-world challenges with immediate practical applications. Project outcomes often lead to innovative products and services that benefit our local economy and society.

Our strategy for the sustainable growth and development of applied research at Lethbridge College is presented in our Applied Research Strategic Plan 2021-25, which contains four strategic objectives:

1. Contribute to the economic and social development in southern Alberta by increasing the competitiveness of local small- and medium-sized enterprises (SMEs) and connecting them with our research expertise and technical services.
2. Promote and disseminate applied research that supports our region, and as such, positions the college as an economic driver in southern Alberta.
3. Support academic programs at Lethbridge College by providing applied research opportunities for students and employees aligned with the vision to lead and transform education in Alberta.
4. Create an inclusive culture in applied research that embodies the principles of Equity, Diversity and Inclusion (EDI) and integrates with the United Nations Sustainable Development Goals (SDGs), the Lethbridge College *Niitsitapi* Strategy and the institutional Health and Wellness Strategy, *LC Cares: Stronger Together*.

Through these strategic objectives, we are well positioned to achieve our two forward-looking strategic goals of securing \$10 million annually in external funding and positioning ourselves in the top 10 of Canadian research colleges by 2025.

CARIE 2022-23 by the numbers

- Total research income: \$10,167,304
- Number of research partnerships: 83
- Number of paid student researchers: 87
- Number of Post-Doctoral Fellows: 9

	2017-18	2022-23
External research funding	\$1.5 million	\$10 million
Total research staff	8	73
Paid student researchers	6	87

CARIE 2022-23 highlights

- July 2022: Received \$1 million from the Social Sciences and Humanities Research Council (SSHRC) through the Natural Sciences and Engineering Research Council (NSERC) Mobilize program to establish the Centre for Public Safety Applied Research (CPSAR). CPSAR mobilizes partnerships with Canadian public safety agencies, community organizations, and youth programs through collaboration and innovation to promote evidence-based policies and practices.
- September 2022: Six internal research projects awarded to seven different researchers, including four projects through the Centre for Applied Research Internal Fund (CARIF) and two projects through SSHRC Institutional Grants.
- November 2022: Received \$1 million from the Canada Foundation for Innovation (CFI) to support infrastructure needs at the Mueller Irrigation Group's Smart Irrigation Farm located at the Lethbridge College Research Farm.
- January 2023: Launch of Kakyosin ("coming to know" in Blackfoot), which is an Indigenous-led and Indigenous-informed Research Committee tasked with developing research protocols based on Indigenous methodologies.
- February 2023: Students from the AgENT program participated in a multi-college pitch competition for student-entrepreneurs. AgENT teamed up with Bow Valley College, Olds College, and the local Rotary Clubs from each area to host the Rotary Den Pitch Competition.
- February and March 2023: Hosted six unique industry networking events that showcased Lethbridge College researchers and facilities along with the larger Regional Innovation Network of Southern Alberta (RINSA)
- March 2023: Received \$709,202 from the Alberta Innovates Ecosystem Development Program (EDP) to position the Spatial Technologies Applied Research and Training (START) Centre as a pan-Alberta XR technology innovation hub.
- March 2023: Received more than \$2 million from PrairiesCan for equipment to support the completion of state-of-the-art laboratories in the Agriculture Research Innovation Facility.
- March 2023: Received \$582,391 from PrairiesCan for state-of-the-art equipment in the START Centre
- March 2023: Received \$353,589 from Results Driven Agriculture Research (RDAR) to support a three-year greenhouse lighting project in the Centre for Sustainable Food Production (CSFP). This project is in addition to six other, ongoing RDAR projects at Lethbridge College.
- June 2023: Joined the Pan-Canadian Smart Farm Network – a collective network of Smart Farms supporting Canada's agriculture sector to enhance efficiency, sustainability, and resilience in response to emerging opportunities and challenges.
- June 2022: The START Centre hosted the Metaverse Experience as part of the Alberta Innovates' Inventures Conference. More than 600 people interacted with the START team and its specialized equipment

STRATEGY 4

> PEOPLE DEVELOPMENT

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STRATEGY 4: People Development

We will develop our people to realize their highest potential.

OUR INSTITUTIONAL LEARNING AND DEVELOPMENT FRAMEWORK

Lethbridge College's success and sustainability hinge on our people realizing their highest potential. When we add our employees' drive and determination to any challenge or initiative, anything is possible. Our employees, their expertise and their deep connection to students and community and industry partners help position us for progress and adaptation to changing economic and social needs.

To support a learning culture across the institution and to encourage all employees to engage in and explore meaningful professional development at all stages of their careers, the Human Resources team developed this comprehensive Institutional Learning and Development Framework.

The framework reflects the results of a strategic planning session facilitated by McLean & Company, our human resource research partner, in June 2020 and responds to data from several employee surveys, including the Employee Experience Monitor, previous Employee Engagement Surveys, as well as new hire surveys and exit survey data from departing employees.

The result is a framework focused on our employees' needs designed to create a consistent, quality experience at Lethbridge College, as well as provide access and opportunity for employees to pursue development opportunities and create connection with colleagues.

The Plan

The plan brings together work on five fronts:

1. Building *manager capability* so all managers have the skills and tools to support employees to achieve goals, perform at a high level and develop. This acknowledges the vital role the Management Leadership Team plays in the culture of our institution.
2. Creating and implementing a robust *onboarding* process to support new employees throughout their first year. Strong starts lead to bright futures.
3. Integration of *employee core competencies* for all employees, as a path-forward tool to help guide individuals' professional and personal development at all stages of career and life. The core competencies can be individually empowering and help contribute to institutional culture.
4. Encouraging *social pathways* so employees can grow what they know together. Social pathways may include mentorships, communities of practice, such as book studies, job shadows or can be as simple as one person sharing what they've recently learned during a hallway conversation. Together we grow what we know.
5. Maximizing the use of existing *systems and data* at Lethbridge College and implementing new systems as needed to support people development. Effective use of systems will support all other aspects of this plan.

The Goal

The goal of the Institutional Learning and Development Plan is simple and singular in its focus, but far-reaching in how it will touch the lives of employees at different stages of their career at Lethbridge College:

To create a consistent, high quality employee experience that enables all employees to grow and share expertise in a flexible learning community.

To do so, we must:

- Nurture a culture of innovation and a growth mindset;
- Create ways for employees to assess, grow and celebrate talents and skills;
- And equip managers and employees to create and act on development plans that inspire, motivate and empower employees across the institution.

2022-23 Highlights

Lethbridge College, led by its Human Resources (HR) team, has been committed to learning and development opportunities for employees, through its Institutional Learning and Development Framework. Highlights from 2022-23 include:

Learning and Development Framework

- Creation of three pillars for the learning and development framework - Leadership, inclusion and wellness, and employee experience
- Creation of a new mentorship program – launched September 2023
- Creation of an internal Coaching Program and Conflict Advisor Program

Equity, Diversity and Inclusion

- Offered recruitment bias training for managers to enhance manager capability
- Equity, diversity and inclusion basics for employees and follow up focus groups

Psychological Health and Safety

- Participated in the Guarding Minds at Work survey and conducted employee focus groups (institutional assessment of psychological safety in the workplace) to gather additional information that will be utilized to develop an action plan for needed changes.

Health and Wellness strategy contribution

- Gender Based Sexual Violence (GBSV) policy update
- Lifeworks webinar series launched with a focus on Health and Wellness for employees

Miscellaneous

- Benefit plan enhancements (direct bill drug card, increased psychology coverage, etc.) were made based upon the results of an internal survey conducted with employees.

HEALTH AND WELLNESS

We remain committed to supporting and developing health and wellness initiatives to support employees and learners to achieve excellence. The aim is to:

- Promote an inclusive learning and work environment that nurtures the health and well-being of all students and employees and,
- Create an inclusive healthy learning environment that nurtures the physical, emotional, and mental well-being of all employees and students, including LGBTQ2+ resulting in greater professional and academic success.

Wellness Services follows an integrated model of care for students at Lethbridge College. Students receive safe, non-judgmental, and confidential care and have access to a multi-disciplinary team of practitioners. Our primary goal is to provide safety, comfort, and care for our student population, recognizing the impact a student's well-being has on their ability to find success in the post-secondary environment.

2022-23 highlights

Wellness Services Highlights

- Gender-Based Violence support, policy development and education
- Training students and employees in destigmatizing mental health, suicide prevention and sexual violence prevention which includes initiatives to better connect students to addictions support and recovery
- Food security including coordinating mobile food banks
- Reducing barriers for international students, Indigenous students and student-athletes
- Transition support for high school students moving to Lethbridge College

Events

- 13 Wellness Wednesday Breakfasts with Lethbridge College Students' Association – 2,600 students attended.
- Stress Less Day – November 2022 – 400 students attended the different activities
- Stress Less Day – March 2023 – approximately 600 students attended the different activities
- Pop up drink carts for wellness and recovery: 1,500 students

Training and events

Coordinated training in QPR (Question, Persuade, Refer), Mental Health First Aid, First Responder to Sexual Assault and Abuse, Naloxone Training, Responding to Disclosures of Domestic Violence in the Workplace by Domestic Violence Action Team. Training and Attendance Sept 2022- May 2023:

Training	Courses Delivered	Participants
Questions Persuade Refer	8	101
Naloxone	5	78
MHFA	3	29
Sprout Growing	1	23
Shop Smart	1	22
Wellness Ask Me Anything	1	18
Pop Up Yoga	3	14
Managing Difficult Emotions	1	8
Self-Care Workshop	2	5
Balancing and Regulating Emotions	1	4
Radical Acceptance	1	3
Self-Care and Stress Workshop	1	2

On-campus health and wellness resources

Lethbridge College continues to offer a full-slate of on-campus services for students and employees through its Wellness Centre.

Type of Service	Number 2021-22	Number 2022-23
Total Appointments	4,384	5,732
Counselling intake Appointments	0	273
Counselling appointments	262	918
Physician Appointments	686	374
Nurse Practitioner Appointments	149	273
Psychiatrist Appointments	151	92
Nurse Appointments attended	753	847
Student Support Appointments	811	758
Immunization Appointments	971	744
Walk In Appointments	370	886
Total Flu Vaccine Doses Given	285	567

2022-23

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FINANCIAL HIGHLIGHTS 2022-23

The financial highlights should be read with the audited financial statements and related notes for the year ended June 30, 2023. The financial highlights and financial statements are reviewed and approved by the college's Board of Governors. The college's financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS).

The financial statement highlights provide an overview of the college's:

- Summary of Financial Results
- Revenues and Expenses
- Net Financial Assets and Net Assets
- Capital Acquisitions
- Areas of Significant Financial Risk

Lethbridge College has an established strategic framework that includes its mission, values, principles and four strategies. The college's "Leading and transforming education in Alberta" strategic vision continued to guide our work through the 2023 year. Our priority focus for 2023 included Collaborative Centre of Excellence in People Development; New Programming; Applied Research; and Health and Wellness initiatives for students and employees.

SUMMARY OF FINANCIAL RESULTS

The college ended the 2023 fiscal year with an annual surplus of \$367,000 (2022 - restated to \$413,000) . As noted in Note 3 of the Financial Statements - the college adopted and implemented a new accounting standard, PSAS 3280 Asset Retirement Obligation (ARO) and restated the prior year's information for comparative purposes. Included in this amount are endowment contributions received and related capitalized investment income of \$138,000 (2022 - \$219,000) . The annual operating surplus was \$229,000 (2022 - restated to \$194,000) .

Reduced enrolment in credit programs for domestic students was more than offset by significantly higher international enrolment. As a result, the college was able to accelerate essential repairs in residential facilities and various other campus areas. Asset Retirement Obligations (ARO) have had and will continue to exert a significant influence on our annual financial statements. In the 2023 fiscal year, the college reported an accretion expense of \$303,000 (2022 - restated to \$218,000) . This is also related to PSAS 3280 Asset Retirement Obligation (ARO). Accretion expense reflects the increase in the liability's present value due to the fact that the asset is one year closer to retirement – it has no impact on the asset itself, only the liability and related expense.

REVENUES

Revenues by Source

The following table shows the composition of the college's revenues in \$000s for the 2023 fiscal year, with comparative information for 2022 and budget 2023:

REVENUES BY SOURCE	Budget 2023 \$000s	Actual 2023 \$000s	Actual 2022 (restated) \$000s
Government of Alberta grants	47,757	49,245	49,848
Federal and other government grants	1,904	3,885	2,564
Sales of services and products	8,488	8,505	7,885
Contract programs	2,301	2,126	1,564
Student tuition and fees	28,229	29,797	25,093
Donations and other grants	1,833	2,346	1,777
Investment income	1,382	2,457	2,613
Total Revenue	91,894	98,361	91,344

GOVERNMENT OF ALBERTA GRANTS

Grants from the Government of Alberta represent the college's largest source of revenue. Reported provincial grant revenue of \$49.2 million was \$600,000 less than the previous year and \$1.5 million greater than budget. The decrease from the prior year was a result of a reduction in the Campus Alberta operating grant. The increase compared to budget is a result of targeted enrolment expansion grants received during the year, these revenues are offset with matching expenses.

FEDERAL AND OTHER GOVERNMENT GRANTS

Revenues in this area are a result of increased government-supported research activities. The revenue is in the form of grants which support expenses in various categories. The grants exceeded the prior year by \$1.3 million and nearly \$2.0 million over budget.

SALES OF SERVICES AND PRODUCTS

Sales of services and products revenues are mainly generated by ancillary services which include student residence, bookstore, parking and food services. The prior year's revenue was decreased due to the ongoing effects of COVID-19 health restrictions. Returning to full-time operations and full capacity accounted for the increase in 2023, which is still below pre-pandemic levels by about \$500,000. Applied research byproduct sales were \$265,000, also contributing to the increase in revenue.

STUDENT TUITION AND FEES

Tuition and fees include both credit and non-credit instruction fees, program differential fees, mandatory non-instructional fees, and international student fees. Student tuition and fees were \$4.7 million higher than 2022 and \$1.5 million more than budget 2022. Increases in tuition rates and international students accounted for the bulk of the increase in revenue, however, credit tuition enrolments were below estimated targets for domestic enrolment.

DONATIONS AND OTHER GRANTS

In 2022-23, there was an increase in grants and donations received to further support the development of Applied Research projects. As an institution, donations and grants support many college activities and initiatives.

INVESTMENT INCOME

Investment income supports many operational activities within the college. The college continues to adopt a conservative approach when budgeting for interest-earning investments. Nevertheless, the favourable interest rates observed during the 2022-23 fiscal year have played a significant role in contributing to the year-end surplus.

EXPENSES

Expenses by Function

The following table shows the composition of the college's total expenses:

EXPENSE BY FUNCTION	Budget 2023 \$000s	Actual 2023 \$000s	Actual 2022 (restated) \$000s
Instruction	35,532	35,683	34,264
Academic and student support	18,007	19,092	17,412
Institutional support	14,779	15,348	13,896
Sponsored research	2,599	6,400	4,665
Facility operations and maintenance	14,640	14,647	14,506
Ancillary operations	6,337	6,962	6,407
Total Expenses	91,894	98,132	91,150

INSTRUCTION

Instruction expenses represent approximately 36 per cent of the total cost of the organization and is comprised of compensation and instructional materials related to programming and training within the college whether for credit or non-credit and non-sponsored research. Expenses are higher than the prior year by \$1.4 million and greater than budget by only \$151,000. The increase is attributed to additional sections needed to support increased international enrolment as well as further coverage required for medical leaves.

ACADEMIC AND STUDENT SUPPORT

Expenses in this category directly support the academic functions and students at the college. They include centralized functions such as the learning commons, student services administration, student recruitment, records and admissions, counselling and career services, financial awards, and student awards.

The 2023 expenses were higher than the prior year by almost \$1.7 million and greater than the budgeted expense by \$1.0 million, largely due to an increase in support positions as well as program development activities that the college received additional funding for.

SPONSORED RESEARCH

Research is a focus of the college, so this area has again increased over the past year. Expenses are funded by restricted grants, fee for services and internal funds. The college had several large research projects under way in 2023 and as a result, expenses were \$1.7 million more than the prior year as well as \$3.8 million greater than budget. These expenses are mainly offset with grants and fee for service revenues.

FACILITIES OPERATIONS AND MAINTENANCE

This area includes expenses relating to utilities, facilities administration, building maintenance, custodial services and groundskeeping, and general repairs and renovations. In 2023 actual expenses were on par with the prior year as well as with the budget.

ANCILLARY SERVICES

Ancillary services include expenditures relating to student residences, bookstore, parking and food services. This area had an increase in expenses from the prior year correlating to increased revenue due to the return to full-time operation and full capacity. Actual expenses are above the prior year by \$500,000 and greater than budget by \$600,000.

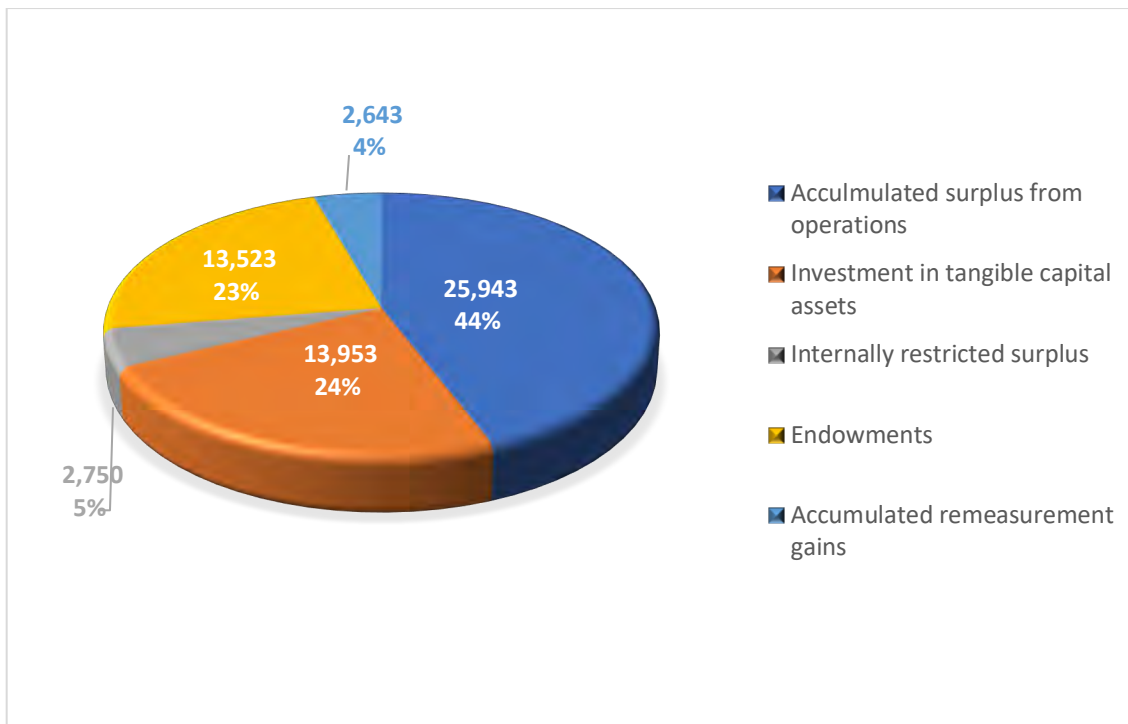
STATEMENT OF FINANCIAL POSITION

NET FINANCIAL ASSETS

Net financial assets identify the availability of financial resources of the organization to fund future operations after consideration of liabilities. The college is reporting a net financial asset position as of June 30, 2023, of \$31.6 million (2022 - restated to \$29.9 million), an increase of \$1.7 million. Net financial assets include portfolio investments-restricted for endowments of \$15.6 million, which must be held in perpetuity and are not available to pay for liabilities, future operations or capital purchases. Net financial assets excluding portfolio investments-restricted for endowments is \$16.0 million, an increase of \$1.4 million over the previous year.

NET ASSETS

The college's net assets increased by \$833,000 from the previous year. The increase consists mainly of the annual surplus \$229,000 and an increase in the accumulated remeasurement gains on portfolio investments – non-endowment of \$466,000. Endowments of \$13.5 million, \$138,000 greater than last year, are included in net assets and represent contributions from donors and the capital investment income earned that must be held in perpetuity. The allowable spending of investment income supports various initiatives in academic programming, scholarships, bursaries and research. Investment in tangible capital assets of \$13.9 million, which has been reduced by the college's asset retirement obligations, is also included in net assets and which represents the net book value of capital assets funded from internal funds. Net assets are comprised of the following:



AREAS OF SIGNIFICANT FINANCIAL RISK

The college operates in a dynamic and changing environment, subject to a variety of risks that are managed through its integrated enterprise risk management framework. Some areas of significant financial risk are:

BUDGETARY PRESSURES

The Operating and Program Support Grant is the primary source of funding for the college. Previous funding reductions to the college's operating grant has created substantial and ongoing budgetary pressures. The provincial operating grant was not reduced in 2023-24 but remained at the 2022-23 level. The college is subject to inflationary increases and the requirements of collective agreements, in addition to limited legislative mandated increases to tuition, which compound the budgetary pressures. The college persistently pursues cost efficiencies and alternative streams of revenue; however, budgetary pressures will continue to present a significant risk in the execution of the college's budget.

DEFERRED MAINTENANCE

Lethbridge College currently has an estimated replacement value of \$394 million in building assets and \$82 million in deferred maintenance. For 2023, the government provided funding from the capital, maintenance and renewal (CMR) funding program to address deferred maintenance for campus academic facilities. The college will continue to assess, replace and upgrade the facilities.

TECHNOLOGY INFRASTRUCTURE

As the demands for information technology to support students and employees increase, the cost of and risks associated with these demands rise as information technology infrastructure needs to be expanded and replaced. Technology solutions require personnel, infrastructure, licensing and maintenance costs. The prevalence of attempted cybersecurity breaches of college systems continues to represent a significant risk that requires effective mitigation.

FORWARD LOOKING

Despite ongoing supply chain challenges and inflationary pressures, Lethbridge College remains committed to navigating these obstacles and forging a resilient path forward in 2023-24. By strategically addressing these disruptions, we can be poised for growth and sustained success.

Furthermore, it's important to note that the college is experiencing significant growth with international enrolment. In response, we have initiated a proactive strategy centered on recruitment, admissions, student support and infrastructure enhancement. This comprehensive approach aims to not only accommodate the increasing demand for international education but also enhance the overall experience for our international students.

As we embrace these challenges and opportunities, we are confident our institution will continue to thrive and provide an exceptional experience for all our students.

CAPITAL REPORT

CMR (Capital Maintenance and Renewal) funding

The Government of Alberta provided higher-than-normal CMR funding this year, which was very welcome. CMR typically gets used for funding several projects where deferred maintenance was becoming significant. The funding supports upgrades and maintenance to infrastructure (heating, cooling, utilities) and building envelope initiatives (roofs, cladding, windows, water penetration). Several life safety systems such as fire alarms are also funded out of CMR, making the Lethbridge College campus a safe and welcoming environment.

CFI (Canadian Foundation for Innovation) funding

- The Advanced Post-Harvest Technology Centre (APHTC) Canada Foundation for Innovation (CFI) project became operational. This centre does various agriculture research including grain storage management and in-ground irrigation in the field.
- A new virtual reality research lab for spatial technologies, Spatial Technologies, Applied Research and Training Centre (START), became operational in June 2023. This CFI project also received PrairiesCan funding in March 2023 to buy specialized equipment and hire personnel.
- A CFI application for a new Public Safety applied research program was submitted in June 2023, and Lethbridge College is waiting for a decision, expected at the end of November 2023. If approved, this will then go to the Alberta Government Research Capacity Program (RCP) adjudication committee for approval of matching funds.
- Five agricultural research labs and one additional lab in the Agriculture Research and Innovation building are currently under construction, for a total funding of \$1.3 million funded through PrairiesCan in March 2023.
- A \$1-million grant was received for the Mueller Irrigation Group (Smart Irrigation Farm). This grant will be used for purchasing of equipment on the test farm. This also received a matching grant from the Research Capacity Program (RCP) fund.

Project progress

The Physical Education Building boiler replacement project was started last year and is nearing completion. The project replaced the end-of-life boilers, variable air volume (VAV) boxes and controls throughout the building. Construction started in April 2023, and completion is expected in the first half of October 2023.

Lethbridge College is in the conceptual stages of design for the AN1600/AN1800 Andrews Building renewal. The remaining AN1800 wing area is the oldest untouched part of our main campus. It's the remaining portion that was not updated when the Trades, Technologies and Innovation Facility project was completed. This project could be completed in smaller capital projects or one large capital project. The bleacher replacement project in the college's Val Matteotti Gymnasium has been completed due to end-of-life of the previous system. Audio-visual upgrades have been done at the same time. Safety handrails and egress has also been improved as part of this project. The project total came to \$800,000. The automotive tool room ventilation upgrade was completed. The ventilation was deemed insufficient due to air quality concerns such as fumes and particulates. This project was completed within the planned budget of \$350,000.

Priority projects

As per the Ministry of Advanced Education, priority projects are those that must proceed in the next three to five years to address critical infrastructure and capacity needs and exceed \$2.5 million or 50 per cent of the institution's Infrastructure Maintenance Program grant, whichever is greater.

Type	Project Description	Total Project Cost	Funding Sources	Funding Received to Date and Source	Revised Funding Sources
Maintenance	Wellness Centre Renovation & Expansion	\$1.1 million	CMR and donor	\$0	N/A
Maintenance	Accessibility Services Relocation	\$800,000	CMR and donor	\$0	N/A
Maintenance	Andrews 1600/1800 building renewal project for expansion and modernization of Culinary, Criminal Justice and other programs	\$18.2 million	Capital grant	\$0	N/A

Other projects

Type	Project Description	Total Project Cost	Funding Sources	Funding Received to Date and Source	Revised Funding Sources
Proposed	Testing Services: Merge Testing Services main office with the Testing Services Satellite Lab	\$900,000	CMR	\$0	N/A
Proposed	Registrar's Office/Student Advising Renovation	\$1.3 million	CMR	\$0	N/A
Proposed	Centre Core Revitalization & Modernization	\$1.8 million	CMR	\$0	N/A
Proposed	Simulation Space – public safety immersive simulation lab	\$2.5 million	Donor or external grant	\$0	N/A

Project timelines and status

Project Description	Project Timelines	Expected Project Start	Expected Project Completion	Project Status	Progress Made in Last 12 Months
Wellness Centre Renovation & Expansion	Estimated April 2024 – December 2024	Estimated April 2024	Estimated December 2024	Detailed design	Went from concept to detailed design
Accessibility Services Relocation	Estimated April 2024 – December 2024	Estimated April 2024	Estimated December 2024	In Concept	Planning discussions
AN1600/1800 Wing Renewal	Estimated May 2024 - June 2026	Estimated May 2024	Estimated June 2026	In concept	Planning discussions
Testing Services: Merge Testing Services main office with the Testing Services Satellite Lab	Estimated April 2025 – December 2025	Estimated April 2025	Estimated December 2025	In concept	Planning discussions
Registrar's Office/Student Advising Renovation	Estimated April 2025 – October 2025	Estimated April 2025	Estimated October 2025	In concept	Planning discussions
Centre Core Revitalization & Modernization	Estimated April 2026 – December 2026	Estimated April 2026	Estimated December 2026	In concept	Planning discussions
Simulation Space – public safety immersive simulation lab	Estimated April 2024 – December 2025	Estimated April 2024	Estimated December 2025	In concept	Planning discussions



Lethbridge College

Financial Statements

For the Year ended June 30, 2023





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The financial statements of Lethbridge College have been prepared by management in accordance with Canadian public sector accounting standards as described in note 2 to the financial statements. The financial statements present fairly the financial position of the college as at June 30, 2023 and results of its operations, changes in net financial assets, remeasurement gains and losses, and cash flows for the year then ended.

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

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

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

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

[Original signed by Brad Donaldson, Tracy Holt, October 24, 2023]

Independent Auditor's Report



To the Board of Governors of Lethbridge College

Report on the Financial Statements

Opinion

I have audited the financial statements of Lethbridge College (the College), which comprise the statement of financial position as at June 30, 2023, and the statements of operations, change in net financial assets, remeasurement gains and losses, 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, 2023, 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]

W. Doug Wylie FCPA, FCMA, ICD.D
Auditor General

October 24, 2023
Edmonton, Alberta

STATEMENT OF FINANCIAL POSITION
as at June 30, 2023
(thousands of dollars)



	2023	2022 (Restated Note 3)
Financial assets excluding portfolio investments restricted for endowments		
Cash and cash equivalents (note 4)	\$17,827	\$21,430
Portfolio investments – non-endowment (note 5)	48,379	45,186
Accounts receivable	2,657	2,221
Inventories held for sale	523	557
	<u>69,386</u>	<u>69,394</u>
Liabilities		
Accounts payable and accrued liabilities	10,447	12,195
Debt (note 8)	4,811	5,360
Deferred revenue (note 9)	31,974	31,417
Asset retirement obligations (note 10)	6,197	5,894
	<u>53,429</u>	<u>54,866</u>
Net financial assets excluding portfolio investments restricted for endowments	<u>15,957</u>	<u>14,528</u>
Portfolio investments – restricted for endowments (note 5 and 13)	<u>15,607</u>	<u>15,330</u>
Net financial assets	<u>31,564</u>	<u>29,858</u>
Non-financial assets		
Tangible capital assets (note 11)	121,652	118,914
Inventories of supplies	8	11
Prepaid expenses	2,279	1,579
	<u>123,939</u>	<u>120,504</u>
Net assets before spent deferred capital contributions	<u>155,503</u>	<u>150,362</u>
Spent deferred capital contributions (note 12)	<u>96,691</u>	<u>92,383</u>
Net assets (note 13)	<u>\$58,812</u>	<u>\$57,979</u>
Net assets are comprised of:		
Accumulated surplus	\$56,169	\$55,802
Accumulated remeasurement gains	2,643	2,177
	<u>\$58,812</u>	<u>\$57,979</u>
Contingent assets and contractual rights (note 14 and note 16)		
Contingent liabilities and contractual obligations (note 15 and note 17)		

Approved by the Board of Governors (Note 24)

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

STATEMENT OF OPERATIONS
for the year ended June 30, 2023
(thousands of dollars)



	Budget (note 23)	2023	2022 (Restated Note 3)
Revenues			
Government of Alberta grants (note 21)	\$47,757	\$49,245	\$49,848
Federal and other government grants (note 21)	1,904	3,885	2,564
Sales of services and products	8,488	8,505	7,885
Contract programs	2,301	2,126	1,564
Student tuition and fees	28,229	29,797	25,093
Donations and other grants	1,833	2,346	1,777
Investment income	1,382	2,457	2,613
	<u>91,894</u>	<u>98,361</u>	<u>91,344</u>
Expenses (note 18)			
Instruction	35,532	35,683	34,264
Academic and student support	18,007	19,092	17,412
Institutional support	14,779	15,348	13,896
Sponsored research	2,599	6,400	4,665
Facility operations and maintenance	14,640	14,647	14,506
Ancillary services	6,337	6,962	6,407
	<u>91,894</u>	<u>98,132</u>	<u>91,150</u>
Annual operating surplus	-	229	194
Endowment contributions and capital investment income			
Endowment contributions (note 13)	150	6	14
Endowment capitalized investment income (note 13)	-	132	205
Annual surplus	<u>150</u>	<u>367</u>	<u>413</u>
Accumulated surplus, beginning of year	<u>55,802</u>	<u>55,802</u>	<u>55,389</u>
Accumulated surplus, end of year (note 13)	<u>\$55,952</u>	<u>\$56,169</u>	<u>\$55,802</u>

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

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
for the year ended June 30, 2023
(thousands of dollars)



	Budget (note 23)	2023	2022 (Restated Note 3)
Annual surplus	\$150	\$367	\$413
Acquisition of tangible capital assets	(1,888)	(9,557)	(5,016)
Proceeds from sale of tangible capital assets		9	89
Amortization of tangible capital assets	6,612	6,810	7,010
Decrease (increase) in inventories of supplies		3	(2)
(Increase) decrease in prepaid expenses	556	(700)	288
Increase (decrease) in spent deferred capital contributions (note 12)	450	4,308	(3,207)
Increase (decrease) in accumulated remeasurement gains (Note 13)		466	(4,436)
Increase (decrease) in net financial assets		1,706	(4,861)
Net financial assets, beginning of year		29,858	34,719
Net financial assets, end of year		\$31,564	\$29,858

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES
for the year ended June 30, 2023
(thousands of dollars)



	2023	2022
Accumulated remeasurement gains, beginning of year	\$2,177	\$6,613
Unrealized gains (losses) attributable to:		
Quoted in active market financial instruments		
Portfolio investments – non-endowment	1,662	(3,732)
Amounts reclassified to the statement of operations:		
Quoted in active market financial instruments		
Portfolio investments – non-endowment	(1,196)	(704)
Change in accumulated remeasurement gains	466	(4,436)
Accumulated remeasurement gains, end of year	\$2,643	\$2,177

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

STATEMENT OF CASH FLOWS
for the year ended June 30, 2023
(thousands of dollars)



	2023	2022 (Restated Note 3)
Operating transactions		
Annual surplus	\$367	\$413
Add (deduct) non-cash items:		
Amortization of tangible capital assets	6,784	7,086
Decrease in employee future benefit liabilities	-	(26)
Gain on sale of portfolio investments	(383)	(1,174)
Loss (Gain) on disposal of tangible capital assets	26	(76)
Expended capital contributions recognized as revenue	(5,232)	(5,610)
	1,562	613
Change in non-cash items:		
Increase in accounts receivable	(436)	(779)
Decrease in inventories held for sale	34	18
(Decrease) increase in accounts payable and accrued liabilities	(1,749)	3,278
Increase in deferred revenue	412	2,051
Increase in Asset Retirement Obligation	303	218
Decrease (increase) in inventories of supplies	3	(2)
(Increase) decrease in prepaid expenses	(700)	288
Cash provided by (applied to) operating transactions	(571)	5,685
Capital transactions		
Acquisition of tangible capital assets, net of proceeds on dispositions	(9,548)	(4,927)
Cash applied to capital transactions	(9,548)	(4,927)
Investing transactions		
Purchase of portfolio investments	(12,531)	(16,656)
Proceeds on sale of portfolio investments	10,057	13,101
Cash applied to investing transactions	(2,474)	(3,555)
Financing transactions		
Debt - repayment	(549)	(518)
Increase in spent deferred capital contributions, less expended capital contributions recognized as revenue	9,539	2,403
Cash provided by financing transactions	8,990	1,885
Decrease in cash and cash equivalents	(3,603)	(912)
Cash and cash equivalents, beginning of year	21,430	22,342
Cash and cash equivalents, end of year	\$17,827	\$21,430

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

1 Authority and Purpose

The Board of Governors of Lethbridge College is a corporation that manages and operates Lethbridge 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 degree, 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 – Canadian 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, liabilities, revenues and expenses is contingent upon future events; therefore, the preparation of these financial statements requires the use of estimates, which may vary from actual results. Management uses judgment to determine such estimates. Employee future benefit liabilities, amortization of tangible capital assets, asset retirement obligations and revenue recognition for expended capital are the most significant items based on estimates. In management’s opinion, the resulting estimates are within reasonable limits of materiality and are in accordance with the significant accounting policies summarized below. These significant accounting policies are presented to assist the reader in evaluating these financial statements and, together with the following notes, should be considered an integral part of the financial statements.

(b) Valuation of Financial Assets and Liabilities

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

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and cash equivalents	Cost
Portfolio investments	Fair value
Accounts receivable	Lower of cost and net recoverable value
Inventories held for sale	Lower of cost and net realizable value
Accounts payable and accrued liabilities	Cost
Asset Retirement Obligation	Net Present Value
Debt	Amortized cost

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

Unrealized gains and losses from changes in the fair value of financial instruments 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, except for the restricted amount, which is recognized as a decrease in deferred revenue or endowment net assets. A write-down of a portfolio investment to reflect a loss in value that is other than temporary is not reversed for a subsequent increase in value.

For financial assets and liabilities measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value. Investment management fees are expensed as incurred. The purchase and sale of cash and cash equivalents and portfolio investments are accounted for using the 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 financial liabilities. The college does not have any embedded derivatives.

(c) Revenue Recognition

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

Government grants, non-government grants and donations

Government transfers are referred to as government grants.

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

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

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

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

Grants and donations related to land

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

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

Endowment contributions

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

Investment income

Investment income includes dividends, interest income, and realized gains or losses on the sale of portfolio investments. Unrealized gains and losses on portfolio investments from unrestricted grants and donations are recognized in accumulated remeasurement gains and losses until settlement. Once realized, these gains and losses are recognized as investment income. 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 (excluding unrealized income) earned on endowments in excess of amounts disbursed is either capitalized or deferred depending on the type of endowment. 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 by reinvesting unexpended income.

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

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

(e) Inventories Held for Sale

Inventories held for sale are valued at the lower of cost and net realizable value, with cost determined using the weighted average method. Inventories held for supplies are valued at cost.

(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. Work-in-progress, which includes facilities and improvement projects and development of information systems, is not amortized until after the project is complete and the asset is in service.

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

<u>Asset Category</u>	<u>Estimated Useful Life</u>
Buildings and site improvements	20-40 years
Equipment	2-10 years
Computer hardware and software	3-5 years

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 (note 11).

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

(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. Due to the insignificant nature of the unrealized foreign exchange gains and losses, they are included in the unrealized gains associated with the Portfolio investments – non-endowment on 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

Pension

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

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

Supplementary Retirement Plan (SRP)

The college provided a non-contributory supplementary retirement plan for an executive based on service and earnings. This expense is actuarially determined using the accrued benefit method prorated on service. Actuarial gains or losses on the accrued benefit obligation are amortized over the expected average remaining service life.

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

(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. It does not include airborne contaminants. The college recognizes a liability for remediation of contaminated sites when the following criteria have been met:

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

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

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

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

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

As at June 30, 2023 there was no liability for remediation of contaminated sites (2022 – \$ nil).

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

(j) Asset Retirement Obligations

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. Asset retirement activities include all activities relating to an asset retirement obligation. These may include, but not limited to.

- Remediation of contamination of a tangible capital asset created by its normal use;
- Decommissioning or dismantling a tangible capital asset that was acquired, constructed, or developed;
- Post-retirement activities such as monitoring; and
- Constructing other tangible capital assets to perform post-retirement activities.

A liability for an asset retirement obligation is recognized when, as at the financial reporting date:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

A liability for an asset retirement obligation is recognized in the period in which it is incurred at an amount that is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. This obligation is subsequently reviewed at each balance sheet date and adjusted for the passage of time and for any revisions to the timing or amount required to settle the obligation. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset. This cost is amortized on the same basis as the related asset. Asset retirement cost related to unrecognized tangible capital assets and those not in productive use are expensed.

The asset retirement obligation is measured at the net present value to settle or otherwise extinguish the liability.

(k) Expense by Function

The college uses the following categories as functions on its statement of operations:

Instruction

Expenses relating to all programming and/or training within the institution, whether for credit or non-credit and non-sponsored research.

Academic and student support

Expenses relating to directly supporting the academic functions and students of the institution. This includes libraries and centralized functions including student service administration, student recruitment, records and admissions, counseling and career services, financial aid administration and student awards.

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

Institutional support

Expenses relating to the executive management, public relations, alumni relations/development, corporate insurance premiums, corporate finance, human resources, computing, network, data communications and other centralized institution-wide administrative services.

Sponsored research

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

Facility operations and maintenance

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

Ancillary services

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

(l) 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.

(e) Future Changes in Accounting Standards

In April 2021, 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.

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

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

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

3 Changes in accounting policies

Effective July 1, 2022 the college adopted the new accounting standard PS 3280 Asset Retirement Obligation (ARO) and applied the standard using the modified retrospective approach with restatement of prior year comparative information.

On the effective date of the PS 3280 standard, the college recognized the following to conform to the new standard:

- Asset retirement obligations at the effective date;
- Asset retirement cost capitalized as an increase to the carrying amount of the related tangible capital assets in productive use;
- Accumulated amortization on the capitalized cost; and
- Adjustments to the opening balance of the accumulated surplus/deficit.

Amounts are measured using information and assumptions that are current on the effective date of the standard. The amount recognized as an asset retirement cost is determined as of the date the asset retirement obligation was incurred. Amortization is measured for the period from the date the liability would have been recognized had the provisions of this standard been in effect to the date as of which the standard first applied.

3 Changes in accounting policies (continued)

	2022		
	As previously stated	ARO Adjustment Recognized	As restated
Statement of Operations			
Expenses	\$ 90,891	\$ 259	\$ 91,150
Facility operations and maintenance	14,247	259	14,506
Annual operating surplus	672	(259)	413
Accumulated surplus, beginning of year	60,403	(5,014)	55,389
Accumulated surplus, end of year	61,075	(5,273)	55,802
Statement of Financial Position			
Liabilities	48,972	5,894	54,866
Asset retirement obligations	-	5,894	5,894
Net financial assets	35,752	(5,894)	29,858
Tangible Capital assets	118,293	621	118,914
Net assets before spent deferred capital contributions	155,635	(5,273)	150,362
Net assets	63,252	(5,273)	57,979
Accumulated surplus	61,075	(5,273)	55,802
Statement of Change in Net Financial Assets			
Annual surplus	672	(259)	413
Amortization in tangible capital assets	6,969	41	7,010
Net financial assets, beginning of year	40,395	(5,676)	34,719
Net financial assets, end of year	35,752	(5,894)	29,858
Statement of Cash Flows			
Annual surplus	672	(259)	413
Amortization of tangible capital assets	7,045	41	7,086
Increase in asset retirement obligations	\$ -	\$ 218	\$ 218

4 Cash and Cash Equivalents

	2023	2022
Cash	\$15,842	\$18,781
Money market funds	1,985	2,649
	<u>\$17,827</u>	<u>\$ 21,430</u>

Money market funds have a term to maturity of less than three months from the date of acquisition.

5 Portfolio Investments

	2023	2022
Portfolio investments – non-endowment	\$48,379	\$45,186
Portfolio investments – restricted for endowments	15,607	15,330
	<u>\$63,986</u>	<u>\$60,516</u>

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

	2023			2022		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Equities						
Canadian equity	\$6,806	\$ -	\$6,806	\$6,244	\$ -	\$6,244
Foreign equity	5,373	-	5,373	5,093	-	5,093
Pooled investment funds	22,702	-	22,702	21,449	-	21,449
Other designated to fair value category						
Bonds	29,067	-	29,067	27,692	-	27,692
Other	-	38	38	-	38	38
Total Portfolio Investments	<u>\$63,948</u>	<u>\$38</u>	<u>\$63,986</u>	<u>\$60,478</u>	<u>\$38</u>	<u>\$60,516</u>

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).

5 Portfolio Investments (continued)

The average effective yields and the terms to maturity are as follows:

- Money market funds (note 4), treasury bills, notes, bonds, debentures, and other debt obligation securities of Canadian issuers: 5.18% (2022– 1.86%); average maturity: 90 days or less.
- Bonds: 4.70% (2022 – 4.06%); terms to maturity: average term 4.90 years (2022 – 4.50 years).

Portfolio investments include endowment assets as well as the portions of non-endowment assets that will not be required for spending in the short-term. The college has policies and procedures in place governing asset mix, diversification, exposure limits, credit quality and performance measurement. Bond investments must have a rating of BBB-plus or better and the short-term portfolio must be rated at least R-1, mid (or equivalent) as per the Dominion Bond Rating Service.

6 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.

At June 30, 2023, the impact of a change in the rate of return on the investment portfolio is as follows:

- a 1.0% change in short term money market would have a \$20 increase or decrease in fair value (2022 - 1% change of \$26)
- a 2.5% change in fixed income securities would have a \$723 increase or decrease in fair value (2022 - 2.5% change of \$689)
- a 2.5% change in common stocks and equivalents would have a \$871 increase or decrease in fair value (2022 - 2.5% change of \$819)

Foreign currency risk

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

6 Financial Risk Management (continued)

The impact of a change in value of foreign equities traded in the United States dollar is shown below:

	Fair Value	Decrease 2.5%	Decrease 1%	Increase 1%	Increase 2.5%
United States dollar	\$5,353	\$(134)	\$(54)	\$54	\$134

Credit risk

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

The credit risks on investments held are as follows:

	2023	2022
Credit rating		
AAA	34.0%	28.0%
AA	28.0%	36.0%
A	22.0%	18.0%
BBB	16.0%	18.0%
	100.0%	100.0%

Liquidity Risk

Liquidity risk is the risk that the college will encounter difficulty in meeting obligations associated with its financial liabilities. The college maintains a short-term line of credit that is designed to ensure that funds are available to meet current and forecasted financial requirements in the most cost-effective manner. At June 30, 2023, the college has committed borrowing facilities of \$2,000 (2022 - \$2,000) none of which has been drawn

Interest rate risk

Interest rate risk is the risk to the college's earnings that arise from the fluctuation in interest rates and the degree of volatility of these rates. This risk is managed by investment policies that limit the term to maturity of certain fixed income securities that the college holds. If interest rates change 1%, and all other variables are held constant, the potential change in value of bonds to the college would be approximately \$129 (2022 - \$498). Interest risk on the college's debt is managed through fixed-rate agreements with the Department of Treasury Board and Finance (note 8).

6 Financial Risk Management (continued)

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

	Maturity			Average yield to maturity
	Less than 1 year	1 – 5 Years	Greater than 5 years	
Canadian government and corporate bonds	\$2,784	\$10,695	\$15,589	2.9%

7 Employee Future Benefit Liabilities

Local Authorities Pension Plan (LAPP)

The LAPP is a multi-employer contributory defined benefit pension plan for support staff members and is accounted for on a defined contribution basis. At December 31, 2022, the LAPP reported an actuarial surplus of \$12,671,000 (2021 - \$11,922,370 surplus). The pension expense recognized in these financial statements is \$3,729 (2021 - \$3,788). Other than the requirement to make additional contributions, the college does not bear any risk related to the LAPP.

Supplementary Retirement Plan (SRP)

The college provided non-contributory defined benefit supplementary retirement benefits to eligible executives. This obligation no longer exists as it was paid out June 30, 2022.

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

	2023	2022
Expense		
Current service cost	\$ -	\$19
Amortization of net actuarial (gain) loss	-	(5)
Recognition of unamortized net actuarial loss	-	-
Total Expense	\$ -	\$14
Financial Position		
Accrued benefit obligation:		
Balance, beginning of year	\$ -	\$ 26
Current service cost	-	19
Actuarial (gain) loss	-	(5)
Benefits paid	-	(40)
Balance, end of year	-	-
Plan deficit	-	-
Unamortized past service cost	-	-
Accrued benefit liability	\$ -	\$ -

7 Employee Future Benefit Liabilities (continued)

As the obligation for SRP was paid out at June 30, 2022 and no longer exists, there are no actuarial assumptions applicable to its measurement.

8 Debt

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

	Collateral	Maturity Date	Interest Rate %	2023	2022
Debentures payable to the Department of Treasury Board and Finance:					
Debenture 1 – Student Residence	(i)	Mar 1, 2026	6.13	\$1,398	\$1,812
Debenture 2 – Student Residence	(i)	Dec 15, 2039	4.67	3,413	3,548
				<u>\$4,811</u>	<u>\$5,360</u>

- (i) Collateral consists of future cash flows generated through the operation of the student residences.

Principal and interest repayments are as follows

	Principal	Interest	Total
2024	\$580	\$243	\$823
2025	614	209	823
2026	649	174	823
2027	162	137	299
2028	170	125	295
Thereafter	2,636	801	3,437
	<u>\$4,811</u>	<u>\$1,689</u>	<u>\$6,500</u>

Interest expense on debt is \$267 (2022 - \$297) and is included in the statement of operations. All long term obligations have fixed interest rates. The weighted average interest rate is 5.16 % (2022 - 5.16%).

9 Deferred Revenue

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

	2023			2022	
	Unspent research and other restricted	Unspent deferred capital contributions	Student tuition and other revenue	Total	Total
Balance, beginning of year	\$20,069	\$4,800	\$6,548	\$31,417	\$31,079
Grants, tuition, donations	10,013	-	8,708	18,721	14,320
Investment income	(20)	-	-	(20)	(96)
Unrealized gain (loss)	145	189	-	334	(1,713)
Transfer to endowments	-	-	-	-	-
Transfers to spent deferred capital contributions	(2,273)	(1,455)	-	(3,728)	(2,403)
Recognized as revenue	(8,202)	-	(6,548)	(14,750)	(9,770)
Other	-	-	-	-	-
Balance, end of year	\$19,732	\$3,534	\$8,708	\$31,974	\$31,417

10 Asset Retirement Obligation

The college applied new Section PS 3280 on July 1, 2022 using the modified retrospective method with restatement. Asset retirement obligations were recognized related to the remediation required or asbestos present in the buildings located on campus. As at year end, an obligation of \$6,197 has been accrued on the Statement of Financial Position. The amount was determined based on total undiscounted expenditures of \$8,589 present valued at a discount rate of 3.83% over a period of 40 years. Payment to settle the asset retirement obligations will occur at various points over the next 40 years in full.

	Total
Balance, July 1, 2021	\$5,676
Accretion expense	218
Balance, June 30, 2022	5,894
Accretion expense	303
Balance, June 30, 2023	6,197

The modified retrospective transitional approach requires a full restatement using assumptions and discount rates that are current as of July 1, 2022, to calculate the adjustments. As a result of this application, the college recorded an adjustment to opening accumulated surplus of \$5,014 as at July 1, 2021.

11 Tangible Capital Assets

	2023				2022 (restated)	
	Land	Buildings and site improvements	Equipment (b)	Computer hardware and software	Total	Total
Cost (a)						
Beginning of year	\$432	\$221,239	\$22,616	\$12,158	\$256,445	\$251,584
Additions (c)	-	7,087	2,180	290	9,557	5,017
Disposals and write downs	-	-	(240)	-	(240)	(156)
	432	228,326	24,556	12,448	265,762	256,445
Accumulated Amortization						
Beginning of year	\$ -	\$111,070	\$15,094	\$11,367	\$137,531	\$130,588
Amortization expense	-	5,537	1,076	171	6,784	7,086
Disposal and write down effect	-	-	(205)	-	(205)	(143)
	-	116,607	15,965	11,538	144,110	137,531
Net book value at June 30, 2023	\$432	\$111,719	\$8,591	\$910	\$121,652	
Net book value at June 30, 2022	\$432	\$110,169	\$7,522	\$791		\$118,914

- a) Historic cost includes work-in-progress for buildings, renovations and equipment of \$3,186 (2022 - \$6,797), which is not amortized as the assets are not yet available for use.
b) Equipment includes vehicles, heavy equipment, office furniture and other equipment.
c) During the year, additions of in-kind contributions for equipment were \$3,833 (2022 - \$ nil).

The college holds a collection including works of art, cultural and historical properties and treasures. These collections are expensed and therefore not included in tangible capital assets.

12 Spent Deferred Capital Contributions

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

	2023	2022
Balance, beginning of year	\$92,383	\$95,590
Transfers from deferred revenue	9,539	2,403
Expended capital contributions recognized as revenue	(5,231)	(5,610)
Balance, end of year	<u>\$96,691</u>	<u>\$92,383</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended June 30, 2023
(thousands of dollars)



13 Net Assets

	Accumulated surplus from operations (Restated Note 3)	Investment in tangible capital assets (Restated Note 3)	Internally restricted surplus	Endowments	Total accumulated surplus (Restated Note 3)
Net assets, as at June 30, 2021	\$32,467	\$13,853	\$2,516	\$13,166	\$62,002
Annual operating surplus	194	-	-	-	194
Endowments					
New contributions	-	-	-	14	14
Capitalized investment income	-	-	-	205	205
Tangible capital assets					
Amortization of internally funded tangible capital assets	1,476	(1,476)	-	-	-
Net book value of tangible capital asset disposals	13	(13)	-	-	-
Acquisition of tangible capital assets	(2,613)	2,613	-	-	-
Debt repayment	(518)	518	-	-	-
Accretion of ARO	218	(218)	-	-	-
Operating expenses funded from internally restricted surplus	227	-	(227)	-	-
Net Board appropriations to internally restricted surplus	(391)	-	391	-	-
Change in accumulated remeasurement gains	(4,436)	-	-	-	(4,436)
Net assets, beginning of year	\$26,637	\$15,277	\$2,680	\$13,385	\$57,979
Annual operating surplus	229	-	-	-	229
Endowments					
New contributions	-	-	-	6	6
Capitalized investment income	-	-	-	132	132
Tangible capital assets					
Amortization of internally funded tangible capital assets	1,553	(1,553)	-	-	-
Net book value of tangible capital asset disposals	35	(35)	-	-	-
Acquisition of tangible capital assets	(18)	18	-	-	-
Debt repayment	(549)	549	-	-	-
Accretion of ARO	303	(303)	-	-	-
Operating expenses funded from internally restricted surplus	339	-	(339)	-	-
Net Board appropriations to internally restricted surplus	(409)	-	409	-	-
Change in accumulated remeasurement gains	466	-	-	-	466
Net assets, end of year	\$28,586	\$13,953	\$2,750	\$13,523	\$58,812
Net assets is comprised of:					
Accumulated surplus	\$25,943	\$13,953	\$2,750	\$13,523	\$56,169
Accumulated remeasurement gains	2,643	-	-	-	2,643
	\$28,586	\$13,953	\$2,750	\$13,523	\$58,812

13 Net Assets (continued)

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

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

Internally restricted accumulated surplus includes:

	2023	2022
Capital activities		
Other capital initiatives	\$506	\$506
Total capital activities	506	506
Operating activities		
Faculty professional development	1,881	1,811
Billion-dollar green challenge	250	250
Scholarships	113	113
Total operating activities	2,244	2,174
Total internally restricted accumulated surplus	<u>\$2,750</u>	<u>\$2,680</u>
	2023	2022
Total value of endowments is comprised of:		
Endowment component of accumulated surplus	\$13,523	\$13,385
Endowment component of deferred revenue	2,084	1,945
Portfolio investments-restricted for endowments	<u>\$15,607</u>	<u>\$15,330</u>

14 Contingent Assets

The college initiated legal matters and insurance claims where possible assets are being sought. These matters give rise to contingent assets. The outcomes from these matters may result in recognition of assets.

15 Contingent Liabilities

- (a) The college is a defendant in legal proceedings arising in the normal course of business. While the ultimate outcome and liability of these proceedings cannot be reasonably estimated at this time, the college believes that any settlement will not have a material adverse effect on the financial position or the results of operations of the college. Management has concluded that none of the claims meet the criteria for recording a liability.
- (b) The college has identified potential asset retirement obligations related to the existence of asbestos in several its facilities. Although not a current health hazard, upon renovation or demolition of these facilities, the college may be required to take appropriate remediation procedures to remove the asbestos. As the college has no legal obligation to remove the asbestos in these facilities as long as the asbestos is contained and does not pose a public health risk, the fair value of the obligation cannot be reasonably estimated due to the indeterminate timing and scope of the removal. The asset retirement obligations for these assets will be recorded in the period in which there is certainty that the capital project will proceed and there is sufficient information to estimate fair value of the obligation.

16 Contractual Rights

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

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

	<u>Operating Leases</u>
2024	\$98
2025	71
2026	69
2027	69
2028	69
Thereafter	218
Total at June 30, 2023	<u>\$594</u>
Total at June 30, 2022	<u>\$682</u>

17 Contractual Obligations

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

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

	Service contracts	Operational and capital projects	Information systems and technology	Long-term operating leases	Total
2024	\$651	\$ -	\$883	\$969	\$2,503
2025	579	-	902	327	1,808
2026	506	-	-	171	677
2027	519	-	-	86	605
2028	532	-	-	-	532
Thereafter	-	-	-	-	-
Total at June 30, 2023	\$2,787	\$ -	\$1,785	\$1,553	\$6,125
Total at June 30, 2022	\$470	\$ -	\$2,730	\$2,011	\$5,211

18 Expense by Object

	2023		2022
	Budget (note 23)	Actual	Actual (Restated Note 3)
Salaries	\$51,370	\$53,318	\$50,929
Employee benefits	10,108	10,551	9,425
Materials, supplies and services	11,210	11,718	9,649
Utilities	2,036	2,512	2,119
Maintenance and repairs	7,148	9,212	8,384
Scholarships and bursaries	901	1,299	1,328
Interest on long-term debt	266	266	297
Cost of goods sold	2,243	2,447	2,009
Amortization of tangible capital assets	6,612	6,784	7,086
Loss (Gain) on disposal of tangible capital assets	-	25	(76)
	\$91,894	\$98,132	\$91,150

19 Funds Held on Behalf of Others

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

	2023	2022
Lethbridge College Student Association	\$2,559	\$2,619
Other Agencies	172	225
	<u>\$2,731</u>	<u>\$2,844</u>

20 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 in the normal course of operations and on normal terms.

In December 2020, the college entered into a 3-year lease agreement with the Ministry of Infrastructure to lease space and equipment at a nominal cost. Due to the unique physical and operating arrangements in place, the specialized nature of the space and equipment and the restrictions on type of activity allowed in the lease term, the fair value of these lease arrangements cannot be reasonably determined.

The college has long-term liabilities with the Department of Treasury Board and Finance as described in note 8.

21 Government Transfers

	2023	2022
Grants from Government of Alberta (GOA)		
Advanced Education:		
Operating Grants	\$38,268	\$40,836
Capital Grants	-	-
Accessibility Services	258	258
Other	4,601	2,861
Total Advanced Education	43,127	43,955
 Total other GOA departments and agencies	 3,268	 2,074
 Total contributions received	 46,395	 46,029
Expended capital contributions recognized as revenue	4,657	4,939
Deduct: deferred revenue	(1,807)	(1,120)
	<u>\$49,245</u>	<u>\$49,848</u>
 Federal and other government grants		
Contributions received	\$3,961	\$3,736
Expended capital recognized as revenue	472	425
Deduct: deferred revenue	(548)	(1,597)
	<u>\$3,885</u>	<u>\$2,564</u>

During the year, the college conducted business transactions with other public colleges and universities. The revenues and expenses incurred for these business transactions have been included in the statement of operations but have not been separately quantified. These transactions were entered into the same business terms as those with non-related parties and are recorded at fair values.

22 Salaries and Benefits

	Base Salary (1)	Other cash benefits (2)	Other non-cash benefits(3)	Total 2023	Total 2022
Governance					
Chair of the Board of Governors	\$ -	\$3	\$ -	\$3	\$3
Members of the Board of Governors	-	12	-	12	10
Executive					
President and CEO(4)	211	31	32	274	378
Provost and Vice-President Academic	228	26	34	288	259
Chief Financial Officer (5)	196	1	34	231	-
Vice-President, People and Business Services	221	5	34	260	250
Vice-President, Research and Partnerships	208	21	33	262	234

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include honoraria, vehicle allowances and other lump sum payments. The college does not issue performance-based payments.

(3) Other non-cash benefits include share of all employee benefits and contributions, or payments made on behalf of employees including health care, dental coverage, vision coverage, out of country medical benefits, group life insurance, accidental disability and dismemberment insurance and professional memberships.

(4) 2022 figures include amounts to pay out the SRP pension plan obligation.

(5) The Chief Financial Officer position was changed in 2023. It had previously been classified as Director of Financial Services/CFO and not designated as an Executive role.

23 Budget Figures

The college's 2022-23 budget was approved by the Board of Governors and submitted to the Minister of Advanced Education.

24 Approval of Financial Statements

These financial statements have been approved by the Board of Governors of Lethbridge College.

**WHAT
HAPPENS
NEXT
MATTERS
MOST.**

403.320.3202
3000 College Drive S. Lethbridge, AB T1K 1L6

lethbridgecollege.ca

BE READY.

