Annual Report

2022–2023

Bow Valley College

Contents

Acknowledgement of Territory

Bow Valley College aims to uphold the intention of the numbered friendship treaties from the perspective of Indigenous Peoples. As an institution in Treaty 7 territory, it is our responsibility to pursue a deeper understanding of this Treaty, so that we can respect and honour its terms, and respect Indigenous Peoples' legal and inherited rights.

Through our words and actions, Bow Valley College honours the territories and Peoples of the Blackfoot Confederacy: which includes the Siksika, Kainai, Piikani, and Amskapi Piikani (Blackfeet) First Nations; as well as the Îyâxe Nakoda: which includes the Goodstoney, Chiniki, and Bearspaw First Nations; and the Tsuut'ina First Nation.

We also recognize the connection and autonomy of the Métis Nation of Alberta within the historical Northwest Métis homeland.

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

Open Doors – Open Minds

Vision

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

Mission

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

Values

Respect

Creativity

Inclusion

Resilience

Teamwork

Client Focus

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

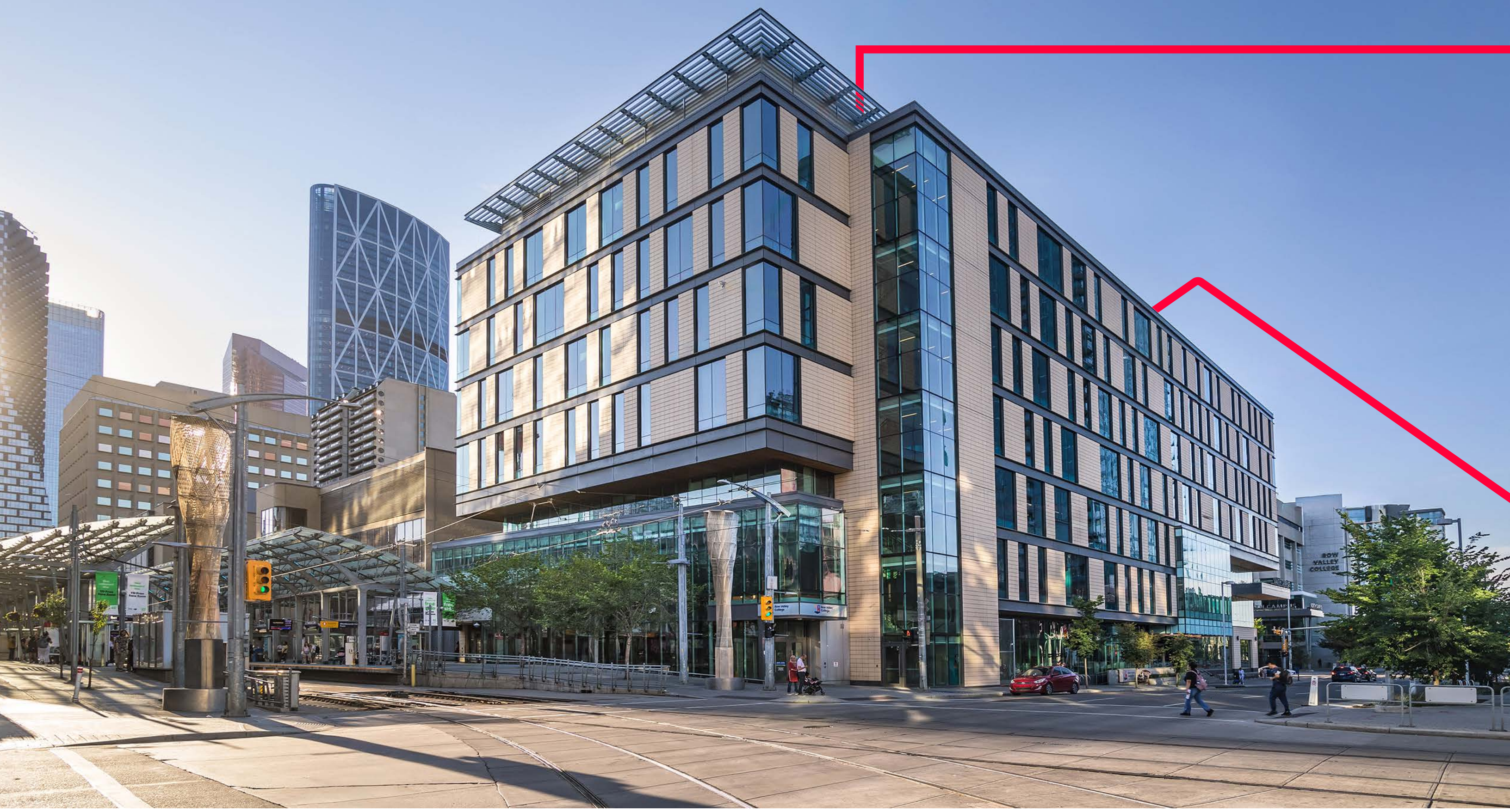
We see each individual student and build in resources around them to support their persistence and achievement. We are an institution that believes in them and opens our doors to them, regardless of where they are beginning.

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

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

Campus Locations

Airdrie | Banff | Calgary | Cochrane | Okotoks



Mandate

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

1 Type of Institution, Sector, and Governance

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

2 Outcomes

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

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

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

3 Clients/Students

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

4 Geographic Service Area and Type of Delivery

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

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

5 Program Mandates and Credentials Offering

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

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

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

6 Special Program Areas/ Areas of Specialization

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

Approved by the Minister of Advanced Education
June 17, 2021

7 System Collaboration and Partnerships

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

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

8 Research and Scholarly Activities

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

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

9 System Mandate

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

10 Other

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

Message from Shannon Bowen-Smed

Board Chair

Bow Valley College is ready for the challenges of today's workplace, and tomorrow's world. We continue to prepare our students to make lasting contributions to a city and province that are dynamic, growing, and increasingly diversifying.

As Calgary and area's only comprehensive college with global reach, we are committed to providing practical applied education that emphasizes the needs of rapidly evolving industries.

Bow Valley College's vision aligns with the priorities of Alberta 2030: Building Skills for Jobs, the long-term strategy for post-secondary institutions. With our Open Doors-Open Minds strategic plan, the College equips graduates with the critical skills necessary to be successful and resilient in the workplace.

The Board of Governors, working closely with senior leadership, is eager to build on the momentum of the successful outcomes achieved this past year. As a college with global reach, we shape futures by supporting a diverse regional, national, and global economy, and helping communities thrive. We are committed to opening doors to opportunity, and I look forward to the exciting path ahead.

Sincerely,

[Original signed by]

Shannon Bowen-Smed
Board Chair

Message from Dr. Misheck Mwaba

President and CEO

In 2022-23, Bow Valley College continued to shape the future of college education by offering transformational education and innovative programming to learners, which translated into thousands of skilled graduates entering fields essential to our province's growth.

We are proud to contribute to Calgary and Alberta's next economic diversification phase.

As a provider of in-demand, practical, skills-based learning, we have made great strides in health, technology, and entertainment arts programming, areas in which we have seen increasing enrolment. We are excited about the innovations in our healthcare offerings, including virtual reality and simulation labs to better equip graduates.

As an access college, we provide students – including under-represented populations and those looking to pivot their careers through targeted reskilling and upskilling – with flexible learning options. We successfully piloted programs that bridge newcomers to healthcare and information technology careers. By making all learning count, we are supporting the continued economic development of the province, while preparing Albertans to adapt to an ever-changing workplace. Looking ahead, we will continue to place great value on community and diversity and offer programming to help our learners succeed.

Sincerely,

[Original signed by]

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

Board of Governors

Shannon Bowen-Smed
Chair
Public Member

Dr. Misheck Mwaba
President and CEO

John Kousinioris
Vice Chair
Public Member

Bettina Pierre-Gilles
Public Member

Steven McLeod
Public Member

Anny Quon
Public Member

Dwayne Dubois
Public Member

Neil Yeates
Public Member

Louise Lee
Public member

Bob Hawkesworth
Public Member

Indira Smith
Non-Academic Staff Representative

Jeff Clemens
Academic Staff Representative

Jonabelle Defensor
Student Representative

Dorothy Man
Student Representative from
May 1, 2022 - April 30, 2023

Julian Sison
Student Representative from
November 1, 2022 – April 30, 2023

Accountability Statement

The Bow Valley College 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]

Shannon Bowen-Smed
Chair, Board of Governors

Management's Responsibility for Reporting

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

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

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

[Original signed by]

Misheck Mwaba
President and
Chief Executive Officer

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

Public Interest Disclosure (Whistleblower Protection) Act

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

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

As per Section 32(1)(3) of the Act, the following is a report from Bow Valley College on all disclosures that have been made during the 2022–2023 year:

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

There were thirteen reports to the confidence line in the period July 1, 2022 to February 28, 2023.

2. The number of investigations commended.

All reports were investigated, resolved, and closed.

3. A description of any wrongdoing found and any recommendations made or corrective measures taken regarding the wrongdoing or reasons why no corrective measure was taken.

The reports did not meet the threshold for non-compliance with the Public Interest Disclosure (Whistleblower Protection) Act (PIDA) or with the College's Protected Disclosure and Code of Conduct policies. There were no direct reports to the Designated Officer as defined by the Code of Conduct Protected Disclosure Procedure.

Operational Overview

Bow Valley College is proud to collaborate with the Government of Alberta, industry, and community stakeholders in developing the labour force needed to meet the needs of a diversifying economy and a growing province.

Alberta's population is continuing to increase, particularly in its major cities, Calgary being the largest. With this trend has come a growing demand for post-secondary education. With the increasing population has come diversity. Bow Valley College's student body is representative of 139 countries with over 111 languages spoken. Internationalization has also led to partnerships between Bow Valley College and institutes abroad, enhancing not only the College's — but Alberta's, talent diversity and global reputation as a destination for learning and gainful employment.

Alberta's population is also aging, which signals need for different programming, including in health professions and services. Bow Valley College's research emphasis on Health and Health Technology and the opening of its Simulation Centre for health care programs are examples of responses to that trend. We are also exploring a Health Centre of Excellence concept for expanding programming, learning space, and applied research capacity. There is an opportunity to foster innovation that will influence education, training, and accreditation nationally. We are among Canada's largest practical nurse programs with almost 2000 learners per year enrolled. There is growing demand for health professionals and anticipated labour shortages in Calgary, Alberta, and Canada.

The further economic diversification of Alberta has highlighted the technology sector and has led to increased demand for specialized programming and training. Bow Valley College has introduced new programs to its Centre for Entertainment Arts and has seen higher enrolment in its Software Development and Information Technology Systems programs.

Workforce development and supporting Alberta 2030 continues to be a priority in our innovative model for upskilling and reskilling. Pivot-Ed recognizes competency where it is already attained and facilitates training targeted to just those areas where competency is yet to be attained. We work with employers to identify the competencies needed and use the information to develop competency profiles and assessments. Bow Valley College issues micro-credentials employers can trust that validate skills mastery.

We will continue to research and develop innovative programming and training for Alberta in an evolving economy, policy landscape, and world.

Enrolment

Bow Valley College provides flexible, high-quality transformational learning to a diverse and global student population. 90 per cent of graduates are satisfied with Bow Valley College learning and services across career programs[1].

Bow Valley College is delivering positive results for Alberta: 90 per cent of Bow Valley College graduates are employed across career programs[2]. Bow Valley College is connecting individuals with in-demand skills to the right jobs in Alberta.

This is accomplished with a strong commitment to access. Students come to Bow Valley college from many different backgrounds, with many different experiences and abilities. For instance, the College had 569 Indigenous (self-reported) credit students, and 2,230 international full load equivalents. 70 per cent of the student body at Bow Valley College identified as female.

Students at Bow Valley College have a broad array of needs, at different times, for varying purposes:

- Access and foundational programming,
- Career programs with a credentials such as diplomas and certificates,
- Post-diploma, stackable micro-credentials for reskilling and upskilling,
- Or with Competency-Based Education giving students choice on learning pathways.

We are proud to work with Albertans in making their learning count, with completion rates of 85.8 per cent for certificates[3], 74.1 per cent for diplomas[4], and 94.8 per cent for post-diploma certificates[5]. Bow Valley College students have gained the work-ready skills, the interpersonal competencies, and the focused discipline necessary to help Alberta adapt to a new reality and emerge with greater strength and resilience.

1 This is the satisfaction with "Overall Quality of Education Experience" from the Bow Valley College Graduate Outcomes Survey.

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

3 Certificate and post-diploma certificate Full-Time Learners Completion rate is the percentage of learners who began their studies in 2019-20 and completed on or before 2022-23 and the calculation is aligned with the Alberta Advanced Education (AE) methodology.

4 Diploma Full-Time Learners Completion rate is the percentage of learners who began their studies in 2018-19 and completed on or before 2022-23 and the calculation is aligned with the Alberta Advanced Education (AE) methodology.

5 Certificate and post-diploma certificate Completion rate is the percentage of learners who began their studies in 2019-20 and completed on or before 2022-23 and the calculation is aligned with the Alberta Advanced Education (AE) methodology.

Total Full Load Equivalent Distribution Across Schools

	2019–2020	2020–2021	2021–2022	2022–2023
School of Foundational Learning	964	932	1,038	1,121
School of Global Access	1,342	1,114	1,143	1,393
School of Health and Wellness	1,523	1,721	1,833	1,872
School of Community Studies	1,457	1,323	1,358	1,446
School of Technology	346	379	478	655
Chiu School of Business	2,256	1,933	1,915	2,042
Centre for Entertainment Arts	0	0	14	124
Learning Innovation	430	86	108	216
Bow Valley College	**8,318**	**7,488**	**7,887**	**8,869**

Bow Valley College experienced an approximately 12 per cent increase overall in Full Load Equivalents (FLEs) in 2022-2023. Several factors that influenced these increases, including an overall increase of new international students, the re-implementation of the Open Studies program, the introduction of new programs in the Centre for Entertainment Arts, as well as significant increases in enrolment in the Software Development and Information Technology Systems programs. Also notable was the increase in students from the Ukraine, studying ELL LINC. LINC is a program normally for domestic learners; however, Ukrainian visa learners were able to enrol in this program based on the Canada-Ukraine Authorization for Emergency Travel (CUAET) measures.

The College also saw increases in FLEs across credentials, including a 10 per cent increase in FLEs in certificate level programming, and an approximately 9.7 per cent increase in FLEs in diploma level programming. The College experienced a 7.6 per cent increase in post-diploma certificates, due to its efforts in advancing this type of programming.

1 FLEs listed are broken down by school, not porgram owner.

Summary of Accomplishments:

Goals and Measures of Succes

Strategic Direction:

Shape the Future of College Education

We are a leader in evolving how a college education is delivered, and in turn, influence the overall direction of college education in Alberta and beyond.

College goal

Enhance flexible and digital learning options by developing new physical and digital infrastructure to enhance program accessibility and offer alternative delivery modes.

Accomplishments

Modern Classroom Initiative

- 60 per cent of classrooms have been equipped for in-person and online delivery (70 classrooms at the Calgary campuses; 1 in Airdrie; 3 in Okotoks; 1 in Cochrane).
- Creating opportunities for in-person, online synchronous, and online asynchronous learning.

Virtual Desktops

- This expansion of technology allows students and employees to access high-performance software remotely, on any device at any place with internet connectivity.

Student Information System

- Improve overall student experience from admissions to graduation.
- Enhance record management, admissions processes, student retention data and analysis.

Next-generation Aruba™ Wireless Access Points (APs) and Floor Switches

- Installed on 6th floor of North Campus as part of a pilot project.
- Upgrades to all floor switches and wireless Aps to be completed in Fall 2023.
- Ensures quicker access to educational resources, research materials, and collaborative tools.
- Once complete, 350 state-of-the-art Aruba Wi-Fi devices will be installed, providing reliable connections anywhere on campus, with faster download speeds.

New Okotoks Regional Campus

- Grand Opening in September 2022 – opened in collaboration with the Town of Okotoks.

Established an Instructional Learning Technology Committee

- Provides governance, oversight, and risk assessment of new learning technology.
- New technologies are assessed through the lens of pedagogy and student services best practices.

College goal

Contribute to elevating the College profile by broadening academic programming, innovation, and partnerships while focusing on applied research in three pillars: social innovation, educational technology, and health and health technology.

Accomplishments

Health and Health Technology Research Pillar

- The research emphasis is on the use of simulation, including virtual reality (VR) and extended reality (XR) in health training and enhancing continuing care through technology solutions such as socially assistive robots, virtual care platforms and tools, sensors, wearables, digitally augmented homecare, and health informatics.
- Innovation through partner collaboration and leveraging emerging technologies to create, develop, and enhance products, services, education, and training to improve patient care, healthcare systems, and quality of life.

Regulatory Approvals

- Acquired regulatory body approval for Practical Nurse - Internationally Educated Nurses program through the College of Licensed Practical Nurses of Alberta (CLPNA).
- The College of Licensed Practical Nurses of Alberta (CLPNA) has provided preliminary support for a Licenced Practical Nurse Perioperative Advanced Certificate program.
- Acquired regulatory body approval through the CLPNA to replace face-to-face instructor-led clinical with high-quality simulation. Initially replacing 30 per cent and overtime increasing to 50 per cent, which is the maximum allowance.

NEW Simulation Centre

Comprised of three labs: **Health Care Lab**, **Simulation Centre**, and **Virtual Reality Lab** (total 449 square meters of space).

Health Care Lab

- Renovation completed in December 2022 with funding from the Government of Alberta.

Simulation Centre

- Renovation was completed in May 2023.
- 4 simulation rooms and 2 high-fidelity debrief rooms.
- Houses emerging technologies that simulate patients with different medical problems and supports research on the application of these emerging technologies.
- Meets international health simulation standards.

Virtual Reality Lab

- New simulation equipment and high-fidelity scenarios that transitioned from a tethered platform to 50 Meta Quest 2 headsets. The physiological parameters of virtual patients can improve or deteriorate based on interventions and simulations can be practiced any place and time by learners.

Social Humanoid Robot, “Pepper”

- Memory Aid for people with dementia research project in collaboration with YouQuest, a non-for-profit organization.
- Seeks to outline the memory-related challenges of people with mild-moderate dementia.

Memorandums of Understanding and Partnerships

- **Microsoft** – support technology research with a focus on accessibility and inclusion.
- **RoboGarden** – explore collaborative research opportunities and programs.
- **Clearpoint** – innovative opportunities in health care for surgical delivery, program development, preceptorship placements, and workforce development and recruitment of healthcare professionals.
- **Chartered Professional in Human Resources** (CPHR Alberta) - offer Pivot-Ed micro-credentials to fulfill member continuing professional development requirements.
- **Justice Institute of British Columbia** – includes micro-credential promotion and development.

New Programs Approved

- Esports Business Management Diploma
- Advanced Entertainment Arts Production Management Diploma
- Advanced Film Production Diploma

Expanded Offerings

- Successful launch of Open Studies, serving 1180 learners (218 FLE) in 22/23.
- Chiu School of Business increased offerings of evening and weekend classes.
  - 2021-22: offered 15 evening courses.
  - 2022-23: offered 45 evening courses and 16 Saturday courses.

Government Relations Strategy

- 5-year strategy includes opportunities to build relationships with regional government stakeholders, Indigenous officials, and municipal, provincial, and federal ministries.

Establishing a Common Framework for Digital Skills in Canada

- Completed a national project including a Recommendations Report and Digital Skills Toolkit aimed at expanding information and resources related to digital skills.
- Funding provided by the Skills for Success Program and Social Development Canada.
- This research can inform the development of education and training programs that integrate both digital and soft skills required for present and future job market demands.

Digital Strategy

Launched in Spring 2023

Activities in the strategy drive a more accessible and inclusive learning experience and support student success by leveraging Microsoft and other technology, tools, and expertise.

5 pillars of the Digital strategy

1. Enhance the Learner Experience
2. Enhance the Applicant Experience
3. Academic Innovation
4. Enabling Employee Success
5. Supporting Strategic Success

Developed Concept for Calgary Entertainment Arts Production Hub

Scheduled launch January 2024

The Hub will feature Centre for Entertainment Arts academic programs, a creative industries business incubator, and applied research activities.

The concept includes dedicated space for students, industry, researchers, entrepreneurs, and collaborators with access to world-class facilities and production software.

College goal

Ensure financial sustainability.

Government of Alberta priorities

Activities and initiatives designed to promote fiscal responsibility by effectively managing costs and realizing efficiencies.

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

Accomplishments

Open Doors – Open Minds Campaign

- **Quiet phase –** 100 per cent of target achieved ($5 million).
- **Public phase –** launch set for November 2023.
- Overall campaign goal of $35 million.

Surplus and Sponsored Revenue

- Generate approximately $6.0 million surplus driven primarily by exceedingly strong tuition and fee revenue ($3.8 million) and underspending across expense categories including material supplies and services ($2.4 million), salaries and benefits ($1.4 million), and maintenance and repairs ($1.0 million).
- Academic and Research reported $1.8 million in sponsored research revenue from July 1, 2022, to June 30, 2023.

Business Development 5-Year Strategy

- Completed and includes Calgary, Regional, Alberta, national, and international scope and scale — Strategic Partnerships and Partnership Operations.
- Includes revenue generation targets (minimum cost recovery) through alternative revenue opportunities.

Enrolment

2022-23

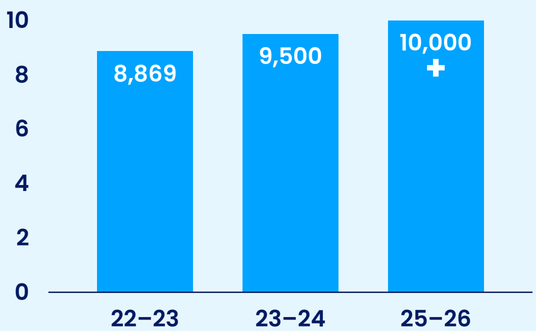
- Overall, met domestic FLE targets and increased international registrations.
- Overall enrolment increased by 12 per cent year-over-year to **8,869 FLE**.

Approval of a 3-year enrolment plan

- **2023-24:** increase to **9,500 FLEs**
- **2025-26: 10,000+ FLEs**

Total Enrolment

(thousand)



Risk Management

- Ensure risks are managed and reported consistently.
- New initiatives include:
    - **Risk Assessments for New Initiatives (RAFNI) –** all new projects undergo a risk assessment to consider potential risks to the College and create any mitigating strategies to control this.
    - **Expanding our risk registers –** risk registers have been broken down per department/ school, to ensure the College identifies potential risks in each area of the business and that we can mitigate this as best possible.
- As of January 2023, primary insurance coverages are provided by the Canadian Universities Reciprocal Insurance Exchange (CURIE).
    - CURIE allows improvement from a risk management perspective by receiving valuable information, tools, and guidance specific to the industry at a reduced rate.
- The market value of the College's investments has recovered and is expected to continue to improve. The portfolio remains well-diversified and is always professionally managed.

Strategic Direction:

Ensure Employment Success

As a comprehensive community college, our primary focus is supporting our learners to find employment success in the field of their choice or support their efforts to launch their own entrepreneurial initiatives. This will provide value to our industry and sector partners by meeting their workforce needs and drive economic development in our communities.

College goal

Increase the number of partnerships to support applied research and work-integrated learning.

Accomplishments

Integration of Fund Development Strategy to support applied research and create Work-Integrated Learning (WIL) opportunities

- Fund Development and Alumni Relations (FDAE) and Strategic Partnerships teams hosted 50+ tours throughout our college (including Centre for Entertainment Arts, health labs and special equipment, pharmacy technician lab, and Iniikokaan Centre) to build brand awareness.

Service Desk Technician Certificate

- School of Global Access (SGA) partnered with the School of Technology to support a pathway program from SGA to employment.
- Supported by the Government of Alberta.
- Addresses labour market needs in Alberta and engages newcomers in WIL by applying skills developed in courses directly to the jobs.

Creation of new Employer Relations team

- Dedicated resources to build and maintain strong relationships and partnerships with employers that generate WIL and employment opportunities for students and graduates
- Employer Relations and Career Services placed five students in jobs.

Partnered with Calgary Economic Development (CED) on their WIL pilot project

- Developed WIL processes for TalentED YYC, leading to a WIL Community of Practice, and collaboration with other post-secondary institutions navigating WIL.

College goal

Lead initiatives in competency-based education (CBE) and micro-credentials.

Government of Alberta priorities

Contributions to Alberta's economic recovery plan, particularly as it relates to talent and capital.

Government of Alberta priority: Efforts to ensure learners and graduates have the education and skills required to get rewarding careers.

Accomplishments

Launched Pivot-Ed, a Bow Valley College venture.

- Reskill and upskill for success with focused certifications.
- Launched 19 new micro-credential offerings developed with employers across Canada in high-demand sectors, including healthcare, construction, manufacturing, and supply chain.
- Corporate Services and Learning Design collaboration assessed and created entry-level and premier micro-credentials in cybersecurity.
- Designed 25 competency-based evaluations to assess competencies for Hospitality Workers Training Centre.
- Collaborated and completed the Future Skills funded micro-credential project led by NAIT.
- Pivot-Ed Academy supported by RBC philanthropic gift includes micro-credential promotion and development with not-for-profit and small to medium enterprise sectors.

Work-Integrated Learning

- Investment Management Agreement (IMA) WIL surpassed target with **62 per cent of programs** offering mandatory WIL (goal was 58 per cent).
- **130 events** delivered to support WIL including career fairs.
- Cybersecurity Post Diploma Certificate included new WIL opportunities.

Government of Alberta's Targeted Enrolment Expansion Program

- $2.1 million in new funding awarded.
- Supports **210 new seats** in Advanced 3D Animation and 3D Modelling, Advanced Game Development, Advanced Visual FX, and for rural seat expansion in Practical Nursing.

Career Development and Training

- Career coaching delivered to more than 1,700 job seekers.
- Hosted a half-day collaborative planning session for Community Adult Learning Providers within our region at our new Okotoks campus in October 2022.

Reboot Plus Program

- Created a partnership with the Calgary Chamber of Commerce connecting youth with industry professionals.
- Helped 22 vulnerable youth who did not complete high school of which 13 pursued further education or work experience.

Providing services for newcomers

Directions for Immigrants

- Awarded a three-year contract with the possibility of a two-year extension.
- 10,000 client engagements in 2022-23.
- 1,000+ new clients (39 per cent increase from 2021-22) accessed services.
- 180 clients found professional employment, including 25 International Medical Graduates (IMGs), 24 pharmacists, and 45 registered nurses.

Health Care Aide for English Language Learners Bridging Program

- Newcomers who successfully completed are certified to work as health care aides.

Skills Enhancement for Newcomers project

- School of Global Access with Colleges and Institutes Canada (CICan) spearheaded the project.
- Funded by the Government of Canada's Skill for Success.

Ministry of Trade, Immigration, and Multiculturalism grant

- Student Services awarded a 36-month grant from the Ministry of Trade, Immigration and Multiculturism to deliver mentorship program for rural immigrants.

Strategic Direction:

Provide Community and Social Success

Our efforts support our learners to achieve their goals wherever that may be including at home, in their families, at work, and in their communities. As a result, we also play a role in supporting our communities and the economic development of the many sectors that we serve.

College goal

Enrich the student experience through initiatives that support equity, diversity, and inclusion.

Access to mental health supports

- Nearly 70,000 views of the College's CampusWell student portal with student-friendly, expertly vetted scientific information on student wellness, such as academics, nutrition, fitness, money management, sexual health, mental and emotional health, mindfulness, relationships, and body image.
- Over 3,200 students engaged in person with our mental health outreach activities across campus. Activities included literacy outreach, workshops, and drop-in creativity sessions.
- First year offering a Black Mental Health week with activities for students to engage and learn.
- A new 30-minute online Suicide Awareness program specific to college students was made available to all students.

Programs addressing food and financial insecurity

- 2,883 bowls of soup were served during the Soup Social program.
- Nourish & Go was introduced to provide self-serve fruit and granola bars for students.
- Launched "Second Chances" free store which provided free clothing and items to 225 students.
- Collaboratively identify ways to reduce barriers such as decreasing or eliminating textbook costs at the College.

Education supports

- 4,000 writing appointments including writing assignment feedback and one-on-one sessions provided by our Academic Success Centre.
- Accessibility Services worked with 1,000 students and facilitated almost 1,300 exams requiring accommodations.
- Glean (notetaking software) was piloted by 10 students with disabilities to help promote independence in the classroom.

Equity, Diversity, and Inclusion (EDI) initiatives on campus and in the community

EDI Strategy Development

- Created EDI Strategy Committee.
- Added two subcommittees open for all college employees to participate, ensuring that the development of the strategy included more voices across the institution.
- Created EDI network to ensure the EDI strategy and the Indigenization strategy are aligned to support Indigenization at the College.

The Intercultural Centre

- 1,470 attendees at 37 events throughout the year (including presentations, workshops, and discovery hubs).
- 114 volunteers assisted as hosts at the centre and during events.

College Workshops

- 108 employees and students attended workshops to increase awareness of EDI issues on campus, including Microaggressions, Accessibility 101, Allyship, Introduction to Universal Design for Learning (UDL), Plain Language, and Anti-Racism.

Mitacs Accelerate Student Research Internship

- Leading research and finding meaningful ways to promote diversity and inclusion in entrepreneurship focusing on the motivations and barriers experienced by Alberta's English-speaking immigrant Black Canadian entrepreneurs.

Where I Belong: Public Spaces and Everyday Acts of Inclusion

- Pilot project in partnership with the Calgary Public Library to increase understanding of practices within public spaces that promote belonging among racialized, newcomer youth.
- Youth teams created art installations that are on display at various Calgary Public Library locations.

Representation on the Board of the Alberta Council for Global Cooperation

- To promote and enhance ongoing global citizenship and inclusive mindsets for Albertans.
- Includes active membership in the Calgary Foundation Racial Equity Community of Practice, as well as a community of practice targeted at post-secondary institutions, initiated by CICan and their EDI Impact project.

2023 Canadian Association of College and Universities Student Services conference

- Bow Valley College presented on UDL and accessibility.

Community EDI award sponsorship

- The college sponsored the Calgary Black Chambers 2023 Educator of the Year Award.
- Spotlight on the Black Entrepreneur Project.

College goal

Initiatives and campaigns that grow and sustain financial aid and awards for students.

Awards, Bursaries, and Scholarships

- Distributed over $1.1 million in awards, bursaries, and scholarships to nearly 700 students thanks to donors.

Women Pivoting in Tech

- $400,000 grant provided by the Government of Alberta to fund Science, Technology, Engineering, and Math (STEM) bursaries.
- 12 students received entrance bursaries to complete their studies in programs such as IT Systems, Cloud Computing, Data Management and Analytics, Software Development and Advanced Game Development.

Financial Need Emergency Bursaries

- Distributed approximately $250,000 to remove barriers and basic needs support.

Mitacs student internship

- Advanced the College's Mitacs student internship portfolio with six new business strategy projects and industry partnerships, securing $195,000 in student stipends.

Giving Day Campaign

- Raised nearly $100,000 to alleviate student food insecurity and provide financial awards.

Barrier Free Food Fund

- Distributed $24,900 in grocery gift cards for students facing food insecurity.

College goal

Indigenization and decolonization initiatives and delivering on the Truth and Reconciliation Commission's Calls to Action.

Iniikokaan Centre

- Hired the College's first Director, Indigenous Relations and Reconciliation and established the department.
- Led activites for students including sage harvests, elder teachings, Indigenous leadership program, beading, and Metis Week.
- An Honour Song was gifted to the College by *Miiksika'amm* (Elder Clarence Wolfleg Sr.) during a transfer ceremony at the Iniikokaan Centre on May 26.

Chiu School of Business

- Continue to indigenize curriculum in the Chiu School of Business.
- Learning Design Consultant, Curriculum Indigenization/Decolonization joined the Chiu School of Business Curriculum Review Committee.
- Hosted a fireside chat on Reconciliation with Human Resources program alumni led by an Indigenous curriculum consultant.

School of Community Studies

- Continue to indigenize curriculum in the School of Community Studies programs.
- All programs added INDG1101: Indigenous History, Identity, and Culture as either a mandatory course or an elective.
- All courses in the Justice Studies program have Indigenous content embedded.
- Redesigned the Child and Youth Care program with a new curriculum incorporating Indigenous perspectives and content in all courses.

Office of the Registrar and Enrolment Services

- Supported program areas through the enrolment process with Indigenous student seat allocations.

School of Foundational Learning

- Completed Phase 1 of the Indigenous Pathways to Postsecondary initiative resulting in a program overview and development roadmap for a competency-based college preparation program for Indigenous learners.
- Completed second cohort of Indigenous Pathways to Employment program.

Student Services

- Hired the College's first Indigenous Financial Coach providing financial literacy, education, and empowerment programming to Indigenous students.
- 358 Indigenous students accessed counseling, including appointments with the College's Indigenous Counselor. The Indigenous Counselor offered mental health support, counseling appointments, smudging sessions, and grief and loss sharing circles.

  Hosted several events including Moose Hide Campaign, Land Acknowledgement workshop, and Discovery Hubs on creation stories (in collaboration with the Intercultural Centre

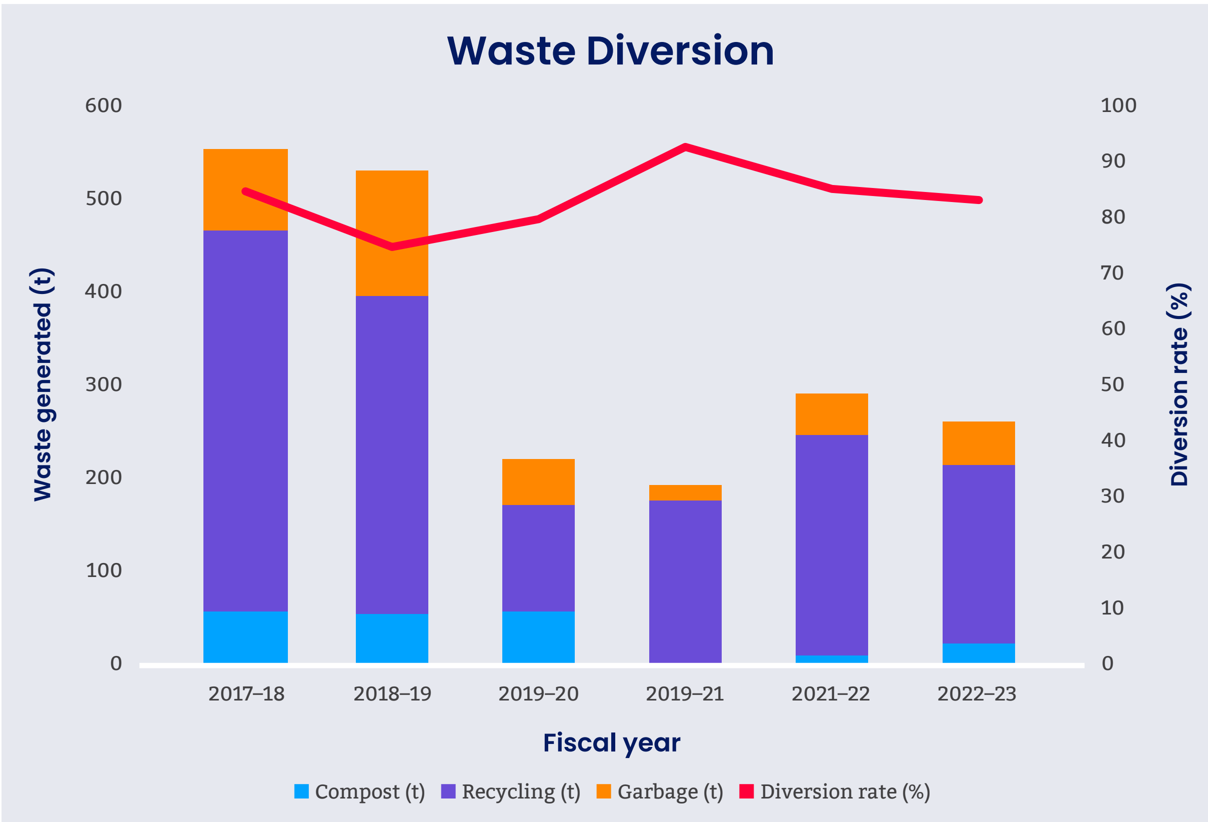
Collaborations

- Collaborative partnership was established with Stoney Nation Job Resource Center in Morley. Prospective and current students within the surrounding community can connect to the College's support services through a dedicated Bow Valley College staff member operating from the Job Resource Center.
- Agreement for the 2022-23 academic year with Old Sun College to collaboratively support Siksika Nation learners who are registered in regional programs. Participating learners accessed their BVC programs through blended-delivery formats and were also able to access some learning spaces and services provided by Old Sun College.

Sustainability

Operations

Each year, Bow Valley College diverts waste from landfills through composting and recycling programs in accordance with The City of Calgary bylaws. We recycle plastic, metal, paper, cardboard, electronics, construction waste, gloves and masks, pens, and batteries.

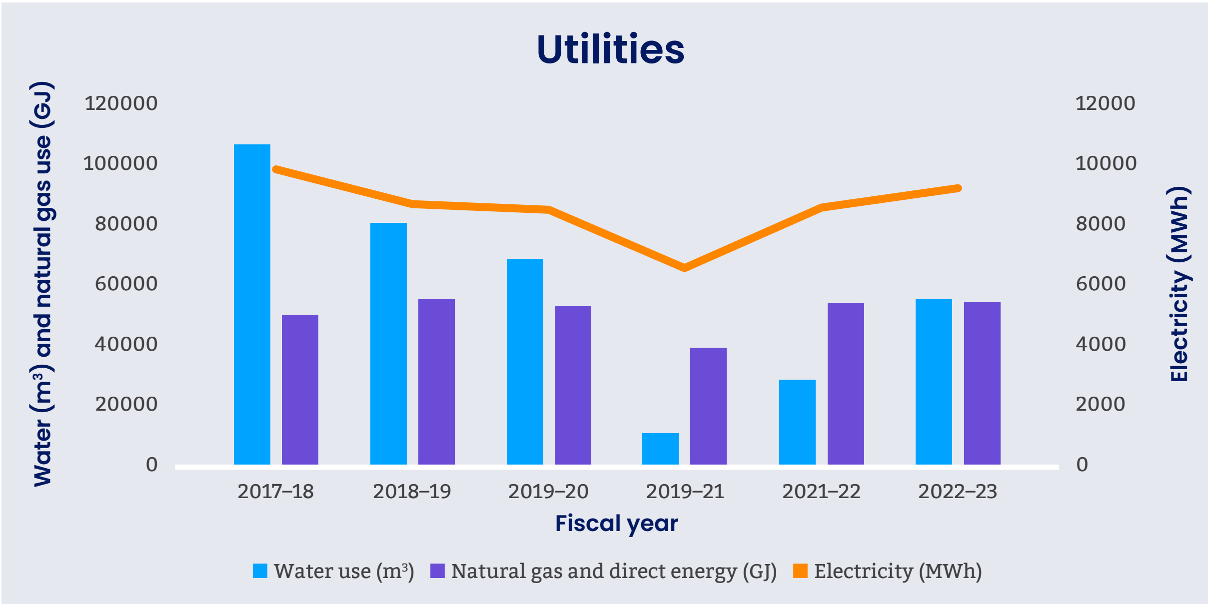


Our annual waste production fell dramatically during the Covid-19 pandemic while our campuses were closed. Since re-opening our campuses, these numbers have not rebounded to pre-pandemic levels. This steady reduction can be attributed to our hybrid delivery model, digitization of paper-based processes, and waste reduction efforts through sustainable procurement. The effective management of our resources has allowed us to reduce our overall waste, while maintaining a high diversion rate from landfills.

Like waste generation, natural gas and water consumption have not fully rebounded to pre-pandemic levels. However, water use in 2022-23 was comparatively higher than normal, likely due to the hot weather experienced throughout summer 2022 and spring 2023. As outdoor temperatures rise, our cooling systems require more water to maintain comfortable temperatures indoors.

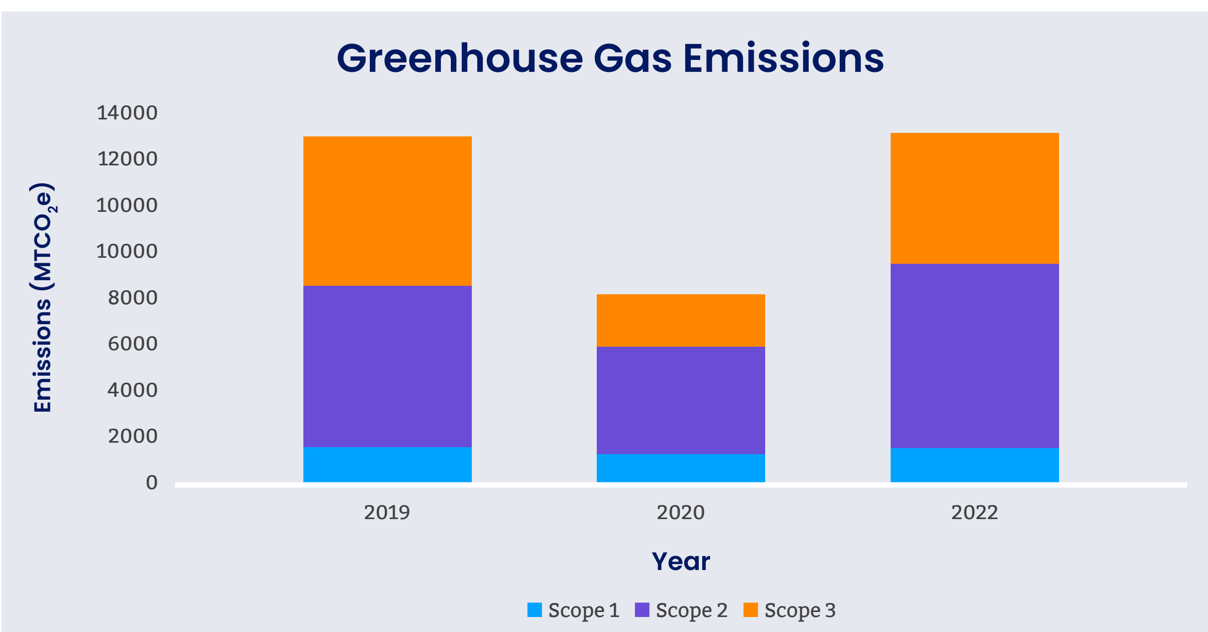
For the third year in a row, we participated in the City of Calgary's Commercial Building Energy Benchmarking Program to compare our energy performance to other commercial buildings in Calgary.

Operations



This year, we completed our third greenhouse gas (GHG) emissions inventory following the international GHG Protocol. Our inventories include full scope 1 and 2 emissions (related to heating and electricity, respectively) as well as partial scope 3 emissions (related to waste management, water treatment and supply, business travel, and commuting behaviour).

Emissions in 2022 rebounded fully to pre-pandemic levels, although we anticipate this will be a short-term trend. We finalized our first carbon reduction plan in 2022 and implemented the plan in 2023. We purchased 4,500 megawatt hours (MWh) of Renewable Energy Certificates from British Columbia wind projects to cover our electricity use for the first six months of 2023. We have other emissions reduction projects underway and expect to see a reduction in emissions in our next inventory.



Sustainability Initiatives

In addition to the efforts highlighted above, Bow Valley College made several strides to improve our sustainability portfolio throughout 2022-23 including:

- Incorporating the risks associated with climate change into our college-wide risk assessment framework.
- Receiving Bee Campus certification for the second year in a row, to recognize our efforts to protect pollinators.
- Upcycling vinyl banners into new promotional products for our students and community partners.
- Promoting active transportation, by hosting employee-led cycling events and expanding secure bike storage on campus for employees and students.
- Leading a communications campaign as part of Earth Month in April.
- Engaging hundreds of employees and students through numerous sustainability-themed events, volunteering opportunities, walking tours, and a campus podcast.

For more information, please see our 2022 Sustainability Report.

Policy Considerations

The environmental challenges facing our community continue to evolve, as does the regulatory environment in response to these challenges. For instance, the federal Canadian Environmental Protection Act was updated in June 2023, and the Single-use Plastics Prohibition Regulations outline the prohibition timelines of various plastics between 2022 and 2025. Draft Clean Electricity Regulations were released in August 2023, and we are watching closely to see how these regulations align or depart from Alberta's Emissions Reduction and Energy Development Plan.

Meanwhile, a rising carbon price due to the federal Greenhouse Gas Emissions Pricing Act means that operations will become more expensive over the next decade unless we take steps to decarbonize. We remain focused on pollution prevention, emissions reduction, and climate adaptation so our students can continue to thrive despite the challenges presented by climate change. We partner with institutions across the country as a member of Colleges and Institutes Canada's National Planning Committee on Awareness Raising for Net Zero Campuses.

Financial and Budget Information

Management Discussion and Analysis

1. Overview

Bow Valley College (the "College") has prepared the following Management Discussion and Analysis ("MD&A"), which should be read in conjunction with the 2022-2023 Audited financial statements and accompanying Notes included in the Annual Report. The MD&A and Audited financial statements have been reviewed and approved by the Board of Governors (the "Board") on the recommendation of the Audit and Risk Management Council ("the Council"). The college's Audited financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS").

This MD&A is an overview of the College's financial results for the year ending June 30, 2023, and offers analysis of the following:

- Operating environment
- 2022-2023 Financial results compared to budget
  - Key positive variances
  - Key negative variances
- 2022-2023 Financial results compared to prior year
  - Key positive variances
  - Key negative variances
- Full Load Equivalent (FLE) performance
- Expenditure Analysis by function composition
- Capital expenditures
- Areas of significant financial risk

2. Operating Environment

As we emerge from the COVID-19 global pandemic, the College continues to post strong financial results despite turbulent environmental factors.

2022-2023 was dominated by economic uncertainties arising from inflation, tightening monetary policies and weakening consumer demand. Rising borrowing costs and elevated prices are expected to dampen future consumer spending for the foreseeable future.

Alberta is considered well-positioned to face these challenges. Looking ahead to 2023-2024, the energy sector is expected to take the lead and an upsurge in population growth is expected to provide relief to Alberta's tight labour market.

The college has navigated these uncertain times with fiscal responsibility and a keen focus on service delivery. Throughout the pandemic, the College staff worked tirelessly to ensure operational continuity while maintaining excellence in our academic programming. Demand for college programs remains strong as is evident in the significant year-over-year growth in college tuition and fee revenue. College FLE's (Full Load Equivalent) learner count increased 12.5 per cent in this most recent fiscal year to 8,869. Net financial assets also increased by $11.6 million.

Looking ahead, despite persistent economic uncertainty, Bow Valley College remains confident in its ability to meet surging demand for its services while looking to enhance its offerings to the Calgary and regional communities.

3. 2022–2023 Financial Results Compared to Budget

The college's 2022-2023 budget was a break-even projection, with both revenue and expenditure set at $128 million.

Overall revenue exceeded budget by $4.7 million. Expenses trailed budget by $2.3 million resulting in the College generating a $7.0 million surplus.

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

3.1 Key Positive Variances

A. Student tuition and fee revenue were ahead of budget by $5.4 million.

	Budget		2023		▲	
	$M	FLEs	$M	FLEs	$M	FLEs
Domestic	22.2	6,232	24.6	6,639	2.4	407
International	30.5	2,004	32.7	2,230	2.3	226
Tuition Revenue	52.7	8,236	57.4	8,869	4.7	633
Fee Revenue	3.6		4.3		0.7	
Tuition and fees	**56.3**		**61.7**		**5.4**	

$4.7 million of this variance related to earned tuition revenue and $0.7 million related to fees charged to learners.

Tuition revenue from both domestic and international learners were higher than budget. Domestic student tuition revenue was higher than budget by $2.4 million while international tuition revenue increased over budget by $2.3 million.

The two factors contributing to this positive result were the increase in FLE numbers and a movement to a higher-yield program mix:

	$M		
	FLE ▲	Program Mix	Total
Domestic	1.9	0.5	**2.4**
International	1.3	0.9	**2.3**
Revenue Growth	3.2	1.4	**4.7**

The FLE growth contributed approximately $3.2 million to the overall performance variance, while approximately $1.4 million of revenue growth came from a movement in FLE demand towards higher cost per credit programming.

Half of the increase in fee revenue of $0.7 million was driven partly by the higher number of learners; the other half was due to higher international application fees related to the growth in international learners.

3.1 Key Positive Variances

B. Federal and other government grants revenue exceeded its budgeted amount by $1.7 million.

The largest component of Federal and other government grants revenue relates to the LINC contract (Language instruction for Newcomers to Canada). Budgeted at $6.3 million, the actual revenue generated on this contract exceeded budget by $0.3 million driven by higher than budgeted intake of learners.

During the year, the College also generated an incremental $1.4 million on other Federal contract activities including:

- **Skills for Success** ($0.7 million) – an applied research project sponsored by Employment and Social Development Canada,
- **The International Youth Internship Program** ($0.4 million) – a program designed to offer young Canadian post-secondary graduates the opportunity to gain professional experience through international development work,
- **Skills Link Calgary** ($0.3 million) – a program which helps youths aged 15 to 30 navigate the labor market and move into sustained employment.

C. Material supplies and services expenditure was budgeted at $28.8 million but posted a savings of $1.2 million; marketing and advertising expenditures trailed budget by $0.4 million due to delays in implementation of new programming. Professional development costs trailed budget for the year by $0.3 million as the College's head count was below budget expectations. Educational consulting contracts trailed budget expenditure expectations by $0.3 million as assessments were performed by in-side college resources. And insurance cost savings of $0.2 million were realized as the College's risk profile was lowered from its previous year's assessment to reflect a more realistic institutional risk premium.

D. Maintenance and repairs expenditure costs trailed budget by $0.6 million. The College incorporated into its budget an amount of $1.4 million to repair the South Campus smoke-seal. During the year, the College did spend $0.4 million on infrastructure maintenance programs but full remediation of the College's smoke-seal initiative has been delayed to the next fiscal year. Also during the year, the College incurred an incremental $0.4 million in repairs to its South and West College facilities associated with updated signage throughout its facilities as well as assisting with the on-boarding of a new security contractor.

3.1 Key Positive Variances

E. Compensation and Benefits expenditure trailed budget by $0.5 million due to the following:

	Budget		2023		▲	
	$M	FTEs	$M	FTEs	$M	FTEs
Salaries	57.4	695	54.6	653	(2.8)	(42)
Wages	8.3		9.6		1.3	
	65.7		**64.2**		**(1.5)**	
Benefits	12.1		13.1		1.0	
Benefits (%)	18.5%		20.5%			
Tuition and fees	**77.8**		**77.3**		**(0.5)**	

a. Continuous staff compensation was below budget by $2.8 million. Throughout the course of 2022-2023, the College deferred employment in areas where approved budget business case initiatives were postponed.

b. Casual wage cost exceeded budget by $1.3 million as higher-than-budgeted enrolments required more casual positions to fill section delivery.

c. Benefits costs were above budget expectations by $1.0 million. During the year, the College's vacation benefits accrual increased to reflect new arrangements with union and management staff.

3.1 Key Positive Variances

F. Government of Alberta revenue exceeded budget by $0.4 million. This result was a due to a combination of factors:

	Budget	2023	▲
	$M	$M	$M
General Operational Grants	39.0	38.8	(0.1)
Conditional Funding	2.7	4.1	1.4
Infrastructure and Maintenance Grant	1.5	0.4	(1.0)
Amortization of Deferred Capital	6.6	6.8	0.1
Total	**49.7**	**50.1**	**0.4**

Conditional funding exceeded budget by $1.4 million, while infrastructure and maintenance funding trailed by $1.0 million.

The shortfall in the infrastructure and maintenance funding was because the College smoke-seal initiative was pushed to the next fiscal year.

Conditional funding exceeded budget due to additional government support and targeted enrolment funding being provided in support of the following programs:

- **Practical Nurse Diploma targeted enrolment** ($0.5 million)
- **Practical Nurse Diploma for Internationally Educated Nurses** ($0.2 million)
- **Software Program Development** ($0.3 million)
- **Digital Design Development Micro-Credential** ($0.2 million)
- **Software Development Micro-Credential** ($0.2 million)
- **Information Technology Systems Diploma** ($0.1 million)
- **Regional Business Administration Certificate** ($0.1 million)

G. Amortization of tangible capital assets expenditure was materially on budget for the year.

3.2 Key Negative Variances

H. Donations and other contributions revenue were slightly under budget by $0.1 million. Although student awards and program donations were on budget, revenue earned on fund raising activities were down. During the year, the College postponed the annual Premier's luncheon, and this negatively impacted revenue.

I. Other expenditures exceeded budget by $0.1 million. Most notably, utility rates for power and hydro were higher than budgeted during the year resulting in higher than anticipated expenses.

J. Sales of services and products were under budget by $0.6 million due to the following variances:

	Budget	2023	▲
	$M	$M	$M
General Operational Grants	5.6	5.3	(0.3)
Ancillary Revenue			
Services	1.7	1.3	(0.4)
Product Sales	0.1	0.1	–
Other	0.1	0.2	0.1
Total Ancillary Revenue	**1.9**	**1.6**	**(0.3)**
Total	**7.5**	**6.9**	**(0.6)**

Contract and other grant revenue trailed budget due to lower than anticipated revenue on non-academic training and testing services ($0.3 million)

Ancillary service revenue for parking, bookstore and cafeteria contract revenue was budgeted much higher than that realized in the prior year; growth was achieved but the final result was still beneath budget by $0.4 million. Miscellaneous product sales and services grew above budget expectations linked primarily to the growth in FLE's on campus ($0.1 million).

3.2 Key Negative Variances

K. Investment income was below budget by $2.1 million due to a one-time loss realized when the College changed fund managers early during the fiscal year.

	Budget	2023	▲
	$M	$M	$M
Investment Income	6.2	6.5	0.3
Loss on change of fund managers	–	(2.4)	(2.4)
Total	**6.2**	**4.1**	**(2.1)**

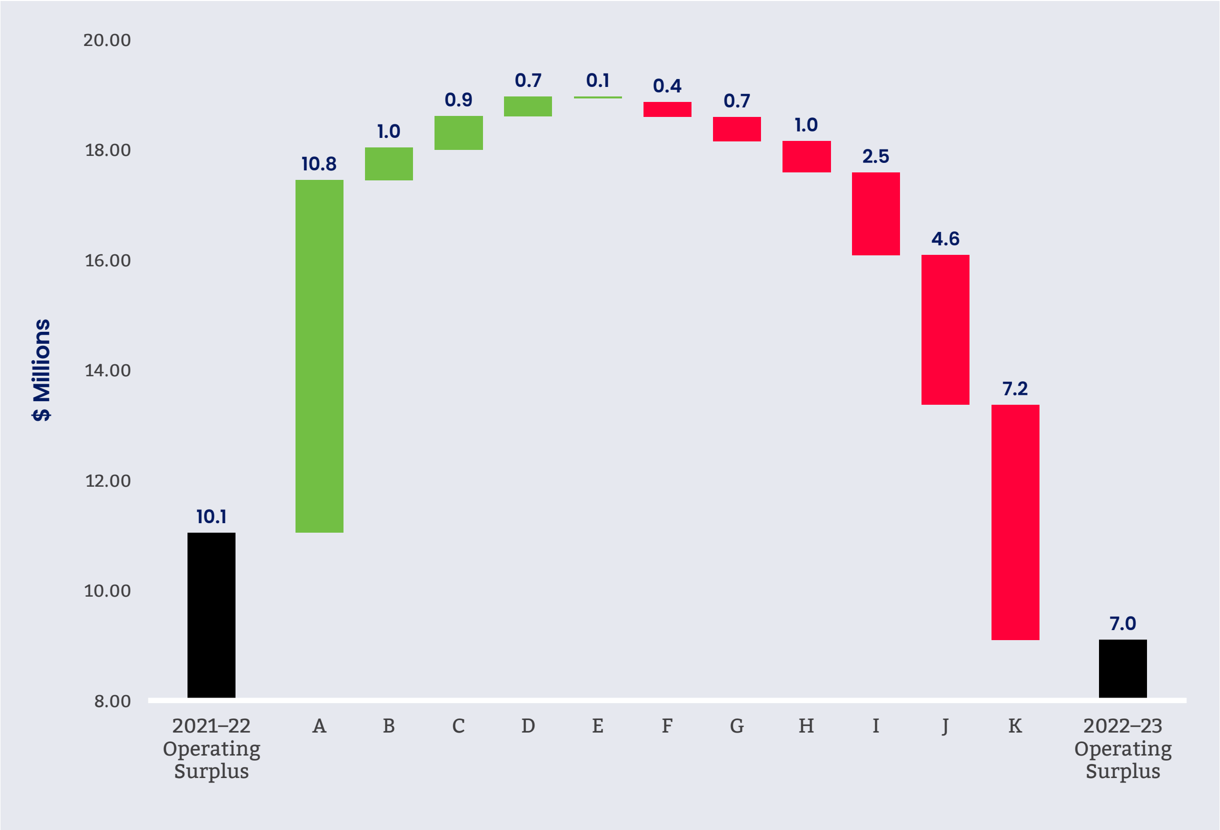
As part of its long-term investment strategy, the College regularly reviews the performance of investment assets under-management; the decision was made late in the previous fiscal year to move a portion of the College's general and restricted portfolio to new fund manager. The movement of these financial assets occurred early during 2022-2023, when a series of interest rates hikes were commencing. As the budget had been set well before this new interest rate environment, no loss was factored into the fiscal budget.

The transition resulted in a one-time crystallization of investments losses and a reset of those investments to a lowered adjusted cost base. After the migration, college investments have continued to increase in market value.

Looking ahead, management is confident the investments are well-managed and will continue to generate market returns.

4. 2022–2023 Financial Results Compared to Prior Year

The following shows the movement between the 2022-2023 operating surplus generated in the prior fiscal year:



In 2021-2022, Bow Valley College's operating surplus was $10.1 million. For 2022-2023, the operating surplus decreased by $3.1 million to $7.0 million.

4.1 Key Positive Variances

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

A. Student tuition and fees grew over the prior year by $10.8 million.

	2023		2022		▲	
	$M	FLEs	$M	FLEs	$M	FLEs
Domestic	24.6	6,639	21.8	6,202	2.8	437
International	32.7	2,230	25.1	1,685	7.6	545
Tuition Revenue	57.4	8,869	46.9	7,887	10.5	982
Fee Revenue	4.3		4.0		0.3	
Tuition and fees	**61.7**		**50.9**		**10.8**	

Domestic tuition increased by $2.8 million while international tuition rebounded by $7.6 million; during the prior fiscal period, pandemic travel restrictions limited the number of international learners attending the College. The growth in international tuition is partly due to the 32 per cent growth in international FLE's to 2,230 (2022 – 1,685) and partly explained by a movement towards higher yield (technology-focused) program mix.

Domestic FLE's also grew by 7 per cent over the year to 6,639 (2022 – 6,202). In addition to the domestic FLE increase, overall domestic tuition rates increased on average across the College by approximately 4 per cent on a year-over-year basis.

B. Government of Alberta grants were higher than the prior year's by $1.0 million.

	2023	2022	▲
	$M	$M	$M
General Operational Grants	38.8	39.0	(0.2)
Conditional Funding	4.1	2.9	1.2
Infrastructure and Maintenance Grant	0.4	0.4	(0.0)
Amortization of Deferred Capital	6.8	6.8	0.0
Total	**50.1**	**49.0**	**1.0**

The college's base operating grant deceased slightly ($0.2 million) on a year-over-year basis. But this was offset by an incremental increase of $1.2 million with Conditional funding primarily driven by additional support in the following programs:

- **Practical Nurse Diploma targeted enrolment** ($0.5 million)
- **Practical Nurse Diploma for Internationally Educated Nurses** ($0.2 million)
- **Digital Design Micro-Credential Development** ($0.2 million)
- **Software Development Micro-Credential Development** ($0.2 million)
- **Regional targeted enrolment support** ($0.1 million)

4.1 Key Positive Variances

C. Sales of products and services revenue grew by $0.9 million.

	2023	2022	▲
	$M	$M	$M
Contracts and Other Grants	5.3	4.6	(0.7)
Ancillary Revenue			
Services	1.3	1.0	(0.3)
Product Sales	0.1	0.1	–
Other	0.2	0.3	(0.1)
	1.6	**1.4**	**(0.2)**
Total	**6.9**	**6.0**	**(0.9)**

The annual increase in sales of products and services revenue was primarily due to an increase in contract revenue ($0.7 million) driven by an increase in research contract revenue ($0.5 million) and credit program educational service delivery ($0.2 million).

D. Federal government grant revenue was higher than the prior year by $0.7 million.

	2023	2022	▲
	$M	$M	$M
LINC Contract Revenue	6.6	6.3	0.3
Other Federal Government Grants			
IYIP Grant Project	0.4	0.0	0.3
Other	1.7	1.7	0.0
	2.0	**1.7**	**0.3**
Total	**8.7**	**8.0**	**0.7**

Half of this year-over-year increase was due to a larger number of learners in the School of Global Access. LINC-funded learners generated an incremental $0.3 million over the prior fiscal year.

The expansion of the International Youth Internships Program (IYIP) activities contributed to the remaining revenue growth for the year.

4.2 Key Negative Variances

E. Donations and other contribution revenue was lower than the prior year by $0.1 million. The year-over-year decrease was primarily due to one-time gifts received in the previous year and not repeated in 2022-2023.

F. Maintenance and repairs expenditures were higher than the prior year by $0.4 million. Campus security costs were higher than the prior year by $0.5 million associated with the implementation of a new security provider and expanded coverage with the complete reopening of campus facilities. Miscellaneous savings of $0.1 million were realized with a small number of completed projects in fiscal 2021-2022 not being repeated in 2022-2023.

G. Amortization of capital assets were higher than the prior year by $0.7 million driven by a higher tangible capital asset base.

H. Other expenses include utility expenses, scholarships and bursaries, and cost of goods sold.

- Utility expenses were higher than the prior year by $0.6 million, with higher energy costs and the reopening of all college facilities; power increased by $0.3 million, gas increased by $0.2 million, and water increased by $0.1 million.
- Scholarships grew by $0.4 million and bursaries by $0.1 million over the year. The growth in scholarships was primarily associated with the launch of the School of Technology. The increase in bursary award payments represented an expansion of awards available to learners.
- Cost of Goods Sold expenditure was lower than the prior year by $0.1 million. The College purchases Calgary transit passes in bulk and recoups payment from learners; unutilized travel passes are expensed by the College at year-end. In 2022-2023, adoption of this program grew thereby reducing the year-over-year write-off of unsold transit passes.

I. Investment income was lower than the prior year by $2.5 million due to the one-time crystallization of investment loss on general portfolio investments transferred to a new investment manager as described above.

4.2 Key Negative Variances

J. Materials, supplies, and services were higher than the prior year by $4.6 million due to growth in the following expense categories:

- **Professional Fees** ($2.1 million)
- **Marketing and Advertising** ($0.9 million)
- **Computer Costs** ($0.7 million)
- **Travel** ($0.5 million)
- **Educational and Consulting Contracts** ($0.4 million)

The increase in professional fees was predominately generated by incremental expenditure upon the implementation of the College's Student Information System ($1.5 million) and additional amounts paid to international agents associated with the increase in international learners attending the College ($0.6 million).

Marketing and advertising increased on a yearly basis due to additional expenditures promoting the School of Technology and the Centre for Entertainment Arts ($0.6 million). Expansion of the marketing budget for fiscal 2022-2023 was also approved to support a variety of business case initiatives ($0.3 million).

Computer costs increased by $0.7 million primarily due to increases in software licensing costs and expanded software licenses being used by the College in support of curriculum development ($0.5 million). Year-over-year growth in IT administration costs of $0.2 million explained the remaining variance.

Travel costs increased by $0.5 million and growth was distributed across the College. The year-over-year growth is primarily a reflection of relaxation in travel restrictions and a return to normalized expenditure levels.

Educational and Consulting Contracts increased by $0.4 million due to the expansion of the International Youth Internships Program outlined above ($0.3 million) and additional expenditures supporting international education initiatives.

H. Salaries and benefits were higher than the prior year by $7.2 million primarily due to growth in the following categories:

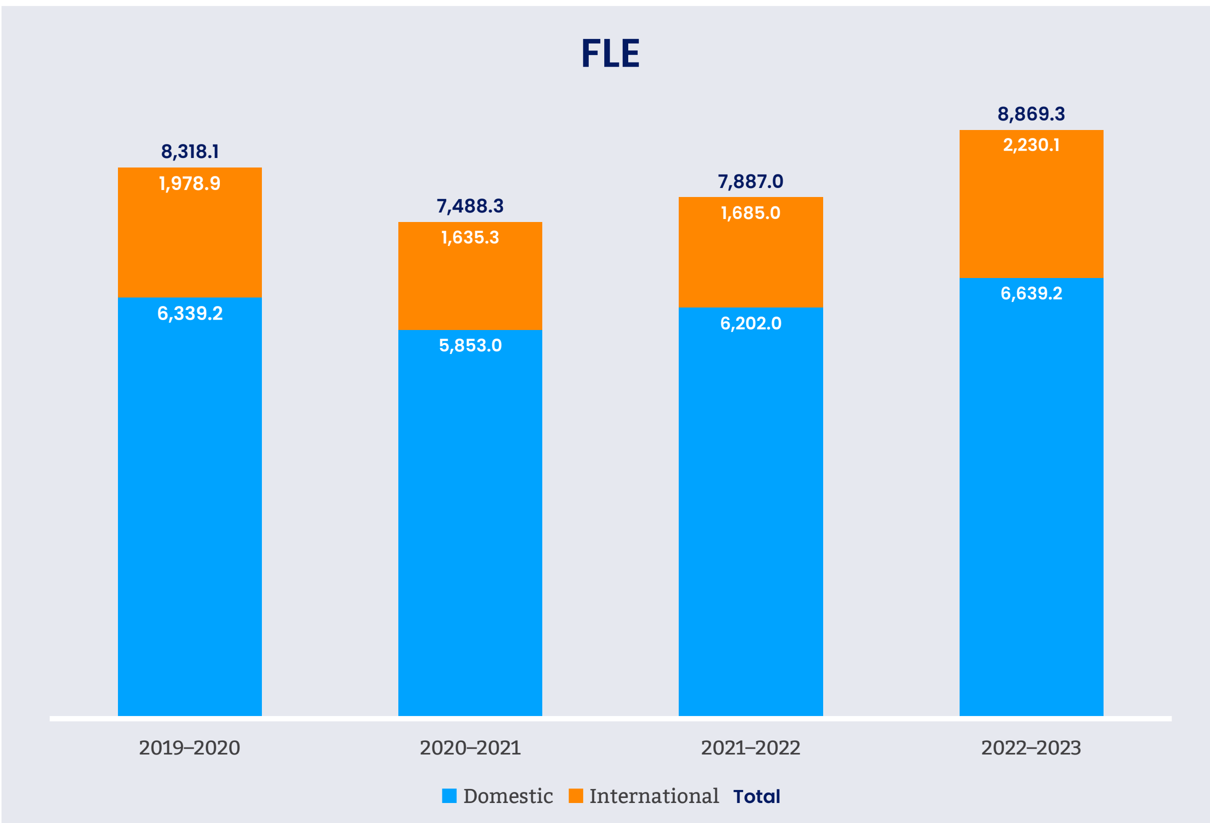
- Continuous staff compensation grew by $4.2 million as staffing levels grew on a year-over-year basis to approximately 653 Full-Time Equivalents (2022 - 600 FTE).
- Casual wage cost increased by $1.7 million with higher levels of enrolment.
- Benefits increased by $1.0 million directly in line with the incremental salary and wage growth outlined above.
- Vacation accruals also increased by $0.3 million due to the growth in FTEs and an expansion to the vacation days entitlement calculated in the accrual on a year-over-year basis.

5. Full Load Equivalent (FLE) Performance

Since the relaxation of pandemic-related restrictions, the College has posted year-over-year growth of learners; in 2020-2021, overall FLEs of the College were 7,488 and by 2021-2022, the College recorded an overall increase in FLEs of 5.3 per cent to 7,887. That growth rate more than doubled in the most recent fiscal year to 12.5 per cent, with total FLEs growing to 8,869.

Domestic learner growth during the year was 7 per cent (437 FLEs), while international learner growth was 32 per cent (545 FLEs). The additional growth in international FLEs is a result of increased international students due to the Canada-Ukraine authorization for emergency travel (CUAET) measures. This allows Ukrainian citizens to apply for work permits allowing them to enrol in LINC programming, which is typically only for permanent residents and refugees or domestic learners. This program contributed to 131 international FLEs for the current year.

Below is a summary of enrolment growth over time:

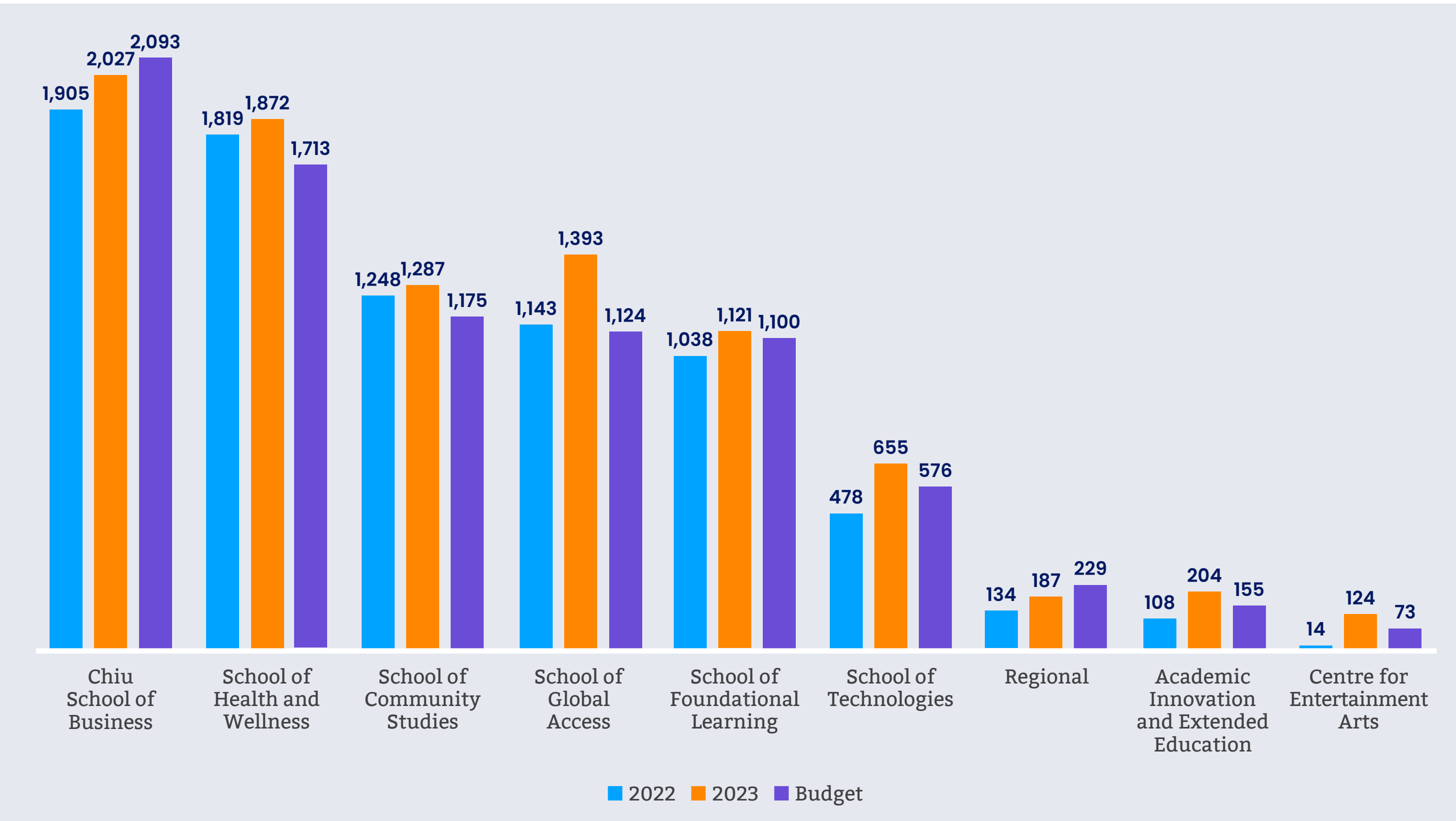


The 2022-2023 College Enrolment Plan was set to achieve growth and rebound to pre-pandemic levels of enrolment and mitigate financial risk. The College realized its enrolment goals during the year.

This increase in FLEs, along with increases in tuition rates combined to deliver an overall student tuition and fee revenue of $61.7 million (compared to 2022 - $51.0 million). This was the highest level of learner-based revenue recorded by the College in its history.

5. Full Load Equivalent (FLE) Performance

The diagram below details the number of learners in each school compared with the budget and the prior year.



5. Full Load Equivalent (FLE) Performance

The following observations can be drawn from the above:

- The Chiu School of Business continues to have the largest number of learners. On a year-over-year basis, the number of learners increased by 122. This increase was just short of its budget by 66 learners. This annual growth in learners was predominantly driven by higher international learner participation. The budget deficit was due to a shortfall in new learner enrolment targets for some of the certificate program offerings.
- The School of Health and Wellness increased its FLE base by 53 learners compared to the prior year and this resulted in a positive variance to budget of 159. This increase was primarily due to expanded program intakes for practical nursing.
- The School of Community Studies increased its FLE base by 39 learners compared to the prior year and this resulted in a positive variance to budget of 112. The increase over budget was due to increased contract enrolment and the school meeting its new learner enrolment targets.
- The School of Global Access recorded annual growth of 250 FLEs as it expanded its LINC offering during the year. This overall result was 269 FLEs higher than budget. This variance was due to increases in continuing learners in both the funded and LINC programming.
- The School of Foundational Learning increased FLEs over the prior year by 83, primarily due to an increase in funded learners. This expansion was anticipated and reflected an increase of just 21 FLEs above budget.
- The School of Technology experienced increases in enrolment over the prior year by 177 FLEs. This reflected higher adoption rates to program offerings in the software development space and the overall increase exceeded budget expectations by 79 learners. This increase was due to exceeding overall new learner targets and the addition of a new diploma intake for the school.
- The College's Regional department recorded an annual increase of 53 FLEs. This was well short of budget expectations by 42 FLEs due to missing new learner targets.
- Academic Innovation and Extended Education experienced a 96 FLE increase over the prior year. This created a positive budget variance of 49 FLEs. During the fiscal year, the school reintroduced Open Studies and expanded course offerings to students, which contributed to the overall growth.
- Launch of the Centre for Entertainment Arts (CEA) was delayed until the latter part of fiscal 2021-2022. During fiscal 2022-2023, the number of learners grew to 124, exceeding the budgeted 51 learners. As the CEA continues to expand program offerings and matures in its operations, the College anticipates further learner growth in this area.

6. Expenditure Analysis by Function Composition

The College's expenditures can be reported based either on their functional composition or their objective composition.

Functional categories are broadly grouped in terms of the following operational areas, which support the College's service delivery of:

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

A full description of functional expense categories can be found in note two of the audited financial statements.

The Statement of Operations lists expenditures in terms of their functional composition; note 14 to the audited financial statements illustrates expenditures according to their objective classification. The relationship between these two categories for the current fiscal expenditures is summarized in the table below:

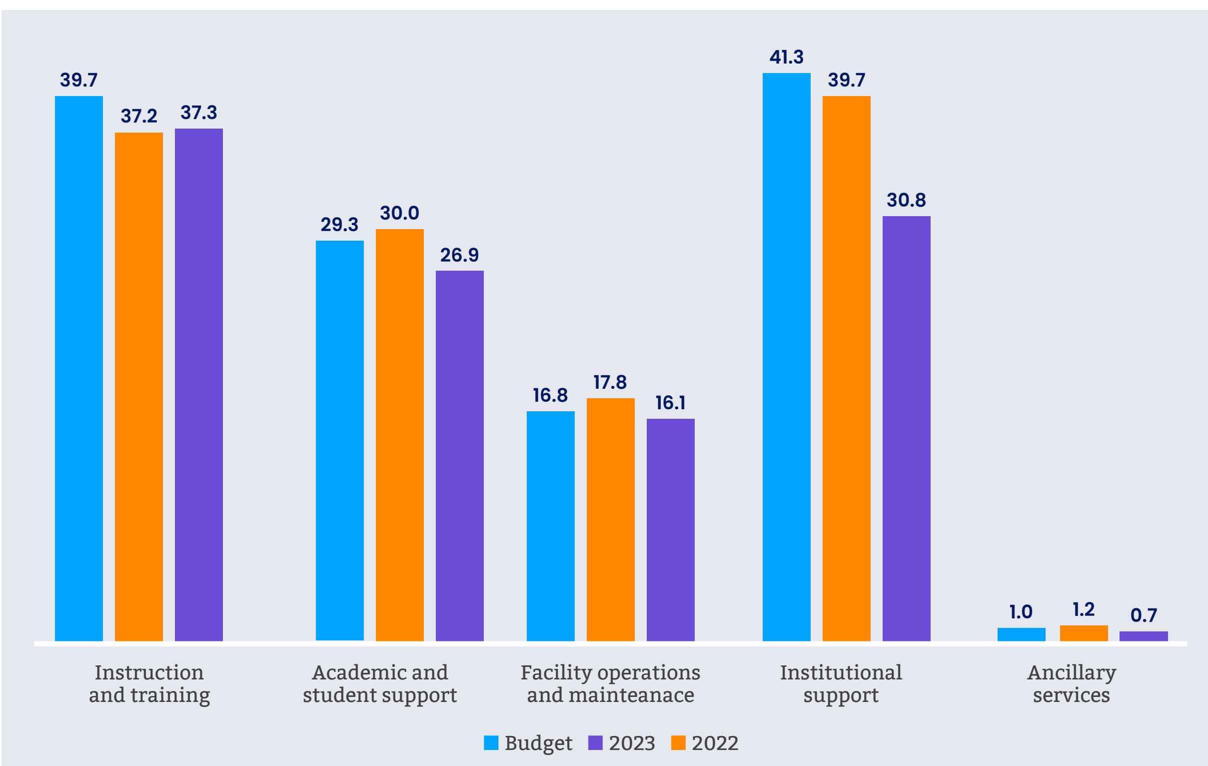
Expense by Objective/ Function Categories ($ million)	Instruction and Training	Academic and Student Support	Facility Operations and Maintenance	Institutional Support	Ancillary Services	Total
Salaries and Benefits	35.0	23.6	1.0	17.1	0.6	77.3
Materials, Supplies and Services	2.1	5.4	0.8	19.2	0.1	27.6
Amortization of Capital Assets	–	–	8.6	2.9	–	11.5
Maintenance and Repairs	0.0	0.0	5.2	0.0	0.4	5.6
Utilities	–	0.0	2.3	–	–	2.3
Scholarship and Bursaries	0.1	0.9	–	0.5	–	1.4
Cost of Goods Sold	–	0.1	–	–	–	0.1
Total Expenditure	**37.2**	**30.0**	**17.8**	**39.7**	**1.2**	**125.8**

6. Expenditure Analysis by Function Composition

The prior year comparative expenditures matrix is outlined below:

Expense by Objective/ Function Categories ($ million)	Instruction and Training	Academic and Student Support	Facility Operations and Maintenance	Institutional Support	Ancillary Services	Total
Salaries and Benefits	34.3	22.3	0.7	12.5	0.6	70.3
Materials, Supplies and Services	3.0	3.7	1.2	15.1	–	23.0
Amortization of Capital Assets	–	–	8.3	2.4	–	10.7
Maintenance and Repairs	–	–	4.3	0.7	0.2	5.2
Utilities	–	–	1.7	–	–	1.7
Scholarship and Bursaries	–	0.8	–	0.1	–	0.9
Cost of Goods Sold	–	0.1	–	–	–	0.1
Total Expenditure	**37.3**	**26.8**	**16.1**	**30.8**	**0.8**	**111.9**

The functional expenditure performance of the College compared to the budget and the prior year is outlined in the graph below:



6. Expenditure Analysis by Function Composition

Key Factors influencing these variances are outlined as follows:

- Instruction and training costs remained relatively unchanged from the prior year and beneath budget by $2.5 million. Compensation budget savings in this functional category of $1.3 million were realized in the year as there were staggered recruitment of employees in the School of Health and Wellness. There were also budget savings of $1.2 million in material supplies and services supporting this functional category related to delays in several instructional information support systems pending the implementation of the new Student Information System.
- Academic and Student Support was budgeted at $29.3 million and actual expenditures exceeded the budget by $0.7 million. Compensation was lower than budgeted by $0.3 million due to the delay in recruitment of new positions. Material supplies and services were lower than budgeted by $1.2 million primarily due to expanded expenditures in the Accessibility Services division, international agency commissions, and expenditures supporting the IYIP project discussed above. Scholarships and bursaries were slightly lower than budgeted by $0.1 million supporting students in need.
- Facility Operations and Maintenance was budgeted at $16.8 million and actuals exceeded the budget by $1.0 million. Included in expenditures were $2.0 million of amortization expense, which had been classified for budget purposes under Institutional Support; this created an overspend budget variance in this category and an underspend budget variance in the Institutional Support category. This misclassified overspending in Facility Operations and Maintenance is partly offset by the delay in the repair of the South Campus smoke seal ($1.0 million savings).
- Adjusting for the misclassified budget savings in Institutional Support of $2.0 million referenced above, this category was slightly over its budget by 0.4 million. this overage was due to higher compensation associated with new positions, position change/reclassifications and grid increases by employee groups.
- Ancillary Services were budgeted at $1.0 million and the actual expenditures were above budget by $0.1 million primarily due to higher than anticipated compensation ($0.1 million) resulting from grid increases by employee groups and higher material supplies and services costs ($0.1 million) associated with imaging service costs increases.

7. Capital Expenditures

During the year, the net book value of the College's tangible capital assets decreased by $5.5 million due to net capital expenditures of $6.0 million being exceeded by amortization of capital assets of $11.5 million.

$ million	Budget	2023	2022	Budget ▲	YoY ▲
Tangible Capital Assets					
Activity					
Net capital expenditure	$ 10.4	$ 6.0	$ 8.9	$ (4.4)	$ (2.9)
Amortization	(11.5)	(11.5)	(10.7)	–	(0.8)
	(1.1)	**(5.5)**	**(1.8)**	**(4.4)**	**(3.7)**
Opening Net Book Value	256.9	256.9	258.7	$ –	$ 1.8
Closing Net Book Value	**255.8**	**251.4**	**256.9**	**(4.4)**	**(1.8)**

Net capital expenditures of $6.0 million are comprised of $11.2 million of purchased capital assets (2022 - $4.1 million), and a decrease in the Work in Progress balance of $5.0 million (2022 – increase of $4.9 million).

$ million	Budget	2023	2022	Budget ▲	YoY ▲
Purchase of assets	$ 10.4	$ 11.2	$ 4.1	$ 0.8	$ 7.1
Movement in Work in Progress	–	(5.2)	4.9	(5.2)	(10.1)
Net capital expenditure	**10.4**	**6.0**	**8.9**	**(4.4)**	**(2.9)**

Purchase of assets by asset type is detailed below:

$ million	Budget	2023	2022	Budget ▲	YoY ▲
Purchase of Assets					
Computers and equipment	$ 5.4	$ 5.8	$ 3.9	$ 0.4	$ 1.9
Campus facilities	5.0	5.2	0.1	0.2	5.1
Education resources	–	0.2	0.0	0.2	0.2
Net capital expenditure	**10.4**	**11.2**	**4.1**	**0.8**	**7.1**

Computer and equipment expenditures were higher than the prior year by $3.9 million as the College implemented its modern classroom strategy. Campus facility expenditures were also higher than the prior year as upgrade expenditures to the South Campus third floor previously incurred in 2021-2022 and held in Work in Progress was capitalized as anticipated in the budget.

8. Areas of Significant Financial Risk

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

A. Enrolment Trends

Over the past years, international tuition revenue has become an increasingly more important source of college funding. Any restrictions to international mobility — such as that created by the recent pandemic — has a significant and immediate impact on institutional revenue generation. Increasing geo-political uncertainty can negatively impact the flow of international learners to Alberta. Enhanced levels of competition to attract international learners have also grown across the global post-secondary sector.

Increasing domestic learner growth continues to be a focus of the College. Domestic tuition rates are tightly regulated by the Government of Alberta and domestic current tuition levels are not presently set to completely cover the cost of delivery. As the College continues to accept more domestic learners, cost pressures will evolve.

The college will continue to monitor the above enrolment trends and take corrective actions to ensure long-term financial stability is maintained.

B. Talent Attraction and Retention

The college is committed to developing high standards of service delivery for all its learners and executing audacious strategic initiatives. These initiatives require an engaged and highly skilled workforce. Compensation bans across the College are tightly regulated by legislation and are generally set below other Albertan post-secondary institutions. Competition for talent remains high across the Albertan employment landscape.

The college will continue to advocate competitive compensation for its staff and compete in the recruitment and development of talent.

C. Labour Relations

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

The college is also scheduled to negotiate updated collective bargaining agreements with both faculty and A.U.P.E. staff over the coming next fiscal year. These negotiations could impact the College's cost structure.

D. Investment Management Agreement

The college continues to work with the Ministry of Advance Education ensuring all metrics established in its Investment Management Agreement are fully met. This funding model is designed to challenge the College to enhance and expand its offerings but caps overall government funding commitments.

In future, as the College expands its programming offerings — meeting its Investment Management Agreement commitments — cost pressures are anticipated to grow. In the absence of government funding, the College will need to seek alternative source revenue generation from contracting initiatives and strategic partnerships.

In the current year, the College has established a new category of restricted net assets to finance the development of its revenue generating capabilities as it is anticipated this evolution may impact the College's existing cost structure.

E. Investments

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

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

STATEMENT OF MANAGEMENT RESPONSIBILITY

YEAR ENDED JUNE 30, 2023

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

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

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

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

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

_____________________	________________________
Misheck Mwaba President and Chief Executive Officer	Vaughn Ravenscroft Vice President, Corporate Services and CIO

Independent Auditor’s Report

To the Board of Governors of Bow Valley College

Report on the Financial Statements

Opinion

I have audited the financial statements of Bow Valley College (the College), which comprise the statement of financial position as at June 30, 2023, and the statements of operations, remeasurement gains and losses, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at June 30, 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]
Auditor General

October 31, 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	**$ 6,948**	$ 7,452
Portfolio investments – non endowment (note 4)	**145,706**	132,505
Accounts receivable (note 7)	**3,500**	4,238
	156,154	144,195
Liabilities		
Accounts payable and accrued liabilities	**11,129**	10,798
Employee future benefit liabilities (note 22)	**154**	142
Deferred revenue (note 9)	**33,679**	30,253
Capital lease obligation (note 8)	**121**	227
Asset retirement obligations (note 11)	**88**	84
	45,171	41,504
Net financial assets excluding portfolio investments restricted for endowments	**110,983**	102,691
Portfolio investments – restricted for endowments (note 4)	**19,154**	15,835
Net financial assets	**130,137**	118,526
Non-financial assets		
Tangible capital assets (note 8)	**251,458**	256,933
Prepaid expenses	**3,153**	2,054
	254,611	258,987
Net assets before spent deferred capital contributions	**384,748**	377,513
Spent deferred capital contributions (note 10)	**189,663**	196,167
Net assets (note 12)	**$ 195,085**	$ 181,346
Net assets is comprised of:		
Accumulated surplus	**$ 195,956**	$ 187,547
Accumulated remeasurement losses	**(871)**	(6,201)
	$ 195,085	$ 181,346

Contingent assets and Contractual rights (notes 15 and 17)
Contingent liabilities and Contractual obligations (notes 16 and 18)

Approved by the Board of Governors

Chair, Board of Governors

President and Chief Executive Officer

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

STATEMENT OF OPERATIONS

YEAR ENDED JUNE 30, 2023

(thousands of dollars)

	Budget (note 24)	**2023**	2022 (Restated Note 3)
Revenues			
Government of Alberta grants (note 20)	$ 49,698	**$ 50,068**	$ 49,029
Federal and other government grants (note 20)	6,986	**8,688**	8,031
Sales of services and products	7,455	**6,875**	5,969
Student tuition and fees	56,303	**61,715**	50,914
Donations and other contributions	1,464	**1,398**	1,503
Investment income (note 6)	6,177	**4,066**	6,586
	128,083	**132,810**	122,032
Expenses (note 14)			
Instruction and training	39,726	**37,160**	37,299
Academic and student support	29,275	**30,020**	26,936
Facility operations and maintenance	16,793	**17,768**	16,098
Institutional support	41,262	**39,707**	30,834
Ancillary services	1,027	**1,165**	729
	128,083	**125,820**	111,896
Annual operating surplus	-	**6,990**	10,136
Endowment contributions and capitalized investment income			
Endowment contributions (note 12)	-	**1,419**	350
Endowment capitalized investment income (note 12)	-	**-**	1,112
Annual surplus	-	**8,409**	11,598
Accumulated surplus, beginning of year	187,547	**187,547**	175,949
Accumulated surplus, end of year (note 12)	$ 187,547	**$ 195,956**	$ 187,547

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

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

YEAR ENDED JUNE 30, 2023

(thousands of dollars)

	Budget (note 24)	**2023**	2022 (Restated Note 3)
Annual surplus	$ -	**$ 8,409**	$ 11,598
Acquisition of tangible capital assets	(10,400)	**(5,982)**	(8,915)
Amortization of tangible capital assets	11,499	**11,457**	10,726
(Increase) decrease in prepaid expenses		**(1,099)**	222
Decrease in spent deferred capital contributions	(6,640)	**(6,504)**	(6,599)
Decrease (increase) in accumulated remeasurement losses		**5,330**	(17,999)
Increase (decrease) in net financial assets	(5,541)	**11,611**	(10,967)
Net financial assets, beginning of year	118,526	**118,526**	129,493
Net financial assets, end of year	$ 112,985	**$ 130,137**	$ 118,526

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

YEAR ENDED JUNE 30, 2023

(thousands of dollars)

		2023		2022
Accumulated remeasurement (losses) gains, beginning of year	**$**	**(6,201)**	$	11,798
Unrealized gains (losses) attributable to:				
Portfolio investments – non endowment		**2,540**		(16,054)
Realized Losses (gains) reclassified to statement of operations:				
Portfolio investments – non endowment		**2,790**		(1,945)
Accumulated remeasurement losses, end of year (note 12)	**$**	**(871)**	$	(6,201)

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

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023

(thousands of dollars)

	2023	2022 (Restated Note 3)
Operating transactions		
Annual surplus	**$ 8,409**	$ 11,598
Add (deduct) non-cash items:		
Amortization of tangible capital assets	**11,457**	10,726
Loss (gain) on sales of portfolio investments	**2,790**	(1,945)
Expended capital contributions recognized as revenue	**(6,753)**	(6,710)
Increase in employee future benefits liabilities	**12**	10
Increase in asset retirement obligations	**4**	4
Change in non-cash items:	**7,510**	2,085
Decrease (increase) in accounts receivable	**738**	(929)
(Increase) decrease in prepaid expenses	**(1,099)**	222
Increase in accounts payable and accrued liabilities	**331**	1,002
Increase in deferred revenue	**3,426**	1,207
Cash provided by operating transactions	**19,315**	15,185
Capital transactions		
Acquisition of tangible capital assets	**(5,982)**	(8,915)
Cash applied to capital transactions	**(5,982)**	(8,915)
Investing transactions		
Purchase of portfolio investments	**(77,425)**	(48,219)
Proceeds on sale of portfolio investments	**63,445**	35,163
Cash applied to investing transactions	**(13,980)**	(13,056)
Financing transactions		
Repayment of capital lease obligation	**(106)**	(80)
Increase in spent deferred capital contributions, less expended capital contributions recognized as revenue	**249**	111
Cash provided by financing transactions	**143**	31
Increase (decrease) in cash and cash equivalents	**(504)**	(6,755)
Cash and cash equivalents, beginning of year	**7,452**	14,207
Cash and cash equivalents, end of year	**$ 6,948**	$ 7,452

The accompanying notes are an integral part of these financial statements

1. Authority and purpose

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

2. Summary of significant accounting policies and reporting practices

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

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

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

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

b. Valuation of financial assets and liabilities

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

Financial statement component	Measurement
• Cash and cash equivalents	Cost
• Portfolio investments – non endowment	Fair value and amortized cost
• Portfolio investments – restricted for endowments	Fair value and amortized cost
• Accounts receivable	Lower of cost or net recoverable value
• Asset Retirement obligations	Present value
• Accounts payable and accrued liabilities	Cost

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

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

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

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

Management evaluates contractual obligations for the existence of embedded derivatives and elects to either designate the entire contract for fair value measurement or separately measure the value of the derivative component when characteristics of the derivative are not closely related to the economic characteristics and risks of the contract itself. Contracts to buy or sell non-financial items for the College's normal purchase, sale or usage requirements are not recognized as financial assets or financial liabilities. At June 30, 2023, the College does not have any embedded derivatives.

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

c. Revenue recognition

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

Government grants, non-government grants and donations

Government transfers are referred to as government grants.

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

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

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

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

Grants and donations related to land

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

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

Endowment contributions

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

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

Investment income

Investment income includes dividends, interest income and realized gains or losses on the sale of portfolio investments. Investment income from restricted grants and donations is recognized as deferred revenue when the terms for use create a liability and is recognized as investment income when the terms of the grant or donation are met.

The endowment spending allocation portion of investment income earned by endowments is recognized as deferred revenue when the terms for the use by the endowment create a liability. Realized investment income allocated to endowment balances for the preservation of endowment capital purchasing power is recognized in the statement of operations.

d. Endowments

Endowments consist of:

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

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

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

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

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

e. Tangible capital assets

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

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

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

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

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

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

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

f. Foreign currency translation

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

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

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

g. Employee future benefits

Long-term disability health and pension premiums

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

Notional defined contribution supplementary retirement plan (SRP)

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

Defined benefit plans accounted for on a defined contribution basis

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

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

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

h. Liability for contaminated sites

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

- an environmental standard exists,
- there is evidence that contamination exceeds an environmental standard,
- the 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.

At June 30, 2023, the College does not have any contaminated sites liability.

i. Funds and reserves

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

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

j. Expense by function

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

Instruction and training
Expenses relating to instruction and training support for the academic functions of the College both directly and indirectly. This function includes expenses incurred by faculties for their scholarly and non-sponsored research activities, in both credit and non-credit courses.

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

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

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

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

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

k. Asset retirement obligations (ARO)

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

- decommissioning or dismantling a tangible capital asset that was acquired, constructed, or developed;
- remediation of contamination of a tangible capital asset created by its normal use;
- 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:

a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
b) the past transaction or event giving rise to the liability has occurred;
c) it is expected that future economic benefits will be given up; and
d) a reasonable estimate of the amount can be made.

When a liability for asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying amount of the related asset and are amortized over estimated useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed.

Where a present value technique is used to measure a liability, the liability is adjusted for the passage of time and is recognized as accretion expense in the Statement of Operations. When a present value technique is not used, the asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability.

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

l. Future changes in accounting standards

In November 2018, PSAB issued PS 3400 Revenue. This accounting standard has been deferred by Public Sector Accounting Board (PSAB), and is effective for fiscal years starting on or after April 1, 2023. Revenue provides guidance on how to account for and report on revenue, specifically addressing revenue arising from exchange transactions and unilateral transactions. Management has not yet adopted this standard, and is currently assessing the impact on the financial statements.

In November 2020, PSAB issued PSG-8 Purchased intangibles. This accounting guideline is effective for fiscal years starting on or after April 1, 2023. Purchased intangibles provides guidance on how to recognize intangibles as non-financial assets. Management has not yet adopted this guideline, and is currently assessing the impact on the financial statements.

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

3. Changes in accounting policies

Effective July 1, 2022, the College adopted the new accounting standard PS 3280 Asset Retirement Obligations and applied the standard using the modified retroactive 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:

i. asset retirement obligations, adjusted for accumulated accretion to the effective date;
ii. asset retirement cost capitalized as an increase to the carrying amount of the related tangible capital assets in productive use;
iii. accumulated amortization on the capitalized cost; and
iv. adjustment to the opening balance of the accumulated surplus.

Amounts are measured using information, assumptions and discount rates that are current on the effective date of the standard. The amount recognized as an asset retirement cost is measured as of the date the asset retirement obligation was incurred. Accumulated accretion and amortization are 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 this standard is first applied.

(thousands of dollars)

3. Changes in accounting policies (continued)

	2022		
	As previously reported	Asset retirement obligations	As Restated
Statement of Operations			
Revenues	$ 122,032	$ -	$ 122,032
Expenses	111,891	5	111,896
Annual operating surplus	10,141	(5)	10,136
Endowment contributions and capitalized investment	1,462	-	1,462
Accumulated surplus, beginning of year	175,986	(37)	175,949
Accumulated surplus, end of year	**$ 187,589**	**$ (42)**	**$ 187,547**
Statement of Financial Position			
Net financial assets excluding portfolio investments restricted for endowments	$ 144,195	$ -	$ 144,195
Liabilities	41,420	84	41,504
	102,775	(84)	102,691
Portfolio investments – restricted for endowments	15,835	-	15,835
Net financial assets	118,610	(84)	118,526
Tangible capital assets	256,891	42	256,933
Prepaid expenses	2,054	-	2,054
Spent deferred capital contributions	(196,167)	-	(196,167)
Net assets	**$ 181,388**	**$ (42)**	**$ 181,346**
Net assets is comprised of			
Accumulated surplus	187,589	(42)	187,547
Accumulated remeasurement losses	(6,201)	-	(6,201)
	$ 181,388	**$ (42)**	**$ 181,346**
Statement of Change in Net Financial Assets			
Annual surplus	$ 11,603	$ (5)	$ 11,598
Acquisition of tangible capital assets	(8,915)	-	(8,915)
Amortization of tangible capital assets	10,725	1	10,726
Increase in prepaid expenses	222	-	222
Decrease in spent deferred capital contributions	(6,599)	-	(6,599)
Decrease in accumulated remeasurement gains	(17,999)	-	(17,999)
Decrease in net financial assets	(10,963)	(4)	(10,967)
Net financial assets, beginning of year	129,573	(80)	129,493
Net financial assets, end of year	**$ 118,610**	**$ (84)**	**$ 118,526**
Statement of Cash flows			
Annual surplus	$ 11,603	$ (5)	$ 11,598
Amortization of tangible capital assets	10,725	1	10,726
Increase in asset retirement obligations	-	4	4

(thousands of dollars)

4. Portfolio investments

	2023	2022
Portfolio investments – non endowments	**$ 145,706**	$ 132,505
Portfolio investments – restricted for endowments	**19,154**	15,835
	$ 164,860	$ 148,340

The above investments are allocated across asset classes which include Canadian bonds, foreign bonds, equity pooled funds and money market accounts. Canadian bond investment yields ranged from 4.4% to 4.5% (2022 – 3.7% to 4.1%); foreign bond investment yields were 3.5% (2022 – 2.3%); equity pooled fund yields ranged from 1.4% to 3.1% (2022 – 0.5% to 3.6%); and the average annualized effective yields on the money market investments ranged from 4.8% to 5.3% (2022 – 0.5% to 1.4%).

Terms to maturity of fixed income investments are as follows:

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

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

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

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

(thousands of dollars)

4. Portfolio investments (continued)

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

	2023								
	%		Level 1		Level 2		Level 3		**Total**
Bonds									
Pooled investment funds – Canadian government and corporate bonds	45.1%	$	-	$	74,272	$	-	**$**	**74,272**
Pooled investment funds – Foreign Bonds	1.6%		-		2,694		-		**2,694**
Equities									
Pooled investment funds – Canadian equity	13.9%		-		22,924		-		**22,924**
Pooled investment funds – Foreign equity	19.6%		-		32,282		-		**32,282**
Other									
Money market funds, short-term notes, treasury bills	19.8%		32,688		-		-		**32,688**
Total portfolio investments	**100.0%**	**$**	**32,688**	**$**	**132,172**	**$**	**-**	**$**	**164,860**
Percent of Total Portfolio Investments			19.8%		80.2%				100.0%

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

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

5. Financial risk management

The College is exposed to the following risks:

Market price risk

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

The College assesses its portfolio sensitivity to a percentage increase or decrease in the market prices. The following details the College's portfolio sensitivity to a 4.8% increase or decrease in market prices. The sensitivity rate is determined by the College's investment advisers using the historical annualized standard deviation for the total endowment fund over a four-year period. At June 30, 2023, if market prices had a 7.7% (2022 – 5.8%) increase or decrease, with all other variables held constant, the increase or decrease in remeasurement gains and losses and endowment net assets for the year would have been $10,201 (2022 - $6,710).

Foreign currency risk

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

Liquidity risk

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

Commodity price risk

The College is exposed to commodity price risk as a result of substantial electricity and natural gas usage required to operate the College's facilities. To mitigate this risk, the College has entered into contracts to fix the price for electricity and natural gas (note 18).

(thousands of dollars)

5. Financial risk management (continued)

Credit risk

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

The credit ratings for investments held are as follows:

	2023	2022
AAA	**21.5%**	24.0%
AA	**36.4%**	26.0%
A	**26.9%**	35.0%
BBB	**14.8%**	15.0%
Below BBB	**0.4%**	0.0%
	100.0%	100.0%

Interest rate risk

Interest rate risk is the risk to the College's earnings that arises from fluctuations in interest rates and the degree of volatility of these rates. This risk is managed by the College's Investment Policy that limits the term to maturity of certain fixed income securities that the College holds. If interest rates increased by 1.0%, and all other variables are held constant, the potential loss in fair value to the College would be approximately $7,015 (2022 - $3,396).

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

Asset class	< 1 year	1-5 years	>5 years	Average effective market yield
Cash and cash equivalents	100.0%	0.0%	0.0%	4. 8%
Portfolio investments, fixed income	2.8%	41.5%	55.7%	4.4%

(thousands of dollars)

6. Investment income

	2023	2022
Portfolio investments – non endowment	$ 4,066	$ 6,856
Portfolio investments – restricted for endowments	883	1,084
	4,949	7,940
Deferred	(883)	(1,084)
	$ 4,066	$ 6,586

7. Accounts receivable

	2023	2022
Accounts receivable	$ 843	$ 708
Other receivables	3,669	4,140
Less: Allowance for doubtful accounts	(1,012)	(610)
Balance, end of the year	$ 3,500	$ 4,238

Accounts receivable are unsecured and non-interest bearing.

(thousands of dollars)

8. Tangible capital assets

	2023					2022 (Restated Note 3)
	Buildings, leasehold, and site improvements	Furniture and equipment, computer equipment and software	Learning resources equipment	Land	**Total**	Total
Cost						
Beginning of year	$ 294,631	$ 40,271	$ 802	$ 36,626	**$ 372,330**	$ 363,415
Acquisitions	5,130	674	178	-	**5,982**	8,915
Disposals	-	-	-	-	**-**	-
	299,761	40,945	980	36,626	**378,312**	372,330
Accumulated amortization						
Beginning of year	86,557	28,051	789	-	**115,397**	104,671
Amortization expense	8,204	3,221	32	-	**11,457**	10,726
Disposals	-	-	-	-	**-**	-
	94,761	31,272	821	-	**126,854**	115,397
Net book value at June 30, 2023	**$ 205,000**	**$ 9,673**	**$ 159**	**$ 36,626**	**$ 251,458**	
Net book value at June 30, 2022 (Restated note 3)	$ 208,074	$ 12,220	$ 13	$ 36,626		$ 256,933

Included in Buildings, leasehold, and site improvements and Furniture and equipment, computer equipment, and software is work in progress of $223 (2022 - $5,252).

The College has multi-function print devices financed with a capital lease. The original present value of the capital lease obligation was $533 and the related accumulated amortization on this equipment is $453. At year end, the capital lease obligation owing was $98 (2022 - $227). A postage machine was also leased during the year. The original present value of that obligation is $27. At year end, the capital lease obligation owing was $23. This and the related accumulated amortization was $4. The combined capital lease obligation owing for both assets was $121 (2022 - $227).

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

(thousands of dollars)

9. Deferred revenue

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

	2023				2022
	Unspent externally restricted grants and donations	Unspent deferred capital contributions	Tuition and other fees	**Total**	Total
Balance, beginning of year	$ 7,689	$ 2,202	$ 20,362	**$ 30,253**	$ 28,935
Grants, tuitions, contract revenue, donations, and other fees received	12,214	-	26,613	**38,827**	37,334
Investment income					
Realized (losses) gains	(43)	-	-	**(43)**	1,084
Unrealized gains (losses)	1,468	-	-	**1,468**	(2,283)
Transfers to spent deferred capital contributions	(249)	-	-	**(249)**	(111)
Recognized as revenue	(9,580)	(432)	(26,565)	**(36,577)**	(34,706)
Balance, end of year	**$ 11,499**	**$ 1,770**	**$ 20,410**	**$ 33,679**	$ 30,253

10. Spent deferred capital contributions

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

	2023	2022
Balance, beginning of year	**$ 196,167**	$ 202,766
Transfers from unspent externally restricted grants and donations	**249**	111
Expended capital contributions recognized as revenue	**(6,753)**	(6,710)
Balance, end of year	**$ 189,663**	$ 196,167

(thousands of dollars)

11. Asset retirement obligations

Asset retirement obligations are initially measured as of the date the legal obligation was incurred, based on management's best estimate of the amount required to retire tangible capital assets and subsequently remeasured taking into account any new information and the appropriateness of assumptions used. The estimate of the liability is based on third party quotes and professional judgement.

Included in the asset retirement obligation estimate is $88 measured using a present value technique.

		2023		2022 (Restated Note 3)
Liability incurred	**$**	**-**	$	-
Accretion expense		**4**		4
Increase in asset retirement obligations	**$**	**4**	$	4
Asset retirement obligations, beginning of year		**84**		80
Asset retirement obligations, end of year	**$**	**88**	$	84

At June 30, 2023, the undiscounted amount of estimated future cash flows required to settle this obligation is $379 and is discounted using a discount rate of 5.0%.

Tangible capital assets with associated retirement obligations include buildings.

		2023		2022 (Restated Note 3)
Cost	**$**	**54**	$	54
Accumulated amortization, beginning of year	**$**	**12**	$	11
Amortization expense		**1**		1
Accumulated amortization, end of year	**$**	**13**	$	12
Net book value, end of year	**$**	**41**	$	42

The net asset impact of the asset retirement obligation is:

Accretion expense	**$**	**(4)**	$	(4)
Amortization expense		**(1)**		(1)
Total expense	**$**	**(5)**	$	(5)
Investment in tangible capital assets, beginning of year	**$**	**(41)**	$	(36)
Investment in tangible capital assets, end of year	**$**	**(47)**	$	(41)

Asset retirement obligations are expected to be settled over the next 10 to 31 years and the College plans to use its working capital to finance these asset retirement obligations.

(thousands of dollars)

12. Net assets

	Accumulated surplus from operations (Restated Note 3)	Investment in tangible capital assets (Restated Note 3)	Internally restricted surplus (Note 13)	Endowment	Total (Restated Note 3)
Net assets at June 30, 2021	$ 11,844	$ 55,592	$ 107,354	$ 12,957	$ 187,747
Annual surplus	11,598	-	-	-	11,598
Endowments					
Contributions	(353)	-	-	353	-
Capitalized investment income	(1,112)	-	-	1,112	-
Tangible capital assets					
Internally funded acquisition of tangible capital assets	(4,475)	8,801	(4,326)	-	-
Amortization of internally funded tangible capital assets	3,908	(3,908)	-	-	-
Net change in investment in capital leased assets	26	(26)	-	-	-
Asset retirement obligations (Note 11)	5	(5)	-	-	-
Operating expenses funded from internally restricted reserves	3,176	-	(3,176)	-	-
Net Board appropriation to internally restricted reserves	(6,600)	-	6,600	-	-
Change in accumulated remeasurement gains	(17,999)	-	-	-	(17,999)
Net assets, beginning of year	18	60,454	106,452	14,422	181,346
Annual surplus	8,409	-	-	-	8,409
Endowments					
Contributions	(1,419)	-	-	1,419	-
Tangible capital assets					
Internally funded acquisition of tangible capital assets	(4,699)	5,707	(1,008)	-	-
Amortization of internally funded tangible capital assets	4,592	(4,592)	-	-	-
Net change in investment in capital leased assets	(22)	22	-	-	-
Asset retirement obligations (Note 11)	6	(6)	-	-	-
Operating expenses funded from internally restricted reserves	4,254	-	(4,254)	-	-
Net Board appropriation to internally restricted reserves	(17,330)	-	16,333	997	-
Change in accumulated remeasurement losses	5,330	-	-	-	5,330
Net assets, end of year	**$ (861)**	**$ 61,585**	**$ 117,523**	**$ 16,838**	**$ 195,085**

Net assets is comprised of:

Accumulated surplus	$ 10	$ 61,585	$ 117,523	$ 16,838	$ 195,956
Accumulated remeasurement (losses)	(871)	-	-	-	(871)
	$ (861)	**$ 61,585**	**$ 117,523**	**$ 16,838**	**$ 195,085**

(thousands of dollars)

13. Internally restricted surplus

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

		2023			
		Net Board appropriation from accumulated surplus			
	Balance, beginning of year	Inflows	Transfers	Disbursements	**Balance, end of Year**
Appropriation for capital activities					
Facilities infrastructure improvements	$ 68,097	$ 7,830	$ -	$ (1,046)	**$ 74,881**
Appropriation for operating activities					
Special initiatives fund	22,925	-	(997)	(258)	**21,670**
Revenue diversification fund	-	9,500	-	-	**9,500**
College technology plan	11,648	-	-	(3,483)	**8,165**
Fund development plan	3,782	-	-	(475)	**3,307**
	$ 106,452	**$ 17,330**	**$ (997)**	**$ (5,262)**	**$ 117,523**

(thousands of dollars)

14. Expense by object

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

	Budget (note 24)	**2023**	2022 (Restated)
Salaries and benefits	$ 77,820	**$ 77,298**	$ 70,137
Materials, supplies and services	28,840	**27,634**	22,989
Maintenance and repairs	6,258	**5,627**	5,229
Amortization of tangible capital assets	11,497	**11,457**	10,726
Cost of Goods Sold	-	**94**	146
Scholarships and bursaries	1,535	**1,443**	976
Utilities	2,133	**2,267**	1,693
	$ 128,083	**$ 125,820**	$ 111,896

15. Contingent assets

At June 30, 2023, the College had no outstanding legal matters or insurance claims where possible assets are being sought. Such matters can give rise to contingent assets and the outcomes from these matters will result in recognition of assets when settled.

16. Contingent liabilities

a) The College, in the conduct of its normal activities, is a defendant in a number of legal proceedings. While the ultimate outcome and liability of these proceedings cannot be reasonably determined at this time, the College believes that any settlement will not have a material adverse effect on the College's financial position or operations. Based on legal advice, management has concluded that none of the claims meet the criteria for recording an accrued liability under Canadian public sector accounting standards. At June 30, 2023, the College recorded no contingent liabilities associated with legal proceedings.

b) The College has identified a liability related to the existence of asbestos in its facilities. The College has no legal obligation to remove the asbestos as long as the asbestos is contained and does not pose a public health risk. Although not a current health hazard, upon renovation or demolition of these facilities, the College will be required to take appropriate remediation procedures to remove the asbestos. A provision for the asset retirement obligation required to remediate this asbestos has been recorded in the current year (See note 11).

c) The College's ongoing efforts to assess environmental liabilities may result in additional environmental remediation liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. Any changes to the environmental liabilities will be accrued in the year in which they are assessed as likely and measurable.

(thousands of dollars)

17. 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:

	2023		
	Service contracts	Operating leases	**Total**
Fiscal year:			
2024	$ 1,740	$ 450	**$ 2,190**
2025	1,283	376	**1,659**
2026	304	229	**533**
2027	-	211	**211**
2028	-	80	**80**
Thereafter	-	1,510	**1,510**
Total at June 30, 2023	**$ 3,327**	**$ 2,856**	**$ 6,183**
Total at June 30, 2022	$ 2,550	$ 2,110	$ 4,660

18. Contractual obligations

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

	2023			
	Service contracts	Information systems and technology	Long-term leases	**Total**
Fiscal year:				
2024	$ 4,132	$ 1,089	$ 166	**$ 5,387**
2025	3,174	519	144	**3,837**
2026	3,099	461	121	**3,681**
2027	1,791	421	55	**2,267**
2028	723	425	2	**1,150**
Thereafter	-	142	-	**142**
Total at June 30, 2023	**$ 12,919**	**$ 3,057**	**$ 488**	**$ 16,464**
Total at June 30, 2022	$ 6,396	$ 4,028	$ 504	$ 10,928

b) At April 1, 2019, the College entered into a capital lease obligation for multi-function print devices. The lease term will expire in March 2024.

c) At October 4, 2022, the College entered into a capital lease obligation for postage equipment. The lease term will expire in October 2027.

d) To manage its exposure to the volatility in electricity price, the Board of Governors has entered into contracts to fix its energy cost between January 2020 and December 2023 at $0.05070/kWh and between January 2024 and December 2027 at $0.06567/kwh.

e) To manage its exposure to the volatility in natural gas price, the Board of Governors has entered into contracts to fix its energy cost between November 2022 and October 2025 at $5.17/GJ.

19. Related parties

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

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

The College has entered into transactions with external vendors, where executives of those organizations are Board members of Bow Valley College. All transactions between the College and those vendor are with normal commercial terms.

(thousands of dollars)

20. Government transfers

		2023		2022
Grants from Government of Alberta:				
Advanced Education:				
Operating	**$**	**38,810**	$	38,994
Health Workforce Action Plan		**1,176**		1,176
Infrastructure Maintenance grant		**-**		-
Other learner support grants		**6,575**		3,243
Total Advanced Education	**$**	**46,561**	$	43,413
Total contributions received		**46,561**		43,413
Expended capital contributions recognized as revenue		**6,753**		6,710
Deferred revenue		**(3,246)**		(1,094)
	$	**50,068**	$	49,029
Accounts receivable:				
Other Government of Alberta departments and agencies	**$**	**583**	$	370
Other Post-secondary institutions		**183**		11
	$	**766**	$	381
Accounts payable:				
Other Government of Alberta departments and agencies	**$**	**-**	$	15
Other Post-secondary institutions		**58**		-
	$	**58**	$	15
Federal and other government grants:				
Contributions received	**$**	**8,828**	$	8,286
Less: Deferred revenue		**(140)**		(255)
Revenue	**$**	**8,688**	$	8,031

During the year, the College conducted business transactions with related parties, including ministries of the Province of Alberta and other public colleges. The revenue earned from these business transactions amounts to $3,153 (2022 - $2,753) and is included in these financial statements. These transactions were entered into on the same business terms as with non-related parties and are recorded at fair market values.

(thousands of dollars)

21. Salary and employee benefits

	2023				2022
	Base salary [1]	**Other cash benefits**[2]	**Other non-cash benefits** [3]	**Total**	Total
Governance [4]					
Chair of the Board of Governors	$ -	$ -	$ -	$ -	$ -
Members of the Board of Governors	-	-	-	-	2
	-	-	-	-	2
Executive					
President and Chief Executive Officer [11]	**270**	**3**	**71**	**344**	312
Vice President, Academic [10]	**217**	**-**	**39**	**256**	122
Vice President, External [7]	**165**	**52**	**29**	**246**	253
Vice President, External (Interim) [7]	**54**	**-**	**14**	**68**	-
Vice President, Learner Experience [5]	**211**	**-**	**38**	**249**	-
Vice President, Corporate Services & CIO	**223**	**-**	**39**	**262**	238
Vice President, People, Equity, Diversity & Inclusion[6]	**164**	**-**	**34**	**198**	-
Vice President, Learner Services and Chief Financial Officer [8] [9]	**-**	**4**	**-**	**4**	478
Associate Vice President, Human Resources[8]	**2**	**-**	**-**	**2**	252
Vice President, Academic and Chief Learning Officer (Interim) [8]	**-**	**-**	**-**	**-**	126
	$ 1,306	**$ 59**	**$ 264**	**$ 1,629**	$ 1,783

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include vacation leave payouts. No bonuses were paid in 2023.

(3) Other non-cash benefits include College's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, out-of-country medical benefits, group life insurance, accidental death and dismemberment insurance, long and short-term disability plan, Employment Insurance, Canada Pension Plan, Workers' Compensation, car allowance, professional memberships and fair market value of parking benefits.

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

(5) Vice President, Learner Experience is a newly created role and the incumbent was appointed July 2022.

(6) Vice President, People, Equity, Diversity & Inclusion is a newly created role and the incumbent was appointed September 2022.

(7) Vice President, External resigned March 31, 2023 and was replaced by the Vice President, External (Interim).

(8) These positions were eliminated July 1, 2022 as part of the College redesign initiative.

(9) Included in Other Cash Benefits is $4 (2022 - $246) in severance benefits paid because of a separation agreement.

(10) The Vice President, Academic joined the College in January 2022.

(11) Under the terms of the notional defined contribution supplementary retirement plan (SRP), the President and Chief Executive Officer may receive supplemental payments. Retirement arrangement costs as detailed below are not cash payments in the period but are the period expense for rights to future compensation. Costs shown reflect the total estimated cost to provide annual pension income over an actuarially determined post-employment period. SRP provides future pension benefits to participants based on years of service and earnings. The cost of these benefits is actuarially determined using the projected benefit method pro-rated on services, a market interest rate, and management's best estimate of expected costs and the period of benefit coverage. Net actuarial gains and losses of the benefit obligations are amortized over the average remaining service life of the employee group. Current service cost is the actuarial present value of the benefits earned in the fiscal year (note 22(b)).

(thousands of dollars)

22. Employee future benefit liabilities

Employee future benefit liabilities are comprised of the following:

		2023		2022
Long-term disability health and pension premiums	$	92	$	111
Notional defined contribution supplementary retirement plan		62		31
	$	154	$	142

a) Long-term disability health and pension premiums

		2023		2022
Expenses				
Current service cost	$	-	$	-
Less: Previous service costs recognized		(19)		(9)
Net current service cost		(19)		(9)
Financial position				
Accrued benefit obligation				
Beginning of year		111		120
Net current service cost		(19)		(9)
Balance, end of year	$	92	$	111

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

	2023	2022
Average inflation rate	2.0 %	2.1 %
Average discount rate	5.0 %	3.0 %

(thousands of dollars)

22. Employee future benefit liabilities (continued)

b) Notional defined contribution supplementary retirement plan (SRP)

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

		2023		2022
Expense				
Current service cost	$	31	$	19
Amortization of past service cost		-		-
Total expense	$	31	$	19
Financial position				
Accrued benefit obligation				
Beginning of year	$	31	$	12
Current service cost		25		23
Interest cost		1		-
Actuarial gain		5		(4)
Balance, end of year	$	62	$	31
Plan assets	$	-	$	-
Plan deficit	$	62	$	31
Unamortized past service cost	$	62	$	31
Accrued benefit liability	$	62	$	31

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

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

	2023	2022
Accrued benefit obligation:		
Discount rate	5.1 %	4.4 %
Long-term, average compensation increase	1.5 %	0.0 %
Benefit cost:		
Average wage inflation	2.8 %	3.0 %
Alberta inflation (long-term)	2.0 %	2.0 %
Estimated average remaining service life	2.3 years	3.3 years

22. Employee future benefit liabilities (continued)

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

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

Management Employees Pension Plan (MEPP)

The MEPP is a multi-employer contributory defined benefit pension plan for support staff members and is accounted for on a defined contribution basis. The pension expense recognized in these financial statements is $878 (2022 - $618).

At December 31, 2022, the MEPP reported an actuarial surplus of $924,735 (2021 - $1,348,160).

For the year ended December 31, 2022, MEPP reported employer contributions of $81,991 (2021 - $76,674) and employee contributions of $79,506 (2021 - $73,075).

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

Public Service Pension Plan (PSPP)

The PSPP is a multi-employer contributory defined benefit pension plan for support staff members and is accounted for on a defined contribution basis. The pension expense recognized in these financial statements is $4,511 (2022 - $4,710).

At December 31, 2022, the PSPP reported an actuarial surplus of $4,258,721 (2021 - $4,588,479).

For the year ended December 31, 2022, PSPP reported employer contributions of $287,703 (2021 – $310,371) and employee contributions of $283,081 (2021 - $299,408).

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

(thousands of dollars)

23. Funds held on behalf of others

The College holds the following funds on behalf of others over which the Board has no power of appropriation.

		2023		2022
Bow Valley College Students' Association	$	-	$	15
Other		39		47
	$	39	$	62

24. Budget figures

The College's 2022-2023 budget was approved by the Board of Governors and submitted to the Minister of Advanced Education.

25. Approval of financial statements

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

26. Comparative figures

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

Bow Valley College
345 – 6 Avenue SE
Calgary, Alberta T2G 4V1

403-410-1402

info@bowvalleycollege.ca

bowvalleycollege.ca

@BowValley

@BowValleyCollege

@BowValley

@BowValleyCollege

Bow Valley College