




MEDICINE HAT  
COLLEGE

# ANNUAL REPORT

2022-2023





**MEDICINE HAT COLLEGE ACKNOWLEDGES AND HONOURS THE TRADITIONAL TERRITORIES OF THE FIRST NATION PEOPLE OF TREATY 7 AND TREATY 4, AND OF THE MÉTIS PEOPLE WHO SHARE A DEEP HISTORY WITH THIS LAND. WE RECOGNIZE AND HONOUR THE LAND, HISTORY, WAYS OF BEING, AND OUR RELATIONSHIP WITH FIRST NATION, MÉTIS, AND INUIT PEOPLE AS WE FORGE TOGETHER TOWARDS A RELATIONSHIP OF RECONCILIATION, RESPECT, UNDERSTANDING, AND HEALING.**

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# Accountability Statement

Medicine Hat College's Annual Report for the year ended June 30, 2023, was prepared under the Board's direction in accordance with the Fiscal Management Act and ministerial guidelines established pursuant to the Fiscal Management Act. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

On behalf of the Medicine Hat College Board of Governors,

Sarah MacKenzie

Chair, Medicine Hat College Board of Governors

December 12, 2023



## Management's Responsibility for Reporting

Medicine Hat College's management is responsible for the preparation, accuracy, objectivity, and integrity of the information contained in this 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.

This Annual Report has been developed under the oversight of the Board of Governors' Finance and Audit Committee, as well as approved by the Board of

Governors, and is prepared in accordance with the Fiscal Planning and Transparency Act and the Post-Secondary Learning Act.

The Auditor General of the Province of Alberta, the institution's external auditor appointed under the Auditor General 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 Kevin Shufflebotham]*

Kevin Shufflebotham, MA

President and CEO

December 12, 2023

*[Original signed by Wayne Resch]*

Wayne Resch, CPA, CMA

Vice-President, Administration & Finance

December 12, 2023



## Message from the President

### **CELEBRATING OUR ROLE AS A COMPREHENSIVE COMMUNITY COLLEGE**

Reviewing Medicine Hat College's accomplishments in the past year reveals a breadth of activity designed and delivered to support southeast Alberta. We continued to learn about regional needs, adapted our offerings, and delivered with every resource available.

The scope of our work is equally impressive, spanning foundational learning to innovation with business partners. Key measures are moving as we want them to, and community interest in our capacity and capability is growing.

For me, a single, clear message emerges through everything we did last year. Quite simply, Medicine Hat College embodies the very best of a Comprehensive Community College.

We launched three new academic programs – Service Dog and Canine Management Studies, Sport & Event Marketing and Management, and Sustainable Innovation – each designed and created with the talents and passion of faculty.

We opened doors to new opportunities, completing the first phase of the Health, Wellness and Athletics Expansion. We also celebrated community connections, proudly adding two names to our facility: the Co-op Wellness Commons, thanks to a significant investment from South Country Co-op, and Ómahksipiitaa (Big Eagle), a name gifted by Elder Dan Fox.

Our community connections also increased mental health literacy and support for school and college-age students alike. One example is the Mental Health Enrichment Project which connects students to appropriate levels of mental health support now to reduce the need to access higher levels of support later in life.

MHC also formally announced our new Centre for Innovation (C4i) to help individuals and businesses turn ideas into solutions that support vibrant communities. The focus of the center is applied research and helping people begin their own journey to success by providing one-stop access to support.

The college's board took additional steps to the future with the renewal of the strategic plan, and a complete rebuild of board governance spanning process and policy. With the board's leadership, our mandate, purpose, and strategic plan serve as the guideposts that shape our decisions.

I firmly believe our mandate-driven, collaborative approach is succeeding. By working with our region – for our region – we have created the capacity for growth, added to our inventory of flexible programs, welcomed people who never felt they were part of a college community, and increased our capacity for sport, personal support, and holistic wellness.

I invite you to join me in celebrating our purpose and potential.

*[Original signed by Kevin Shufflebotham]*

Kevin Shufflebotham  
President & CEO



## Leadership Team

### BOARD OF GOVERNORS

Sarah MacKenzie, Chair  
Yusuf Mohammed, Vice-Chair  
Ebenezer Asare  
Shelley Beck  
David Hoekstra  
Nikita Kovalev  
Russel Krasnuik  
Lily Schaerer  
Kevin Shufflebotham  
Kent Smith  
Brian Stauth  
Lana West

### COLLEGE EXECUTIVE

Kevin Shufflebotham  
President and CEO  
  
Wayne Resch  
Vice-President, Administration & Finance  
  
Dr. Nancy Brown  
Vice-President, Academic & Provost

# Public Interest Disclosure Act

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

The purposes of the Act are to:

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

As per Section 32(1)(3) of the Act, the following is a report from Medicine Hat 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 0 reports received.

## **2. THE NUMBER OF INVESTIGATIONS COMMENCED.**

There were 0 investigations completed.

## **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.**

Not applicable this year.

*[Original signed by Kevin Shufflebotham]*

Kevin Shufflebotham, President and CEO





## Operational Overview

Looking back over last year is a reminder of the depth of care and commitment everyone brings to their work at Medicine Hat College. We continue to generate student experiences that enhance lives and careers. We're connected to the region and engaged in many projects that support the well-being of people in southeast Alberta. The work we are doing today is preparing the college to have an even greater impact in the future.

## JULY - DECEMBER 2022

As applications received through the year became registrations for fall classes, we saw confirmation that enrolment is moving in a positive direction. This is not just about growing numbers and achieving targets. Enrolment is a weathervane for our connection to the region and relevance to students and the workplace.

In many ways, the summer brought a breath of fresh air. We returned to Stampede Parade participation and hosted a community breakfast on campus. Despite the rain that drove us indoors, this celebration was important to align and engage with the community.

In Fall 2022, we launched three new academic programs. The Sustainable Innovation diploma provides students with the ability to develop, implement and lead sustainable innovation strategies in diverse industries. The Service Dog and Canine Studies Management diploma prepares students for a career in canine related fields, including the specialized service dog industry. And the Sport & Event Marketing and Management diploma program examines the sport and event industry from behind the scenes, looking at business and consumer relationships, leadership, and promotions, as well as the organization and advancement of sporting and entertainment events.

Learners encountered new opportunities through the introduction of Language Instruction for Newcomers to Canada (LINC) at the Medicine Hat campus. This program, already offered in Brooks for several complements existing language learning available through community agencies in Medicine Hat and builds an important bridge for individuals looking to improve their English skills to pursue higher education or improve employability.

We opened doors to new spaces, completing the first phase of the Health, Wellness and Athletics Expansion. We also celebrated community connections, proudly adding two names to our facility:

- Co-op Wellness Commons, thanks to a significant investment from South Country Co-op, and
- Ómahksípiitaa (Big Eagle), a name gifted by Elder Dan Fox.

Other community connections increased mental health literacy and support for school and college-age students alike. The Mental Health Enrichment Project seeks to identify and connect students to appropriate levels of mental health support now to reduce the need to access higher levels of support later in life. With \$75,000 in funding from The Beej Project, mental health enrichment strategies rolled out across the Medicine Hat Public School District and Medicine Hat Catholic Board of Education. The project adds resources to enhance the capacity of their existing social emotional learning team, enabling the delivery of more social emotional learning to increase mental health literacy amongst staff and students.

The college also connected to the community through sport, dropping the puck on an exhibition season of Rattler's Women's Hockey. With successful games and strong community support, this team will continue to offer more reasons for people to engage with MHC.

Engagement was a recurring theme throughout the year. Great examples were our two successful Open House events, which allowed people to learn about our programs and what it is like to be a student at MHC.



*Puck drops on women's hockey exhibition season.*



*Health, Wellness & Athletics Expansion Grand Opening*

**JANUARY - JUNE 2023**

After a soft launch in Fall 2022, we formally announced our new Centre for Innovation (C4i) which helps individuals and businesses turn ideas into solutions that support vibrant communities. The focus of the center is applied research and helping people begin their own journey to success by providing one-stop access to support. The C4i was part of a successful conference that brought provincial focus to southeast Alberta and the growing drone industry.

Another important step this past year is the launch of the Academic Plan. Based on months of work, review and collaboration, this plan is aligned to our strategic plan and purpose, setting priorities for the academic teams into the next 18 months.

Thanks to a \$250,000 contribution from JBS and its Hometown Strong program, MHC will develop and deliver automation training at our Brooks campus to support JBS employees and future students in their ability to gain valuable new skills or enhance career opportunities. The president of JBS Global was on hand for the celebration at the Brooks campus.

After a year's hiatus, creative teen talent returned to the One-on-One Gallery with the annual High School Art Exhibition. Over 80 works of art – ranging from drawing, illustration, painting, and printmaking to mixed media, 2D animation and stop motion – were submitted by local high school students for review by MHC's art and design faculty.

In April we learned that the college was successful in its funding request to expand the Practical Nurse program. The college will receive over \$2 million in provincial funding to increase by 32 students in each of the next three years.

The national need for health professionals was also reflected in a new, short-term learning opportunity the college presented this spring. The Supportive Care Assistant program is a fully subsidized micro-certificate developed by Colleges and Institutes Canada (CICan) to build capacity in long-term care. It allows students to learn in-demand skills, gain experience, and make a difference in their communities with six weeks of free online training followed by a paid work placement in a long-term care, home care, or community care setting.

Our students are also connected to the community. Applying knowledge from the classroom to solve real business problems was a challenge accepted by four students who competed in HRC West, the leading human resources case competition, sponsored by Chartered Professionals in Human Resources. To prepare for the competition, members of MHC's student case club took part in internal case competitions judged by faculty from the School of Business and Continuing Studies. Simulating the real case competition, students had to remain in a classroom, without technology, where they were given a real case to analyze and find solutions to business problems.

Research is another valuable way to enhance the student experience. One example is a research project that makes early 17th-century literature more accessible by using modern language. Led by faculty in the School of Arts, Science, and Education, the project is a result of a SSHRC Insight Grant and SSHRC Partnership Development Grant.

In May 2023, the college's board took additional steps to the future with the renewal of the strategic plan and a complete rebuild of board governance spanning process and policy. This accomplishment is understandably less visible than the bustle of students in classrooms or the supports and services that enhance their academic journey, yet under the board's leadership, our purpose and strategic plan serve as the guideposts that shape our decisions.

Perhaps the most wonderful part of our work in education is seeing what we achieve in the lives of others. Convocation is emblematic of our purpose and supporting the transition from student to graduate as they step forward in their career, life, and community is at the very core of what we do. Convocation 2023 was hosted at Co-op Place and we celebrated with almost 375 graduates crossing the stage.



*Convocation 2023*

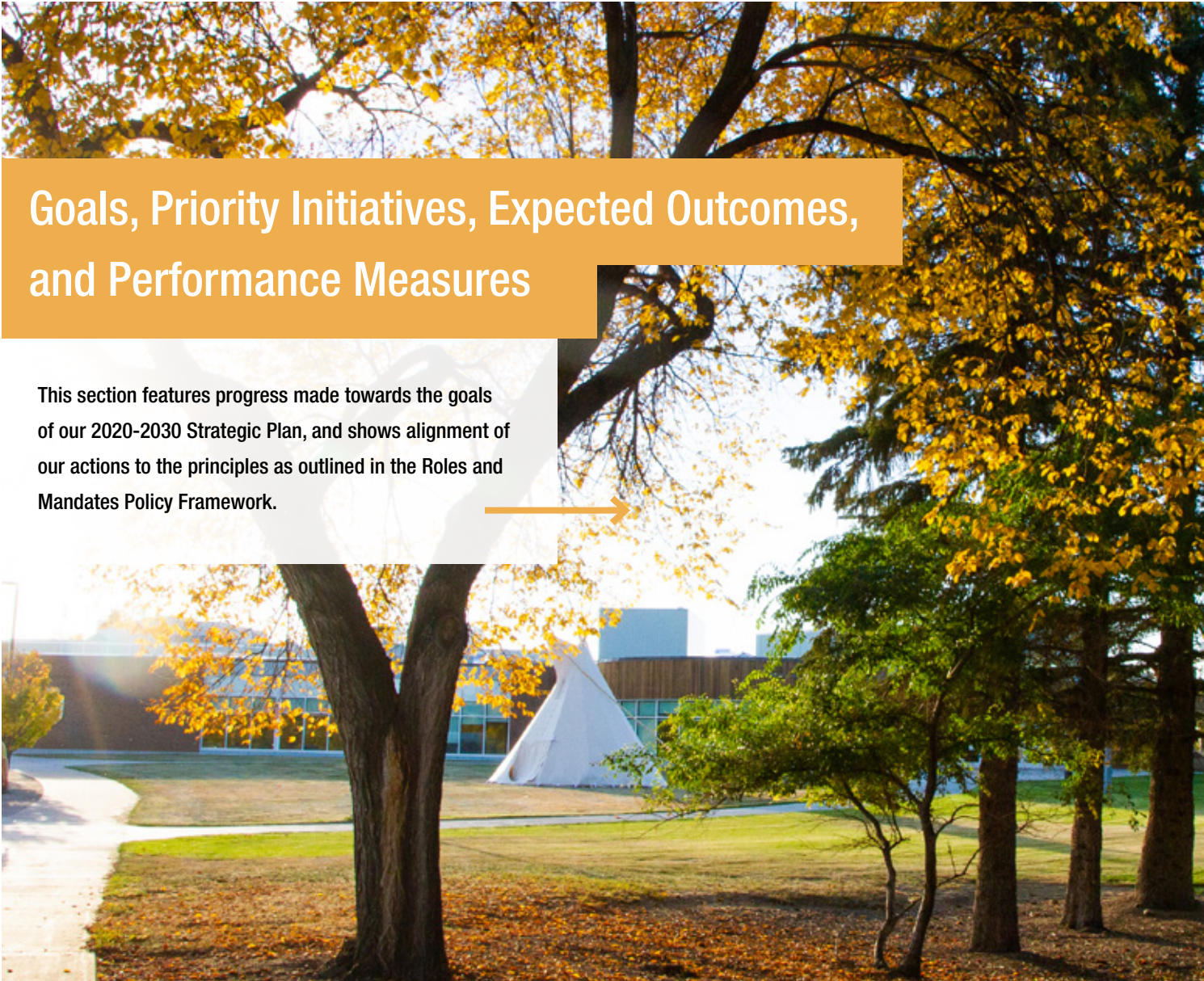


*[top to bottom]*

*PN student at Brooks Campus practices essential skills.*

*Business students present practice pitch in preparation for Case Competition.*

*Sport & Event students take a tour of the Esplanade Arts & Heritage Centre.*



# Goals, Priority Initiatives, Expected Outcomes, and Performance Measures

This section features progress made towards the goals of our 2020-2030 Strategic Plan, and shows alignment of our actions to the principles as outlined in the Roles and Mandates Policy Framework.



## MHC Overarching Tactics

**ACADEMIC PLAN:**  
 Aligned with our strategic plan, and other key plans, our Academic Plan strengthens our role as a CCC. The Academic Plan highlights six academic objectives and outlines priority initiatives for the coming year.

*Access / Affordability / Coordination / Quality / Accountability*

**CAMPUS MASTER PLAN:**  
 A Campus Master Plan, aligned with MHC's strategic plan and other key plans, allows the college to envision and plan college spaces to meet the needs of students. Under direction of the Director, Campus Planning & Facilities, a final draft is complete. Authorization of the plan by MHC is expected in Fall 2023. We will use the plan to set priority initiatives in an ongoing way.

*Access / Quality*



### **PEOPLE & CULTURE PLAN:**

The People & Culture Plan will articulate how we shape our talent and employee experience to meet long-term goals. A theoretical framework and categories of activity, along with a process to develop the plan, have been created and are under review. We will work with the campus community to set priorities and timelines to implement the plan.

*Coordination / Quality / Accountability*

### **ACCESSIBILITY:**

*Every Albertan should have the same opportunity to get a post-secondary education.*

Medicine Hat College strives to ensure education is accessible to all people. Further, the college is committed to providing an inclusive and safe environment for all.

### **AFFORDABILITY:**

*Every Albertan should have the same opportunity to get a post-secondary education, regardless of financial circumstances.*

Medicine Hat College monitors tuition and fees relative to other members of Campus Alberta to ensure that students in the region do not encounter excessive costs. Ongoing initiatives are designed to ensure the cost of post-secondary education is mediated and managed.

### **COORDINATION:**

*Albertans should get full advantage from a diverse post-secondary system.*

Partnership and collaboration are hallmarks of Medicine Hat College's approach to serving the needs of the region. Academic partnerships enable degree completion locally, while collaboration with private and public sector organizations increases the range of opportunities and services the college provides.

### **QUALITY:**

*Albertans should get the best possible education here at home.*

The high quality of Medicine Hat College programs and services is sustained by many ongoing review processes including internal and external surveys.

### **ACCOUNTABILITY:**

*Post-secondary education providers must be accountable to students, the government and Albertans.*

Medicine Hat College ensures full transparency and compliance with all statutes and regulations.



**GOAL 1: PEOPLE IN OUR REGION CAN ACCESS EDUCATION**

- Strategy 1.1: Reduce barriers for potential learners within our region.**
- Strategy 1.2: Expand learning opportunities with customized pathways and partnerships.**
- Strategy 1.3: Provide flexible learning opportunities through online offerings and non-traditional cycles.**

WHAT	WHY	MILESTONES	ALIGNMENT TO PRINCIPLES
Autonomous Degrees	Many of the students choosing to attend other PSI are taking degree programs. Providing degrees here will help people access education and support future vitality.	<p><b>At Year End:</b> Policy development underway.</p> <p>Continue to address feedback on the conditions and recommendations provided by CAQC.</p> <p><b>Next Steps:</b> Identify degree opportunities that meet the needs of students in our region.</p>	Access Affordability Coordination Quality Accountability

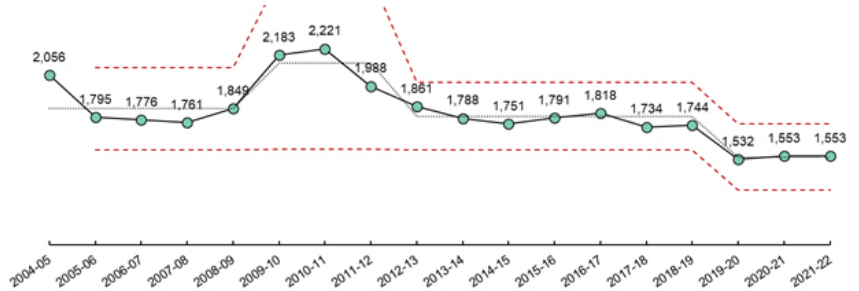


New Program Development	One of our six Academic Objectives is to offer a comprehensive program mix that supports learners and the region. Achieving this objective involves developing new credit and non-credit programs, expanding, and continuously improving our current programs, acting on opportunities to collaborate with postsecondary and industry partners, and achieving our goal to offer autonomous degrees.	<p><b>At Year End:</b> The development of our two apprenticeship-style programs, Data Analytics for Business and Sustainable Energy Systems Professional (SESP), is continuing.</p> <p><b>Next Steps:</b> Work with Advanced Education to confirm launch dates.</p>	Access Affordability Coordination Quality Accountability
Board Policy Renewal	The Board is a key component of college governance. The renewal project will help board members advocate for MHC based on ongoing and meaningful engagement.	<p><b>At Year End:</b> Draft revised policy, bylaws and committee terms of reference have been reviewed by the Board.</p> <p><b>Next Steps:</b> The new board framework will be implemented starting in July 2023.</p>	Accountability
Institutional Website Renewal	The website is a primary means by which students explore the college. This is the first major investment in more than a decade.	<p><b>At Year End:</b> Launch the new site in August 2023.</p>	Access Quality
ERP – Student Information System	A new student information system will improve college functionality and processes to increase efficiency, reliability and accuracy.	<p><b>At Year End:</b> Work pan-institutionally to complete an agreement with our preferred vendor by July 2023.</p> <p><b>Next Steps:</b> Work with the vendor to implement the student information system.</p>	Coordination Quality Accountability

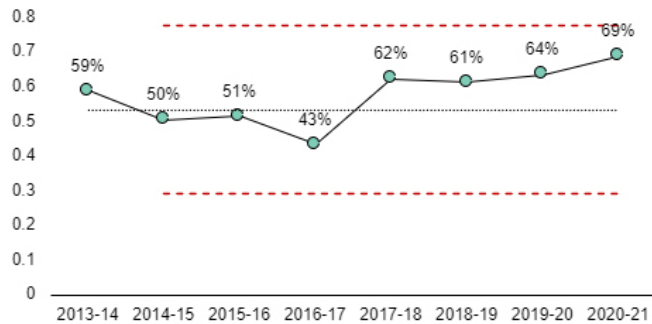
## MEASURING PERFORMANCE ON OUR GOALS

### GOAL 1: PEOPLE IN OUR REGION CAN ACCESS EDUCATION

Regional enrolment<sup>1</sup>: The number of unique credit learners at MHC from the Medicine Hat service region. Excludes apprenticeships.

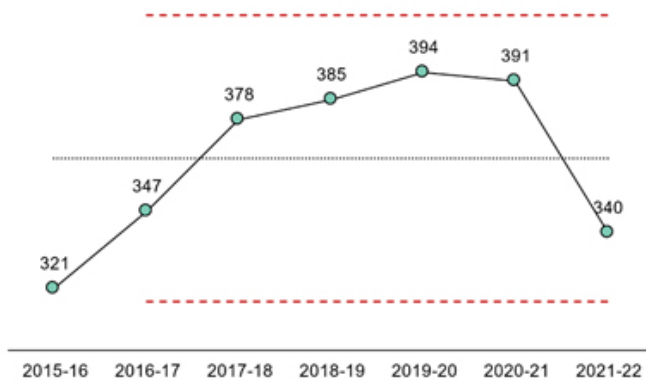


Access & Continuation<sup>2</sup>: The proportion of learners who enroll at Medicine Hat College and complete a credential in the Alberta Post-Secondary education system.



Most recent data available from the Ministry of Advanced Education

Enrolment in Collaborative Programming<sup>3</sup>: The proportion of learners who enroll at Medicine Hat College and complete a credential in the Alberta Post-Secondary education system.







**GOAL 2: LEARNERS ARE PREPARED TO REALIZE THEIR GOALS**

Strategy 2.1 Ensure all programs have active experiential learning opportunities.

Strategy 2.2 Provide a tailored approach to help learners achieve their individual goals.

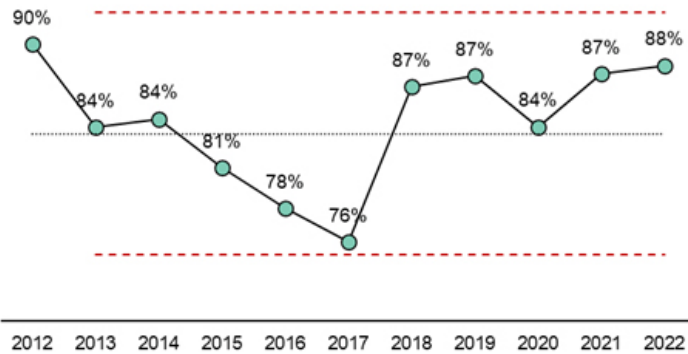
Strategy 2.3 Provide opportunities for learners to develop a foundation of transferable skills that prepare them for the future.

WHAT	WHY	MILESTONES	ALIGNMENT TO PRINCIPLES
Work Integrated Learning	Work integrated learning supports student engagement and access to the workplace. Further, WIL is a core metric by which the government will measure MHC.	<p><b>At Year End:</b> The MHC WIL framework and toolkits are complete and review and engagement are underway.</p> <p><b>Next Steps:</b> We will develop the processes, policies, and systems needed to expand the college's already strong inventory of WIL.</p>	Quality

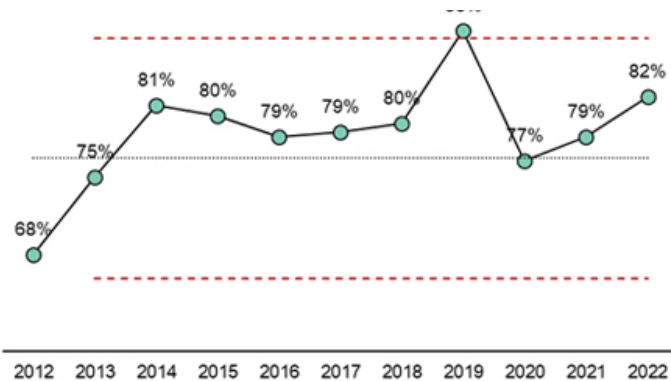
WHAT	WHY	MILESTONES	ALIGNMENT TO PRINCIPLES
Essential skills	Individuals will experience evolving career paths and employment. A focus on a unique set of transferable skills unique to MHC graduates supports these transitions.	<p><b>At Year End:</b></p> <p>A set of skills have been identified that align with the Alberta 2030 Skills for Jobs.</p> <p><b>Next Steps:</b></p> <p>Engage college community to refine and find meaningful ways to integrate these into program and course learning outcomes.</p>	Quality

**GOAL 2: LEARNERS ARE PREPARED TO REALIZE THEIR GOALS**

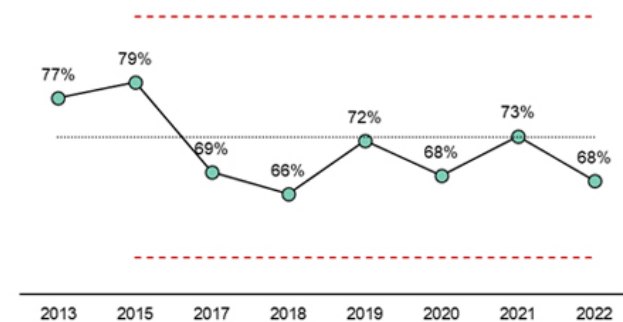
Graduate Employment<sup>4</sup>: The proportion of employed graduates who state that their job is related to their field of study.



Goal Achievement<sup>4,5</sup>: The proportion of graduates and leavers from MHC who report that they achieved their primary goal.



Academic Readiness<sup>6</sup>: An index of learners' perceptions of their own learning behaviours that lead to academic readiness.





**GOAL 3: REGIONAL VITALITY IS STRENGTHENED THROUGH OUR WORK**

Strategy 3.1 Collaborate with community partners to build skills and knowledge that matter to our region.

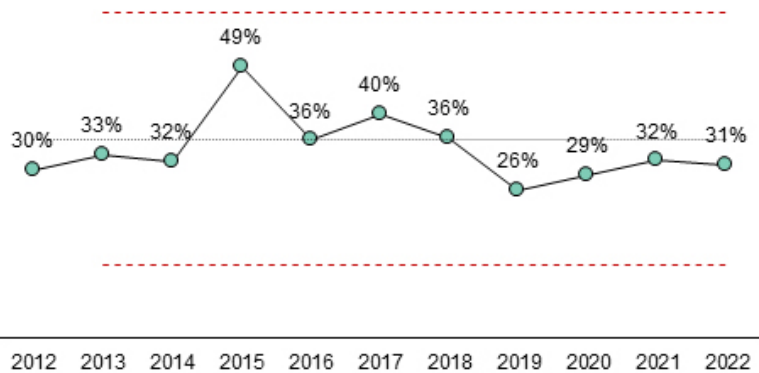
Strategy 3.2 Collaborate on applied research and innovation relevant to our region.

WHAT	WHY	MILESTONES	ALIGNMENT TO PRINCIPLES
<p>Comprehensive Community College (CCC)</p>	<p>Actively pursue community engagement and collaboration opportunities within our region that strengthen and solidify our role as a CCC</p>	<p><b>At Year End:</b>            There is a need in southeast Alberta for health care aides, and dual credit educational partnerships enable school districts to offer a diverse array of educational programs while strengthening the pipeline of students into MHC’s Health Care Aide program.</p> <p><b>Next Steps:</b>            MHC entered into a dual credit arrangement with Prairie Rose School District (PRDS) to offer the Health Care Aide program in Fall 2023.</p>	<p>Access            Affordability            Coordination            Quality</p>

WHAT	WHY	MILESTONES	ALIGNMENT TO PRINCIPLES
Future Directions (Brooks)	There is an understandable focus on the population many college employees see every day. However, Brooks and the region is home to 17,000 people all of whom have aspirations. The college can leverage our campus in Brooks to increase access to learning for individuals while supporting sustainability.	<p><b>At Year End:</b> We are leveraging the increasing array of learning opportunities featuring flexible access that will serve the needs of learners in Brooks and region.</p> <p><b>Next Steps:</b> We will explore opportunities for additional regional partnerships, including local school districts, who want to offer programming at MHC's Brooks campus.</p>	<p>Access</p> <p>Accountability</p> <p>Coordination</p> <p>Affordability</p>
Centre for Innovation (C4i)	Community vitality and quality of life are defined by many factors. A strong economy is among these factors, as are employers with meaningful jobs and a vision for sustainable growth. MHC can support quality of life with research, innovation, and entrepreneurship.	<p><b>At Year End:</b> A research coordinator has joined the team to assist with projects including grant writing. We are leveraging C4iCan funding for a living labs project and have hired five students to work on various research projects over the next year.</p> <p><b>Next Steps:</b> We are working toward an NSERC grant that will focus on agriculture in technology, rural health and resource management. The current C4i strategic plan and framework should be completed in Fall 2023.</p>	<p>Access</p> <p>Coordination</p> <p>Quality</p> <p>Accountability</p>

**GOAL 3: REGIONAL VITALITY IS STRENGTHENED THROUGH OUR WORK**

Graduates in the region<sup>4</sup>: The proportion of graduates from MHC who report staying in Medicine Hat after graduation.



Key Partner Feedback<sup>7</sup>: Customized questions to understand whether regional partners perceive that MHC contributes to regional vitality.

Response rate was below acceptable standard to measure with statistical significance

Non-Credit Registrations<sup>8</sup>: The number of unique registrations at Medicine Hat College in non-credit courses.

624

**This year the number of unique registrations in non-credit courses at MHC was 624.**

*Data Sources: 1 Learner Enrolment and Reporting System, 2 Ministry of Advanced Education (Unofficial as of December 2019), 3 CampusVue, 4 Graduate Survey, 5 Leaver Survey, 6 Student Learning and Engagement Survey, 7 MHC survey to be developed, 8 Continuing Studies (Lumens)*





## Annual Report

### Budget Outcomes:

Budget 2022-2023 was built on the assumption of less than 1% decrease in the Operating and Program Support grant, enrolment targets of 1,892 full load equivalents and an overall credit tuition increase of 7%. A balanced budget was reached with revenues of \$56.31 million, expenses of \$56.28 million estimating a surplus of \$20,700.

The Audited Financial Statements are included on page 37.

## FLE Enrolment Plan and Program Changes

MHC's total FLE enrolment for 2022-2023 was slightly above budgeted and was 5.8% higher than the 2021-22 actual enrolment. Several factors contributed to this growth, particularly continued recovery of international student enrolment post pandemic and the implementation of new programming.

CERTIFICATE PROGRAMS	2022-23 FLE (BUDGETED)	2022-23 FLE (ACTUAL)
Administrative Office Professional	20.000	29.861
Advanced Accounting Post-Diploma	6.000	5.100
Apprenticeship	85.000	86.900
Aviation Management	3.000	2.831
Computer Aided Drafting And Design	2.000	1.467
Early Learning And Child Care	26.000	16.658
Health Care Aide	47.500	39.369
Intermediate Accounting Post-Diploma Certificate	2.000	-
Practical Nurse Refresher (cancelled)	12.500	0.000
Pre-Employment	4.000	7.000
<b>CERTIFICATE TOTAL</b>	<b>208.000</b>	<b>189.186</b>

DIPLOMA PROGRAMS	2022-23 FLE (BUDGETED)	2022-23 FLE (ACTUAL)
Administrative Office Management	29.000	30.458
Built Environment Engineering Technology	22.000	26.236
Business Administration	177.000	209.882
Child And Youth Care Counsellor	30.000	35.210
Criminal Justice	85.000	86.833
Early Learning And Child Care	15.000	14.108
Environmental Reclamation Technician	23.000	25.200
Humanities & Social Sciences	17.500	26.399
Information Technology	56.000	66.555
Power Engineering Technology	50.000	40.200
Practical Nurse	90.000	95.736
Service Dog and Canine Studies Management <sup>(new)</sup>	35.000	28.500
Social Work	48.000	42.162
Sport and Event Marketing & Management <sup>(new)</sup>	18.000	22.300
Sustainable Innovation <sup>(new)</sup>	15.000	12.496
Therapist Assistant (OTA/PTA and SLPA)	98.000	87.348
<b>DIPLOMA TOTAL</b>	<b>808.500</b>	<b>849.623</b>

APPLIED DEGREE & DEGREE PROGRAMS	2022-23 FLE (BUDGETED)	2022-23 FLE (ACTUAL)
Bachelor of Applied Arts (Art & Design)	65.000	76.948
Bachelor of Applied Health Sciences (Paramedic)	100.000	90.696
Bachelor of Education (Collaborative with MRU)	63.000	63.400
<b>DEGREE TOTAL</b>	<b>228.000</b>	<b>231.044</b>

UNIVERSITY STUDIES PROGRAMS	2022-23 FLE (BUDGETED)	2022-23 FLE (ACTUAL)
UT: Bachelor of Arts	45.000	31.361
UT: Bachelor of Commerce	12.000	15.628
UT: Bachelor of Education	119.000	126.862
UT: Bachelor of Nursing	135.000	124.080
UT: Bachelor of Science	98.500	103.614
<b>UNIVERSITY TRANSFER TOTAL</b>	<b>409.500</b>	<b>401.545</b>

NON-CREDIT	2022-23 FLE (ESTIMATED)	2022-23 FLE (ACTUAL)
English As A Second Language - General	45.000	53.511
Open Studies	90.000	99.135
Upgrading	103.000	94.208
<b>NON-CREDENTIAL TOTAL</b>	<b>238.000</b>	<b>246.854</b>

## GRAND TOTAL

<b>1,892.000</b>	<b>1,918.252</b>
2022-23 FLE (Budgeted)	2022-23 FLE (Actual)

## INTERNATIONAL STUDENT FLE

(Subset of Grand Total)

<b>227.833</b>	<b>266.063</b>
2022-23 FLE (Budgeted)	2022-23 FLE (Actual)



# Institutional Programming

MHC's Academic Plan 2023-2026 was finalized in March. It is guided by and aligns with our institutional Strategic Plan. One of our six academic objectives is to offer a comprehensive program mix that supports learners and the region. Achieving this objective involves developing new credit and non-credit programs, expanding and continuously improving our current programs, acting on opportunities to collaborate with postsecondary and industry partners, and achieving our goal to offer autonomous degrees.

## **LAUNCHING NEW PROGRAMS**

After a burst of new program development and approval, we launched the first and second years of our new programs. The first year of the Service Dog and Canine Management, Sport & Event Marketing and Management, and Sustainable Innovation diplomas were offered in Fall 2022. The first second-year of the Advanced Accounting Certificate and Humanities and Social Sciences Diploma also offered in Fall 2022.

## **EXPANDING NEEDED PROGRAMS**

MHC was approved for Targeted Enrolment Expansion (TEE) funds to expand its health programs and meet regional needs by increasing seats in Practical Nursing and Health Care Aide (HCA). MHC's expansion funding of \$2.1 million will facilitate the addition of 32 seats in the Practical Nursing program for three years. The expansion will be implemented in Winter 2024, with an alternative academic calendar to support clinical placements in the summer.

We engaged in a program optimization process to gain deeper insights into our HCA program's target audience. Armed with these valuable insights, MHC launched a targeted marketing campaign catered to individuals seeking a supportive learning environment with hands-on training, designed to align with their high regard for personal relationships. Grant funds were used to upgrade HCA equipment, ensuring that students have access to the best learning tools and resources available.

MHC participated in the Government of Canada funded Supportive Care Assistant (SCA) program, administered by Colleges and Institutes Canada. This program acknowledges the nationwide shortage of health care aides and provides tuition bursaries to students who successfully complete the SCA program, and subsequently enroll and complete a recognized HCA program. In the reporting period, MHC had five students complete the SCA program and enroll in Health Care Aide.

## **CONTINUING STUDIES**

Open to everyone, our Continuing Studies programs empower people to become more qualified and ready to keep learning. New responsive, flexible, bite-sized learning options are being developed that connect to the region and ladder into and out of MHC's credential mix. Priority subject areas are agri-food, drones, workplace skills, trades, and community wellbeing.

## **AUTONOMOUS DEGREES**

We remain committed to becoming a degree-granting postsecondary institution. The ability to grant our own degrees will be a game-changer for the institution, for learners in the region, and for southeastern Alberta economic vitality. To this end, we continue to work with Campus Alberta Quality Council (CAQC) to meet the necessary conditions to achieve institutional approval.

# Research, Applied Research and Scholarly Activity

One of the six academic objectives in our Academic Plan 2023-2026 is to advance professional development and scholarly activity. Employees can apply for funds to support their scholarly activity. This includes faculty Professional Development and Scholarly Activity funding and MHC Research Funds available to faculty and staff. Faculty can also apply for sabbatical leave.

We embrace, support, and celebrate the diversity of scholarly activity that is possible at a CCC. This diversity is highlighted by the list of activities in Appendix A on page 36.

## **CENTRE FOR INNOVATION (C4I)**

Over the past year, Medicine Hat College's Centre for Innovation (C4i) has spearheaded transformative projects across agricultural technology, sustainability, community wellness, and safety.

Collaborative research initiatives have focused on reducing water consumption and greenhouse gas emissions through the creation of self-sustaining green spaces and the innovative use of fungi for landfill waste remediation.

In tandem with the Medicine Hat Police Service, the C4i is pioneering drone applications for enhanced public safety and emergency response capabilities.

Also utilizing drone technology, a demonstration project took place in agriculture to empower farmers with proactive tools for sustainable and efficient practices.

Additionally, a partnership with Kinetisense is advancing marker-less motion capture technology to establish normative data for understanding diverse movement patterns, changing the way health practitioners and trainers interact with their patients and clients. These initiatives collectively underscore C4i's commitment to innovation, sustainability, and the wellbeing of the community.

## **RESEARCH ETHICS BOARD (REB)**

The Research Ethics Board received and approved 13 applications this past academic year. The applications consisted of six applications from internal faculty and staff, three from external researchers, two from community partners, one from a student, and one an extension of an approved project from a previous year. There was a range of research projects submitted with most of the internal applications being received from faculty in the School of Arts, Science and Education. The Research Ethics Board continued to build capacity so it can provide ongoing individual education to faculty wishing to pursue research projects. The Research Ethics Board will continue to review and revise policy and investigate procedures for course-based research to support undergraduate research.



# Regional Stewardship, Foundational Learning, Underrepresented Learners

## REGIONAL ENGAGEMENT

Medicine Hat College signed a five-year contribution agreement with Immigration Refugee Citizenship Canada (IRCC) to deliver LINC Intermediate English language instruction at Brooks Campus from April 2020 – 2025. In September 2022, the grant was amended to include LINC classes at the Medicine Hat campus. This grant is significant for the Brooks and Medicine Hat communities, providing 305 seats for students annually at levels 5 – 8. Once a student has completed levels 7/8, the student will be eligible to transition into upgrading at the college. In total, 233 students were registered in LINC classes between September 2022 through June 2023.

## COMMUNITY ADULT LEARNING PROGRAM CONNECTIONS

Community Adult Learning Programs (CALPs) are an important pathway to education for foundational learners. Medicine Hat College administers the grant for Pathways – Adult Learning Foundations programs (formerly A.B.L.E. and 40 Mile Community Adult Learning) serving learners in Medicine Hat, Cypress County, Brooks, and County of 40 Mile.

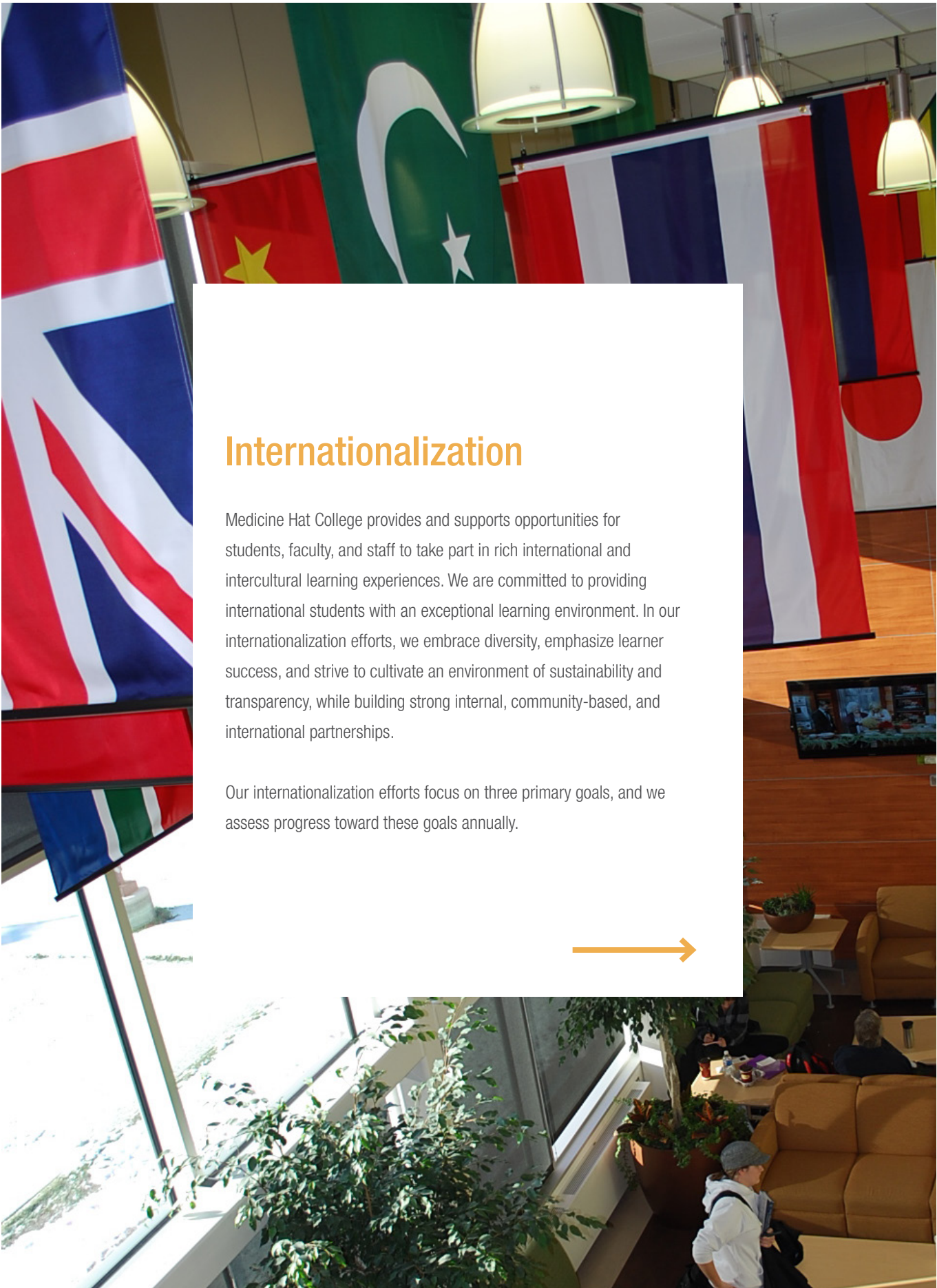
In 2022-2023, 140 unique learners participated in literacy and foundational learning activities provided by the CALPs including one-on-one tutoring, reading, writing, numeracy, and English language learning. Volunteer tutors contributed over 1523 hours to support foundational learning through in-person and online delivery.

## HIGH SCHOOL CONNECTIONS – DUAL CREDIT, CAREER AND TECHNOLOGY STUDIES (CTS) AND CAREER AND TECHNOLOGY FOUNDATIONS (CTF)

In the past year, Medicine Hat College has advanced its educational offerings, with a notable focus on Career and Technical Education. A key development is the addition of a technology stream to our Career and Technology Foundations (CTF) in the CADD/BEET program. This stream is tailored to provide students with cutting-edge technological skills, aligning with industry's evolving needs.

Furthermore, the establishment of a memorandum of understanding (MOU) with Prairie Rose School District marks an important step forward. This collaboration is at the heart of developing a Trades Academy program for Grade 10-12 students. The program aims to offer a dynamic, hands-on learning environment, nurturing the next generation of skilled trades professionals. These initiatives, along with our existing agreements with the Medicine Hat Public School Division, Medicine Hat Catholic School Division, Grasslands School Division, and Christ the Redeemer Catholic Schools, underscore our dedication to enhancing CTF education. In addition, we also have an agreement with the Dynamite Academy in Brooks, which operates a licensed and accredited childcare program, providing early learning and childcare programming. Due to COVID restrictions this past year, CTS and CTF school programming was limited.





## Internationalization

Medicine Hat College provides and supports opportunities for students, faculty, and staff to take part in rich international and intercultural learning experiences. We are committed to providing international students with an exceptional learning environment. In our internationalization efforts, we embrace diversity, emphasize learner success, and strive to cultivate an environment of sustainability and transparency, while building strong internal, community-based, and international partnerships.

Our internationalization efforts focus on three primary goals, and we assess progress toward these goals annually.





**INTERNATIONAL GOAL 1:**

*STUDENTS FROM DIVERSE  
BACKGROUNDS TAKE PART IN GLOBAL  
AND INTERCULTURAL EDUCATION  
OPPORTUNITIES*



Meaningful connections across cultures help our students, faculty and staff build intercultural competencies for responsible, engaged citizenship and personal and professional success. We build these competencies through the development and promotion of global and intercultural learning opportunities in the classroom, campus, community and internationally, and aim for these opportunities to be available to students with diverse backgrounds and experiences.

We are supporting Indigenous students, students in financial need and students with disabilities to take part in intercultural training and education abroad experiences through the Government of Canada's Global Skills Opportunity program, administered by Colleges and Institutes Canada. Through this program, we supported six students to participate in an Indigenous-focused education abroad experience in Costa

Rica. In the coming year, we will be further developing wrap-around supports for students and recruiting another group of students for the Costa Rica Indigenous Studies program.

With the full return of on campus learning and study abroad opportunities, MHC students had increased opportunities to engage across cultures on campus and globally. Correspondingly, this past year saw Cultural Awareness amongst MHC students (measured as the proportion of student satisfaction respondents who felt their postsecondary education added to their appreciation of other cultures) increase to a previous high of 73% (from 69% in 2022 and 66% in 2021). The proportion of international students reporting in the Student Satisfaction Survey to have a friend from another culture (Student Satisfaction Survey) remained steady at 95%, while the proportion of domestic students with friends

from another culture increased to 75% to recover fully to pre-pandemic highs, from 66% in 2022 and 51% in 2021).

Efforts in this area for the upcoming year will focus on continued implementation GSO project funding for study abroad, promotion and delivery of MHC's embedded Intercultural Awareness Certificate, as well as the development of new international partnerships to support education abroad opportunities and international student diversity.



## INTERNATIONAL GOAL 2:

# *INTERNATIONAL STUDENTS ARE VALUED AND SUPPORTED IN REACHING THEIR GOALS*

We strive to provide a welcoming, equitable, and inclusive student experience across all programs and services, with targeted support programming to help international students reach their goals. This includes orientation programming, immigration advising, academic advising and social and cultural support. These services also include programming to assess international students' preparedness for study at Medicine Hat College and to proactively identify and work with students at risk.

Results towards this goal were positive this year. The International Student Supportive Environment Average (Student Learning and Engagement Survey) reached 73% for 2022. This is an increase from 64% the previous year and above our target of 70%. This measure indicates international students' perception of the degree to which the college is committed to their success (e.g., study space, social activities, services to support

learning). International student satisfaction with the overall quality of their education, quality of teaching in their program, and relevance of their courses was also strong at 97% for 2023, above target and recovering from a low of 89% in 2022.

The average GPA for international students remained at the target level of 2.8 (2.83 for the fall 2022 semester and 2.77 for the winter 2023 semester). First-year international student retention remains strong at 69%.

This upcoming year, MHC will participate in CBIE's bi-annual national International Student Survey to better gauge areas of need. We are also focused on increasing opportunities for student engagement on campus and in the community, and on exploring enhanced supports for international students with families.

**INTERNATIONAL GOAL 3:**

*INTERNATIONAL EDUCATION ACTIVITIES  
SUPPORT COLLEGE AND REGIONAL  
VITALITY*



Through the recruitment, retention, and support of international students to MHC, International Education activities support college and regional vitality.

Our efforts focus primarily on recruiting for diversity, student success and best fit across Medicine Hat College's programs. As our recruitment team is small, efforts in this area focus on effective, time-efficient, and scalable activities. We engage in digital and social media marketing activities, personalized lead management, and careful management of referral agent and institutional partnership relationships and agreements. We are continually diversifying our partnership networks and recruitment market efforts to diversify our applicant pool and international student body. To support student retention, success and fit, we offer personalized academic advising for prospective international students and close support to our contracted international

representatives. To offer additional support and protection to prospective students, we have partnered with BorderPass to offer study permit application preparation, review and filing services by Canadian immigration lawyers.

International student enrolment has now recovered from the significant impact of the COVID-19 pandemic and related travel restrictions and study permit delays. New student application numbers for fall 2022 were very strong, with enrolment numbers also strong but continuing to be impacted by study permit approval delays. MHC International student FLE enrolment grew to 266 in 2022-2023 from pandemic lows of 187 in 2021-2022 and 190 in 2020-2021. We expect to see continued growth in international student FLE numbers for 2023-2024, with MHC welcoming our highest intake of international students to date in fall of 2023.

We are currently evaluating enrolment targets and will undertake a strategic planning review for International Education activities in spring of 2024.

**Off-Shore Delivery**

Medicine Hat College is not engaged in or pursuing off-shore or cross-border delivery of college programming or credentials.

# Information Technology

## **INSTITUTION'S INFORMATION SECURITY POLICY AND FRAMEWORK**

MHC continues to focus on resolving IT staffing issues, stabilizing, and rebuilding our information technology services capacity. MHC provided increased resources for IT personnel and expertise. This, along with an ITS department reorganization planned for 2023-2024, will better enable MHC to return focus to service and operational improvements in future years.

Medicine Hat College's Information Technology (IT) security framework continues to mature as we ensure that it is aligned with the college's overall enterprise risk management strategy, and our developing Internal Financial Control Framework (ICFR). The policy and process elements of our information security risk management framework are reviewed and renewed on a set cycle, as is our enterprise risk management strategy.

A critical element of Medicine Hat College's IT security strategy is the expansion of cybersecurity awareness and training across the college. A focus on cybersecurity awareness will remain for the foreseeable future.

## **REPLACEMENT OF BUSINESS OPERATIONAL SUPPORT SOFTWARE SYSTEMS**

MHC recognizes that significant student service improvements, along with significant process and operational improvements, will result from ensuring that we have modern, well designed, properly implemented, and supported, business software systems.

MHC Completed a significant goal in 2022 with the implementation of the Unit4 ERP system for our Finance, HR, and Payroll functions. With the Unit4 ERP system now fully implemented, MHC is focusing on the implementation of a new student information system.

MHC selected a new student system in 2022-2023. Implementation will begin in 2023-2024, taking approximately 24 months to complete.



# Capital Plan

## PRIORITY PROJECTS (TOP 3 CAPITAL PRIORITIES)

TYPE	PROJECT DESCRIPTION	TOTAL COST	FUNDING SOURCES	FUNDING RECEIVED TO DATE AND SOURCE	REVISED FUNDING SOURCES
New	Health, Wellness and Athletics Expansion Phase 2	\$40 million	\$35 million: GoA \$5 million: Other (Federal, Private) Funding	\$3 million MHC	No change
New	Brooks Campus Commons				No longer pursuing this project
New	MHC Sports Pavilion				No longer pursuing this project

**OTHER**

TYPE	DESCRIPTION	TOTAL COST	FUNDING SOURCES	FUNDING RECEIVED TO DATE AND SOURCE	REVISED FUNDING SOURCES/ STATUS
New	Centralized Heating/ Cooling Plant	\$3 million (updated cost estimate)	100% GoA / CMR	Using CMR	100% CMR  In progress
Maintenance (Preservation)	T-Wing Second Floor Link	\$1.4 million (updated cost estimate)	100% GoA	\$1.2 million funded by GoA	100% GoA Capital Grant  In progress
Maintenance (Preservation)	Sanitary Sewer Renewal (includes associated asphalt renewal) Replace- ment	\$3.75 million (updat- ed cost estimate)	100% GoA	No funds received to date	No change
New	IT Primary Server room	\$3 million	100% GoA	No funds received to date	No change

**PROJECT TIMELINES AND STATUS**

PROJECT DESCRIPTION	PROJECT TIMELINES	EXPECTED PROJECT START	EXPECTED PROJECT COMPLETION	PROJECT STATUS	PROGRESS MADE IN LAST 12 MONTHS
Health, Wellness and Athletics Expansion - Phase 2	To be determined	To be determined	To be determined	Pending funding	Revised cost estimates and seeking funding
Centralized Heating/Cooling Plant	2023-2025	Summer 2023	Spring 2025	In progress	This project is in progress, MHC is tendering equipment and has begun phased renovations
T-Wing Second Floor Link	Fall 2023-Fall 2024	Spring/Summer 2023	Fall 2024	In progress	Project funded from GoA and is in progress
IT Primary Server room	To be determined	To be determined	To be determined	Pending funding	Revised cost estimates

# Research, Applied Research and Scholarly Activity appendix A

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# CONSOLIDATED FINANCIAL STATEMENTS

2022-2023





**MEDICINE HAT COLLEGE  
CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2023**

Statement of Management Responsibility .....Page 2

Independent Auditor’s Report .....Page 3

Consolidated Statement of Financial Position .....Page 6

Consolidated Statement of Operations .....Page 7

Consolidated Statement of Change in Net Financial Assets .....Page 8

Consolidated Statement of Remeasurement Gains and Losses .....Page 9

Consolidated Statement of Cash Flows .....Page 10

Notes to the Consolidated Financial Statements .....Page 11

MEDICINE HAT COLLEGE  
STATEMENT OF MANAGEMENT RESPONSIBILITY  
YEAR ENDED JUNE 30, 2023

The consolidated financial statements of Medicine Hat College have been prepared by management in accordance with the Canadian public sector accounting standards as described in Note 2 to the consolidated financial statements. The consolidated financial statements present fairly the financial position of the College as at June 30, 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 control designed to provide reasonable assurance that College assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the consolidated financial statements.

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

The Board of Governors carries out its responsibility for review of the consolidated financial statements principally through its Finance and Audit Committee. With the exception of the President and CEO and Vice-President, Administration and Finance (both are non-voting members), all members of the Finance and Audit Committee are not employees of the College. The Finance and Audit Committee meets with management and the external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to the Finance and Audit Committee, with and without the presence of management.

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

*Original copy signed*

Kevin Shufflebotham,  
President and Chief Executive Officer

*Original copy signed*

Wayne Resch,  
Vice-President, Administration and Finance

## Independent Auditor's Report

To the Board of Governors of Medicine Hat College

### **Report on the Consolidated Financial Statements**

#### **Opinion**

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

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 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 Consolidated Financial Statements* section of my report. I am independent of the Group in accordance with the ethical requirements that are relevant to my audit of the consolidated financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Other information**

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

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

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

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

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

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

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

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

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

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

Auditor General

October 17, 2023  
Edmonton, Alberta

MEDICINE HAT COLLEGE  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2023

	<b>2023</b>	<b>2022</b> <b>(Restated Note 3)</b>
<b>Financial assets excluding portfolio investments restricted for endowments</b>		
Cash and cash equivalents (Note 4)	\$ 11,017,516	\$ 6,603,992
Portfolio investments - non-endowment (Note 5)	21,235,118	19,335,159
Accounts receivable	2,921,452	692,481
Inventories held for sale	404,094	323,450
	<u>35,578,180</u>	<u>26,955,082</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	3,337,891	4,786,937
Employee future benefit liabilities (Note 7)	17,643	8,970
Debt (Note 8)	1,103,820	1,340,422
Deferred revenue (Note 9)	16,426,828	9,614,570
Asset retirement obligations (Note 12)	1,839,059	1,839,059
	<u>22,725,241</u>	<u>17,589,958</u>
<b>Net financial assets excluding portfolio investments restricted for endowments</b>	<u>12,852,939</u>	<u>9,365,124</u>
Portfolio investments - restricted for endowments (Note 5)	10,772,068	9,583,661
<b>NET FINANCIAL ASSETS</b>	<u>\$ 23,625,007</u>	<u>\$ 18,948,785</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 11)	65,901,247	67,781,962
Prepaid expenses	1,125,429	1,095,982
	<u>67,026,676</u>	<u>68,877,944</u>
<b>Net assets before spent deferred capital contributions</b>	<u>90,651,683</u>	<u>87,826,729</u>
Spent deferred capital contributions (Note 10)	41,830,045	42,547,717
<b>NET ASSETS (Note 13)</b>	<u>\$ 48,821,638</u>	<u>\$ 45,279,012</u>
<b>Net assets is comprised of:</b>		
Accumulated surplus	47,891,650	45,653,297
Accumulated remeasurement gains (losses)	929,988	(374,285)
	<u>\$ 48,821,638</u>	<u>\$ 45,279,012</u>
Contractual rights (Note 15)		
Contingent liabilities and contractual obligations (Note 14 and 16)		
Approved by the Board of Governors (Note 23)		

MEDICINE HAT COLLEGE  
CONSOLIDATED STATEMENT OF OPERATIONS  
YEAR ENDED JUNE 30, 2023

	2023		2022
	Budget (Note 22)	Actual	(Restated Note 3)
<b>Revenues</b>			
Government of Alberta grants (Note 20)	\$ 37,492,250	\$ 36,348,599	\$ 37,213,065
Federal and other government grants (Note 20)	297,600	682,951	538,807
Sales of services and products	4,152,700	4,443,783	3,509,667
Student tuition and fees	12,141,450	12,268,788	10,327,459
Donations and other grants	487,500	762,996	270,468
Investment income	1,734,000	1,209,749	1,865,932
	<u>56,305,500</u>	<u>55,716,866</u>	<u>53,725,398</u>
<b>Expenses</b> (Note 17)			
Instruction general	19,921,200	19,416,702	19,495,448
Academic support	5,079,800	4,876,158	5,068,016
Student support	6,045,000	6,290,389	5,537,865
Administration	6,142,750	6,217,682	5,320,038
Operational	11,679,450	9,669,127	10,251,176
Ancillary services	3,604,650	3,370,534	2,891,005
Computing and communication	3,520,000	3,573,911	3,827,458
Sponsored research	291,950	594,926	283,627
	<u>56,284,800</u>	<u>54,009,429</u>	<u>52,674,633</u>
<b>Annual operating surplus</b>	\$ 20,700	\$ 1,707,437	\$ 1,050,765
Endowment contributions (Note 13)	-	530,916	264,910
<b>Annual surplus (deficit)</b>	20,700	2,238,353	1,315,675
<b>Accumulated surplus at beginning of year</b>	45,653,297	45,653,297	44,337,622
<b>Accumulated surplus at end of year</b>	<u>\$ 45,673,997</u>	<u>\$ 47,891,650</u>	<u>\$ 45,653,297</u>

MEDICINE HAT COLLEGE  
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
YEAR ENDED JUNE 30, 2023

	2023		2022
	Budget (Note 22)	Actual	(Restated Note 3) Actual
<b>Annual surplus</b>	\$ 20,700	\$ 2,238,353	\$ 1,315,675
Acquisition of tangible capital assets	(1,633,250)	(2,499,825)	(8,952,013)
Amortization of tangible capital assets	4,825,700	4,291,713	5,020,554
Proceeds from sale of tangible capital assets	-	11,295	-
Loss on disposal of tangible capital assets	50,000	77,532	13,486
(Increase) decrease in prepaid expenses	50,000	(29,447)	(88,375)
(Decrease) increase in spent deferred capital contributions	(2,433,700)	(717,672)	(107,987)
(Decrease) increase in accumulated remeasurement gains (losses)	(534,800)	1,304,273	(2,373,960)
<b>Increase (decrease) in net financial assets</b>	<u>344,650</u>	<u>4,676,222</u>	<u>(5,172,620)</u>
<b>Net financial assets, beginning of year</b>		<u>18,948,785</u>	<u>24,121,405</u>
<b>Net financial assets, end of year</b>		<u>\$ 23,625,007</u>	<u>\$ 18,948,785</u>



MEDICINE HAT COLLEGE  
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES  
YEAR ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u>
<b>Accumulated remeasurement gains (losses), beginning of year</b>	\$ (374,285)	\$ 1,999,675
Unrealized gains (losses) attributable to:		
Quoted in active market financial instruments		
Portfolio investments - non-endowment	1,331,944	(1,860,513)
Amounts reclassified to consolidated statement of operations:		
Quoted in active market financial instruments		
Portfolio investments	<u>(27,671)</u>	<u>(513,447)</u>
<b>Accumulated remeasurement gains (losses), end of year</b>	<u>\$ 929,988</u>	<u>\$ (374,285)</u>
<b>Accumulated remeasurement gains (losses) is comprised of:</b>		
Portfolio investments - non-endowment	<u>\$ 929,988</u>	<u>(374,285)</u>
	<u>\$ 929,988</u>	<u>(374,285)</u>

MEDICINE HAT COLLEGE  
CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u> (Restated Note 3)
<b>Operating transactions</b>		
Annual surplus (deficit)	\$ 2,238,353	\$ 1,315,675
Add (deduct) non-cash items:		
Amortization of tangible capital assets	4,291,713	5,020,554
Loss on disposal of tangible capital assets	77,532	13,486
Expended capital contributions recognized as revenue	(2,212,433)	(2,641,910)
Increase in employee future benefit liabilities	8,673	6,828
Change in non-cash items	2,165,485	2,398,958
Decrease (increase) in accounts receivable	(2,228,971)	(163,302)
Decrease (increase) in inventories held for sale	(80,644)	65,053
(Decrease) increase in accounts payable and accrued liabilities	(1,449,044)	523,383
(Decrease) increase in deferred revenue	5,799,606	(527,046)
Decrease (increase) in prepaid expenses	(29,447)	(88,375)
<b>Cash provided by operating transactions</b>	<u>6,415,338</u>	<u>3,524,346</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets, less in-kind donations	(2,499,825)	(8,952,013)
Proceeds on sale of tangible capital assets	11,295	-
<b>Cash applied to capital transactions</b>	<u>(2,488,530)</u>	<u>(8,952,013)</u>
<b>Investing transactions</b>		
Purchase of portfolio investments	(1,734,147)	(7,246,907)
Proceeds on sale of portfolio investments	962,704	426,454
<b>Cash provided by (applied to) investing transactions</b>	<u>(771,443)</u>	<u>(6,820,453)</u>
<b>Financing transactions</b>		
Repayment of debt	(236,602)	(222,684)
Increase in spent deferred capital contributions, less expended capital contributions recognized as revenue	1,494,761	2,533,923
<b>Cash provided by financing transactions</b>	<u>1,258,159</u>	<u>2,311,239</u>
<b>Increase (decrease) in cash and cash equivalents</b>	4,413,524	(9,936,881)
<b>Cash and cash equivalents at beginning of year</b>	6,603,992	16,540,873
<b>Cash and cash equivalents at end of year (Note 4)</b>	<u>\$ 11,017,516</u>	<u>\$ 6,603,992</u>

**Note 1 Authority and Purpose**

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

**Note 2 Summary of Significant Accounting Policies and Reporting Practices**

**(a) Canadian Public Sector Accounting Standards (PSAS) and Use of Estimates**

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

The measurement of certain assets and liabilities, revenues and expenses are contingent upon future events; therefore, the preparation of these consolidated financial statements requires the use of estimates, which may vary from actual results. The College’s management uses judgment to determine such estimates. 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 consolidated financial statements and, together with the following notes, should be considered an integral part of the consolidated financial statements.

**(b) Valuation of Financial Assets and Liabilities**

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

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and cash equivalents	Cost
Fixed income investments	Amortized cost
Portfolio investments	Fair value and amortized cost
Derivatives	Fair value
Inventories held for resale	Lower of cost or net realizable value
Accounts receivable	Lower of cost or net recoverable value
Accounts payable and accrued liabilities	Cost
Asset retirement obligations	Cost
Debt	Amortized cost

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

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

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

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

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

**(c) Revenue Recognition**

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

**Government grants, non-government grants, and donations**

Government transfers are referred to as government grants.

Restricted grants and donations are recognized as deferred revenue if the terms for 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 asset.

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

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

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

**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 records such in-kind contributions at nominal value.

**Endowment contributions**

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

**Investment income**

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

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

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

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

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

- Income earned by the endowment to be withheld from distribution to avoid fluctuations in the amounts distributed 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 principle is used in that year and is expected to be recovered by future investment income.

**(e) Inventories Held for Sale**

Inventories held for resale are valued at the lower of cost and expected net realizable value and are determined using the weighted average method.

**(f) Tangible Capital Assets**

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

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

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

Buildings and renovations	40 years
Site improvements	25 years
Furniture and equipment	4 to 25 years
Systems planning and development	10 years
Library acquisitions	10 years

Tangible capital asset 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 an expense.

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

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

**(g) Employee Future Benefits**

**Pension**

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

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

**Supplementary retirement plans (SRP)**

The College provides a non-contributory supplementary pension plan for the President/CEO. The expense for this plan is actuarially determined using the accrued benefit method. Actuarial gains or losses on the accrued benefit obligation are recognized in full in the year in which the gains or losses occur.

**Long-term disability**

The cost of providing non-vesting and non-accumulating employee future benefits for compensated absences under the College's long-term disability plans is charged to expense in full when the event occurs which obligates the College to provide the benefits. The cost of these benefits is actuarially determined using the accumulated benefit method, a market interest rate, administration's best estimate of the retirement ages of employees, expected health care costs and the period of employee disability. Actuarial gains or losses on the accrued benefit obligation are amortized over the average expected period the benefits will be paid. As of June 30, 2023, there were seven employees participating in this program (2022 – six).

**Leave plan**

The College has a leave plan available to any eligible employee called the Deferred Salary Leave Program. As of June 30, 2023, there were no employees participating in this program (2022 – none).

**(h) Basis of Consolidation**

The financial statements are prepared on a line-by-line consolidated basis and include the results of the controlled entity, Medicine Hat College Foundation. The Medicine Hat College Foundation began dissolution in the 2022 fiscal year. We expect dissolution to be completed in 2024.

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

**(i) Asset Retirement Obligations (ARO)**

Asset retirement obligations are legal obligations associated with the retirement of a tangible capital assets (TCA). 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, all of the following criteria are met:

- 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 obligations 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 the 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.

The asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability.

**(j) Expense by Function**

The College uses the following categories of functions on its consolidated statement of operations.

**Instruction and academic, student and administrative support**

Expenses relating to 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 and by institutional wide administrative services. Additionally, this function also includes expenses for student awards, bursaries, other programs involving teaching and learning, and community service specifically funded by restricted grants and donations.



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

**Operational**

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

**Ancillary services**

Expenses relating to services and products provided to the College community and to external individuals and organizations. Services include the College bookstore, parking services, food services, and student residences.

**Computing and communication**

Expenses relating to services and products provided to the College community in relation to information technology and communication services.

**Sponsored research**

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

**(k) Funds and Reserves**

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

**(l) Future Changes in Accounting Standards**

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

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

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

MEDICINE HAT COLLEGE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023

**Note 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.

At the beginning of the fiscal year in which PS 3280 was in effect, the College recognized the following to conform to the new standard:

- i. asset retirement obligations at 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 / deficit.

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

	<b>2022</b>		
	As previously reported	ARO adjustment recognized	As restated
<b>Consolidated Statement of Operations</b>			
Expense: Operational	10,213,363	37,813	10,251,176
Expenses	52,636,820	37,813	52,674,633
Annual operating surplus	1,088,578	(37,813)	1,050,765
Annual surplus	1,353,488	(37,813)	1,315,675
Accumulated surplus, beginning of year	45,617,136	(1,279,514)	44,337,622
Accumulated surplus, end of year	46,970,624	(1,317,327)	45,653,297
<b>Consolidated Statement of Financial Position</b>			
Asset retirement obligations	-	1,839,059	1,839,059
Liabilities	15,750,899	1,839,059	17,589,958
Net financial assets	20,787,844	(1,839,059)	18,948,785
Non-financial assets: Tangible capital assets	67,260,229	521,733	67,781,962
Net assets before spent deferred capital contributions	89,144,056	(1,317,327)	87,826,729
Net assets	46,596,339	(1,317,327)	45,279,012
Accumulated Surplus	46,970,624	(1,317,327)	45,653,297
<b>Consolidated Statement of Change in Net Financial Assets</b>			
Annual surplus	1,353,488	(37,813)	1,315,675
Amortization of tangible capital assets	4,982,741	37,813	5,020,554
Net financial assets, beginning of year	25,960,464	(1,839,059)	24,121,405
Net financial assets, end of year	20,787,844	(1,839,059)	18,948,785
<b>Consolidated Statement of Cash Flows</b>			
Annual surplus	1,353,488	(37,813)	1,315,675
Amortization of tangible capital assets	4,982,741	37,813	5,020,554
Change in non-cash items	2,361,145	37,813	2,398,958

MEDICINE HAT COLLEGE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023

**Note 4 Cash and Cash Equivalents**

	<u>2023</u>	<u>2022</u>
Cash on hand	\$ 8,150	\$ 9,850
Bank balances	11,009,366	6,594,142
	<u>\$ 11,017,516</u>	<u>\$ 6,603,992</u>

Cash equivalents include short-term investments with a short maturity of less than three months from the date of acquisition. As at June 30, 2023, there were no cash equivalents (2022 – nil).

**Note 5 Portfolio Investments**

	<u>2023</u>	<u>2022</u>
Portfolio investments - non-endowment	\$ 21,235,118	\$ 19,335,159
Portfolio investments - restricted for endowments	10,772,068	9,583,661
	<u>\$ 32,007,186</u>	<u>\$ 28,918,820</u>

The composition of portfolio investments is as follows:

	<u>2023</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Portfolio investments at fair value</b>				
Canadian equity fund	\$ -	\$ 9,144,735	\$ -	\$ 9,144,735
Foreign equity fund	-	12,176,697	-	12,176,697
Bond fund	-	10,018,692	-	10,018,692
<b>Portfolio investments at cost or amortized cost</b>				
Bank balances	\$ 116,554	\$ -	\$ -	\$ 116,554
Money market	550,508	-	-	550,508
	<u>\$ 667,062</u>	<u>\$ 31,340,124</u>	<u>\$ -</u>	<u>\$ 32,007,186</u>
	<u>2%</u>	<u>98%</u>	<u>0%</u>	<u>100%</u>
	<u>2022</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Portfolio investments at fair value</b>				
Canadian equity fund	\$ -	\$ 8,764,195	\$ -	\$ 8,764,195
Foreign equity fund	-	10,289,113	-	10,289,113
Bond fund	-	8,786,963	-	8,786,963
<b>Portfolio investments at cost or amortized cost</b>				
Bank balances	\$ 1,078,549	\$ -	\$ -	\$ 1,078,549
	<u>\$ 1,078,549</u>	<u>\$ 27,840,271</u>	<u>\$ -</u>	<u>\$ 28,918,820</u>
	<u>4%</u>	<u>96%</u>	<u>0%</u>	<u>100%</u>

There were no short-term GIC's held at June 30, 2023 (2022 – nil).

**Note 5 Portfolio Investments (continued)**

The effective annual rate of earnings on portfolio investments at June 30, 2023, was 3.79% (2022 – 5.42%) determined on a weighted average basis.

The fair value measurements are those derived from:

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

Level 2 – Fair value measurements are those derived from inputs other than quoted prices included in level 1 that are observable for the assets, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the assets that are not based on observable market data (unobservable inputs).

**Note 6 Financial Risk Management**

The College is exposed to a variety of financial risks, including market risks (price risk, currency risk and interest rate risk), credit risk, and liquidity risk. To manage these risks, the College invests in a diversified portfolio of investments that is guided by established investment policies that outline risk and return objectives. The long-term objective of the College's investment policies is to achieve a long-term real rate of return in excess of fees and expenses and maintain the real value of the fund.

The College is exposed to the following risks:

**Market price risk**

Market price risk 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 sensitivity rate is determined using the historical annualized standard deviation for the total fund as determined by the investment advisor. At June 30, 2023, if market prices had a 1% (2022 – 1%) increase or decrease, with all other variables held constant, the increase or decrease in the market value of the investment portfolio for the year would have been a total of \$302,552 (2022 - \$271,843).

**Foreign currency risk**

The College does not hold investments denominated in foreign currency. The College does maintain a foreign bank account to pay invoices in foreign currency; however, the risk of exposure to foreign currency fluctuations is minimal.

**Note 6 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 an investment policy with required minimum credit quality standards and issuer limits to manage this risk. The credit risk from accounts receivable is relatively low as the majority of balances are due from government agencies and corporate sponsors. Credit risk from tuition is managed through restricted enrolment activities for students with delinquent balances and maintaining standard collection procedures.

The credit risk on investments held are as follows:

	2023		2022	
	Money Market	Bond Fund	Money Market	Bond Fund
<b>Credit rating</b>				
AAA	0.0%	28.2%	0.0%	15.2%
AA	0.0%	19.3%	100.0%	31.6%
A	100.0%	42.9%	0.0%	42.1%
BBB	0.0%	9.6%	0.0%	11.1%
Not rated	0.0%	0.0%	0.0%	0.0%
Balance, end of year	100.0%	100.0%	100.0%	100.0%

**Liquidity risk**

Liquidity risk is the risk that the College will encounter difficulty in meeting obligations associated with its financial liabilities. The College maintains a short-term line of credit to ensure that funds are available to meet current and forecasted financial requirements in the most cost-effective manner. As of June 30, 2023, the balance in the line of credit was \$0 (2022 - \$0).

**Interest rate risk**

Interest rate risk is the risk to the College's earnings that arise from the fluctuations in interest rates and the degree of volatility of these rates. This risk is managed by investment policies that limit the term to maturity of certain fixed income securities that the College holds. Interest risk on the College's debt is managed through fixed-risk agreements with the Department of Treasury Board and Finance (Note 8).

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

	Less than 1 year	1 to 5 years	Greater than 5 years	Average effective market yield
Money market	100.00%	0.00%	0.00%	5.05%
Money market (USD)	100.00%	0.00%	0.00%	5.27%
Fixed income securities	1.00%	34.00%	65.00%	4.42%

MEDICINE HAT COLLEGE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 7 Employee Future Benefit Liabilities**

Leave Plan

The College has a leave plan available to any eligible employee called the Deferred Salary Leave Program (DSLPL). The DSLPL allows an employee to defer a specified monthly amount, or an annual percentage of annual regular gross salary up to a maximum of 33 1/3 percent. The total period of the deferral cannot exceed a maximum of six years.

Multi-Employer Pension Plans

The Local Authority Pension Plan (LAPP) is a multi-employer contributory defined benefit pension plan for support staff members and is accounted for on a defined contribution basis. At December 31, 2022, the LAPP reported an actuarial surplus of \$12,671,000,000 (2021 - \$11,922,000,000). An actuarial valuation of the LAPP was carried out as at December 31, 2021, and was then extrapolated to December 31, 2022. The pension expense recorded in these consolidated financial statements is \$2,117,066 (2022 - \$2,200,829).

Supplementary Retirement Plan (SRP)

The College provides a non-contributory defined benefit supplementary retirement benefit to the President/CEO. An actuarial valuation of these benefits was carried out on June 30, 2023.

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

	Fiscal Year <b>2023</b>	Fiscal Year <b>2022</b>
	\$	\$
Current service cost	5,714	7,952
Interest Cost	408	36
Amortization of net actuarial (gain) loss	2,551	(1,160)
Amortization of past service cost	-	-
Recognition of unamortized net actuarial loss	-	-
Total Expense	<u>8,673</u>	<u>6,828</u>
<b>Financial Position</b>		
Accrued benefit obligation:		
Balance, beginning of year	8,970	2,142
Current service cost	5,714	7,952
Interest Cost	408	36
Recognition of past service	-	-
Benefits paid	-	-
Actuarial (gain) loss	2,551	(1,160)
Balance, end of year	<u>17,643</u>	<u>8,970</u>
Plan assets	-	-
Plan deficiency (surplus)	-	-
Unamortized net actuarial gain (loss)	-	-
Unamortized past service cost	-	-
Accrued benefit liability	<u>17,643</u>	<u>8,970</u>

MEDICINE HAT COLLEGE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 7 Employee Future Benefit Liabilities (continued)**

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

	June 30, 2023	June 30, 2022
Discount rate and investment return on Supplemental Plan account balances	5.05%	4.36%
Salary increases	1.50%	0.00%
Price inflation	2.00%	2.00%
Average wage inflation	2.75%	3.00%
Maximum pension under <i>Income Tax Act (Canada)</i>	\$3,506.67	\$3,420.00
Yearly Maximum Pensionable Earnings ("YMPE")	\$66,600	\$64,900
Allocation percentage	22.70%	22.70%
Retirement / withdrawal age	End of remaining contract term	End of remaining contract term

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

**Note 8 Debt**

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

			2023	2022
	Maturity	Interest Rate	Amortized Cost	Amortized Cost
Debentures payable to the Department of Treasury Board and Finance:				
Student residences	May 2027	6.25%	\$ 1,103,820	\$ 1,340,422

Principal and interest repayments in each of the next five years and thereafter are as follows:

	Principal	Interest	Total
2024	\$ 251,390	68,988	\$ 320,378
2025	267,102	53,276	320,378
2026	283,795	36,583	320,378
2027	301,533	18,845	320,378
Thereafter	-	-	-
	\$ 1,103,820	\$ 177,692	\$ 1,281,512

Collateral for all long-term debt is the title to student residence land and buildings.

Interest expense on debt is \$81,346 (2022 - \$95,406) and is included in the consolidated statement of operations.

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**Note 9 Deferred Revenue**

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

	<u>2023</u>			<u>2022</u>	
	Unspent externally restricted grants and donations	Tuition and other fees	Total	Total	
Balance, beginning of year	\$ 6,291,625	\$ 3,322,945	\$ 9,614,570	\$	11,890,239
Grants, tuition, donations received	11,723,234	15,580,260	27,303,494		18,825,295
Restricted investment income	416,856	-	416,856		553,746
Transfers	-	-	-		-
Unrealized gains (losses) on restricted grants and donations	1,012,652	-	1,012,652		(1,748,623)
Transferred to endowments	(23,493)	-	(23,493)		(27,380)
Transferred to spent deferred capital contributions	(1,494,761)	-	(1,494,761)		(2,533,923)
Recognized as revenue	<u>(4,810,757)</u>	<u>(15,591,733)</u>	<u>(20,402,490)</u>		<u>(17,344,784)</u>
Balance, end of year	<u>\$ 13,115,356</u>	<u>\$ 3,311,472</u>	<u>\$ 16,426,828</u>	<u>\$</u>	<u>9,614,570</u>

**Note 10 Spent Deferred Capital Contributions**

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

	<u>2023</u>	<u>2022</u>
Spent deferred capital contributions, beginning of year	\$ 42,547,717	\$ 42,655,704
Transfers from unspent externally restricted grants and donations	1,494,761	2,533,923
Expended capital contributions recognized as revenue	<u>(2,212,433)</u>	<u>(2,641,910)</u>
Spent deferred capital contributions, end of year	<u>\$ 41,830,045</u>	<u>\$ 42,547,717</u>



MEDICINE HAT COLLEGE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 11 Tangible Capital Assets**

		<b>2023</b>						
		Land	Buildings and renovations	Site improvements	Furniture and equipment	Systems planning and development	Library acquisitions	Total
<b>Cost</b>								
Beginning of year	\$	1,553,000	\$ 122,194,096	\$ 17,181,009	\$ 22,133,078	\$ 1,891,537	\$ 6,507,888	\$ 171,460,608
Additions		-	12,934,795	-	1,579,994	4,000	72,684	14,591,473
Disposals, including write-downs and transfers		-	(12,091,648)	-	(564,958)	-	(133,686)	(12,790,292)
		<u>1,553,000</u>	<u>123,037,243</u>	<u>17,181,009</u>	<u>23,148,114</u>	<u>1,895,537</u>	<u>6,446,886</u>	<u>173,261,789</u>
<b>Accumulated Amortization</b>								
Beginning of year		-	67,513,735	11,544,292	16,935,364	1,608,993	6,076,262	103,678,646
Amortization expense		-	2,223,946	395,838	1,505,808	49,693	116,428	4,291,713
Effect of disposals		-	-	-	(476,131)	-	(133,686)	(609,817)
		<u>-</u>	<u>69,737,681</u>	<u>11,940,130</u>	<u>17,965,041</u>	<u>1,658,686</u>	<u>6,059,004</u>	<u>107,360,542</u>
Net book value at June 30, 2023	\$	<u>1,553,000</u>	<u>\$ 53,299,562</u>	<u>\$ 5,240,879</u>	<u>\$ 5,183,073</u>	<u>\$ 236,851</u>	<u>\$ 387,882</u>	<u>\$ 65,901,247</u>
		<b>2022</b>						
		<b>(Restated Note 3)</b>						
		Land	Buildings and renovations	Site improvements	Furniture and equipment	Systems planning and development	Library acquisitions	Total
<b>Cost</b>								
Beginning of year	\$	1,553,000	\$ 115,517,374	\$ 16,305,742	\$ 21,053,560	\$ 1,891,537	\$ 6,489,054	\$ 162,810,267
Additions		-	7,808,786	875,267	1,329,935	-	70,089	10,084,077
Disposals, including write-downs and transfers		-	(1,132,064)	-	(250,417)	-	(51,255)	(1,433,736)
		<u>1,553,000</u>	<u>122,194,096</u>	<u>17,181,009</u>	<u>22,133,078</u>	<u>1,891,537</u>	<u>6,507,888</u>	<u>171,460,608</u>
<b>Accumulated Amortization</b>								
Beginning of year		-	64,737,067	11,148,454	15,521,296	1,551,095	5,988,366	98,946,278
Amortization expense		-	2,738,855	395,838	1,650,999	57,898	139,151	4,982,741
Amortization expense - ARO		-	37,813	-	-	-	-	37,813
Effect of disposals		-	-	-	(236,931)	-	(51,255)	(288,186)
		<u>-</u>	<u>67,513,735</u>	<u>11,544,292</u>	<u>16,935,364</u>	<u>1,608,993</u>	<u>6,076,262</u>	<u>103,678,646</u>
Net book value at June 30, 2022	\$	<u>1,553,000</u>	<u>\$ 54,680,361</u>	<u>\$ 5,636,717</u>	<u>\$ 5,197,714</u>	<u>\$ 282,544</u>	<u>\$ 431,626</u>	<u>\$ 67,781,962</u>

No interest was capitalized by the College in 2023 (2022 – nil).

Included in buildings and renovations is \$137,428 (2022 - \$10,669,750) recorded as construction in progress which is not amortized as the assets are not in service.

MEDICINE HAT COLLEGE  
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**Note 12 Asset Retirement Obligations**

	<u>2023</u>	<u>2022</u> (Restated Note 3)
Liability Incurred	-	-
Liability Settled	-	-
Revision in estimates	-	-
Increase (decrease) in asset retirement obligations	-	-
Asset retirement obligations, beginning of year	<u>\$ 1,839,059</u>	<u>\$ 1,839,059</u>
Asset retirement obligations, end of year	<u>\$ 1,839,059</u>	<u>\$ 1,839,059</u>

Tangible capital assets with associated retirement obligations include buildings only.

Medicine Hat College has asset retirement obligations to remove hazardous asbestos fiber containing materials from various buildings under its control. Regulations require the College to handle and dispose of the asbestos in a prescribed manner when it is disturbed, such as when the building undergoes renovations or is demolished. Although timing of the asbestos removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for the college to remove the asbestos when asset retirement activities occur.

Asset retirement obligations are initially measured as of the later of acquisition or the date of legislation, based on management's best estimate of the amount required to retire tangible capital assets and subsequently re-measured taking into account any new information and the appropriateness of assumptions used. The estimate of the liability is based on studies completed by third party experts, previous experience, legislation, and professional judgement.

The asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability. Asset retirement obligations are expected to be settled over the next 10 to 20 years.

For the year ended June 30, 2023, the estimated recoveries are nil.

MEDICINE HAT COLLEGE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 13 Net Assets**

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

Internally restricted surplus represents 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.

	Accumulated surplus (deficit) from operations (Restated Note 3)	Internally restricted surplus	Investment in tangible capital assets (Restated Note 3)	Endowments	Total (Restated Note 3)
<b>Net assets, at June 30, 2021</b>	\$ 7,848,945	\$ 11,184,000	\$ 17,806,120	\$ 9,498,232	\$ 46,337,297
Annual operating surplus	1,050,765	-	-	-	1,050,765
<b>Endowments</b>					
Transfer to endowments	-	-	-	35,071	35,071
Gifts of endowment principal	-	-	-	229,839	229,839
<b>Tangible capital assets</b>					
Amortization of internally funded tangible capital assets	2,378,643	-	(2,378,643)	-	-
Net book value of asset disposals	13,486	-	(13,486)	-	-
Debt - repayment	(222,684)	-	222,684	-	-
Acquisition of tangible capital assets	(6,418,090)	-	6,418,090	-	-
Net transfers	3,162,000	(3,162,000)	-	-	-
Change in accumulated remeasurement gains	(2,373,960)	-	-	-	(2,373,960)
<b>Net assets, at June 30, 2022</b>	<b>\$ 5,439,105</b>	<b>\$ 8,022,000</b>	<b>\$ 22,054,765</b>	<b>\$ 9,763,142</b>	<b>\$ 45,279,012</b>
Annual operating surplus	1,707,437	-	-	-	1,707,437
<b>Endowments</b>					
Transfer to endowments	-	-	-	37,204	37,204
Gifts of endowment principal	-	-	-	493,712	493,712
<b>Tangible capital assets</b>					
Amortization of internally funded tangible capital assets	2,079,280	-	(2,079,280)	-	-
Net book value of asset disposals	88,828	-	(88,828)	-	-
Debt - repayment	(236,602)	-	236,602	-	-
Acquisition of tangible capital assets	(1,005,064)	-	1,005,064	-	-
Net transfers	659,000	(659,000)	-	-	-
Change in accumulated remeasurement gains	1,304,273	-	-	-	1,304,273
<b>Net assets, at June 30, 2023</b>	<b>\$ 10,036,257</b>	<b>\$ 7,363,000</b>	<b>\$ 21,128,323</b>	<b>\$ 10,294,058</b>	<b>\$ 48,821,638</b>
<b>Net assets is comprised of:</b>					
Accumulated surplus	9,106,269	7,363,000	21,128,323	10,294,058	47,891,650
Accumulated remeasurement gains	929,988	-	-	-	929,988
	<b>\$ 10,036,257</b>	<b>\$ 7,363,000</b>	<b>\$ 21,128,323</b>	<b>\$ 10,294,058</b>	<b>\$ 48,821,638</b>

The College's opening net assets invested in tangible capital assets have been reduced by the College's asset retirement obligations of \$1,839,059. A funding source has not been determined.

MEDICINE HAT COLLEGE  
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**Note 13 Net Assets (continued)**

Internally restricted net assets with significant balances include:

	<u>2023</u>	<u>2022</u>
Non-Capital:		
Contingency	\$ 2,500,000	\$ 2,500,000
Degree Completion	<u>298,000</u>	<u>451,000</u>
	2,798,000	2,951,000
Capital:		
Generations	2,332,000	2,838,000
Enterprise Resource Planning Software	2,000,000	2,000,000
Ancillary services - student residence and related parking	116,000	116,000
Ancillary services - parking	<u>117,000</u>	<u>117,000</u>
	4,565,000	5,071,000
	<u>\$ 7,363,000</u>	<u>\$ 8,022,000</u>

**Note 14 Contingent Liabilities**

The College continues to review environmental objectives and liabilities for its activities and properties as well as any potential remediation obligations.

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.

**Note 15 Contractual Rights**

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

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

	<u>2023</u>		
	<u>Operating Leases</u>	<u>Other Contracts</u>	<u>Total</u>
2024	\$ 191,171	\$ 75,200	\$ 266,371
2025	-	54,200	54,200
2026	-	50,500	50,500
2027	-	30,000	30,000
2028	<u>-</u>	<u>13,000</u>	<u>13,000</u>
Total at June 30, 2023	<u>\$ 191,171</u>	<u>\$ 222,900</u>	<u>\$ 414,071</u>
Total at June 30, 2022	<u>112,507</u>	<u>147,400</u>	<u>259,907</u>

MEDICINE HAT COLLEGE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 16 Contractual Obligations**

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

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

	<b>2023</b>		
	Service Contracts	Capital Contracts	Total
2024	\$ 3,562,406	\$ 3,676,663	\$ 7,239,069
2025	1,651,950	-	1,651,950
2026	293,743	-	293,743
2027	293,743	-	293,743
2028	-	-	-
Total at June 30, 2023	<u>\$ 5,801,842</u>	<u>\$ 3,676,663</u>	<u>\$ 9,478,505</u>
Total at June 30, 2022	<u>7,046,678</u>	<u>\$ 322,605</u>	<u>7,369,283</u>

**Note 17 Expense by Object**

The following is a summary of expenses by object.

	<b>2023</b>		<b>2022</b> <b>(Restated Note 3)</b>
	<b>Budget (Note 22)</b>	<b>Actual</b>	<b>Actual</b>
Salaries and benefits	\$ 34,993,650	\$ 34,126,831	\$ 33,292,626
Supplies and services	10,016,100	9,426,631	9,776,852
Maintenance and repairs	3,193,600	2,443,367	1,379,131
Utilities	1,178,100	1,805,938	1,508,627
Scholarships and bursaries	626,700	793,428	822,729
Interest on long-term liabilities	83,800	81,346	95,406
Cost of goods sold	808,750	962,642	765,222
Amortization of tangible capital assets, including loss on disposals	5,384,100	4,369,246	5,034,040
	<u>\$ 56,284,800</u>	<u>\$ 54,009,429</u>	<u>\$ 52,674,633</u>

**Note 18 Funds Held on Behalf of Others**

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

	<b>2023</b>	<b>2022</b>
Further Education Council	\$ 34,715	\$ 30,483
Alberta Skills	20,659	-
Faculty Association	-	(172)
	<u>\$ 55,374</u>	<u>\$ 30,311</u>

MEDICINE HAT COLLEGE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 19 Related Parties**

The College is a related party with organizations within the Government of Alberta reporting entity. Key management personnel of the College and their close family members are also considered related parties. The College may enter into transactions with these entities and individuals in the normal course of operations and on normal terms.

During the year, the College's key management personnel and their close family members did not have any material transactions with either Medicine Hat College, the Medicine Hat College Foundation, or other Government of Alberta reporting entities that occurred at a value that was different from that which would have been arrived at if the parties were unrelated.

During the year, the College conducted business transactions with related parties, including Ministries of the Province of Alberta and other Alberta post-secondary institutions. The revenues and expenses incurred for these have been included in the consolidated statement of operations but have not been separately quantified. These transactions were entered into on the same business terms as with non-related parties and are recorded at fair market value.

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

**Note 20 Government transfers**

	<u>2023</u>	<u>2022</u>
Grants from Government of Alberta		
Advanced Education:		
Operating	\$ 34,131,084	\$ 34,325,749
Capital	<u>6,212,763</u>	<u>619,059</u>
Total Advanced Education	<u>40,343,847</u>	<u>34,944,808</u>
Other Post-secondary Institutions	<u>609,425</u>	<u>570,083</u>
Other Government of Alberta departments and agencies:		
Ministry of Jobs, Economy and Innovation	-	(5,010)
Alberta Health	-	-
Culture and Status of Women	-	-
Other	-	-
Total other Government of Alberta departments and agencies	<u>-</u>	<u>(5,010)</u>
Total contributions received	40,953,272	35,509,881
Add: restricted expended capital recognized as revenue	2,098,301	2,548,089
(Less): deferred contributions	<u>(6,702,974)</u>	<u>(844,905)</u>
	<u>\$ 36,348,599</u>	<u>\$ 37,213,065</u>
Federal and other government grants:		
Contributions received	694,741	473,640
Add: restricted expended capital recognized as revenue	46,967	45,753
(Less) add: deferred contributions	<u>(58,757)</u>	<u>19,414</u>
	<u>\$ 682,951</u>	<u>\$ 538,807</u>

MEDICINE HAT COLLEGE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 21 Salary and Employee Benefits**

	2023			2022	
	Base Salary <sup>(1)</sup>	Other Cash Benefits <sup>(2)</sup>	Other Non-cash Benefits <sup>(3)</sup>	Total	Total
<b>Governance <sup>(4)</sup></b>					
Board Chair	\$ -	\$ 3,600	87	\$ 3,687	\$ 3,685
Board (11 members)	-	16,500	528	17,028	14,640
<b>Executive/Management</b>					
President/CEO	226,461	6,000	41,212	273,673	264,574
Vice Presidents:					
Vice-President, Academic & Provost (5)	127,569	15,885	25,177	168,631	340,961
Vice-President, Administration & Finance	188,166	-	32,997	221,163	214,313
Executive Director, Facilities & IT Services	145,360	480	31,684	177,524	-
Dean, Business & Continuing Studies	151,167	13,890	30,909	195,966	180,120
Dean, Health & Community Services	-	-	-	-	176,371

- 1) Base Salary includes pensionable base pay.
- 2) Other Cash Benefits include vacation payouts, car allowances, honoraria where applicable and other lump sum payments, including severances. There were no bonuses paid in 2023 or 2022.
- 3) Other Non-cash Benefits include the employer's share of all other employee benefits and contributions, or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental, group life insurance, employment insurance and remission of tuition fees.
- 4) The chair and members of the Board of Governors receive no remuneration for participation on the board. Other cash benefits consist only of honorariums.
- 5) The Vice-President, Academic & Provost position was held on a rotation basis among individuals occupying a Dean position while a search was being made for a successful candidate. This amount includes stipends paid to these individuals while on rotation and salary paid to the successful candidate from November 2022 – June 2023.

Under the terms of the supplemental retirement plan SRP, the President/CEO will 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 a payment at termination of employment with the College. The cost of these benefits is actuarially determined using the accrued benefit method. The College accrues an expense annually for the SRP based on the President/CEO's salary and the notional growth in account balance. Current service cost is the actuarial present value of the benefits earned in the fiscal year. Prior service and other costs include amortization of past service costs on plan initiation, amortization of actuarial gains and losses, and interest accruing on the actuarial liability.

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**Note 21 Salary and Employee Benefits (continued)**

The supplementary retirement plans current service cost and accrued obligation under the SRP is outlined in the following table.

	Accrued Obligation			Accrued Obligation	
	June 30, 2022	Payments	Current Service Costs	June 30, 2023	
President/CEO	\$ 8,970	\$ -	\$ 8,673	\$ 17,643	
	\$ 8,970	\$ -	\$ 8,673	\$ 17,643	

The significant actuarial assumptions for the SRP are disclosed in Note 7.

**Note 22 Budget Figures**

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

**Note 23 Approval of Consolidated Financial Statements**

These consolidated financial statements were approved by the Board of Governors of Medicine Hat College.



