Annual Report
2023-24

OLDS COLLEGE
OF AGRICULTURE & TECHNOLOGY

Table of Contents

Institution Information

Institution Name:

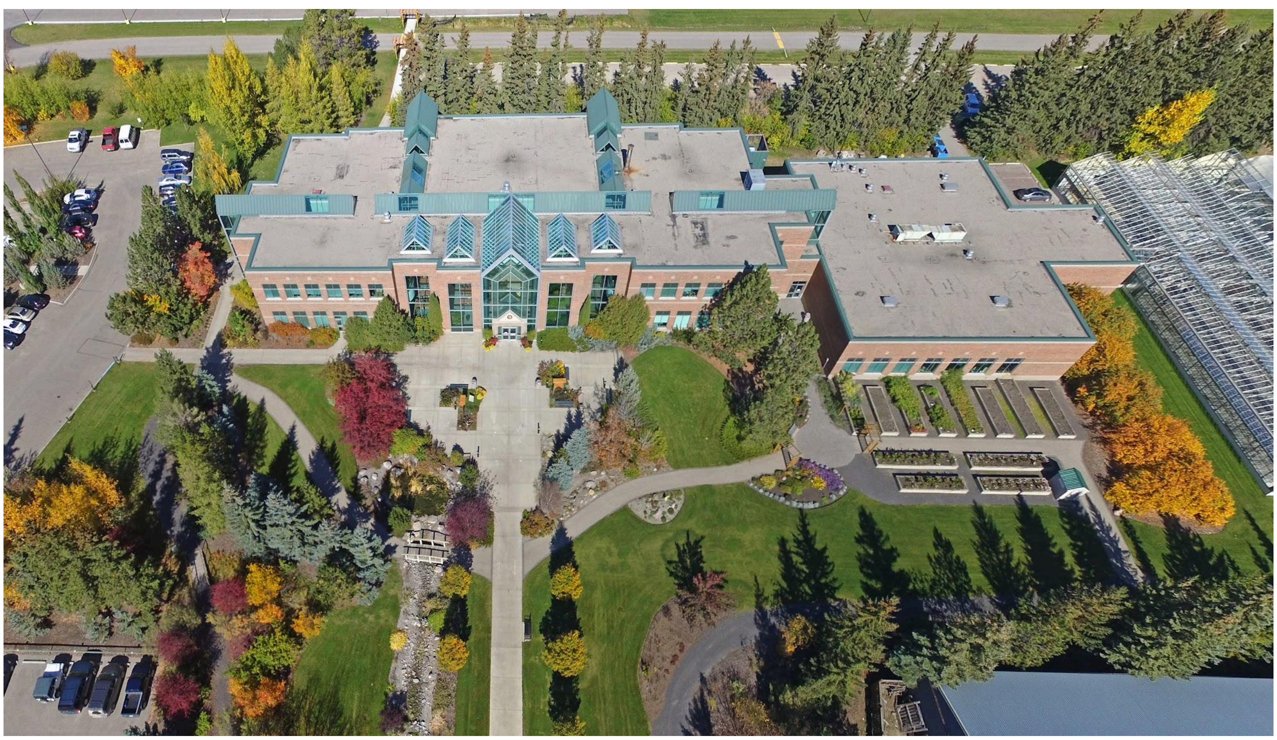
Olds College of Agriculture & Technology

President Name:

Debbie Thompson, Interim President

Board Chair Name:

Al Kemmere, Interim Chair, Olds College Board of Governors



1. Accountability Acknowledgement

Publicly funded post-secondary institutions

a. Accountability Statement:

The institution's Annual Report for the year ended was prepared under the Board's direction in accordance with the Sustainable Fiscal Planning and Reporting Act and ministerial requirements established pursuant to the Post-Secondary Learning Act. All material economic, environmental, or fiscal implications of which we are aware have been considered in the preparation of this report.

Al Kemmere, Interim Chair, Olds College Board of Governors

b. Management's Responsibility for Reporting

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

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

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

Debbie Thompson, Interim President, Olds College of Agriculture & Technology

2. Public Interest Disclosure (Whistleblower Protection) Act

There were no disclosures in 2023-24.

3. Goals and Performance Measures

A. Student supports and services and their responsiveness to the evolving needs of students (e.g. academic, financial, mental, and physical well being etc.)

Olds College is dedicated to services that promote student well-being and academic success. We remain focused on strengthening academic, financial, mental health and well-being resources for our campus community.

Enrolment: As stated in our strategic plan, Olds College is committed to achieving 2000 Full Load Equivalents (FLEs) by 2025.

- In 2023-24, Olds College enrolled 1996.9 FLEs. This represents Olds College's highest enrolment and an increase of 481.4 FLEs from the previous year of 2022-23 where Olds College had 1515.5 FLEs.

Academic: Olds College is committed to supporting students to achieve their academic and employment goals.

- 94% of our programs will include a work-integrated learning opportunity that is available to students.
- Fall Academic Standing (Total Good Standing) increased from 90.6% to 92.7% compared to Fall 2022.

Financial Well-being: At Olds College, we recognize the financial pressures that students face and remain committed to providing meaningful financial support to help them succeed. By investing in student success through scholarships and financial aid, we are helping to create an accessible and supportive learning environment where students can focus on achieving their goals.

- In the 2023-24 academic year, we managed and disbursed over $895,000 in scholarships and awards, increasing affordability for participation in post-secondary education.

Mental Well-being: Olds College is committed to ensuring access to mental health supports and services for learners.

- 85% of students were aware of where to seek professional mental health support on campus, higher than the national average for colleges (81%).
- The number of students reporting good to excellent mental health is 10% higher than the national average.
- 1,050 one-on-one mental health counselling appointments were available to students with 61% (643) being utilized.

Physical Well-being: At Olds College, we are committed to fostering a healthy campus environment where students can access the care they need to thrive.

- In the 2023-24 academic year, our Campus Health and Wellness Centre provided 323 nursing appointments, ensuring students received timely medical support and health guidance.
- Through our valued partnership with Wild Rose Medical Centre, we also facilitated 156 doctor visits, enhancing access to professional medical care right on campus.

B. Strategic research priorities (for research institutions), applied research, and scholarly activities

Funding: Our strategic plan set a goal of increasing applied research activity to $10M or greater annually. In 2023-24, the total research revenue for the year was $10.1M.

Partners: Our strategic plan calls for OCCI (Olds College Centre for Innovation) to work with 300 companies. Since the launch of that plan in 2018, we have worked with 390 companies and organizations.

Projects: The strategic plan calls for 100 products or processes to be developed or improved through applied research at Olds College. In 2023-24, there were 98 active projects.

C. Collaborations with other learning providers (e.g. publicly funded post-secondary institutions, First Nations Colleges, or Private Career Colleges)

Olds College continues to foster relationships with other post-secondary institutions creating opportunities and pathways for students. To this end, the College is also engaged in Campus Alberta Central (CAC), a joint venture between Olds College and Red Deer Polytechnic that enhances access to post-secondary programming in communities throughout central Alberta. CAC programs include training in high-demand fields such as trades and health care as well as a range of options in business and human services. Whether online or in a blended format that includes hands-on instruction, all programs supported by CAC provide access to high quality, accredited training for underserved communities.

Olds College is committed to providing access to quality post-secondary learning opportunities for Alberta's high school students through dual credit course and program offerings. Through our partnerships with 53 Alberta School Divisions in 2023-24, 880 students from across Alberta enrolled in dual credit course offerings.

Olds College is a collaborative partner in the Central Alberta Collegiate Institute, a multi-partner programming model that supports specialized programming, post-secondary pathways and experiential learning opportunities for K-12 students.

A partnership was formed with Concordia University of Edmonton (CUE) where Olds College offers its Business Management Diploma which ladders into CUE Bachelors of Management. Where possible, the College connects with other institutions to enhance learning opportunities. Olds College Veterinary Technology students teamed up with University of Calgary Veterinary Medical students to provide animal health services on the Stoney Nakoda First Nation.

Industry Training & Continuing Education (ITCE) frequently collaborates with other learning providers like the University of Saskatchewan and Assiniboine College on the Prairie Hort Certificate, the Canada Climate Law Initiative (CCLI) on their Climate Risk & ESG for Corporate Governance and Decision-Making micro-credential, RBLP on their Resilience-Building Leader Program, and ABC Bees on their Level 1 Beekeeping course. ITCE also collaborates with First Nations partners like Red Crow College (Alberta) on agriculture and horticulture training, The Key First Nation on horticulture training, Kwadacha Nation and Kispiox Band on heavy equipment operator training, and Fort Vermilion School District on heavy equipment operator training.

4. Financial Information

The following information should be reviewed together with the Olds College audited consolidated financial statements and accompanying notes for the year ended June 30, 2024.

Olds College generated an annual operating surplus of $8,125,000 compared to the Board approved budgeted operating surplus of $50,000 as presented in the 2023/2024 Financial and Budget Information. Combined with endowment contributions and endowment capitalized investment income, the year ended with an annual surplus of $9,337,000 overall.

REVENUE KEY VARIANCES: The operating surplus was primarily related to the variances in revenues. Both Federal and Provincial revenues were lower than expected with regards to research funding. An unanticipated increase in international student enrolments as well as achieving full occupancy of residences, significantly enhanced tuition and fee revenues, and sales of services and products. These areas exceeded budget estimates 7.8% and 31.0% respectively. In addition, the College realized crucial gains from its investments as a result of moving to a new portfolio manager and portfolio composition, and liquidating a majority of land held for resale, exceeding the budget by 253.7%. These supported revenues from donations and other grants, which only attained 66.1% of budget.

EXPENSE KEY VARIANCES: Generally functional areas of the College attained expenditure levels lower than budgeted, with the exception of academic and student supports, which was 13.9% higher than budgeted, as services were adjusted for the unexpected increase in enrolments. Actions were taken during the year to mitigate a liquidity risk, which severely restricted discretionary expenditures, and any variances from budget.

MANAGING FINANCIAL RISK: The College responded to a potential liquidity crisis identified from the 2022/2023 financial statements with a spending freeze for most of the 2023/2024 fiscal year. The intent was to improve the liquidity of the organization, which was successfully achieved with the assistance of all levels of staff and operations increasing our current ratio from 0.77 to 1.78. In its budget, the College identified a number of areas related to high or moderate risk, while most of the items have been reduced in their risk assessment, there is still significant risk with regard to payroll and employee settlements moving forward, exposure to revenue fluctuations and uncertainty from international students, and inflation.

5. Self-Generated Revenue

The self-generated revenue reporting requirement has been fulfilled for the 2023-24 fiscal year.

6. Capital Report

Types of Project and Funding Sources					
Type *Proposed* *New* *Expansion* *Maintenance*	*Project Description*	*Total Project Cost*	*Funding Source* *% Gov of Alberta* *% Gov of Canada* *% PSI funds* *% donation* *% foundation* *% industry*	*Funding Received to Date and Source*	*Revised Funding Sources*
Priority Projects (Top 3 Capital Priorities)					
Proposed	**FGH Renovation** Partially demolish, modify and repurpose Frank Grisdale Hall (FGH). We've developed a multi-phased roadmap intended to optimize the institution's resources, make the strongest positive impact in the advancement of the College's Strategic Drivers, as well as continue to improve the learning experiences for the College community. This renovation will serve the near term and longer term needs of the College.	$13,367,160.85	90% GoA 10 % PSI	$0	
Proposed	**DMP Space Utilization Plan** Create a strategy for Duncan Marshall Place to maximize space in the facility, with a focus on learning spaces. Opportunity to connect student activity to a central circulation space and learning spaces; enhance and increase the usability and locations of learning spaces; define a clear path of arrival to the campus and the facility necessary for future plans.	$1,057,160.00	100% GoA	$0	

Proposed	**LRC/Health & Wellness Centre Upgrade** Redevelop and expand the Learning Resource Centre and Student Health and Wellness Centre to accommodate the current and future student demand on services that promote student success and well-being. The breadth of student services has grown in recent years and has outgrown the current facility	$2,941,629.02	50% GoC 50% Donation	$0	

7. Free Speech Reporting

Reporting Measure 1: Free Speech Policy Information	• Please provide the website address where your institution's free speech policy is posted. • Has your institution amended its free speech policy during the 2023-24 fiscal year? ○ If yes, please explain the change and the reason for making the change. • Outline any intersecting administrative policies or costs (e.g. venue booking fees, security costs) at your institution that could impact event booking.
	The Olds College Freedom of Expression Policy and Procedure can be found at https://www.oldscollege.ca/about-us/administration/policies/index.html. The Freedom of Expression Policy was amended in February 2024. The reason for the amendment was to formalize the College's Freedom of Expression statement into policy and to embed the College's position of neutrality into policy as well as to define the College's principles in creating an environment where the free exchange of ideas can thrive. At the same time, the College developed a Statement on Institutional Neutrality which was added to the policy as related information. The intersecting Freedom of Expression Procedure defines the circumstances in which the College may restrict expression of ideas and outlines the requirements, including costs, to hold events on the College campus.

<table>
<tr><td rowspan="2">Reporting Measure 2: Cancelled Events</td><td>

During the 2023-24 fiscal year, were any events at your institution cancelled for reasons related to free speech?

If yes, provide a description of the event, including context.
Discuss the concerns which led to the event’s cancellation.
Describe how the cancellation decision fit within the institution’s free speech policy and include information on other institutional policies that were considered when making the decision.
If any complaints arose from the event’s cancellation, please provide further details regarding the complaints under Reporting Measure 3.

</td></tr>
<tr><td>During 2023-24, there were no events cancelled as a result of free speech.</td></tr>
<tr><td rowspan="4">Reporting Measure 3: Free Speech-Related Complaints</td><td>

During the 2023-24 fiscal year, did your institution receive any complaints related to free speech issues?
Note: These are complaints that were submitted in accordance with the institution’s free speech policy and through the procedures identified by the institution. These are not complaints related to labour disputes or other issues which are captured by agreements and contracts separate from the institution’s free speech policy.

For each complaint:

Please provide a description of the complaint, including context.
Discuss how the institution managed the complaint. Was the complaint addressed using the procedures set out in the institution’s policy? How were issues resolved?

</td></tr>
<tr><td>There were no free-speech complaints received in 2023-24.</td></tr>
<tr><td>

Provide the following summary data for free speech-related complaints submitted in accordance with the institution’s free speech policy and through the procedures identified by the institution:

</td></tr>
<tr><td>Total number of complaints.

None.

Total number of complaints that did not progress through the institution’s resolution process as determined by institutional policy.

None.</td></tr>
</table>

	Total number of complaints where it was determined that the free speech policy was not followed. None.
Reporting Measure 4: Additional Information	• Please provide any additional information on any other areas of concern related to campus free speech that may not be captured under the other reporting measures.
	None.

8. Board of Governors Training on For-Profit Ventures

Provide an overview of the training opportunities for board members on for-profit ventures, including materials used to assist with training.

No Board training has yet taken place, but is within the 2025 Board education plan. It will be facilitated internally.

Olds College

Consolidated Financial Statements

YEAR ENDED June 30, 2024

OLDS COLLEGE
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED June 30, 2024

Olds College

STATEMENT OF MANAGEMENT RESPONSIBILITY

The consolidated financial statements of Olds College ("the College") have been prepared by management in accordance with Canadian public sector accounting standards as described in note 2 to the consolidated financial statements. The consolidated financial statements present fairly the financial position of the College as at June 30, 2024 and the results of its operations, changes in net debt, cash flows, and remeasurement gains and losses for the year then ended.

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

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

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

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

President

Chief Financial Officer

Independent Auditor's Report

To the Board of Governors of Olds College

Report on the Consolidated Financial Statements

Opinion

I have audited the consolidated financial statements of Olds College (the Group), which comprise the consolidated statement of financial position as at June 30, 2024, and the consolidated statements of operations, remeasurement gains and losses, change in net debt, 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, 2024, and the results of its operations, its remeasurement gains and losses, its changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

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

Other information

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

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

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

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

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

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

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. I am responsible for the direction, supervision and review of the audit work performed for purposes 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

January 23, 2025
Edmonton, Alberta

Olds College

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT June 30, 2024
(thousands of dollars)

		2024		2023 Restated (Note 4)
Financial assets excluding portfolio investments restricted for endowments				
Cash	**$**	**8,559**	$	(362)
Portfolio investments - non-endowment (Note 5)		**12,802**		15,228
Accounts receivable (Note 7)		**4,470**		7,224
Inventories for resale		**1,219**		1,053
Commercial/Industrial lots held (Note 8)		**706**		2,001
		27,756		25,144
Liabilities				
Accounts payable and accrued liabilities		**7,337**		8,948
Debt (Note 10)		**30,053**		30,633
Deferred revenue (Note 11)		**18,190**		21,330
Asset retirement obligations (Note 12)		**7,206**		6,277
		62,786		67,188
Net debt excluding portfolio investments restricted for endowments		**(35,030)**		(42,044)
Portfolio investments - restricted for endowments (Note 5)		**20,802**		18,873
Net debt		**(14,228)**		(23,171)
Non-financial assets				
Tangible capital assets (Note 13)		**148,715**		150,504
Prepaid expenses		**561**		736
		149,276		151,240
Net assets before spent deferred capital contributions		**135,048**		128,069
Spent deferred capital contributions (Note 14)		**94,946**		95,304
Net assets (Note 15)	**$**	**40,102**	$	32,765
Net assets are comprised of:				
Accumulated surplus		**40,094**		30,757
Accumulated remeasurement gains		**8**		2,008
	$	**40,102**	$	32,765

Contingent assets and contractual rights (Notes 16 and 18)

Contingent liabilities and contractual obligations (Notes 17 and 19)

Approved by the Board of Governors (Note 27)

Olds College

CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED June 30, 2024
(thousands of dollars)

	Budget (Note 26)	2024	2023 Restated (Note 4)
Revenues			
Government of Alberta grants (Note 20)	$ 35,402	$ 34,252	$ 34,539
Federal and other government grants (Note 20)	3,017	2,902	2,767
Sales of services and products	16,456	17,740	14,685
Student tuition and fees	16,246	21,288	12,418
Donations and other grants	5,053	3,340	6,929
Investment income	1,633	5,759	2,042
Loss on disposals of tangible capital assets	-	(79)	(35)
	77,806	85,202	73,345
Expenses (Note 21)			
Instruction	18,780	18,298	17,087
Academic and student support	14,891	16,958	17,790
Facility operations and maintenance	8,888	8,620	7,639
Institutional support	19,738	18,187	17,019
Ancillary services	5,164	4,788	3,696
Sponsored research	8,580	8,583	8,469
Special purpose and trust	1,715	1,643	1,744
	77,756	77,077	73,444
Annual operating surplus (deficit)	50	8,125	(99)
Endowment contributions (Note 15)	-	254	742
Endowment capitalized investment income (Note 15)	-	958	729
Annual surplus	50	9,337	1,372
Accumulated surplus, beginning of year	31,503	30,757	29,385
Accumulated surplus, end of year (Note 15)	$ 31,553	$ 40,094	$ 30,757

Olds College

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
YEAR ENDED June 30, 2024
(thousands of dollars)

	Budget (Note 26)	2024	2023 Restated (Note 4)
Annual surplus	**$ 50**	**$ 9,337**	$ 1,372
Acquisition of tangible capital assets		**(5,582)**	(16,925)
Proceeds from sale of tangible capital assets		**10**	43
Amortization of tangible capital assets	**7,358**	**7,281**	6,940
Loss on disposals of tangible capital assets		**79**	35
Decrease in prepaid expenses		**176**	90
(Decrease) increase in spent deferred capital contributions		**(358)**	7,548
(Decrease) increase in accumulated remeasurement gains		**(2,000)**	430
Decrease (increase) in net debt		**8,943**	(467)
Net debt, beginning of year		**(23,171)**	(22,704)
Net debt, end of year		**$ (14,228)**	$ (23,171)

Olds College

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED June 30, 2024
(thousands of dollars)

	2024	2023
Operating transactions		
Annual surplus	**$ 9,337**	$ 1,372
Add (deduct) non-cash items:		
Amortization of tangible capital assets	**7,281**	6,940
Gain on sale of portfolio investments	**(7,438)**	(894)
Loss on disposals of tangible capital assets	**79**	35
Expended capital contributions recognized as revenue	**(4,481)**	(4,273)
Decrease in accounts receivable	**2,754**	1,438
Increase in inventories for resale	**(166)**	(9)
Decrease in accounts payable and accrued liabilities	**(1,611)**	(104)
Decrease in land intended for sale	**1,295**	244
Decrease in deferred revenue	**(1,381)**	(8,170)
Increase in asset retirement obligations	**929**	123
Decrease in prepaid expenses	**176**	90
Cash provided by (applied to) operating transactions	**6,774**	(3,208)
Capital transactions		
Acquisition of tangible capital assets, less in-kind contributions	**(5,682)**	(16,725)
Proceeds on sale of tangible capital assets	**10**	43
Cash applied to capital transactions	**(5,672)**	(16,682)
Investing transactions		
Purchase of portfolio investments	**(37,414)**	(9,694)
Proceeds on sale of portfolio investments	**41,590**	12,415
Cash provided by investing transactions	**4,176**	2,721
Financing transaction		
Debt - repayment	**(787)**	(716)
Debt - new financing	**207**	-
Increase in spent deferred capital contributions, less expended capital contributions recognized as revenue, less in-kind donations	**4,223**	11,622
Cash provided by financing transactions	**3,643**	10,906
Increase (decrease) in cash	**8,921**	(6,263)
Cash, beginning of year	**(362)**	5,901
Cash, end of year	**$ 8,559**	$ (362)

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

Olds College

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
YEAR ENDED June 30, 2024
(thousands of dollars)

	2024	2023
Accumulated remeasurement gains, beginning of year	**$ 2,008**	$ 1,578
Unrealized gains (losses) attributable to:		
Portfolio investments - non-endowment/non-externally restricted	**8**	888
Foreign exchange	**-**	(65)
Amounts reclassified to consolidated statement of operations:		
Portfolio investments - non-endowment/non-externally restricted	**(2,005)**	(242)
Foreign exchange	**(3)**	(151)
Accumulated remeasurement gains, end of year	**8**	2,008
Accumulated remeasurement gains are comprised of:		
Portfolio investments - non-endowment/non-externally restricted	**8**	2,005
Foriegn exchange	**-**	3
	$ 8	$ 2,008

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

1. Authority and purpose

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

2. Summary of significant accounting policies and reporting practices

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the College are as follows:

a. Use of estimates

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

Financial Statement Component	Measurement
Cash	Cost
Portfolio investments	Fair Value
Accounts receivable	Lower of cost or net recoverable value
Accounts payable and accrued liabilities	Cost
Liability for contaminated sites	Cost
Asset retirement obligations	Cost
Debt	Amortized cost

Unrealized gains and losses from changes in the fair value of 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.

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

b. Valuation of financial assets and liabilities (continued)

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

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

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

c. Revenue recognition

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

Government grants, non-government grants and donations

Government transfers are referred to as government grants.

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

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

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

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

c. Revenue recognition (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.

Sales of services and products

Sales of services and products represent revenues from non-tuition related services and/or products such as parking fees, locker rental fees, one day workshops, media production, laundry revenues, conferences, amenities fees, recreation program registration fees, membership fees, food services and related commissions, vending revenue, gift certificates, book sales, grain and livestock sales, land lot sales, royalties, rental income, copyright licensing, theatre ticket sales, fine and surcharges, non-refundable application fees, interest revenue, sponsorship revenue, other administrative charges.

These revenues, with the exception of parking fines and surcharges, non-refundable application fees, cancellation fees and some administrative fees, are considered revenues arising from exchange transactions. Revenue from these transactions is recognized when or as the College fulfils its performance obligation(s) and transfers control of the promised goods and services to the payor. If the performance obligation is outstanding at year end, the remaining revenue is deferred.

Revenue without performance obligations is a non-exchange transaction with a payor and is recognized when the College has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event that gives rise to an asset.

Student tuition and fees

Student tuition and fees are charged for the programs offered by the College such as program registration and application fees, course delivery fees, student ID fees and laboratory fees.

These fees are considered revenue arising from exchange transactions with performance obligations. The College recognizes revenue from program registration and application fees when received as the performance obligations of registering the student are met when paid. Revenue from course delivery and laboratory fees are recognized over the course of each academic period/semester as the College fulfils its performance obligations by delivering the courses. If the performance obligation is outstanding at year end, the remaining revenue is deferred. Revenue from student ID fees is recognized when the performance obligation to provide the student ID cards to the student has been met.

Endowment contributions

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

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

c. Revenue recognition (continued)

Investment income (loss)

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 consolidated statement of operations.

d. Endowments

Endowments consist of:

- externally restricted donations received by the College and internal allocations by the College’s Board of Governors, the principal of which is required to be maintained intact in perpetuity.
- Investment income earned (excluding unrealized income) by the endowments will be used to preserve the economic value of the endowment. Any amounts available in excess of amounts required to preserve economic value will be available for past re-investment deficits or distribution per the terms of the endowment agreement.

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 the terms of the endowment agreements, a portion of annual investment earnings, if any, is allocated to the endowment for the preservation of the endowment’s capital purchasing power. Any remaining investment income earned on endowments, after the related spending allocation and capitalization of interest, is deferred.

e. Inventories for resale

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

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

f. Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets, and costs associated with asset retirement obligations. Cost includes overhead directly attributable to construction and development, and interest costs that are directly attributable to the acquisition or construction of the asset. Work in progress, which includes facilities and improvement projects and development of information systems, is not amortized until after the project is complete and the asset is in service.

All leases are recorded in the financial statements as either a capital or operating lease. Any lease which transfers substantially all the benefits and risks of ownership associated with the leased asset are accounted for as leased tangible capital assets. Capital lease assets and liabilities are recognized at the lesser of the present value of the future minimum lease payments and the asset's fair market value at the inception of the lease, excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of the College's rate for incremental borrowing or the interest rate implicit in the lease.

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:

Building and improvements	3 - 70 years
Furniture, equipment and vehicles	2 - 25 years
Computer hardware and software	3 - 10 years

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

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. Purchased intangibles

Purchased intangibles are recorded at cost less accumulated amortization. The cost, less any residual value, of purchased intangibles with a finite life is amortized on a straight-line basis over its useful life in a manner appropriate to its nature and use, which is normally the shortest of the technological, commercial, and legal life. Purchased intangibles with an indefinite life are not amortized.

As at June 30, 2024, the College has no purchased intangibles.

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

h. Foreign currency translation

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

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

i. Employee future benefits

Pension

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

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

Deferred Salary Leave

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

j. Basis of consolidation

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

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

j. Basis of consolidation (continued)

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

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

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

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

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

Separate condensed financial information and a description of these joint ventures is presented in note 24. The accounts for consolidated entities are consolidated using the line-by-line method. All inter-entity accounts and transactions between these organizations are eliminated upon consolidation.

k. Liability for contaminated sites

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

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

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

In these situations, the College reviews the information to determine if a contaminated site liability exists or if an environmental liability exists and if it does it will record the liability. In cases where the College's responsibility is not determinable or a reasonable estimate cannot be made, a contingent liability may be disclosed.

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

k. Liability for contaminated sites (continued)

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

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

In cases where a reasonable estimate cannot be made, a contingent liability may be disclosed.

These liabilities reflect the College's best estimate, as of June 30, 2024, of the amount required to remediate the sites to the current minimum standard of use prior to contamination. Where possible, provisions for remediation are based on environmental assessments completed on a site; for those sites where an assessment has not been completed, estimates of the remediation are completed using information available for the site and by extrapolating from the cost to clean up similar sites. This liability is reported in accounts payable and accrued liabilities in the consolidated statement of financial position.

l. Asset retirement obligations

Asset retirement obligations are legal obligations associated with the retirement of a tangible capital asset. The tangible capital assets include but not limited to assets in productive use, assets no longer in productive use, and leased tangible capital assets. Asset retirement activities include all activities relating to an asset retirement obligation. These may include, but are not limited to:

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

A liability for an asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

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

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

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

l. Asset retirement obligations (continued)

Where a present value technique is used to measure a liability, the liability is adjusted for the passage of time and is recognized as accretion expense in the consolidated statement of operations. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. When a present value technique is not used, the asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability.

m. Expense by function

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

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

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

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

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

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

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

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

n. Funds and reserves

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

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

o. Future changes in accounting standards

The College will adopt the following new conceptual framework and accounting standard approved by the Public Sector Accounting Board:

- Effective April 1, 2026, *The Conceptual Framework for Financial Reporting in the Public Sector*. The Conceptual Framework is the foundation for public sector financial reporting standards. It replaces the conceptual aspects of Section PS 1000, *Financial Statement Concepts*, and Section PS 1100, *Financial Statement Objectives*. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.

- Effective April 1, 2026, PS 1202 *Financial Statement Presentation*. Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework.

The College is currently assessing the impact of the new conceptual framework and standard, and the extent of the impact of their adoption on the consolidated financial statements has not yet been determined.

3. Adoption of new accounting policies and guidelines

a) PS 3400: *Revenue*

Effective July 1, 2023, the College adopted the new accounting standard PS 3400, *Revenue*, a standard establishing guidance on how to account for and report on revenue. The standard provides a framework for recognizing, measuring and reporting revenues that arise from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer.

The College adopted this standard on a prospective basis and as a result, 2023 comparatives are not restated. There was no impact on the consolidated financial statements as existing revenue policies were in alignment with requirements of the new standard.

b) PSG-8: *Purchased Intangibles*

Effective July 1, 2023, the College adopted the principles in the new guideline PSG-8, *Purchased Intangibles*. The guideline provides direction on accounting for and reporting on purchased intangibles. It provides clarity on the recognition criteria, along with instances of assets that would not meet this definition.

The College adopted this standard on a prospective basis and as a result, 2023 comparatives are not restated. The College did not purchase any intangibles in the year so there was no impact on the consolidated financial statements at this time.

(thousands of dollars)

4. Correction of error

In 2023, the College incorrectly recorded deferred revenue to accumulated surplus in relation to restricted award funds. This change has been applied retroactively with restatement of prior year comparative numbers.

	2023		
	As previously reported	Correction of error	As restated
Consolidated Statement of Financial Position			
Liability - Deferred revenue	**$ 20,583**	$ 747	$ 21,330
Net debt	**(22,424)**	(747)	(23,171)
Net assets	**33,512**	(747)	32,765
Net assets - Accumulated surplus	**31,504**	(747)	30,757
Consolidated Statement of Operations			
Accumulated surplus, beginning of year	**30,132**	(747)	29,385
Accumulated surplus, end of year	**31,504**	(747)	30,757
Consolidated Statement of Change in Net Debt			
Net debt, beginning of year	**(21,957)**	(747)	(22,704)
Net debt, end of year	**(22,424)**	(747)	(23,171)
Note 13 Deferred revenue			
Grants, tuition, donations	**21,302**	747	22,049
Balance, end of year	**20,583**	747	21,330
Note 15 Net assets			
Net assets, as at June 30, 2022	**2,410**	(747)	1,663
Net assets, as at June 30, 2023	**1,217**	(747)	470

5. Portfolio investments

	2024	2023
Portfolio investments - non-endowment	**$ 12,802**	$ 15,228
Portfolio investments - restricted for endowments	**20,802**	18,873
	$ 33,604	$ 34,101

(thousands of dollars)

5. Portfolio investments (continued)

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

	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Bonds				
Pooled investment funds	**$ -**	**$ 15,537**	**$ -**	**$ 15,537**
Equities				
Canadian equities	**6,028**	**-**	**-**	**6,028**
Foreign equities	**11,776**	**-**	**-**	**11,776**
Other	**-**	**-**	**263**	**263**
	$ 17,804	**$ 15,537**	**$ 263**	**$ 33,604**
	53 %	**46 %**	**1 %**	**100 %**

	2023			
	Level 1	Level 2	Level 3	Total
Bonds				
Canadian corporate bonds	$ -	$ 6,658	$ -	$ 6,658
Pooled investment funds	-	2,203	-	2,203
Equities				
Canadian equities	15,568	-	-	15,568
Foreign equities	9,233	-	-	9,233
Other	-	-	439	439
	$ 24,801	$ 8,861	$ 439	$ 34,101
	73 %	26 %	1 %	100 %

The fair value measurements are those derived from:

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

(thousands of dollars)

5. Portfolio investments (continued)

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

	2024	2023
Balance, beginning of the year	**$ 439**	$ 490
Unrealized losses	**(186)**	(103)
Purchases	**10**	52
Balance, end of year	**$ 263**	$ 439

6. Financial risk management

The College is exposed to the following risks:

Market price risk

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

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

- At June 30, 2024, if market prices had a 10% (2023 - 10%) increase with all other variables held constant, the increase in remeasurement gains and losses and endowment net assets for the year would have been a total of $3,557 (2023 - $1,416).
- At June 30, 2024, if market prices had a 10% (2023 - 10%) decrease with all other variables held constant, the decrease in remeasurement gains and losses and endowment net assets for the year would have been a total of $3,526 (2023 - $1,416).

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

Foreign currency risk

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

(thousands of dollars)

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 low as the majority of balances are due from government agencies and corporate sponsors.

The credit risks on investments held are as follows:

	2024	2023
Credit rating		
AAA	**21.62 %**	- %
AA+	**1.05 %**	- %
AA	**0.86 %**	- %
AA-	**10.65 %**	7.1 %
A+	**7.54 %**	- %
A	**1.90 %**	- %
A-	**25.60 %**	28.9 %
BBB+	**19.11 %**	45.7 %
BBB	**3.70 %**	18.3 %
BBB-	**7.98 %**	- %
	100.0 %	100.0 %

Liquidity risk

Liquidity risk is the risk that the College will encounter difficulty in meeting obligations associated with its financial liabilities. The College maintains a short-term line of credit that is designed to ensure that funds are available to meet current and forecasted financial requirements in the most cost effective manner. At June 30, 2024, the College has committed borrowing facilities of $3,000 (2023 - $3,000), none of which has been drawn.

(thousands of dollars)

6. Financial risk management (continued)

Interest rate risk

Interest rate risk is the risk to the College's earnings that arise from the fluctuations in interest rates and the degree of volatility of these rates. This risk is managed by investment policies that limit the term to maturity of certain fixed income securities that the College holds. If interest rates increase by 1.0%, and all other variables are held constant the potential loss in the fair market value to the College would be approximately 2.54% (2023 - 1.2%) of the total investments. Interest risk on the College's debt is managed through fixed-rate agreements with the Department of Treasury Board and Finance (Note 10).

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

	< 1 year	1 - 5 years	> 5 years	Average effective market yield
Portfolio investments, fixed income	3.22 %	43.26 %	53.52 %	3.90 %

7. Accounts receivable

	2024	2023
Accounts receivable	**$ 4,828**	$ 7,704
Less allowance for doubtful accounts	**(358)**	(480)
	$ 4,470	$ 7,224

Accounts receivable are unsecured and non-interest bearing.

8. Commercial/Industrial lots held

The College acquired parcels of land in fiscal 2018-19 with the sole intent to sell the land to realize a benefit. The lots consist of 10 lots zoned Highway Commercial and 5 lots zoned Light Industrial. On May 18, 2020, the College received a Ministerial Order which provides the College with the required authority to sell the lots. These lots are recorded as financial assets on the consolidated statement of financial position. The College expects that the sale of the lots will occur over a number of years.

In 2024, the College sold 9 highway commercial lots (2023 - 2) and 1 light industrial lot (2023 - nil) for the sum of $2,345 (2023 - $610) included in sales of services and products in the consolidated statement of operations.

9. Employee future benefit liabilities

(a) Deferred salary leave

This four-for-five leave plan requires participating employees to make contributions of 15% of their salary over a four year period (to a total of 60%). Interest earnings are attributed by the College to the accumulated employee contributions at the end of each month. In the year of leave, the College pays the employee 85% of their salary and the employee also receives eligible benefits. This is funded by the employee's contributions and accumulated interest. When the employee contributions and accumulated interest is depleted, any remaining leave is funded by the College. This is expensed and recorded as a liability in the year the employee is scheduled and approved to take their leave and the option to opt-out is no longer available to the employee. This amount, $nil (2022 - $2), is included in the accounts payable and accrued liabilities balance.

(b) Local Authorities Pension Plan (LAPP)

The LAPP is a multi-employer contributory defined benefit pension plan for faculty, administrative and support staff members and is accounted for on a defined contribution basis. At December 31, 2023, the LAPP reported an actuarial surplus of $15,057,000 (December 31, 2022 - surplus of $12,671,000). An actuarial valuation of the LAPP was carried out as at December 31, 2022, and was then extrapolated to December 31, 2023. The pension expense recorded in these financial statements is $2,628 (2022 - $2,534). Other than the requirement to make additional contributions, the College does not bear any risk related to any deficit LAPP.

(thousands of dollars)

10. Debt

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

	Collateral	Maturity	Interest Rate %	2024	2023
Debentures payable to the Department of Treasury Board and Finance	1	Sep-51	**2.616**	**$ 29,898**	$ 30,633
Liabilities under capital lease	2	Sep-24	**-**	**155**	-
				$ 30,053	$ 30,633

Collateral - (1) Title to building; (2) Computer hardware with a net book value of $181.

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

	Principal	Interest	
2025	**$ 910**	**$ 777**	**$ 1,687**
2026	**774**	**757**	**1,531**
2027	**795**	**737**	**1,532**
2028	**815**	**716**	**1,531**
2029	**837**	**695**	**1,532**
Thereafter	**25,922**	**8,537**	**34,459**
	$ 30,053	**$ 12,219**	**$ 42,272**

Interest expense on debt is $797 (2023 - $811) and is included in the consolidated statement of operations.

(thousands of dollars)

11. Deferred revenue

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

	2024				2023 Restated (Note 4)
	Research and special purpose	**Unspent capital contributions**	**Tuition and other fees**	**Total**	Total
Balance, beginning of year	**$ 11,678**	**$ 2,960**	**$ 6,692**	**$ 21,330**	$ 28,753
Grants, tuition, donations received	**8,202**	**1,210**	**11,488**	**20,900**	22,049
Restricted investment income	**3,183**	**-**	**-**	**3,183**	542
Change in unrealized gains (losses)	**(1,754)**	**-**	**-**	**(1,754)**	621
Transfers to spent deferred capital contributions	**-**	**(4,135)**	**-**	**(4,135)**	(11,724)
Recognized as revenue	**(10,098)**	**-**	**(11,236)**	**(21,334)**	(18,911)
Balance, end of year	**$ 11,211**	**$ 35**	**$ 6,944**	**$ 18,190**	$ 21,330

(thousands of dollars)

12. Asset retirement obligations

	2024	2023
Revision in estimates	**$ 929**	$ 123
Increase in asset retirement obligations	**929**	123
Asset retirement obligations, beginning of year	**6,277**	6,154
Asset retirement obligations, end of year	**$ 7,206**	$ 6,277

Tangible capital assets with associated retirement obligations are limited to buildings. The College has asset retirement obligations to remove hazardous asbestos fibre 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 date the legal obligation was incurred, based on management's best estimate of the amount required to retire tangible capital assets and may be subsequently remeasured at each financial reporting date taking into account any new information and the appropriateness of assumptions used. The estimate of the liability is based on third party quotes and professional judgement.

The extent of the liability is limited to costs directly attributable to the removal of hazardous asbestos fibre containing materials from various buildings under the College's control in accordance with the regulation establishing the liability. The College estimated the nature and extent of hazardous materials in its buildings based on the potential square meters affected and the average costs per square meter to remove and dispose of the hazardous materials.

Asset retirement obligations are expected to be settled over the next 11 to 37 years. For the year ended June 30, 2024, a recovery of $nil was recognized (2023 - $nil).

Included in asset retirement obligation estimates is $7,206 (2023 - $6,277) measured at its current estimated cost to settle or otherwise extinguish the liability. The College has measured asset retirement obligations related to hazardous asbestos fibre containing materials at its current value due to the uncertainty about when the hazardous materials would be removed

(thousands of dollars)

13. Tangible capital assets

	2024					2023
	Land	Buildings & Improvements	Furniture, Equipment & Vehicles (1)	Computer Hardware & Software	Total	Total
Cost						
Balance, beginning of year	$ 3,573	$ 215,398	$ 23,746	$ 11,720	$ 254,437	$ 239,735
Aquisitions	-	4,519	808	255	5,582	16,925
Disposals, including write downs	-	(322)	(706)	(198)	(1,226)	(2,223)
	3,573	219,595	23,848	11,777	258,793	254,437
Accumulated Amortization						
Balance, beginning of year	$ -	$ 79,677	$ 15,645	$ 8,611	$ 103,933	$ 99,138
Amortization expense	-	5,053	1,403	825	7,281	6,940
Effects on disposals, including write-downs	-	(256)	(682)	(198)	(1,136)	(2,145)
	-	84,474	16,366	9,238	110,078	103,933
Net book value at June 30, 2024	$ 3,573	$ 135,121	$ 7,482	$ 2,539	$ 148,715	$ -
Net book value at June 30, 2023	$ 3,573	$ 135,721	$ 8,101	$ 3,109	$ -	150,504

No interest was capitalized by the College during the 2024 or 2023 fiscal years.

Cost includes work in progress of $20,207 (2023 - $23,157) comprising of buildings, equipment, and computers. Work-in-progress is not amortized until projects are completed and the assets are available of use.

Acquisitions during the year include in-kind contributions in the amount of $nil (2023 - $200).

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

(thousands of dollars)

14. Spent deferred capital contributions

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

	2024	2023
Spent deferred capital contributions		
Balance, beginning of year	**$ 95,304**	$ 87,756
Transfers from unspent externally restricted grants and donations	**4,135**	11,724
Expended capital contributions recognized as revenue	**(4,481)**	(4,274)
Other transfers	**(12)**	98
Balance, end of year	**$ 94,946**	$ 95,304

(thousands of dollars)

15. Net assets

	Accumulated surplus (deficit) from operations	Investments in tangible capital assets	Internally restricted surplus	Endowments	Total accumulated surplus
Net assets, as at June 30, 2022 Restated (Note 4)	**$ 1,663**	**$ 15,298**	**$ 1,544**	**$ 12,458**	**$ 30,963**
Annual operating deficit	(99)	-	-	-	(99)
Endowments contributions	-	-	-	742	742
Capitalized investment income	-	-	-	729	729
Acquisition of internally funded tangible capital assets	(5,201)	5,201	-	-	-
Debt repayment	(716)	716	-	-	-
Net book value of tangible capital asset disposals	59	(59)	-	-	-
Amortization of internally funded tangible capital assets[1]	2,667	(2,667)	-	-	-
Net transfer	1,544	-	(1,544)	-	-
Increase in asset retirement obligations (Note 12)	123	(123)	-	-	-
Change in accumulated remeasurement gains and losses	430	-	-	-	430
Net assets, as at June 30, 2023 Restated (Note 4)	**470**	**18,366**	**-**	**13,929**	**32,765**
Annual operating surplus	8,125	-	-	-	8,125
Endowments	-	-	-	-	-
Endowment contributions	-	-	-	254	254
Capitalized investment income	-	-	-	958	958
Tangible capital assets	-	-	-	-	-
Amortization of internally funded tangible capital assets[1]	2,800	(2,800)	-	-	-
Acquisition of internally funded tangible capital assets	(1,458)	1,458	-	-	-
Debt - repayment	(787)	787	-	-	-
Debt - new financing	207	(207)	-	-	-
Net book value of tangible capital asset disposals	88	(88)	-	-	-
Increase in asset retirement obligations (note 12)	929	(929)	-	-	-
Net transfer	108	(78)	-	(30)	-
Change in accumulated remeasurement gains and losses	(2,000)	-	-	-	(2,000)
Net assets, as at June 30, 2024	**$ 8,482**	**$ 16,509**	**$ -**	**$ 15,111**	**$ 40,102**
Net assets is comprised of:					
Accumulated surplus	8,474	16,509	-	15,111	40,094
Accumulated remeasurement gains	8	-	-	-	8
	$ 8,482	**$ 16,509**	**$ -**	**$ 15,111**	**$ 40,102**

[1] Included in amortization of tangible capital assets is $144 (2023 - $128) of amortization expense associated with the asset retirement obligation.

The College's closing net assets invested in tangible capital assets have been reduced by the College's asset retirement obligation of $7,206 (2023 - $6,277). A funding source for this obligation has not been determined.

15. Net assets (continued)

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

Internally restricted surplus

Internally restricted net assets represent amounts set aside or appropriated 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. As at June 30, 2024 there were no internally restricted net assets reserved for future purposes (2023 - $0).

16. Contingent assets

The College has initiated legal proceeding against a 3rd party for failure to fulfill a contract obligation. While the ultimate outcome and settlement of these proceedings cannot be reasonably predicted at this time, it is the opinion of College management that any settlement will not have a material effect on the financial position or the results of operations of the College.

17. Contingent liabilities

As of June 30, 2024, the College has been named as defendant in three (2023 - one) specific legal actions. The resulting loss from these claims, if any, cannot be determined at this time.

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

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

As at June 30, 2024, the College has recorded a liability of $59 (2023 - $59) for a noxious weed growing on College grounds, this liability still remains as the noxious weed still exists. The College has a potential liability for the reclamation of a borrow bit located on College grounds, however, at this time the potential cost is not determinable. In its normal course of operations the College may incur environmental liabilities, at this time we are not aware of any other environmental liabilities.

(thousands of dollars)

18. Contractual rights

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

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

	Operating Leases	Other Contracts	Total
2025	**$ 154**	**$ 215**	**$ 369**
2026	**150**	**160**	**310**
2027	**150**	**160**	**310**
2028	**150**	**160**	**310**
2029	**150**	**160**	**310**
Thereafter	**1,837**	**-**	**1,837**
Total at June 30, 2024	**$ 2,591**	**$ 855**	**$ 3,446**
Total at June 30, 2023	$ 2,856	$ 510	$ 3,366

19. Contractual obligations

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

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

	Service Contracts	Information Systems and Technology	Capital Projects	Long-term Leases	Total
2025	$ 1,644	$ 254	$ -	$ 128	$ 2,026
2026	658	119	-	73	850
2027	314	108	-	32	454
2028	-	-	-	-	-
2029	-	-	-	-	-
Thereafter	-	-	-	-	-
Total at June 30, 2024	**$ 2,616**	**$ 481**	**$ -**	**$ 233**	**$ 3,330**
Total at June 30, 2023	$ 3,200	$ 827	$ 1,026	$ 406	$ 5,459

(thousands of dollars)

20. Government transfers

	2024	2023
Grants from Government of Alberta		
Advanced Education:		
Operating	**$ 27,535**	$ 27,032
Capital	**640**	2,456
Total Advanced Education	**28,175**	29,488
Other Government of Alberta departments and agencies:		
Agriculture and Irrigation	**485**	-
Alberta Innovates	**726**	546
Other	**21**	5,374
Total other Government of Alberta departments and agencies	**1,232**	5,920
Total contributions recieved	**29,407**	35,407
Expended capital contributions recognized as revenue	**3,259**	3,087
Deferred revenue	**1,586**	(3,955)
	$ 34,252	$ 34,539

	2024	2023
Federal and other government grants		
Contributions received	**3,132**	2,351
Expended capital recognized as revenue	**618**	567
Deferred revenue	**(848)**	(151)
	$ 2,902	$ 2,767

(thousands of dollars)

21. Expense by object

The following is a summary of expense by object.

	2024		2023
	Budget (Note 26)	**Actual**	Actual
Salaries and employee benefits	**$ 41,980**	**$ 42,319**	$ 40,466
Cost of goods sold	**3,618**	**5,189**	3,312
Materials, supplies and services	**19,755**	**17,886**	17,789
Scholarships and bursaries	**717**	**895**	970
Maintenance and repairs	**1,695**	**1,287**	1,459
Utilities	**2,633**	**2,219**	2,508
Amortization of tangible capital assets	**7,358**	**7,281**	6,940
	$ 77,756	**$ 77,077**	$ 73,444

(thousands of dollars)

22. Salary and employee benefits

	2024				2023
	Base salary(1)	Other cash benefits(2)	Other non-cash benefits(3)	Total	Total
Governance					
Chair of the Board of Governors(4)	$ -	$ -	$ -	$ -	$ 18
Interim Chair of the Board of Govenors(5)	-	8	1	9	-
Members of the Board of Governors	-	24	2	26	33
Executive					
President	249	14	34	297	135
Past President	-	-	-	-	59
Interim President	-	-	-	-	137
Vice-President Development	200	6	34	240	45
Vice-President Development & Strategy	-	-	-	-	152
Interim Vice-President Development & Strategy	-	-	-	-	52
Vice-President Academic	216	7	34	257	255
Vice-President Research	200	6	34	240	46
Vice-President Student Experience	200	6	34	240	46
Vice-President Corporate Services & CFO	-	-	-	-	299
Chief Financial Officer(6)	174	-	36	210	-
Interim CFO	-	-	-	-	97
Chief People & Culture Officer(7)	66	-	15	81	160
Interim Chief People & Culture Officer(8)	50	-	6	56	27
	$ 1,355	$ 71	$ 230	$ 1,656	$ 1,561

(1) Base salary includes pensionable base pay.
(2) Other cash benefits include vacation payouts, honoraria, car allowances and other lump sum payments, including severance, when applicable. No bonuses were paid in 2023 and 2024.
(3) Other non-cash benefits include employer's share of all employee benefits and contributions, or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, out of country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships and tuition fees.
(4) The Chair of the Board of Governors resigned in February 2024 and all cash and non-cash benefits were discontinued effective February 2024, retroactive to July 1, 2023.
(5) The Interim Chair of the Board of Governors was appointed in February 2024.
(6) The incumbent position was filled in July 2023 and the position was renamed from Vice-President Corporate Services & CFO to Chief Financial Officer.
(7) The incumbent position was filled in February 2024.
(8) The interim Chief People & Culture Officer resigned in October 2023.

(thousands of dollars)

23. Related parties

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

During the year, the College conducted business transactions with related parties, including Ministries of the Government of Alberta, school districts and other public Colleges and Universities. The revenues and expenses incurred for the business transactions have been including in the consolidated statement of operations but have not been separately quantified.

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

The College occupied space owned by Bow Valley College, an entity subject to common control, at a nominal cost. The cost differs from the estimated fair value of $5 (2023 - $5) that would have been recorded if the parties were at arm's length.

24. Joint ventures

a. Community Learning Campus

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

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

	2024	2023
Financial Position		
Total assets	**$ 1,088**	$ 955
Total liabilities	**103**	67
Net assets	**985**	888
Operations		
Total revenues	**1,106**	1,026
Total expenses	**979**	1,025
Surplus	**$ 127**	$ 1

(thousands of dollars)

24. Joint ventures (continued)

b. Campus Alberta Central

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

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

	2024	2023
Financial Position		
Total assets	**$ 644**	$ 607
Total liabilities	**38**	37
Net Assets	**606**	570
Operations		
Total revenues	**684**	683
Total expenses	**648**	692
Surplus (deficit)	**$ 36**	$ (9)

25. 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.

	2024	2023
Community Learning Campus	**$ 961**	$ 917
Campus Alberta Central	**641**	593
	$ 1,602	$ 1,510

26. Budget figures

The College's 2023-24 budget was approved by the Board of Governors and submitted to the Minister of Advanced Education.

27. Approval of financial statements

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

28. Comparative figures

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

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