



Dr. Trent Keough - President & CEO

Tracy Boyde - Vice President Infrastructure & CIO

Fred Russell - Vice President Academic

Dale Mountain - Vice President Corporate Services & CFO

November 27, 2019

# Organization Mandate

- Keyano is a public, board governed college operating as a Comprehensive Community College under the authority of the Post-Secondary Learning Act of Alberta
- Maximization of opportunities for our students, staff, stakeholders and community
- The College meets both the training and skills acquisition needs of industry, and the personal enrichment and cultural needs of the Wood Buffalo community.
- Keyano provides opportunities for lifelong, relevant and practical learning, and is committed to increasing access to post-secondary programs.

# Community Impact

- The project directly supports the Regional Municipality of Wood Buffalo 2018-2021 Strategic Plan, specifically Strategy & Initiative #3f – Support Arts and Culture. The Culture and Social Sustainability plans. Youth Voices.
- The Strategic Plan calls for the need to develop and implement an Arts and Culture Plan through collaborative partnerships and to explore partnerships with Keyano College.
- The Wood Buffalo Social Sustainability Plan identified 5 major objectives, strengthening social infrastructure, align and support community capacity, support families and individuals, and further develop culture and arts and diversity.
- This gallery project is in alignment with all 5 goals.

# Community Impact

- By expanding and enhancing existing College infrastructure the College can be a strategic partner with the RMWB to grow, sustain and enliven the Arts in Wood Buffalo.
- The Construction phase will provide an economic stimulus to the community
- The project will create employment as the College will introduce additional arts programming supporting professional artist in the community.
- The project is an excellent kick-off and anchor for the Arts District.



# 2020 Grant Request

	Total Cost	Other Funding Sources	Grant Request
Project Plan			
Predesign	119,300	Keyano College/RMWB	
Design	990,000		990,000
Construction	13,630,000		13,630,000
Completion	750,000		750,000
<b>Total*</b>	<b>15,424,300</b>		<b>15,370,000</b>

\*Total does Not Include Construction Contingency of \$1,480,000

# Annual Operating Request

	Theatre	Gallery	Total
Revenue	1,000,095	58,000	1,058,095
Total Direct Operating Cost	1,587,855	1,058,404	2,646,259
Proportional Share of Facility operating Cost	912,278	226,170	1,128,448
Corporate Marketing Share	169,820	-	169,820
Total Cost*	\$2,669,953	\$1,284,574	\$3,954,527
<b>Deficit</b>	<b>\$1,669,858</b>	<b>\$1,226,624</b>	<b>\$2,896,482</b>

\*Excludes capital and depreciation expense

# Questions?

**Keyano College**

## 2020 Community Capital Grant Analysis

**CIP Grant Summary:**

2017	2018	2019	2020 Request	2020 Recommended by CIP	Variance Recommended vs. Requested
-	-	-	16,850,000	-	(16,850,000)

Fiscal Year End	Total Expenses	Unrestricted Net Assets
June 30, 2018	69,411,773	7,580,214

**Notes:**

Project Name: Theatre and Art Centre

Proposal includes new gallery space, new ceramics studio; concept for re-purposed gymnasium.

Ineligible due to CIP Policy FIN-220 Section 4.2.1, Federal and Provincial governments, and affiliated bodies.

Recommended for further consultation, community engagement, and Joint Use negotiations, if Council wishes to pursue this project.

Budget Line Description	2020 Total Cost	2020 Recommended
Estimated Project Costs	16,850,000	-
Less: Other Funding Sources	-	-
<b>Total Grant Request</b>	<b>\$ 16,850,000</b>	<b>\$ -</b>

## Community Capital Grant Part A - Organization Summary

<b>Organization Name:</b>	Keyano College
<b>Street Address:</b>	8115 Franklin Avenue
<b>City/Hamlet:</b>	Fort McMurray
<b>Province:</b>	AB
<b>Postal Code:</b>	T9H 2H7
<b>Phone Number:</b>	780-791-4800
<b>Website:</b>	www.keyano.ca
<b>Fiscal Year End:</b>	June
<b>Act Registered Under:</b>	Please Select
<b>Registration Number:</b>	

*Note: Organization must be in good standing to receive funding.*

Main Contact	
<b>Title:</b>	Vice President of Infrastructure and CIO
<b>Name:</b>	Tracy Boyde
<b>Daytime Phone:</b>	s.17 (1)
<b>Email Address:</b>	tracy.boyde@keyano.ca
Executive Director	
<b>Name:</b>	Dr. Trent Keough
<b>Daytime Phone:</b>	s.17 (1)
<b>Email Address:</b>	trent.keough@keyano.ca
Board Chair / President	
<b>Name:</b>	Shelly Powell
<b>Daytime Phone:</b>	
<b>Email Address:</b>	shelly.powell@keyano.ca

<b>Declaration of Board Members</b> - In making this application, we, the undersigned, confirm that we are authorized by the applicant organization to complete the application and hereby represent to the Regional Municipality of Wood Buffalo's Community Investment Program and declare that to the best of our knowledge and belief, the information provided is truthful and accurate, and the application is made on behalf of the above-named organization and with the Board of Directors' full knowledge and consent.	
Signature of Board Member (must have signing authority)	Signature of Board Member or Executive Director (must have signing authority)
Print Name	Trent Keough Print Name
Date: (Year-Month-Day)	Date: (Year-Month-Day)

## Part B - Board Questionnaire

**How often does the Board of Directors meet?**

8-9 Times a Year

**Minimum number of board members according to bylaws:**

6

**Number of board members:**

**Currently:**

13

**2018:**

13

**2017:**

12

**Describe measures being undertaken to fill vacant spots if minimum board members are not met:**

A public recruitment is conducted through the Government of Alberta. Potential candidates are screened and interviewed, the successful candidates are recommended for appointment to the Minister of Advanced Education. The Minister presents the recommendations to Cabinet for appointment and Order in Council.

**Please list current Board of Directors:**

Name	Board Position	Years on Board
Shelley Powell	Chair	0.10
Tyrone Brass	Public Member	2.00
Matthew Creighton	Public Member	2.00
Margaret Ziolecki	Public Member	0.10
Kim Farwell	Public Member	0.10
Christian Matte	Public Member	0.10
Staci Millard	Public Member	0.10
Joseph MacNeil	Public Member	0.10
Trent Keough	President and CEO	1.00
Tyshaine Page	Student Representative	0.25
Britainea Young	Student Representative	0.10
Nadine Rimmer	Faculty Representative	2.00
Prasan Naik	Non-Academic Staff Rep.	2.00

## Part B - Board Questionnaire

Are any board members being paid, or receiving an honorarium, for being on the Board or for other positions in the organization outside of their role on the Board? Yes ☐ No ☐

If yes, complete the following table:

Board member name	Paid role on the board / organization	Amount received
Trent Keough	President/CEO	\$ s.17 (1)
Nadine Rimmer	Faculty Representative	\$
Prasan Naik	CUPE Representative	\$ s.17 (1)

**What are the restrictions (if any) on becoming a member of the organization or participating in programs or services?**

Keyano College is not a membership based organization. Individuals can engage with our organization as a student, employee or community member. Individuals can visit our campus at leisure, further their education, access our recreational facilities or enjoy arts and cultural activities at the Keyano Theatre and Arts Centre.

**How often does the Board review the financial position of the organization? What efforts have been made in the past fiscal year to increase the number and types of financial support for the organization?**

The Board of Governors meets eight times per year. A standing agenda item is to review the financial position of the College. The Finance and Audit committee, a sub-committee of the Board, also meets to review the financial position more in depth and makes recommendations to the Board

Keyano College seeks opportunities to maximize revenue generation through grants, donations, sponsorship initiatives, and sales of goods and services. Funds for the College are generated through program based tuition and fees. The College also practices fiscal restraint to be as responsible and effective as possible

Financial initiatives being implemented at the College include a cross-functional team to identify, apply for, and steward the various grant funding that is available to the organization outside of the funding received from the Province of Alberta. An expansion of the individual giving program to create a greater focus on Keyano College Alumni and individual community supporters as well as ongoing engagement in, and execution of, sponsorship opportunities for ancillary operations such as the Keyano College Theatre and Arts Centre.

The personal information collected in this application is collected under the authority of section 33(c) of Alberta's Freedom of Information and Protection of Privacy (FOIP) Act. It will be used to process the application and contact you if needed, during the review of this application. If you have any questions about the collection and use of the personal information you may contact the Manager, Community Investment Program, at 9909 Franklin Avenue, Fort McMurray, AB T9H 2K4 or at (780) 743-7918.

## Part C - Business Case

The Community Capital Grant program is used to support the construction, expansion or renovation of recreational, social and cultural facilities in the region. Community Capital Grants are executed through agreements with community groups and non-profit organizations that operate the facilities.

**Project Name:**

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### **EXECUTIVE SUMMARY**

*Summarize the purpose and importance of the project. Include the following (where applicable): explain the nature of the project (what it is) and indicate whether the project is to replace existing facilities or equipment. Indicate if the project is an existing project and explain why there is a funding shortfall at the current phase or if there are any changes to the project and why. Summarize the probable impact on the environment; reason why this project is necessary; benefits of the project, indicating the impact on service delivery standards; duration of the project (from predesign to completion). Indicate the consequences and impact of not doing the project, as well as any major constraints or risks involved with the project.*

**Text CANNOT exceed box.** More detail/space available on following pages.

The College believes that there is an opportunity to work with RMWB to grow, sustain and enliven the Arts in Wood Buffalo. The College currently owns and operates the Keyano Theatre, a \$25 million Community asset, this project is an opportunity for a public partnership to enhance a community asset with the inclusion of the Wood Buffalo Art Gallery and a Performance Art Centre. The College is requesting a \$16.8M grant support the construction project, and an \$4.1m annual operating grant for the Theatre and Gallery freeing College resources to develop and offer post secondary Arts programming in the community.

The project provides new and repurposed space for Keyano College, at the Clearwater Campus in Fort McMurray, to support both College programming and the municipalities cultural spaces. The primary scope involves the addition on new gallery spaces to the existing Theatre and Arts Centre together with the creation of a dedicated Ceramics studio for both teaching and learning and community use. In addition, the existing Gymnasium at the College's Clearwater Campus is to be repurposed into new flexible studio spaces.

The new gallery and studio facilities are required to support College programs. Currently the College does not have suitable space with the right environmental controls and security to display its existing art collection or the potential to attract new exhibits.

The addition of the Ceramics studio and will provide needed programmed space for future arts programming and provide the College with appropriately equipped specialist learning space. The Gymnasium now used for storage, and it is proposed to convert this space in to flexible and adaptable studios.

The project will provide new facilities for College, Student and Community uses and will positively impact on the arts and culture scene in Fort McMurray and region. The provision of state of the art facilities will serve to attract local and international artists to exhibit at the College and it is anticipated that this will lead to an increased profile for the College and the Municipality accelerate the development of the College's arts programming.



## Part C - Business Case

### STRATEGIC PLAN GOAL

The Regional Municipality of Wood Buffalo 2018-2021 Strategic Plan focuses on the vision of a vibrant, sustainable region we are proud to call home. It identifies four key strategic priorities to achieve this goal: Responsible Government, Downtown Revitalization, Regional Economic Development, and Rural and Indigenous Communities and Partnerships. The Community Investment Program aims to assist non-profit agencies to achieve the goals and objectives outlined in the Municipal Strategic Plan.

The Community Capital Grant is available to support facilities that contribute to the key strategic priorities identified above and are either owned by the Municipality and operated by a community group or non-profit organization (asset implications for the Municipality); or are owned and operated by community groups and organizations directly (no asset implications for the Municipality).

**Please indicate which category is applicable to this application:**

#### 1. Responsible Government

- |   |  |
|---|--|
| <input type="checkbox"/> a. Fiscal Responsibility   | <input type="checkbox"/> h. Intergovernmental Relations                      |
| <input type="checkbox"/> b. Shared Services   | <input type="checkbox"/> i. Partnerships with Social Profits                 |
| <input type="checkbox"/> c. Fiscal Responsible Budgets and Financial Plans                    | <input type="checkbox"/> j. Implement Lessons Learned (2016 Wildfire Review) |
| <input type="checkbox"/> d. Asset Management  | <input type="checkbox"/> k. Wildfire Recovery                                |
| <input checked="" type="checkbox"/> e. Developing Our People                                  | <input type="checkbox"/> l. Public Engagement Strategy                       |
| <input checked="" type="checkbox"/> f. Foster equality, diversity and inclusion in the region | <input checked="" type="checkbox"/> m. Youth                                 |
| <input type="checkbox"/> g. Accessibility   | <input type="checkbox"/> n. Whistleblower Initiative                         |

#### 2. Downtown Revitalization

- |   |  |
|---|--|
| <input type="checkbox"/> a. Encourage Development in the Downtown | <input type="checkbox"/> e. Riverfront Master Planning & Revitalization    |
| <input type="checkbox"/> b. Establish Municipal Land Inventory    | <input type="checkbox"/> f. Review of the Municipal Development Plan (MDP) |
| <input type="checkbox"/> c. Incentives to Update Store Fronts     | <input type="checkbox"/> g. Aging in Place Facility                        |
| <input type="checkbox"/> d. Clear Land Use Plans and Regulations  |  |

#### 3. Regional Economic Development

- |  |  |
|--|--|
| <input type="checkbox"/> a. Work with Industry and Suppliers - Fly in, Fly Out | <input type="checkbox"/> d. Economic Gardening and Pop Up Stores |
| <input type="checkbox"/> b. Business Attraction and Incentives                 | <input type="checkbox"/> e. Shop Local Program                   |
| <input type="checkbox"/> c. Small Business Incubator                           | <input checked="" type="checkbox"/> f. Support Arts and Culture  |

#### 4. Rural and Indigenous Communities and Partnerships

- |   |   |
|---|---|
| <input type="checkbox"/> a. Truth and Reconciliation Commission Calls to Action | <input type="checkbox"/> f. Inclusion and Partnerships (Rural Coalition)    |
| <input type="checkbox"/> b. Indigenous Consultation                             | <input type="checkbox"/> g. Advocate for Rural and Indigenous Communities   |
| <input type="checkbox"/> c. Delivery of Water and Sewer Servicing               | <input type="checkbox"/> h. Transportation Strategy                         |
| <input type="checkbox"/> d. Amalgamation Review                                 | <input type="checkbox"/> i. Rural Operational Efficiencies and Cost Savings |
| <input type="checkbox"/> e. Emergency Management                                |   |

## **Part C - Business Case**

Describe how the project aligns with the 2018 - 2021 Strategic Plan:

The project directly supports the Regional Municipality of Wood Buffalo 2018-2021 Strategic Plan, specifically Strategy & Initiative #3f- Support Arts and Culture.

The plan Strategic Plan calls for the need to develop and implement an Arts and Culture Plan through collaborative partnerships and to explore partnerships with Keyano College. The College recognizes that it alone cannot realize the goals of this initiative and there needs to be a broader community involvement, but the College believes that it has many of the necessary facilities and can provide key academic supports to achieve this goal.

The College, as one aspect of its mandate as a comprehensive community college, works to support community needs. The College believes that this project is in alignment with its goal to diversify its program mix and to improve its sustainability, and also economically support the RMWB strategic initiatives. By expanding and enhancing existing College infrastructure the College can be a strategic partner with the RMWB to grow, sustain and enliven the Arts in Wood Buffalo. The College believes that vibrant artistic communities are necessities in civil societies and this project is a cost effective way to achieve aspects of the strategic goal.

### **ANALYSIS**

#### **Justification:**

What is the purpose for this project? Growth

What is the community need that this project will address?

The RMWB and various stakeholders have been vocal in their desire for additional Arts infrastructure, art displays, art programming and performance arts opportunities within the Community. It has long been recognized that Culture contributes to the livability of municipalities and this grant will create tangible infrastructure to support the artist community and provide for space to host touring art shows.

The project will additionally create employment in the community as the College will be in a position to support the creation of Arts programming at its Clearwater Campus. The College has a Comprehensive Community College (CCC) has a vision to offer diverse programming options to the community. There is a recognition that there is currently a gap within the programs being offered and the College lacks the ability to expand its programming without additional resources to fund the development and delivery of programming.

The College programs will support local students who wish to pursue post secondary education in the arts. The program will also employ artistic professionals who will bring their unique skills to RMWB and enliven the artistic community.

This project will go a long way in raising the profile of the Arts in the RMWB.

## Part C - Business Case

How was the need determined?

The College financial position is making it challenge for it to bear the financial burden of operating the theatre as a non-teaching and learning asset. The College recognizes that the theatre is a valuable community asset that supports the cultural community in the RMWB.

The Wood Buffalo social sustainability plan identified 5 major objectives, strengthening social infrastructure, Align and Support community capacity, support families and individuals, and further develop culture and arts and Diversity.

The College believes that the project to construct a gallery and studios and to introduce new programming to support the arts is in alignment with all 5 goals. The College is looking to partner with RMWB to construct a gallery, and to provide an operating grant to run the cultural infrastructure while the College realigns its cultural resources to develop and offer new programming.

What will be the positive impacts to the community?

The project will have significant impact on the community in that it will firstly provide an economic stimulus through the initial construction project. In addition the construction of a Gallery and studios will create important infrastructure to support key pillars of the Wood Buffalo Cultural plan.

The ongoing operating subsidy will allow Keyano College to redeploy resources to develop and deliver cultural programming which are currently lacking. This will provide employment to SME who will help in achieving the goals outlined in the RMWB Social sustainability Plan and RMWB Strategic Plan.

### IMPLEMENTATION

#### Estimated Schedules:

Please enter the quarter and year in each box (e.g., Q1-2019):

Project Planning	Predesign	Design	Construction	Completion
Q4-2019	Q1-2020	Q2-2020	Q3-2020	Q4-2020

#### Annual Project Cash Flow, Capital Budget and Plan:

Please identify the cashflow for each quarter:

	Q1	Q2	Q3	Q4	2020 Total
Consultant Fees	990,000.00			141,000.00	1,131,000.00
Contract Administration Fees		82,000.00	107,000.00		189,000.00
General Services - Contracted		3,380,000.00	4,280,000.00	5,640,000.00	13,300,000.00
Equipment & Furnishing				750,000.00	750,000.00
Miscellaneous					0.00
Contingency		392,000.00	492,000.00	596,000.00	1,480,000.00
	\$ 990,000.00	\$ 3,854,000.00	\$ 4,879,000.00	\$ 7,127,000.00	\$ 16,850,000.00

## Part D - Total Cost of Ownership

Total Cost of Ownership (TCO) is an analysis meant to consider all the lifetime costs that follow from owning certain kinds of assets. Below are a series of questions intended to ensure the costs associated with operating and maintaining the asset(s) that are to be constructed/acquired are considered, per the business case. For assistance with this section, please work with a Community Investment Coordinator.

**Estimated Life of Asset (in years):**

5

**What will be the operational implication to the Municipality if this Capital Grant is approved:**

- ☐ No Sustaining Grant required *If no grant required, proceed to pg. 10*
- ☐ Current Sustaining Grant remains unchanged to operate facility *If no increase, proceed to pg. 10*
- ☐ Current Sustaining Grant increase required to operate facility
- ☐ Current Sustaining Grant decrease to operate facility
- ☒ Sustaining Grant (new) required to operate facility

### Operational Requirements Upon Project Completion

*Please describe the operational requirements that will exist upon completion of this project. Include the following: headcount requirement (e.g. number of full time employees, part time employees), licenses and permits, insurance premiums, IT requirement (e.g. hardware, software, support), maintenance assumptions (e.g. repairs and maintenance, janitorial services), utility requirements (e.g. natural gas, heating oil, electricity, water and sewage), training needs, and any operational requirements.*

Costing and Additional Budget Data in Part D Total Cost of Ownership

Positions

Director/Curator 1FTE  
Administrative Assistant/Receptionist 1FTE  
Conservator/Registrar 1FTE  
Program and Events Coordinator 1FTE  
Studio Technician 1FTE  
Gallery Attendants/Summer Camp Employee Casual  
Continuing Education Instructors Casual  
Summer and Casual Staff

Maintenance and Facilities Budget is based on the prorated cost for the existing facility and estimated for the new build based on size of the extension

Other Major Budget Items

Program Supplies and Expenses  
Marketing  
Exhibit Supplies and Expenses  
Exhibition Expenses



## Capital Grant Request

**Project Name** \$ 16,850,000.00

**Project Category** Cultural & Historical

**Project Location** Fort McMurray

**Type of Project** Capital Grant

**Ward** 1 - Fort McMurray

**Municipal Function** 74 - Cultural Bldg. & Facility

### Project Description and Scope

The College believes that there is an opportunity to work with RMWB to grow, sustain and enliven the Arts in Wood Buffalo. The College currently owns and operates the Keyano Theatre, a \$25 million Community asset, this project is an opportunity for a public partnership to enhance a community asset with the inclusion of the Wood Buffalo Art Gallery and a Performance Art Centre. The College is requesting a \$16.8M grant support the construction project, and an \$4.1m annual operating grant for the Theatre and Gallery freeing College resources to develop and offer post secondary Arts programming in the community.

The project provides new and repurposed space for Keyano College, at the Clearwater Campus in Fort McMurray, to support both College programming and the municipalities cultural spaces. The primary scope involves the addition on new gallery spaces to the existing Theatre and Arts Centre together with the creation of a dedicated Ceramics studio for both teaching and learning and community use. In addition, the existing Gymnasium at the College's Clearwater Campus is to be repurposed into new flexible studio spaces.

The new gallery and studio facilities are required to support College programs. Currently the College does not have suitable space with the right environmental controls and security to display its existing art collection or the potential to attract new exhibits.

The addition of the Ceramics studio and will provide needed programmed space for future arts programming and provide the College with appropriately equipped specialist learning space. The Gymnasium now used for storage, and it is proposed to convert this space in to flexible and adaptable studios.

The project will provide new facilities for College, Student and Community uses and will positively impact on the arts and culture scene in Fort McMurray and region. The provision of state of the art facilities will serve to attract local and international artists to exhibit at the College and it is anticipated that this will lead to an increased profile for the College and the Municipality accelerate the development of the College's arts programming.

### Total Cost of Investment

One-Time Capital Grant (A)	Operational and Maintenance Cost (Additional Sustaining Grant) Over 5 Years (B)	Total Cost of Investment (A) + (B)
\$ 16,850,000.00	\$ 14,482,410.00	\$ 31,332,410.00

**Business Case created by** Tracy Boyde Keyano College

**Project Sponsor Branch** Community Investment Program

**Project Sponsor Department** Community Services

**Project Delivery**



Keyano College Public  
Theatre, Arts Centre & Art  
Gallery  
Business Case Submission

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# Keyano College Public Theatre, Arts Centre & Art Gallery

## Executive Summary

The College is proposing a project to construct a Gallery and to renovate space in the Keyano College Theatre and Arts Centre to support the development of a vibrant arts community. The College is also looking for support in the renovation of its old gymnasium to convert it into studios to support the delivery of fine arts programming.

The College recognizes that there is a deficit in its current programming with the lack of arts programming. The Gallery and renovations will serve a dual purpose of providing a state-of-art facility to display fine art and also be available to support the delivery of arts programming in Fort McMurray.

This project is in alignment with the Strategic vision of RMWB Strategic Plan 2018-2022, Strategy & Initiative #3f– Support Arts and Culture, this was identified as one of its goals to explore partnerships with Keyano College.

The College is requesting the Regional Municipality of Wood Buffalo (RMWB) support this initiative with a \$16.8M grant to complete the renovation and construction, and an annual operating grant to offset the almost \$4M in expenditures supporting the operation of the gallery and theatre operations. The College will use the operating savings to develop and offer new fine arts programming at its Clearwater Campus.

This project will create infrastructure to deliver a Teaching, and a Public Art Gallery supported by Performance and Visual Arts programming reflecting the multicultural richness of RMWB. This collaboration project will provide current and future citizens an even better place to live, work and learn



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# Keyano College Public Theatre, Arts Centre & Art Gallery

## Project Purpose

Keyano College welcomes the opportunity to collaborate with the Regional Municipality of Wood Buffalo (RMWB) on a project that will help grow and enliven the arts in the community. Keyano College sees this project as an excellent opportunity to leverage its current strong presence in the local artistic community and to support the strategic vision of the RMWB.

Keyano College is already an active participant in the local arts community and the Keyano College Theatre and Arts Centre, a \$25 million community asset, has long been an important venue for the arts in Fort McMurray. The College is proposing a project to expand its existing Gallery and to develop studio spaces to allow for the expansion of College fine arts programming, and to support RMWB's strategic vision to further support arts and culture in the municipality. The College and the Municipality both have excellent facilities supporting the Arts and Culture, and this project is collaborative opportunity to grow the cultural footprint of Fort McMurray, Wood Buffalo, and Keyano College.

For the vision of this project to be fully realized the College is looking to offset its operating expenses for the Theatre and new Gallery and redirect those funds to develop and deliver new Arts programming in the facilities. The College is currently dedicating \$2.67 Million to the Theatre and it is anticipated the new Gallery will result in an additional \$1.2M in expenses. Keyano College no longer offers performance arts programs, and only one visual arts program remains. The College acknowledges that this is a deficit, and a college weakness that we wish to work with the RMWB to correct. With its current infrastructure, bringing quality arts programs to the College would be a challenge.

Keyano College also cannot continue to operate the theatre as a non-teaching and learning asset and bear the financial burden of sustaining this valuable community infrastructure. Within its current budget Keyano has no ability to restore performance and visual arts programming and lacks the funds to refurbish the furniture fixtures and equipment (FF&E) within the Theatre. It is doubtful that any funds will be forthcoming from the Government of Alberta, especially funds to support non-teaching assets.

## Keyano College Public Theatre, Arts Centre & Art Gallery

	2019 Theatre budget	Gallery Budget	Total Operating Theatre and Gallery
Total direct operating costs	\$ 1,587,855	\$ 1,058,404	\$ 2,646,259
Proportional share of facility operating costs	912,278	226,170	1,138,448
Corporate Marketing supports for Theatre	169,820		169,820
<b>Total cost Note <sup>(1)</sup></b>	<b>\$ 2,669,953</b>	<b>\$ 1,284,574</b>	<b>\$ 3,954,527</b>

Note (1): Excludes capital and depreciation expense.

### Strategic Alignment

RMWB's Strategic Plan 2018-2022, Strategy & Initiative #3f– Support Arts and Culture sets as one of its goals to explore partnerships with Keyano College. The project also provides supports for the Wood Buffalo Social Sustainability Plan and the College believes that the project will improve access to the arts, and the project supports all 5 of the key draft priorities that were considered identified for consideration in the plan:

- Strengthen Social Infrastructure
- Align and Support Community Capacity
- Support Families and Individuals
- Further Develop Culture and the Arts
- Support Diversity

The project will provide new facilities for the College, that will benefit students and be available for community use and will positively impact the arts and culture space in Fort McMurray. The provision of a state-of-the-art facility will serve to attract local and international artist to exhibit at the new gallery and this is anticipated to increase the profile of both the College and the Municipality, and will accelerate the development of the College's arts programming. Quality Studios and galleries will help in attracting staff to the College, and additionally will draw students into the Community.

The project will create employment in the community with the operation of the gallery. The College is looking for an operational grant for the Theatre and Arts Centre freeing up College resources to offer additional programming at its Clearwater Campus. The initial construction phase will have a positive economic impact on the community and the operation of the Gallery and new programs will introduce up to 5 full-time positions and casual employment and summer opportunities for students

The project is a combination of renovated building and new construction with associated replaced and upgraded building systems to meet current codes. The project is currently at a planning and business case stage. The College has completed some initial internal stakeholder consultation, concept design and budget cost estimating.

The project is proposed to start in Q4 2019 and will be Completed in 2021.

The College is seeking the support of the RMWB to fund the Construction project for \$16.9M and to fund the ongoing operations of the Keyano College Theatre and Arts Centre's proposed annual operating expenses of \$3.9M.

The project is a combination of renovated building and new construction with associated replaced and upgraded building systems to meet current codes.

## Construction and Renovation

The College has worked with Stantec on the design feasibility ([Appendix B](#)) of the project. The primary scope of the design project was to create new gallery spaces, a dedicated Ceramics studio for both teaching and learning and community use. In addition, the existing Gymnasium in the main building is to be repurposed into new flexible studio spaces with the previous use being facilitated at the adjacent Syncrude Sport and Wellness Centre.

The art gallery is an exhibition space for the display of art and sculpture exhibits from local, regional and international artists. In addition the new developed facility will provide art restoration and conservation space and in turn be visible to visitors to the Gallery. The renovation of the Gymnasium will involve the conversion of underutilized space and to turn it into studios that can be used for new College programming and by the Community.

The Gallery addition to the existing campus will add approximately 8,150 SF to the campus. The extension will consist of multiple galleries, studios, reception, and corridor links. In addition to the new spaces. There will also be renovations of the existing Keyano College Theatre and Arts Centre to accommodate the changes required for the new gallery. This aspect of the project is estimated to cost approximately \$9.7 million (See Appendix A and Appendix B for a detailed cost breakdown of the Gallery and renovations to the Theatre and Arts Centre)

The Gymnasium will consist of renovating the old gym at the Clearwater Campus that is now being used for storage. This part of the project will consist of renovations to approximately 7100 SF and will create 3 Studios and offices. The gymnasium renovation has a Class D estimate of \$3.2M (See [Appendix C](#) for the detailed cost breakdown)

## Construction Cashflow

The College engaged Stantec to develop a preliminary construction budget for the project and received a class D estimate for the proposed Construction of the Art Gallery and the Gymnasium Conversion to a studio. The initial estimate for the project consists of a construction budget of \$12.9 Million with a \$1.5M contingency and \$1.3M in Consultancy and Contract administration fees for a total budget of \$16.9M. The project cash flow is provided in the table below.

Combined Gallery and Gymnasium Conversion Project								
		Q1	Q2	Q3	Q4	2020 TOTAL	2021	Total Project
Consultant Fees		990,000				990,000		990,000
CA Fees			82,000	107,000	66,000	255,000	75,000	330,000
General Services – Contracted	Surveys		100,000			100,000		100,000
								-
	Construction		3,280,000	4,280,000	2,640,000	10,200,000	3,000,000	13,200,000
						-		-
Equipment & Furnishing					250,000	250,000	500,000	750,000
Contingency		-	392,000	492,000	296,000	1,180,000	300,000	1,480,000
Total		990,000	3,854,000	4,879,000	3,252,000	12,975,000	3,875,000	16,850,000

As indicated in the table, the project is anticipated to run for two fiscal years with most of the work being completed in Year 1. The initial schedule assumes that the Gallery and Gymnasium phases would be running concurrently, and the Gymnasium component, being a smaller project, would be completed in 2020. The College has been exploring various opportunities, which, if successful would result in a reduced contribution from the RMWB to the project. The College has identified the Community Facility Enhancement Program, offered through Alberta Culture and Tourism, as a potential grant opportunity. This grant is meant to support the construction and repair of recreational or cultural spaces. The College appears to meet all the requirements as outlined in the grant application.

The College has also had discussions with the Canadian Government's Department of Canadian Heritage regarding the Canada Cultural Spaces Fund. This grant is also meant to support construction, renovations, feasibility studies, and specialized equipment purchases that are linked to improving conditions in spaces that are primarily used for professional arts or heritage collaboration, creation, presentation, preservation and exhibition. To be eligible to apply for the Cultural Spaces grant you must already have confirmed funding in place for the project. If the College is successful in securing funding from the RMWB, it will move forward on the grant applications which could reduce the overall project contribution required from the RMWB. The Grant application process is highly competitive and there would be no guarantee that the College will be successful in those applications.

## Operating Budget

The College is currently being provided with a Sustaining Grant supporting the Operations of the Theatre, and the College is looking for the support of the RMWB to fund the operation of the Gallery, which will be a community asset. In its initial years of operation, the Gallery has limited opportunity to generate revenue, and it is unlikely that it would ever generate enough revenue to totally cover its operating expenses. Without an operating grant, the College will not have the ability to support the development and introduction of new programming, nor would it be in a position to support the additional maintenance and operation of the new space.

Although there are provincial and federal funding available to support the operation of art galleries, generally the grant requirements require operating data and matching fund development, covering from 1-3 years. These grants could be applied for at a future date to augment operating budget

One of the largest budget components of operating a gallery are salary and benefits. Projected staffing levels for the Art Gallery project were based on research conducted by a Consultant engaged by the

College who looked at staffing levels at similar sized galleries as the one being proposed in this request. These staffing recommendations consider how the facility could be used to the greatest benefit of the citizens and visitors to RMWB, particularly in terms of public exhibits, exhibitions, special events, community education programs for all ages, and a robust school program. The gallery staffing model will introduce very specialized skills into the community that will benefit the Gallery and will be available to assist other organizations in maintaining and cataloging their artistic collections and assets.

### Operating Budget

The budget was built on the assumption that most corporate services such as financial services, facility maintenance and IT support will be provided by Keyano College, and these expenses are based on a calculation of overhead based on the size of the expansion.

Revenue generation has been included at a very modest level. It is assumed that public and school program visual arts classes will be developed in the ceramics/glass studio, and other visual arts studios as well as gallery spaces. In addition, revenue generation has been included for facility bookings, again, at a very modest rate. As this is a projected annual budget, it can be expected that these revenue streams would grow each year.

Keyano College Public Theatre, Arts Centre & Art Gallery			
	2019 Theatre budget	Gallery Budget	Total Operating Theatre and Gallery
<b>Revenue:</b>			
Government of Alberta grants	\$ 25,000	\$ -	\$ 25,000
Federal grants	40,000	-	\$ 40,000
Other grants	0	-	\$ -
Theatre sales & memberships	483,572	-	\$ 483,572
Facility rental revenue	243,000	8,000	\$ 251,000
Advertising revenue	2,500	0	\$ 2,500
Gallery Events	-	50,000	\$ 50,000
Other revenue	48,523	-	\$ 48,523
Cash donations through Keyano Foundation	157,500	-	\$ 157,500
Donations gifts-in-kind	0	0	0
<b>Total revenue</b>	<b>1,000,095</b>	<b>58,000</b>	<b>1,058,095</b>
<b>Operating Expenses:</b>			
Salaries & benefits	1,070,972	754,055	1,825,027
Casual wages	73,292		73,292
<b>Total workforce</b>	<b>1,144,264</b>	<b>754,055</b>	<b>1,898,319</b>
Service contracts	196,800	14,200	211,000
Professional Fees	-	18,000	18,000
Theatre production, set and costumes	44,805		44,805
Program/Special Event Supplies and Expenses	-	116,000	116,000
Exhibit Supplies and Expenses	-	33,000	33,000
Conservation/Collections care	-	6,100	6,100
Exhibition Supplies and expenses	-	35,000	35,000
Marketing, advertising & subscriptions	42,480	53,900	96,380
Software licenses and maintenance fees	19,000	-	19,000
Travel expenses	23,467	3,000	26,467
Cost of goods sold	23,000	-	23,000
Furniture and equipment < \$5,000	17,120	3,424	20,544
Repairs and maintenance	7,500	1,975	9,475
Office and print supplies	41,937	-	41,937
Training, PD and dues	3,190	8,100	11,290
Memberships/Subscriptions		1,700	1,700
Volunteer and donor recognition	2,792	-	2,792
Custodial		10,000	10,000
Equipment rental	21,500	-	21,500
<b>Total contracts, materials and supplies</b>	<b>443,591</b>	<b>304,399</b>	<b>747,990</b>
<b>Total expenditures</b>	<b>1,587,855</b>	<b>1,058,454</b>	<b>2,646,309</b>
<b>Deficit from Operations</b>	<b>\$ (587,760)</b>	<b>\$ (1,000,454)</b>	<b>\$ (1,588,214)</b>
Proportional allocation of facilities operating, maintenance and utility costs	912,278	226,170	1,138,448
Corporate Marketing supports for Theatre	169,820		169,820
<b>Deficit</b>	<b>\$ (1,669,858)</b>	<b>\$ (1,226,624)</b>	<b>\$ (2,896,482)</b>

## Budget Assumptions

The College consultant considered the size of the Gallery and the specialized skills and activities that would be needed to create a successful gallery.

- Salaries, Wages and Benefits
  - Based on similar positions at Keyano College. Over time it is expected that the number of positions will grow to support the gallery.
  - Recommended Positions in Year 1

Position	Base Salary	Total Salary and Benefits
Director		s.17 (1)
Admin Assistant/Recption		
Conservator/Registrar		
Programs and Events Coordinator		
Gallery Attents/Summer Camp Instructors		
Contining Education Instructors		
Studio Technician		
Casual staff		
		754,055

- Contracted services
  - This item is for all non-staff related costs for design, graphics, curation, special projects etc.
- Conservation/Collections Care
  - Collections care expenses include such items as conservation, storage, collection handling supplies and equipment, and photography.
- Marketing and publications
  - This item is for promotions and marketing for exhibits, exhibitions, programs and special events. It includes website, social media, promotional materials, advertising and publications.
- Exhibition Supplies and Expenses
  - This item is for non-staff exhibition expenses associated with temporary exhibitions including such items as exhibition design and construction, graphic design and production, loan fees, contract registrars, framing, and exhibition furniture.
- Exhibit Supplies and Expenses
  - This item is for non-staff exhibit expenses associated with the permanent collection and includes items such as exhibition design and construction, graphic design and production, plinths, framing and exhibition furniture.



- Program/Special Event Supplies and Expenses
  - These costs include those expenses, exclusive of staff salaries, associated with educational and public programs, and special events. These expenses cover a wide range of items specific to the nature of each program. These may include materials and supplies, special equipment, program specific safety equipment, contract instructors/demonstration artists, rights clearance for films/music and audio-visual services. It is not expected that every program will incur all of these expense types.
- Memberships and subscriptions
  - This item was researched individually and includes consideration for memberships for CARFAC (Canadian Artists Representation), Creative Cities Organizational Membership, Alberta Craft Council as well as several art related subscriptions.
- Professional development
  - This item is for professional development opportunities for staff and could also be utilized to bring professional development opportunities that would benefit staff but also be made available to community organizations and artists. (e.g. Canadian Conservation Institute (CCI) courses that could be available to gallery staff and also local museum, heritage and arts organizations).

## [Appendix A: Community Capital Application Form](#)

## Appendix B: Gallery Documents

[Keyano College – Design Feasibility Study](#)

[Keyano College Art Gallery Expansion Class D Estimate](#)

[2019\\_08\\_Keyano College Gallery Design.pdf](#)

## Appendix C: Gymnasium Renovation

[Keyano - Gymnasium Conversion - Cost Plan D1](#)

[Keyano – Gymnasium Drawings](#)



**Keyano College –  
Design Feasibility Study**

August 29, 2019

Prepared for:

Keyano College

Prepared by:

Stantec Architecture Ltd.



## KEYANO COLLEGE – DESIGN FEASIBILITY STUDY

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Prepared by \_\_\_\_\_  
(signature)

**Stantec**

Reviewed by \_\_\_\_\_  
(signature)

**Daniel Johnson**

Approved by \_\_\_\_\_  
(signature)

**Daniel Johnson**



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### 1.0 BACKGROUND

#### 1.1 PURPOSE

This design feasibility study report provides a design concept and provide a Class D cost estimate for a new international art gallery and ceramics studio for Keyano College at their Clearwater Campus in Fort McMurray.

#### 1.2 SCOPE OF WORK

The scope of this study is as agreed in Stantec's proposal letter dated September 26, 2018 and updated in July 2019.

The information obtained from Stantec's visual assessment of the existing facility formed the basis for establishing our opinion of the general physical condition of the existing facility. The visual assessment also formed the basis for developing a feasible design option and opinion of cost.

##### **Stantec Methodology**

- Visit existing facility
- Review existing data offered by the Client
- Perform assessment of existing facility and summarize constraints for addition
- Develop a concept design in response to the Client needs and potential future expansion
- Carry out a cost assessment of the concept design option
- Assemble a Design Feasibility Study for Keyano College Administration

##### **Additional scope:**

- Enhanced design concept for new Gallery space & associated storage and loading dock
- Enhanced design concept for new Ceramics studio
- Developed concept for re-purposed gymnasium
- High level engineering assessment of the existing facility

The assessment of the site was based on a visual “walk-through” review of the visible and accessible components of the building(s), and related structures.





## 2.0 CONCEPT DESIGN

The overall project provides new and repurposed space for Keyano College on the main Clearwater Campus in Fort McMurray. The primary scope involves the addition on new gallery spaces to the existing Theatre and Arts Centre together with the creation of a dedicated Ceramics studio for both teaching and learning and community use. In addition, the existing Gymnasium in the main building is to be repurposed into new flexible studio spaces with the previous use being facilitated at the adjacent Syncrude Sport and Wellness Centre.

The art gallery is an exhibition space for the display of art and sculpture exhibits form local, regional and international artists. In addition the new developed facility will provide art restoration and conservation space and in turn be visible to visitors to the Gallery.

These new spaces will extend the existing Arts Complex and provide a cultural hub for the Fort McMurray community and visitors alike. It is intended that the visitors to Theatre performances will also have the benefit of viewing the art in the gallery spaces and the use of a new bar in the facility. This will allow further opportunities for revenue generation by the College.

### 2.1 DESIGN CONSIDERATIONS

In developing the design concept for the facility addition and upgrade we established a number of key design considerations.

**Cultural Hub** – develop a design that could offer a space to attract international artist attention and with potential to become a landmark for the local community.

**Sustainability** – develop a concept that would be sustainable in the long term with both flexible and adaptable spaces with manageable operating and maintenance costs.

**Flexible space** for different scales and format of art exhibitions

**Internal environment** with humidity, ventilation and lighting suitable for a gallery function

**Accessible** – develop a design to promote visual and physical connectivity and pedestrian accessibility throughout.

### 2.2 ARCHITECTURAL DESIGN

#### 2.2.1 Existing Facility

The exterior of the existing Theatre & Arts Centre is clad with brick veneer. The brick is a predominant feature and punctuated by two pedestrian entrances and a few punched windows. A narrow concrete sidewalk separates the building from the drive aisle access to the north parking lot.

The interior of the theatre lobby utilizes the same brick veneer as the external wall finish. The lobby is finished with brown ceramic floor tile and has a perforated soffit on the low ceiling to the theatre, and



## KEYANO COLLEGE – DESIGN FEASIBILITY STUDY

### CONCEPT DESIGN

stained wood planking on the high portion of the ceiling. The curved lower gallery display space below the theatre seating is accessed by 2 stairs and consists of a low ceiling, gypsum board wall finishes and low gypsum board ceiling. A large amount of demolition has occurred in the adjacent former cafe, exposing the exterior concrete masonry walls, steel roof structure, and concrete floors. The roof height in this area is significantly lower than the main lobby.

In general, the finishes are dark and consistent with architecture style from the early 1980s.

Barrier-free access is currently not provided. The existing washrooms will require improved barrier-free accessibility, a compliant number of water closets, and updated finishes.

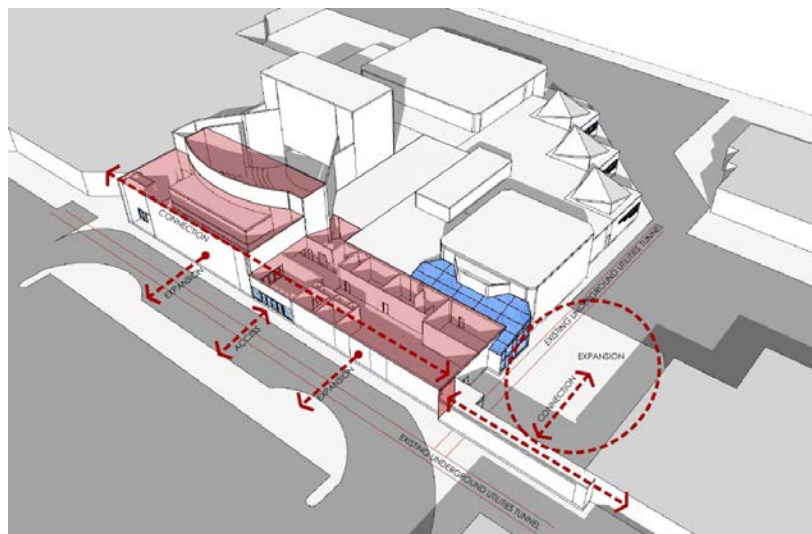
### 2.2.2 Opportunities and Constraints

The Clearwater Campus is located in the greater area of Downtown Fort McMurray with high accessibility to pedestrian and vehicular traffic and has the potential to become a recognizable landmark at the entrance from Franklin Avenue.

While the existing facility provides an internal connection through the entire campus from the east end, there is an opportunity to enhance the connection between the north and south sides of the main building and offer visitors a defined new entrance that links to the east-west connectivity.

The student link that previously tied the main facility to the gym of the adjacent high school is currently locked and is not utilized. This offers the potential to access external space and a sculpture courtyard as a further display area for the Gallery and for use by the new Ceramics Studio adjacent.

As a major constraint, the existing underground utilities tunnel creates a challenge to new development and structural design solutions.



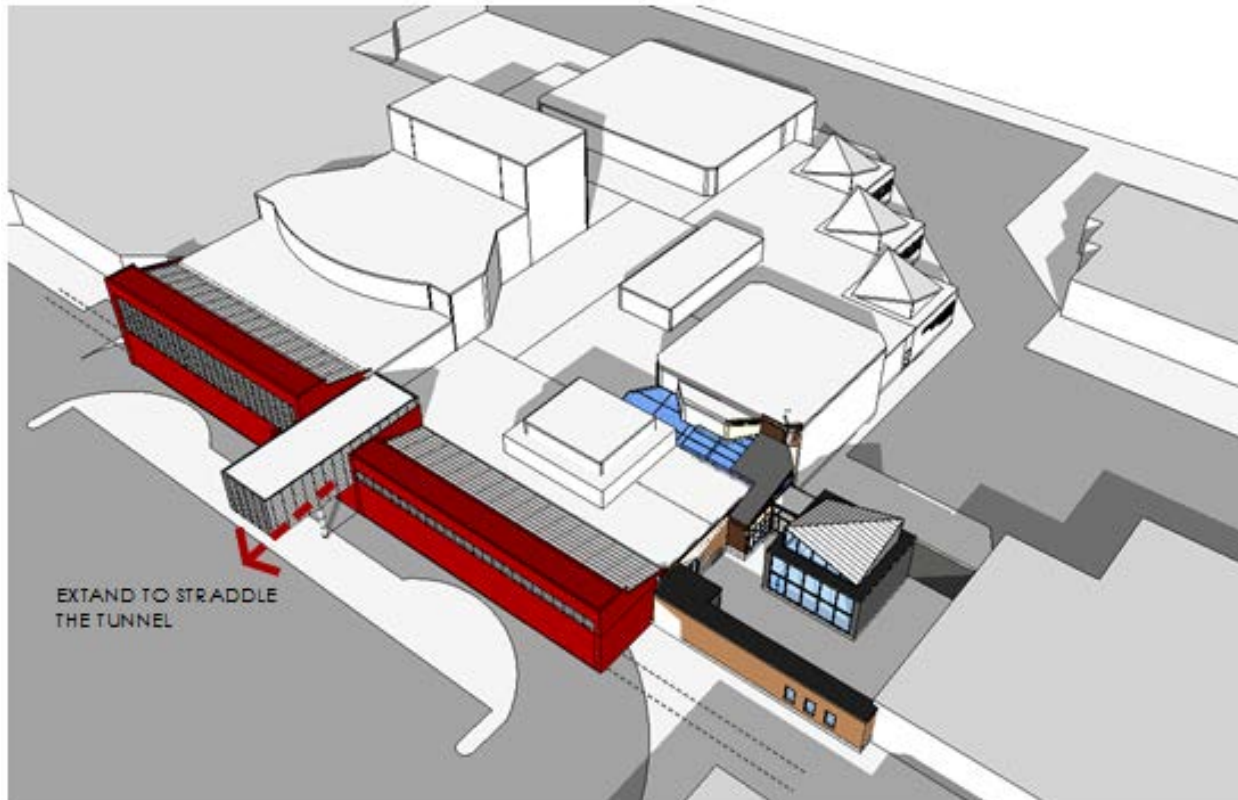
## KEYANO COLLEGE – DESIGN FEASIBILITY STUDY

### CONCEPT DESIGN

#### 2.2.3 Design Principles

The following design principles were developed for the Keyano College addition and renovation.

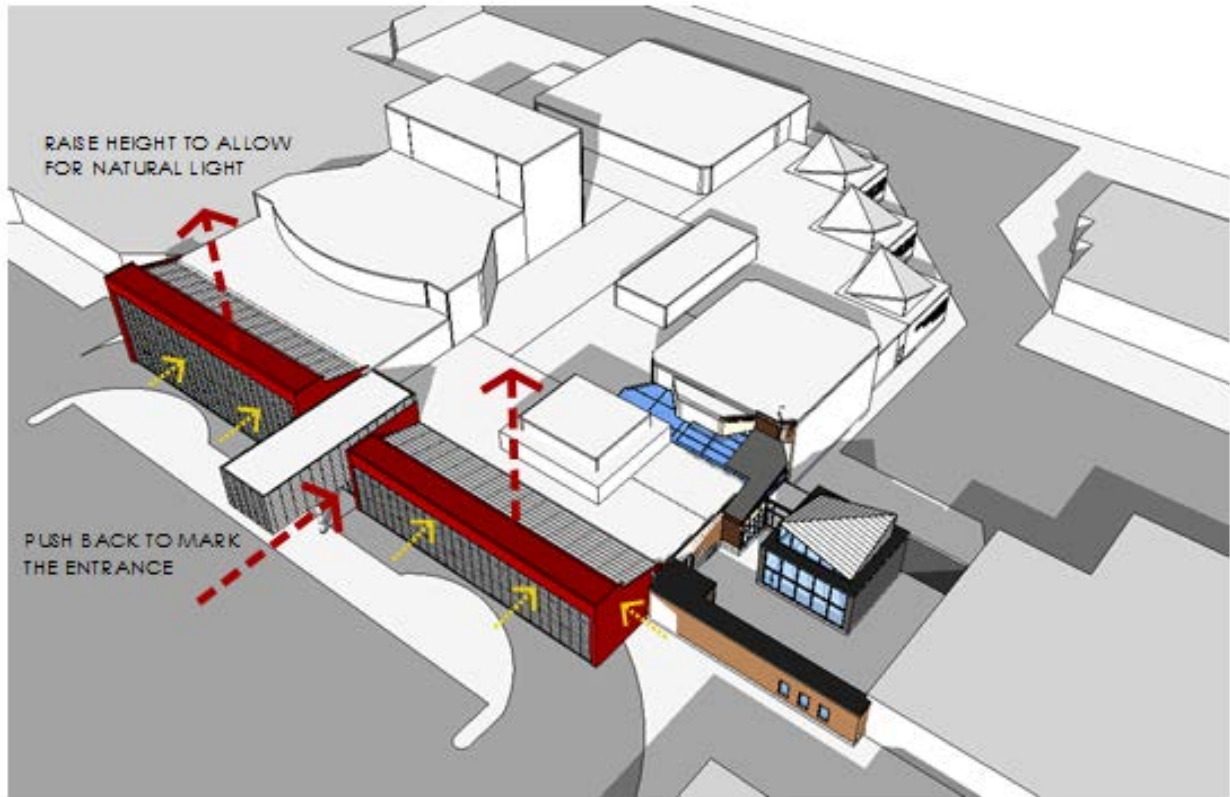
1. Extend the west side of main building to span over the underground servicing tunnel.



## KEYANO COLLEGE – DESIGN FEASIBILITY STUDY

### CONCEPT DESIGN

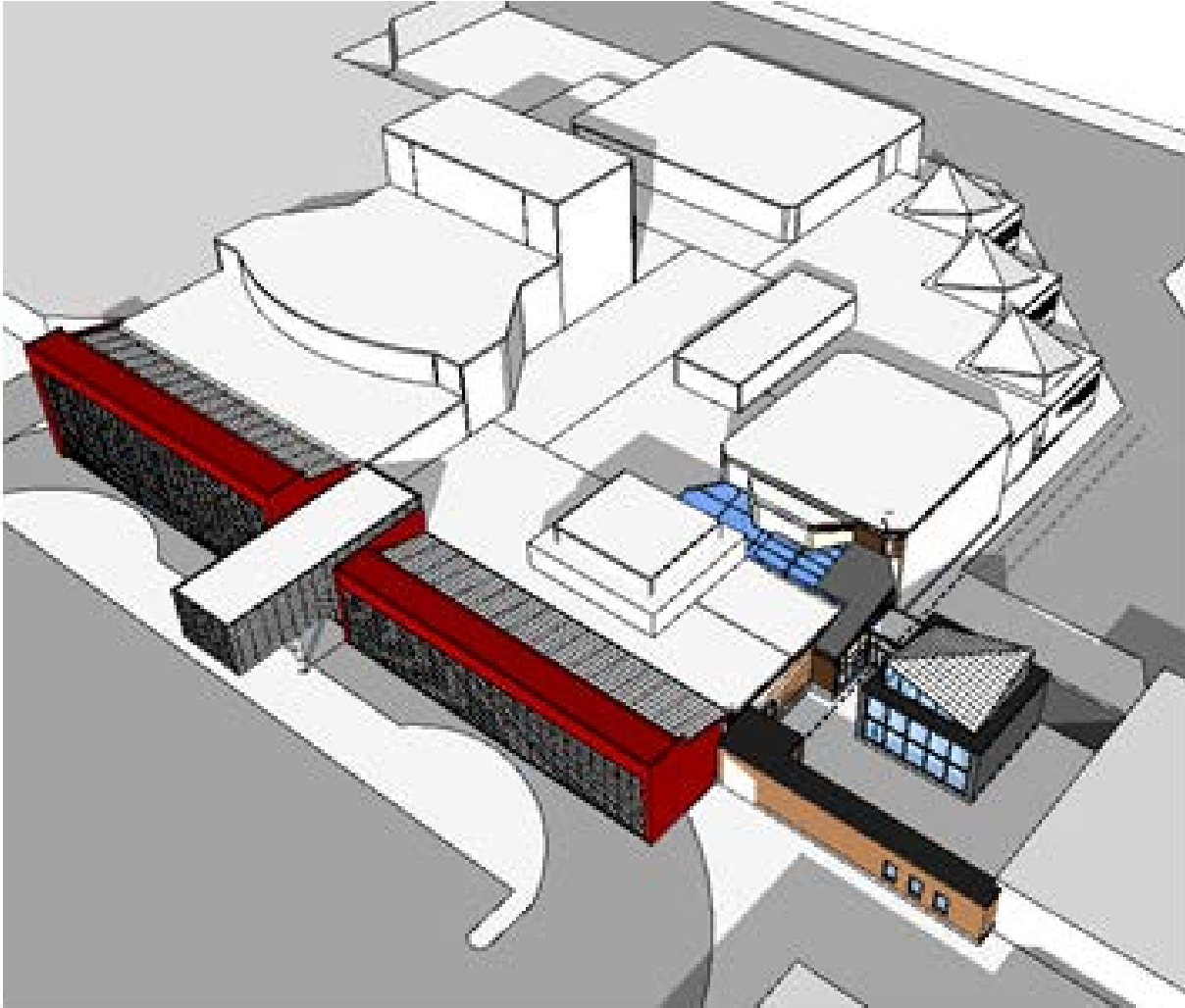
2. Elevate the extension to provide space for natural lighting and create a new featured entrance to visually mark the gallery.



## KEYANO COLLEGE – DESIGN FEASIBILITY STUDY

### CONCEPT DESIGN

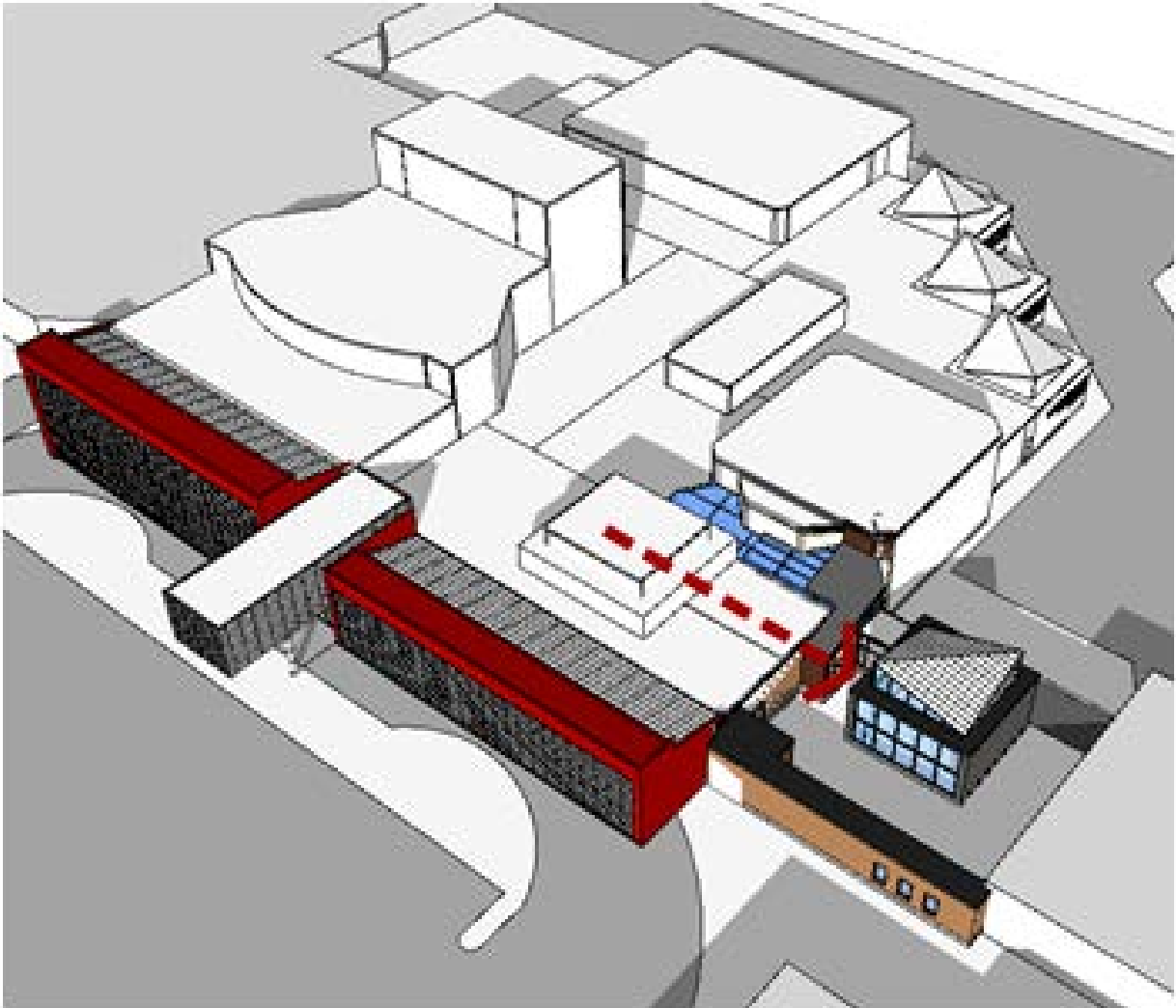
3. Utilize the available courtyard space east of the former student link to create space for the ceramics studio.



## KEYANO COLLEGE – DESIGN FEASIBILITY STUDY

### CONCEPT DESIGN

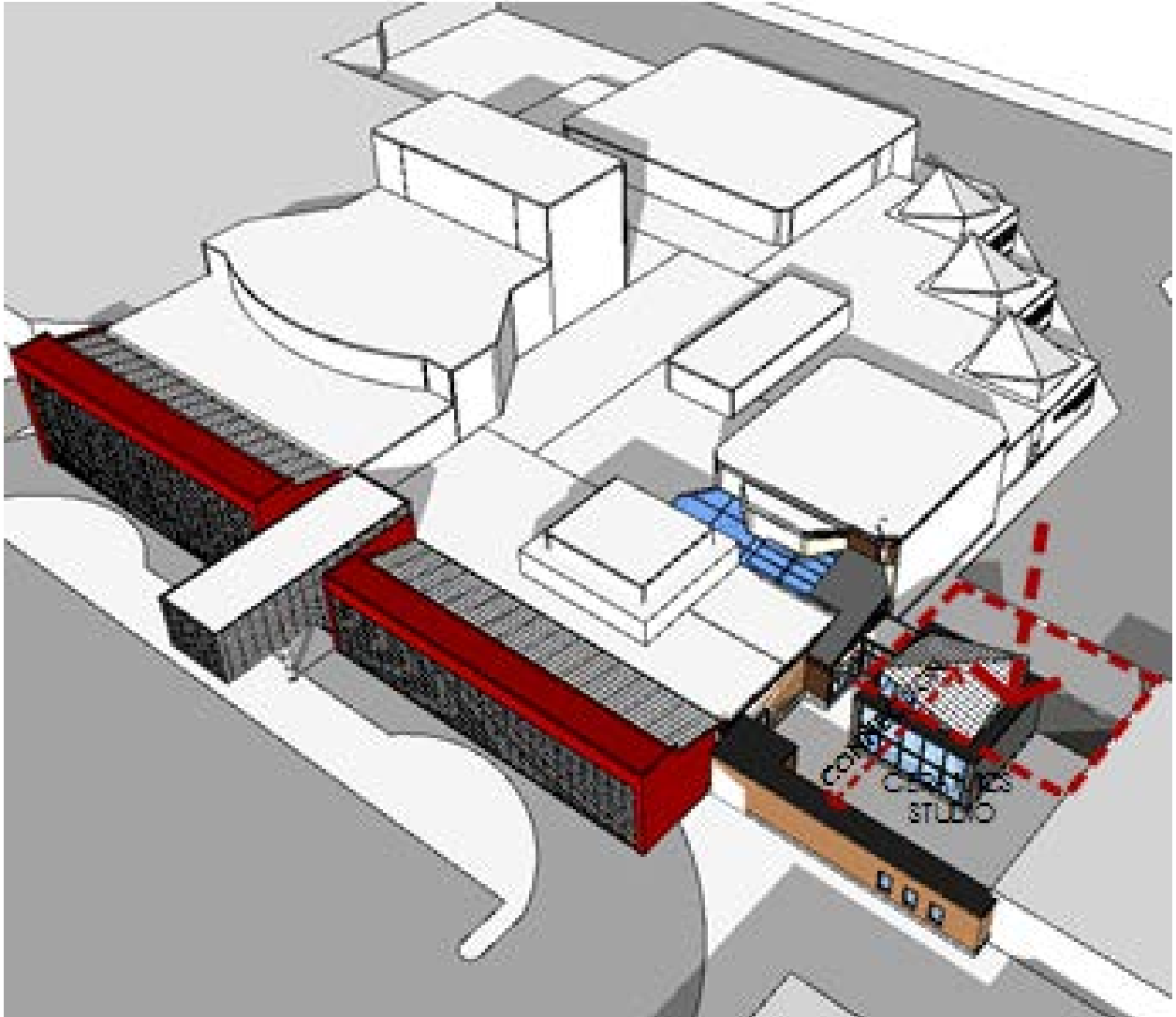
4. Design the new spaces to clear the underground utilities tunnel.



## KEYANO COLLEGE – DESIGN FEASIBILITY STUDY

### CONCEPT DESIGN

5. Create a ceramics studio centre to offer both interior space for workshops and exterior space for exhibitions.





## KEYANO COLLEGE – DESIGN FEASIBILITY STUDY

### CONCEPT DESIGN

6. Reorganize the internal spaces along the main lobby and develop a connected space by relocating the washrooms and introducing a bar area to create additional amenity enabling visitor movement through the new gallery spaces.





# KEYANO COLLEGE – DESIGN FEASIBILITY STUDY

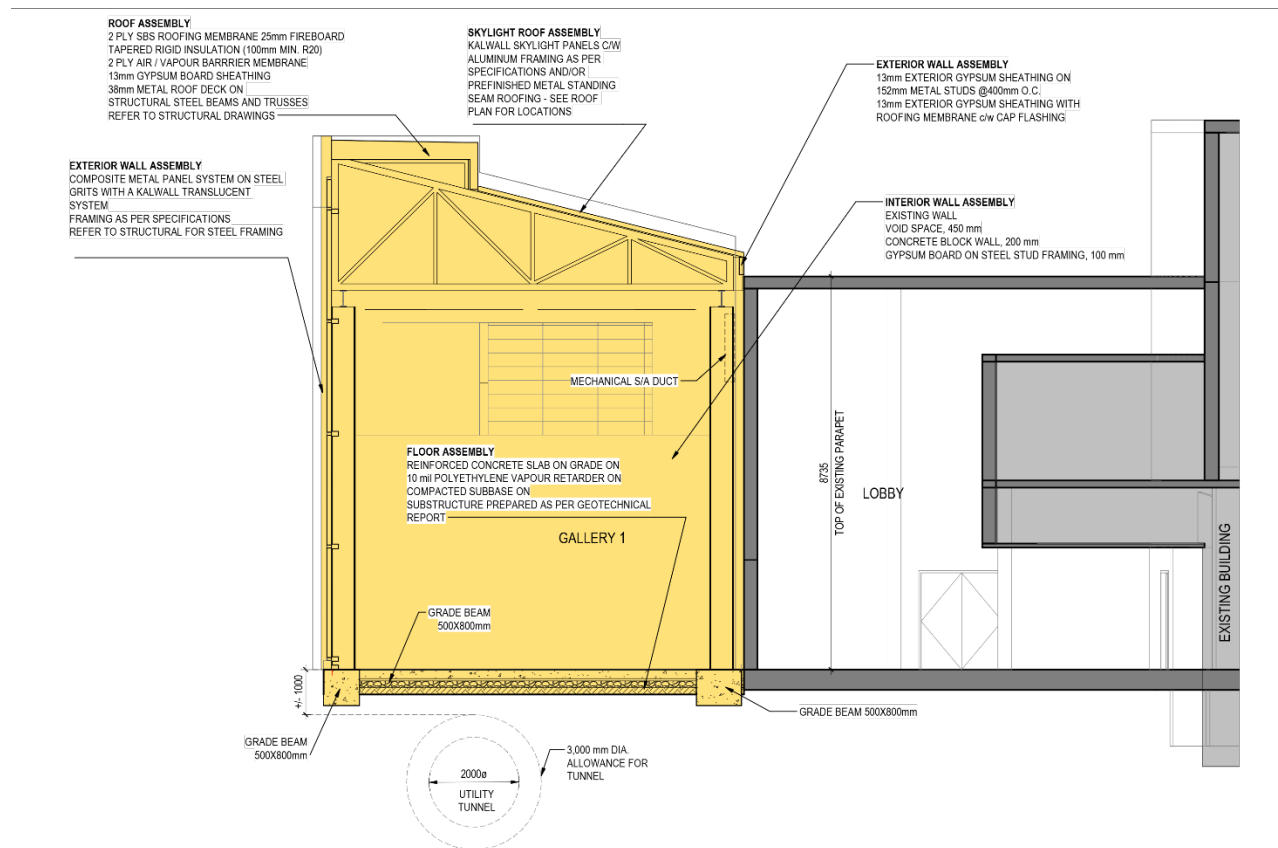
## CONCEPT DESIGN

### 2.2.4 Concept design

#### 2.2.4.1 Art Galleries

##### Form

The architectural form of the new Gallery is influenced by the need for natural light from the north while reducing glare and offering natural light. The design section provides the opportunity to introduce diffused light from above and also from the north west elevation. Translucent materials would be used for this purpose to allow greater control of changing daylighting levels.



## KEYANO COLLEGE – DESIGN FEASIBILITY STUDY

### CONCEPT DESIGN

#### Materiality

The predominant material on the existing building is red brick masonry in large simple geometric blocks that give a brutalist language to the entire building. The new addition would create a contrast in both form and materiality with the introduction of a lightweight, translucent structure that will reduce the “massive” masonry appearance during the day and provide an illuminated soft glow to the building at night.

#### Colour

Colour will be created using the translucency of the new building and creative lighting effects and potentially applied murals and graphics.

#### 2.2.4.2 Planning

The new gallery is primarily accessed via an entrance to the west elevation which is centrally located along the east-west length of the arts complex. The north side of the entrance features the existing theatre on the east side and a new gallery space on the west side and bar amenity with a structure that follows the existing height of the building in this location. New openings in the former external wall to the building connect a new central gathering space to the gallery and bar.

The redundant space under the theatre seating rake has been made accessible and converted to a digital gallery space.

On the south side of the entrance a series of gallery spaces extend west retaining the lower height of the building at this location. This space allows visitors to explore flexible gallery space and have vision to a new Art conservation studio and external sculpture courtyard. The Conservation studio will also have a dedicated external servicing access.

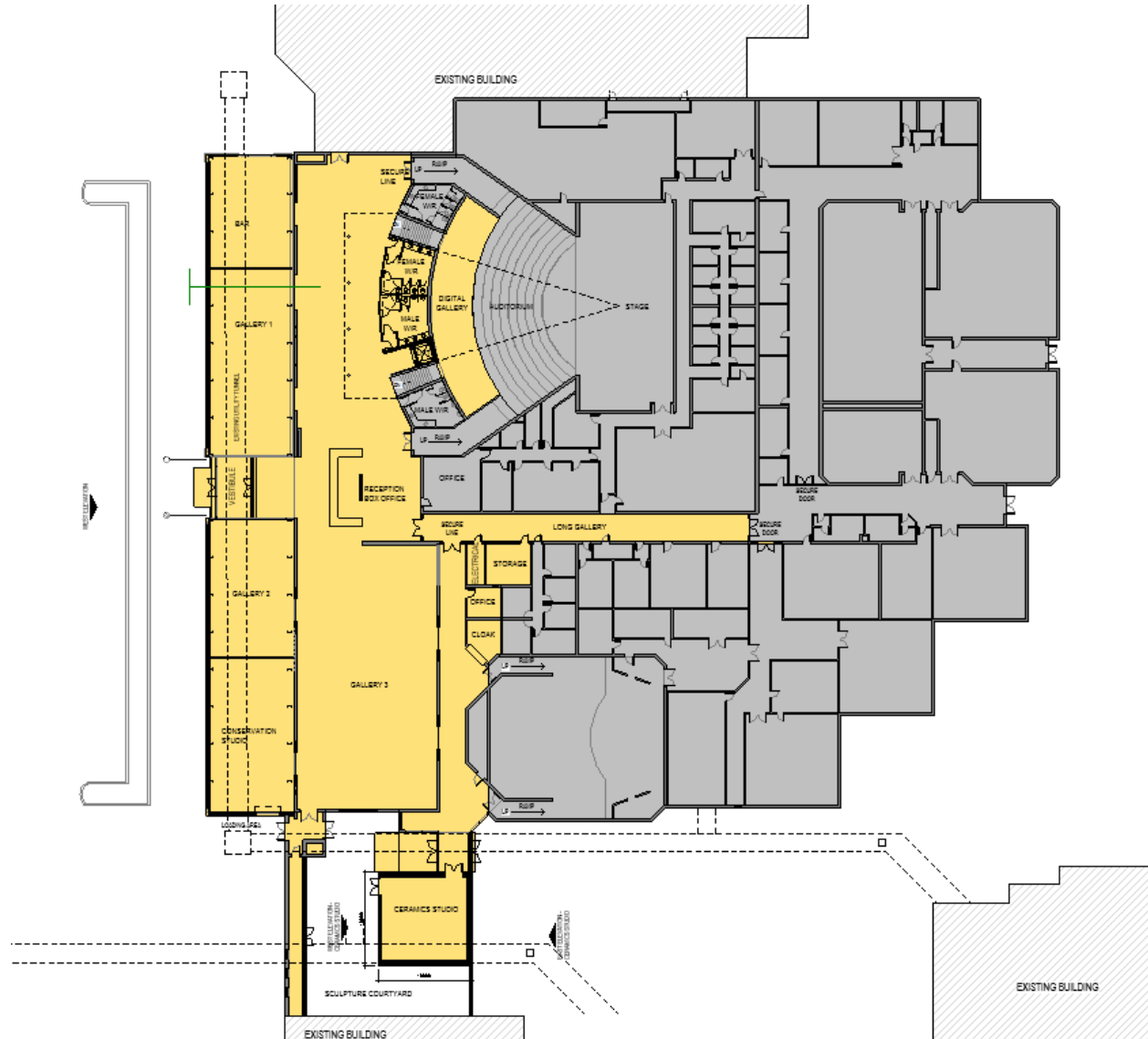
All the proposed art galleries can have controlled access when required via a series of large sliding doors. The existing washrooms are to be improved to meet code and barrier free requirements.

A new ceramics studio is proposed to the south end of the existing building with direct access to the new sculpture courtyard. The form and size of the studio compliments the existing teaching spaces to the east with a similar material treatment to the west gallery addition.



## KEYANO COLLEGE – DESIGN FEASIBILITY STUDY

### CONCEPT DESIGN



#### 2.2.4.3 Materials

The existing building construction where connected to by the proposed expansion generally consists of insulated concrete block masonry walls with an exterior brick veneer. The areas of new construction will be constructed of a steel framing and system claddings to meet energy code requirements and to allow for future flexibility.

The building envelope will consist of a combination of composite metal panel system (ie. Alucobond Plus Wall Panels or equivalent) on steel girts with a Kalwall translucent system. The roof will consist of SBS roofing assembly and prefinished metal standing seam roofing with Kalwall rooflights.



### CONCEPT DESIGN

All interior walls will be finished with painted gypsum board finishes and finished to suit art display purposes in the gallery spaces.

**Refer to the full drawing package in Appendix A for more details on the design.**

## 2.3 STRUCTURAL DESIGN

The building foundation consists of concrete pile caps, pilasters and grade beams on top of piles. Grade supported slab-on-grade was used for main floor.

The super structural system consists of HSS steel columns, concrete columns and load bearing concrete block walls supporting wide flange beams, open web steel joists and metal deck roof structural system.

In general, the structure appears to be in good condition with no sign of settlement or any cracking on walls or floors. The structural system is performing as originally intended.

Regarding the new gallery space, the structural foundation system will consist primarily of pile foundations with concrete grade beams. This system allows for eliminating any impact on the existing utility tunnels, and for putting new steel columns against the existing exterior walls with 50 mm void spacing. A 125 mm thick slab-on-grade will be designed to support occupied loads, reinforced with 10M@300 each way.

The super structural system consists primarily of load bearing concrete block walls along perimeter of new addition and internal HSS structural steel columns supporting wide flange beams and open web steel joists with metal deck roof structural system. Local wind and seismic loads will be determined and compared to establish which lateral load case governs for the structure. The lateral load restraining system incorporated in this structure will be a combination of new concrete block shear walls and the existing concrete block walls with vertical slot connections (only transfer horizontal forces). Steel framing will be designed to reinforce all new openings through the existing loading bearing concrete block walls.

The new ceramics studio foundation design will be based on a new geotechnical report and match the existing foundation system which are piles and grade beams. Concrete grade beams, generally 700 mm deep, supported on piles will be provided at the perimeter of the building. The ground floor will be constructed of concrete slab-on-grade.

The super structural system consists primarily of steel trusses clear spanning between steel columns along exterior walls. These trusses will also support roof purlins and 38 mm deep steel deck roof structure. The superstructure is mostly structural steel construction, therefore steel bracing system will be incorporated at various locations to resist lateral loads. Cross bracing will be utilized at the locations where the elements are to be concealed by wall finishes. When bracing elements are to be exposed, they will be designed and esthetically treated as architectural features.



## **2.4 MECHANICAL DESIGN**

### **2.4.1 Plumbing**

Demolition of piping and fixtures will be required for the washroom spaces and janitor room located in the Keywatin room, as this space is currently being used as a shop space and chemical room equipped with exhaust hoods. New plumbing will be required for the proposed bar location. Tie in with the existing sanitary main will require slab cutting. New plumbing will be required for the new washrooms located beside the existing washrooms.

For the new standalone art studio, plumbing will need to be provided for required utility sinks. Domestic hot water will be serviced from existing mains in the Keywatin ceiling space.

### **2.4.2 HVAC**

Currently there are two air handling units (Air System 4 and Air System 5) in the mechanical penthouse (Fan Room 2) located above the Keywatin Room. These units provide heating, cooling and ventilation to the Lobby, the Lower Lobby and the Keywatin Room and adjacent spaces. These units are past their lifecycle. We are proposing to upgrade this mechanical room, replacing these units with newer ones that can cover the increased capacity required from the building expansion. These new air handling units will be equipped with heat recovery, humidification and dehumidification to provide high quality environment control to the Gallery spaces.

The lobby will also be provided with ductwork for optimal air distribution. The Galleries will use the space provided in the service walls to contain the ductwork required for the ventilation of these spaces. The vestibules will be heated with new forced flow units, connected to the existing glycol system.

The current lobby and Keywatin Room are being heated with baseboard heaters along the exterior wall. These baseboard heaters will all be demolished with the new proposed layout. The heating load shall be provided by in-slab radiant heating in the gallery expansion, keeping any heating equipment out of sight. The heat exchanger and pumps required for the in-slab radiant heating will be located in the mechanical penthouse.

The new Ceramics Studio will be equipped with a separate roof top unit to condition that space. There shall be a provision for a high temperature exhaust system for the Ceramics Studio if kilns are required for ceramic works.

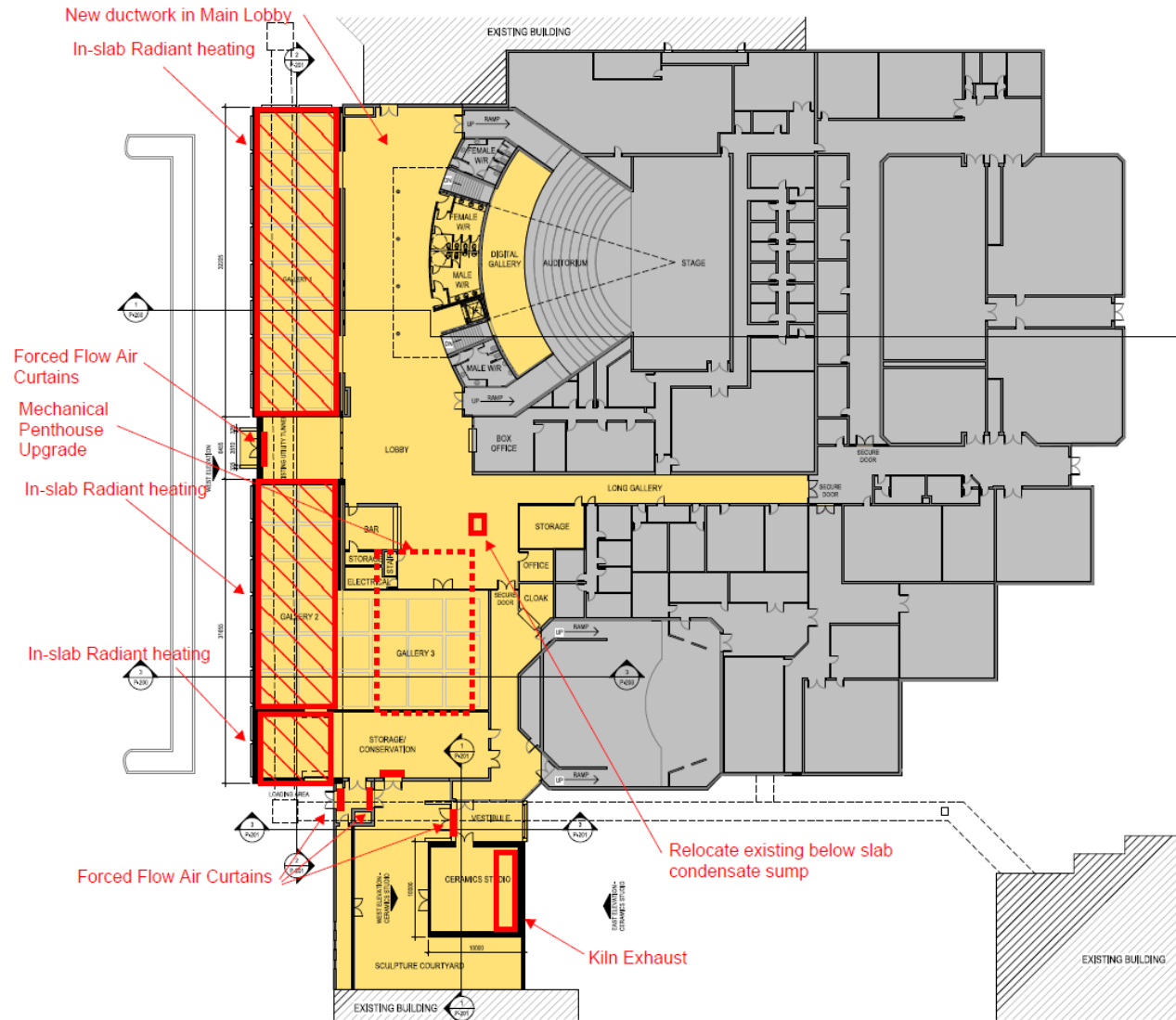
There is a condensate sump, with submerged pumps, located in one of the storage room beside the Keywatin Room. This sump will be relocated to one of the new storage rooms, adjusting to the new layout.

A DDC control system will be provided to control all new HVAC systems, with the ability to tie in to the control system of the existing building, and for expansion in the future.





## CONCEPT DESIGN



### PROPOSED HVAC LAYOUT SKETCH



## **2.5 ELECTRICAL DESIGN**

The expansion will introduce an additional 30 to 40 kW of electrical load. Further investigation will be required to confirm impact on existing distribution. The existing panels B and BB (42 and 24 circuits respectively) are to be replaced with a single 84-circuit, 120/208V, 3-phase, 4-wire panel in a new location.

The existing lighting in the lobby area is a mixture of recessed linear fluorescent fixtures, tungsten/compact fluorescent pendants and tungsten/LED down lights. New suspended Linear LED lighting will be provided within the double-height lobby space. Recessed linear slot LED lighting will be provided within the dropped bulkhead in the lobby. The existing track lighting in the digital gallery will be replaced with new ceiling mounted LED track lighting.

The gallery lighting will make use of natural daylight through high level glazing. Suspended LED track lighting will provide direct illumination of exhibits. Wall mounted linear LED uplights will provide indirect lighting of the gallery spaces.

The ceramics studio will be provided with suspended LED track lighting arranged in a square pattern.

Circulation, storage, washrooms etc. will be provided with recessed or surface mounted linear LED fixtures to match the ceiling type.

The renovated and additional spaces will be provided with a new lighting control system, with occupancy control as required to satisfy National Energy Code requirements.

A new air-sampling fire alarm system will provide coverage to the gallery spaces; this system will be connected to the building fire alarm system. Notification devices (horn-strobes) will be provided within the gallery spaces to satisfy the Building Code requirements.

Flush mounted floor outlets will be provided in the gallery spaces to provide power to display cases. Wall mounted receptacles for housekeeping will be provided in strategic locations throughout the renovated space (typically 10m on centre).

Wall mounted receptacles will be provided in the digital gallery to power the displays.

The existing CCTV and security systems will be extended and modified to provide coverage to the renovated spaces and the expansion.

The existing IT equipment (including the fiber optic line) will be relocated to a new closet. New Category 6 cabling will be provided into the digital gallery to support the digital displays.

## **2.6 KEYANO COLLEGE MEP O+M COSTS**





## KEYANO COLLEGE – DESIGN FEASIBILITY STUDY

### CONCEPT DESIGN

Stantec's Consulting Team was asked to prepare a class D cost estimate on the operations and maintenance costs associated with any new equipment that would be necessary in supporting the operations of additional space. Operation and maintenance costs were estimated through input from members of the Stantec consulting team and information available from the client at the time of analysis. These costs are represented annually or at regular intervals as appropriate.

Electrical measures included in the operations and maintenance costs include additional LED lighting, supplemental Fire-Alarm Systems, CCTV and enhanced security measures and an additional elevator in the theatre.

HVAC measures included in the operations and maintenance cost estimate include additional wear on the new air-handling units (AHUs), heat recovery associated with the new AHUs, additional humidification for the new space, inspections for the fire-suppression system, additional plumbing for a new bathroom and bar area, a new RTU to condition the ceramic studio and an additional heating coil to condition the vestibule at the main entrance.

The estimated total operations and maintenance cost for all electrical and mechanical equipment associated with the additional space is \$5,000. The breakdown of costs and assumptions can be found in the table below. The costs and savings presented in the table below are considered Class D estimates (+30% and -40%).

O+M Cost Estimation		
Measure	Annual Cost	Assumptions
LED Lighting	\$412	The capital cost estimation is based on the implementation of LED track-mounted spotlights and mounted up lights in the additional space. The estimated cost before design fees is \$5/ft <sup>2</sup> . The total estimated area of the addition is 8,230 ft. O+M costs were estimated at 1% of the total estimated capital cost
Fire-Alarm System	\$329	Larger commercial buildings with complex systems that have visual and audio alerts have a capital cost of \$4/ft <sup>2</sup> for the fire-alarm system. O+M costs were estimated at 1% of the total estimated capital cost
CCTV/Security Enhancements	\$200	A capital cost of \$20,000 was estimated based on the implementation of CCTV/security enhancements for a midsize commercial building.



## KEYANO COLLEGE – DESIGN FEASIBILITY STUDY

### CONCEPT DESIGN

Elevator	\$1,720	A capital cost of \$172,000 was estimated for a 1 - 12 passenger elevator implemented in the theatre. O+M costs were estimated at 1% of the total estimated capital cost
Air-Handling Units (AHUs)	\$585	Replace existing AHUs with like for like replacement. Assumed that additional 1CFM/ft <sup>2</sup> is required for new space Assumed \$7.1/ft <sup>2</sup> . O+M costs estimated at 1% of total costs.
Heat Recovery	\$825	Replace existing AHUs, adding heat recovery. Assumed that additional 1 CFM/ft <sup>2</sup> is required for new space. Assumed a capital cost of \$10/ft <sup>2</sup> . O+M Cost is estimated at 1% of total cost.
Roof Top Unit	\$90	Ceramic studio to be conditioned by a new RTU. Cost is assumed to be \$7.1/ft <sup>2</sup> of the ceramic studio. O+M cost is estimated at 1% of total cost.
Humidification	\$290	Implement humidification system (Gas-fired) for AHUs. Cost is estimated at \$3.5/ft <sup>2</sup> . O+M costs are estimated at 1% of total cost.
Main Entrance (Vestibule) Hot Water Coil Heating System	\$20	Implement a new heating coil to supply vestibule with heat. Coil/piping maintenance, for 1% of capital cost.
Fire Suppression System Inspection	\$145	Based on an average rate of \$0.0175/ft <sup>2</sup>
Plumbing	\$410	Based off average cost of plumbing for new houses. Cost estimated at \$4.95/ft <sup>2</sup> . O+M costs estimated to be 1% of total costs.
<b>Total</b>	<b>\$5,020</b>	



### 3.0 COST

Please refer to Appendix B – Class D cost estimate for details for a detail breakdown of the cost estimate.



## **Appendix A FULL DRAWING SET**



## **Appendix B CLASS D COST ESTIMATE**





# BUDGET OUTLINE SUMMARY

PROJECT: Keyano College – Gymnasium Conversion to Studios

LOCATION: Clearwater Campus, Fort McMurray, AB

CLIENT: Keyano College  
8115 Franklin Avenue, Fort Mc Murray, Alberta, T9H 2H7

CHANDOS CONSTRUCTION LTD.  
9604 20 ave NW, Edmonton Alta, T6N 1G1



**BUDGET OUTLINE SUMMARY**  
**KEYANO COLLEGE – GYMNASIUM CONVERSION TO STUDIOS**

**DATE: December 21, 2018**  
**CCL EST NO.: 2018.359b**

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**CONTENTS OF SCOPE OUTLINE SUMMARY**

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MECHANICAL & ELECTRICAL

SITE

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**BUDGET OUTLINE SUMMARY**  
**KEYANO COLLEGE – GYMNASIUM CONVERSION TO STUDIOS**

**DATE: December 21, 2018**  
**CCL EST NO.: 2018.359b**

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## **A. GENERAL PROJECT DESCRIPTION**

The project consists of the renovation of existing building as outlined in the preliminary construction documents of approximately 664m<sup>2</sup> or 7,145 SF. This area includes 3 Studios ( Approx 179m<sup>2</sup> each for a total of 537m<sup>2</sup> or 5,778SF), and the balance is offices, storage, corridors and stairwells (127m<sup>2</sup> or 1,367 SF).

Renovated areas generally are to receive selective demolition, new architectural finishes, New windows and doorways into existing gymnasium block walls, new mechanical equipment and distribution, electrical and lighting upgrades described more fully herein.

## **B. ELEMENTAL SCOPE OUTLINES**

The following is an overview of components that form the basis of the project requirements. It should be noted that the items listed below are major scope components either anticipated or requested. Unless noted otherwise, all scopes to contain minimum code & energy performance requirements as well as all industry standard performance level criteria. Maintenance / deficiencies beyond 12 months upon substantial completion is not included. Please refer to the attached Class D1 budget dated December 21, 2018 for costing data.

We have incorporated to the best of our knowledge the preliminary design information provided by Stantec – Existing Gymnasium Plan, Gymnasium Demolition Plan, and Proposed Gymnasium Plan sent to us December 20<sup>th</sup>, 2018. These documents include all the information contained within the emails from Amgad Soryal dated December 20<sup>th</sup>, 2018.

## **GENERAL REQUIREMENTS**

Including but not limited to: supervision, administration and safety requirements, drawing documentation, quality control, temporary lighting, temporary construction facilities, material unloading, necessary access and parking, public protective fencing, temporary signage, surveying, ongoing common progressive cleanup, material lifts, hoisting, deliveries and freight, winter condition work, subcontractor bonding, general liability, building information modelling, virtual design construction, concrete and soils testing / inspections, permits, and finally out of town costs as required for any Chandos employees involved in the project.

Included in our budget are Prime Cost Allowances of 50,000 dollars for winter conditions.

Excluding: hazardous materials investigations & impacts, municipal improvements outside of property line, utility power line relocations, design & construction contingencies.





**BUDGET OUTLINE SUMMARY**  
**KEYANO COLLEGE – GYMNASIUM CONVERSION TO STUDIOS**

**DATE: December 21, 2018**  
**CCL EST NO.: 2018.359b**

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## **EXISTING CONDITIONS**

Chandos nor subtrades have had an opportunity to review site conditions at the time of this budget submission. We welcome the opportunity and strongly recommend there is a site visit prior to any further budget iterations. As noted above we have not allowed for hazardous materials testing or removal. We have assumed asbestos, mold removal will not be a factor in this project. We did not have geotechnical information at the time of budgeting and have therefore not allowed for extensive casing or supplemental pile extensions in this budget. To be determined upon review and recommendations by the Geotechnical consultant.

We have allowed reinforcing the three new wall openings in the existing exterior Gymnasium wall for new windows, and 6 new wall opening for new single man doors. Method of reinforcing proposed for the larger window openings is bolting C-Channels on each side of the wall to create headers at each opening location. Exact method to be determined by design professionals. A minor allowance for temporary structure support has been included.

Demolition of existing space would consist of the partition removal as shown on the Gymnasium Demolition Plan. We have assumed removing all flooring, and ceilings, along with mechanical and electrical infrastructure contained in the space highlighted in yellow on drawing Proposed Gymnasium floor plan.

## **SUBSTRUCTURE**

We have assumed no substructure work is required to the existing building to complete this work.

## **SUPERSTRUCTURE**

We have assumed no superstructure work is require to the existing building to complete this work; other than the reinforcing of the new window openings and structural support for the two new operable walls.

## **ENVELOPE**

Exterior Finishes includes allowances for the following:

Roof: Gymnasium area only (5,778 SF) Re-roof: 2-Ply SBS system

Walls: PC Sum to re-clad 2 of the existing gymnasium walls (approximately 409m<sup>2</sup> or 4,400 SF) Insulated Metal Panel System Embossed Finished on sub-girts and R-28 insulation to meet new energy code requirements. Kingspan Optimo Wall Panels or equivalent. Aluminum Composite feature panels similar to feature panels on Gallery Walls.



## **BUDGET OUTLINE SUMMARY KEYANO COLLEGE – GYMNASIUM CONVERSION TO STUDIOS**

**DATE: December 21, 2018  
CCL EST NO.: 2018.359b**

Windows : Aluminum framing and Glass to cover 3 new 3.6 m x 3.6m openings as shown on Exterior Perspectives Drawing A006. Glazing system to be Kawneer 1600 series or equivalent. Aluminum doors including institutional grade hardware are included for the 3 exterior single doors and two interior corridor doors as shown.

### **INTERIORS**

Millwork/Finish Carpentry: Included are 3 new lunch counters – 4m long base cabinets and solid surface counter tops only. No display case millwork or office furniture included.

Interior Glass: None included other than two corridor doors into studio space.

Doors and Hardware: We have included 2 new interior HMD in pressed steel frames complete with institution grade hardware at old stage area for new stairwell separation.

Drywall: We have allowed new drywall partitions as shown in the new addition areas and existing renovated areas. As well we have assumed new suspended ceiling grid and tiles throughout renovated areas, complete with bulkheads for the operable walls as shown.

Flooring: We have assumed new tile and base in the entire highlighted areas to be renovated.

Painting / Wall Features: We have assumed new paint to all walls, doors and frames in renovated areas. Wall features beyond painting is not included at this time.

Specialties: We have assumed two new 17.6m x 7.0m high Operable Walls with an STC rating of 55 or better as shown. Corner guards at high traffic corners are included.

Window Treatments and Furniture: Are not included

Appliances / Equipment: No appliances/equipment supply or install other than mechanical and electrical has been included.

Elevators and H/C Lifts: are not included in budget

### **MECHANICAL & ELECTRICAL**

Mechanical and Electrical budgets are rough order of magnitude as at time of budget there was no outline scope and a site visit was not available. Order of magnitude variance within mechanical and electrical budget allowance is 25%

### **SITE**

We have currently allowed within our budget a Prime Cost Allowance of 80,000 dollars to cover adjacent site improvements such as new entrance sidewalks and site furniture. Limited information was available at the time of this budget submission.



**BUDGET OUTLINE SUMMARY  
KEYANO COLLEGE – GYMNASIUM CONVERSION TO STUDIOS**

**DATE: December 21, 2018  
CCL EST NO.: 2018.359b**

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## **C. CLOSURE**

This budget outline has been prepared for the exclusive and confidential use of Stantec and Keyano College. The recommendations and assumptions listed in this budget outline are based on the information received to date. Sub trade input has been minimal at this stage, and we look forward to further refining the budget as more design information is available and the site can be reviewed.

We trust this information is satisfactory, if you should have any questions please contact our office.

Yours truly,

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Tyler Ashford, Manager Pre-Construction Services

Chandos Construction Ltd.



## Budget Breakdown

			Class D Estimate	
<b>Project:</b>	Keyano College - Gymnasium to Studio Conversion	<b>Date:</b>	December 21, 2018	
<b>Location:</b>	Clearwater Campus, Fort McMurray, AB	<b>Est. No.:</b>	2018.359b	
<b>Owner:</b>	Keyano College	<b>Iteration:</b>	No. D1	
<b>Consultant:</b>	Stantec	<b>Estimator:</b>	Martin Fehr	

Sys #	Description	Quantity	unit	Unit Price	Total	Comments
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SUMMARY OF COSTS						
	Division 1 - General Requirements				995,008	
	Division 2 - Existing Conditions				85,000	
	Division 3 - Concrete				27,500	
	Division 4 - Masonry				27,500	
	Division 5 - Metals				93,500	
	Division 6 - Wood and Plastics				49,327	
	Division 7 - Thermal and Moisture Protection				603,000	
	Division 8 - Doors and Windows				70,165	
	Division 9 - Finishes				405,000	
	Division 10 - Specialties				180,000	
	Division 11 - Equipment				-	
	Division 12 - Furnishings				-	
	Division 13 - Special Construction				-	
	Division 14 - Equipment				-	
	Division 21 to 25 - Mechanical				425,000	
	Division 26 to 28 - Electrical				225,000	
	Division 31 - Earthwork				-	
	Division 32 - Exterior Improvements				-	
	Division 33 - Utilities				-	
	Division 41 - Material Processing and Handling Equipment				-	
<b>TOTAL CLASS D BUDGET (EXCLUDES GST)</b>					<b>\$ 3,186,000</b>	
<b>RECOMMENDED CONTINGENCY - 15% ( TO BE CARRIED BY OWNER)</b>					<b>\$ 477,900</b>	



## Budget Breakdown

Class D Estimate

**Project:** Keyano College - Gymnasium to Studio Conversion  
**Location:** Clearwater Campus, Fort McMurray, AB  
**Owner:** Keyano College  
**Consultant:** Stantec

**Date:** December 21, 2018  
**Est. No.:** 2018.359b  
**Iteration:** No. D1  
**Estimator:** Martin Fehr

Sys #	Description	Quantity	unit	Unit Price	Total	Comments
<b>Division 1 - General Requirements</b>						
	<u>Allowances</u>					
	2 Months of Winter Conditions		SF		50,000	
	Exterior Improvements - Site		SF		80,000	Allowance for Entrance Tie - Ins and Landscaping Repairs
	-		SF		-	Includes Wall Cladding Allowance on 4,400SF of Existing Gymnasium Wall
	-				-	
	<u>Misc. Costs</u>					
	- Bonding		SF		-	General Contractor Bonding Not Included
	- Sub Bonding		SF		20,856	
	- General Liability Insurance		SF		8,145	All Insurance except General Liability to be provided by Owner
	- Building Permit		SF		-	Building Permit Fee to be Paid by Owner
	Winter Conditions		SF		-	See PC Sums
	<u>General</u>					
	- General Conditions		SF		331,924	
	- General Requirements		SF		297,874	
	- Utility Connection Charges		SF		-	Excluded
	- Quality Control		SF		-	Testing and Inspections by Owner
	- Construction Aids		SF		20,183	
	- Layout & Survey		SF		1,768	
	- LEED		SF		-	Not LEED Project
	Fee		SF		184,258	Approximately 6% of total
<b>Division 2 - Existing Conditions</b>						
026000	Hazardous Material Investigation		SF		-	Not Included
022000	Subsurface Investigations		SF		-	Not Included
024119	Selective Demolition		SF		85,000	Allowance
028200	Hazardous Material Abatement		SF		-	Not Included

### Division 3 - Concrete



## Budget Breakdown

Class D Estimate

**Project:** Keyano College - Gymnasium to Studio Conversion  
**Location:** Clearwater Campus, Fort McMurray, AB  
**Owner:** Keyano College  
**Consultant:** Stantec

**Date:** December 21, 2018  
**Est. No.:** 2018.359b  
**Iteration:** No. D1  
**Estimator:** Martin Fehr

Sys #	Description	Quantity	unit	Unit Price	Total	Comments
038000	Concrete Cutting & Boring	\$16 (1)	SF	\$16 (1)	27,500	Cutting existing block Wall for new window and door openings
<b>Division 4 - Masonry</b>						
042000	Masonry		SF		27,500	Patch and Repair Allowance at New Openings in Block Wall
<b>Division 5 - Metals</b>						
051200	Structural Steel		SF		86,000	Allowance for structural support - Operable Walls and new Window Openings
055000	Miscellaneous Metal		SF		7,500	Allowance
<b>Division 6 - Wood and Plastics</b>						
061000	Rough Carpentry		SF		31,327	Allowance
064000	Millwork		EA		18,000	Lunch Counters - Base Cabinets / Counter Tops Only
<b>Division 7 - Thermal and Moisture Protection</b>						
072129	Sprayed Air Seals		SF		-	Not Included
074243	Composite Wall Panels		SF		418,000	PC Sum for 4,400 SF of Cladding
075000	Membrane Roofing		SF		175,000	Re-Roof Allowance on Existing Gymnasium Only
078400	Firestopping		SF		10,000	Allowance
<b>Division 8 - Doors and Windows</b>						
081100	HM Doors & Frames		SF		2,072	Allowance for 2 Interior Frames and Doors
084100	Entrances & Storefronts		SF		65,000	New Studio Windows and Exit Doors
087000	Hardware		SF		3,093	Allowance for 2 Interior Doors
<b>Division 9 - Finishes</b>						
092000	Drywall & Steel Studs		SF		165,000	Existing Area - New Partitions and Ceilings Throughout



## Budget Breakdown

Class D Estimate

**Project:** Keyano College - Gymnasium to Studio Conversion  
**Location:** Clearwater Campus, Fort McMurray, AB  
**Owner:** Keyano College  
**Consultant:** Stantec

**Date:** December 21, 2018  
**Est. No.:** 2018.359b  
**Iteration:** No. D1  
**Estimator:** Martin Fehr

Sys #	Description	Quantity	unit	Unit Price	Total	Comments
093000	Tiling	s.16 (1)	SF	s.16 (1)	150,000	Allowance Entire Area
096150	Floor Preparation		SF		15,000	Allowance Existing Slabs
098000	Acoustical Wall Treatments		SF	-	-	Not Included
099000	Painting		SF	s.16 (1)	75,000	Allowance Entire Area
<b>Division 10 - Specialties</b>						
101400	Interior Signs		SF	-	-	Not Included
102226	Operable Partitions		SF	s.16 (1)	180,000	Budget Amount based on s.16 (1) High
<b>Division 11 - Equipment</b>						
Not Included						
<b>Division 12 - Furnishings</b>						
122000	Window Treatments		LS	-	-	Not Included
129300	Site Furnishings		LS	-	-	Not Included
<b>Division 13 - Special Construction</b>						
Not Included						
<b>Division 14 - Equipment</b>						
142000	Elevators		LS	-	-	Not Included
144200	Wheelchair Lifts		LS	-	-	Not Included
<b>Division 21 to 25 - Mechanical</b>						
220000	Plumbing		SF	s.16 (1)	425,000	Complete Mechanical System Budget for Highlighted Area
211300	Sprinklers		SF	-	-	
230000	HVAC		SF	-	-	
250000	Controls		SF	-	-	



## Budget Breakdown

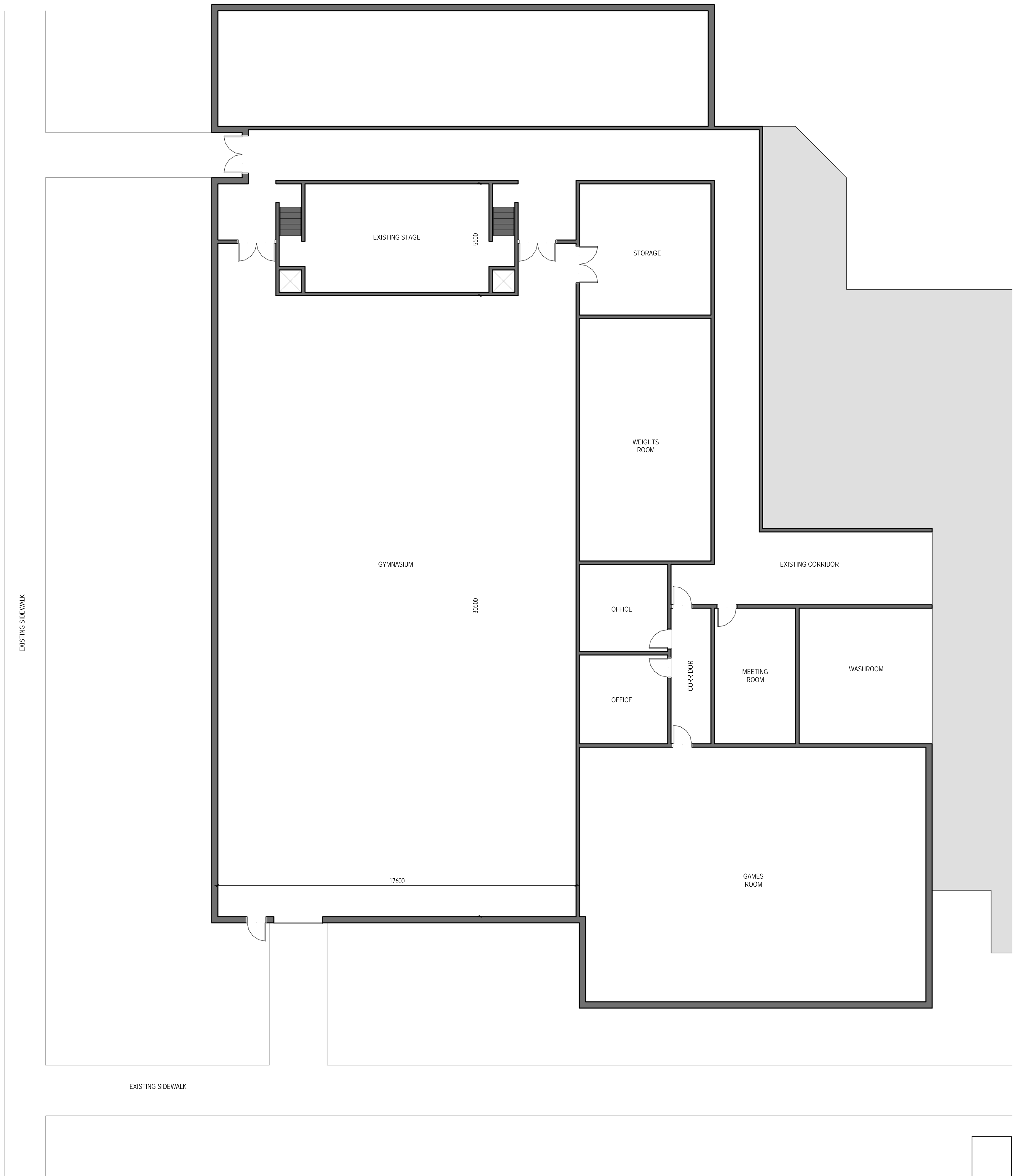
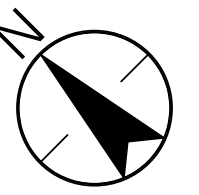
Class D Estimate

**Project:** Keyano College - Gymnasium to Studio Conversion  
**Location:** Clearwater Campus, Fort McMurray, AB  
**Owner:** Keyano College  
**Consultant:** Stantec

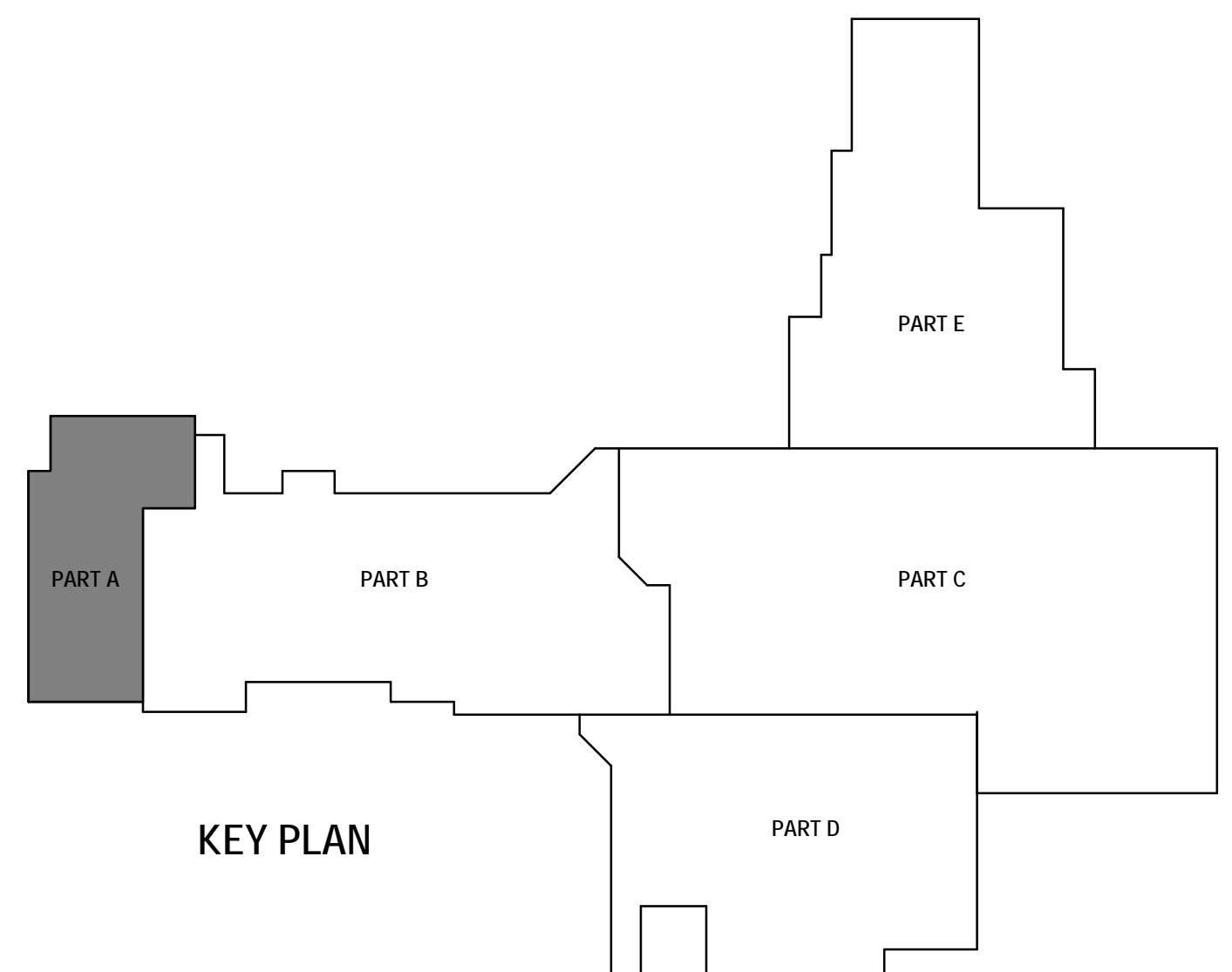
**Date:** December 21, 2018  
**Est. No.:** 2018.359b  
**Iteration:** No. D1  
**Estimator:** Martin Fehr

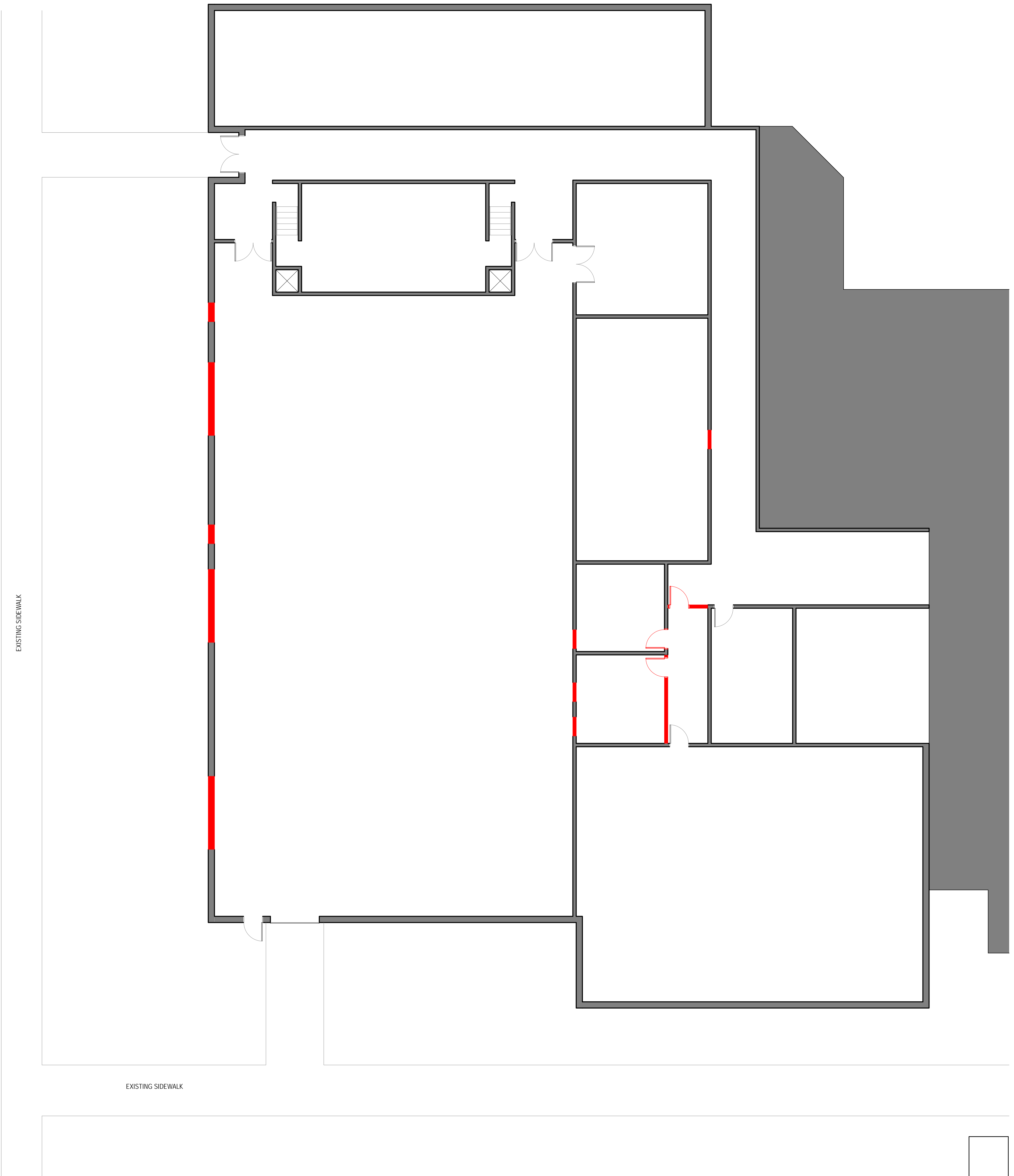
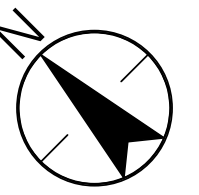
Sys #	Description	Quantity	unit	Unit Price	Total	Comments
Division 26 to 28 - Electrical						
260000	Electrical	s.16 (1)	SF	s.16 (1)	225,000	Complete Electrical System Budget for Highlighted Area
272000	Communications/Data		SF	-	-	
280000	Safety/Security		SF	-	-	
Division 31 - Earthwork						
						Not Applicable
Division 32 - Exterior Improvements						
						See PC Sum
Division 33 - Utilities						
						Not Applicable
Division 41 - Material Processing and Handling Equipment						
						Not Applicable
Total (GST extra)		s.16 (1)	SF	s.16 (1)	\$ 3,186,000	



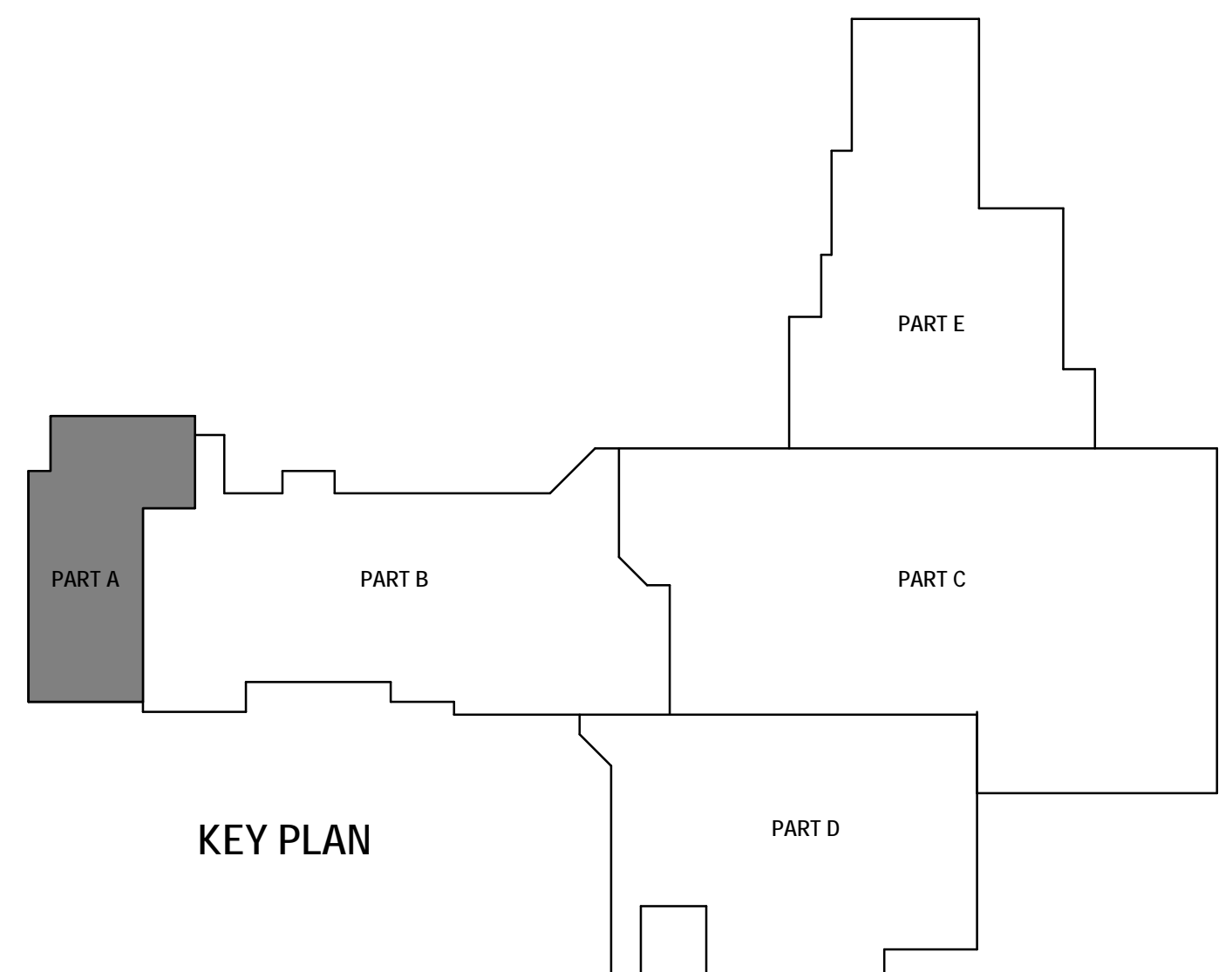


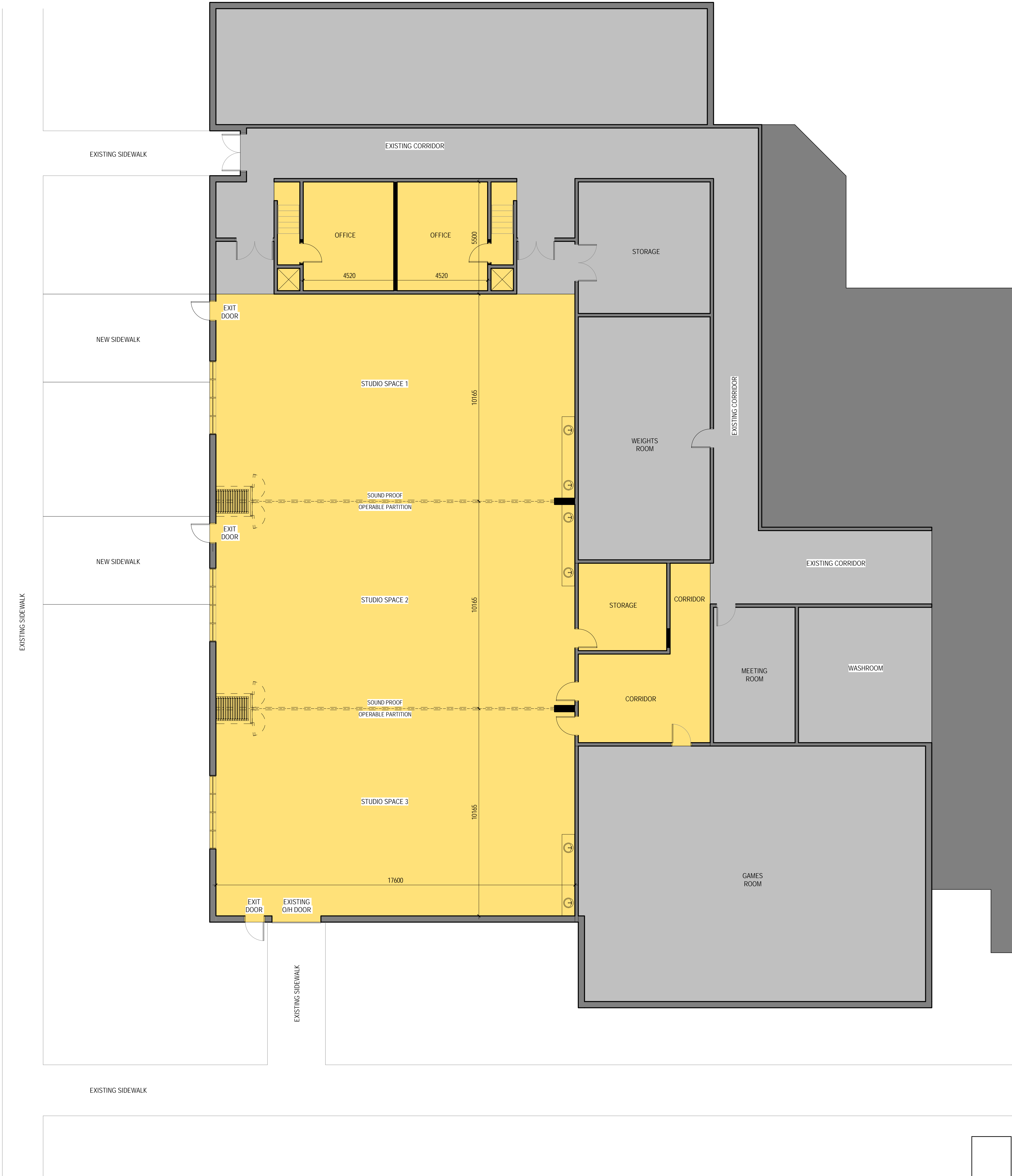
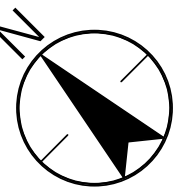
**1** EXISTING GYMNASIUM PLAN  
P.01 1 : 100



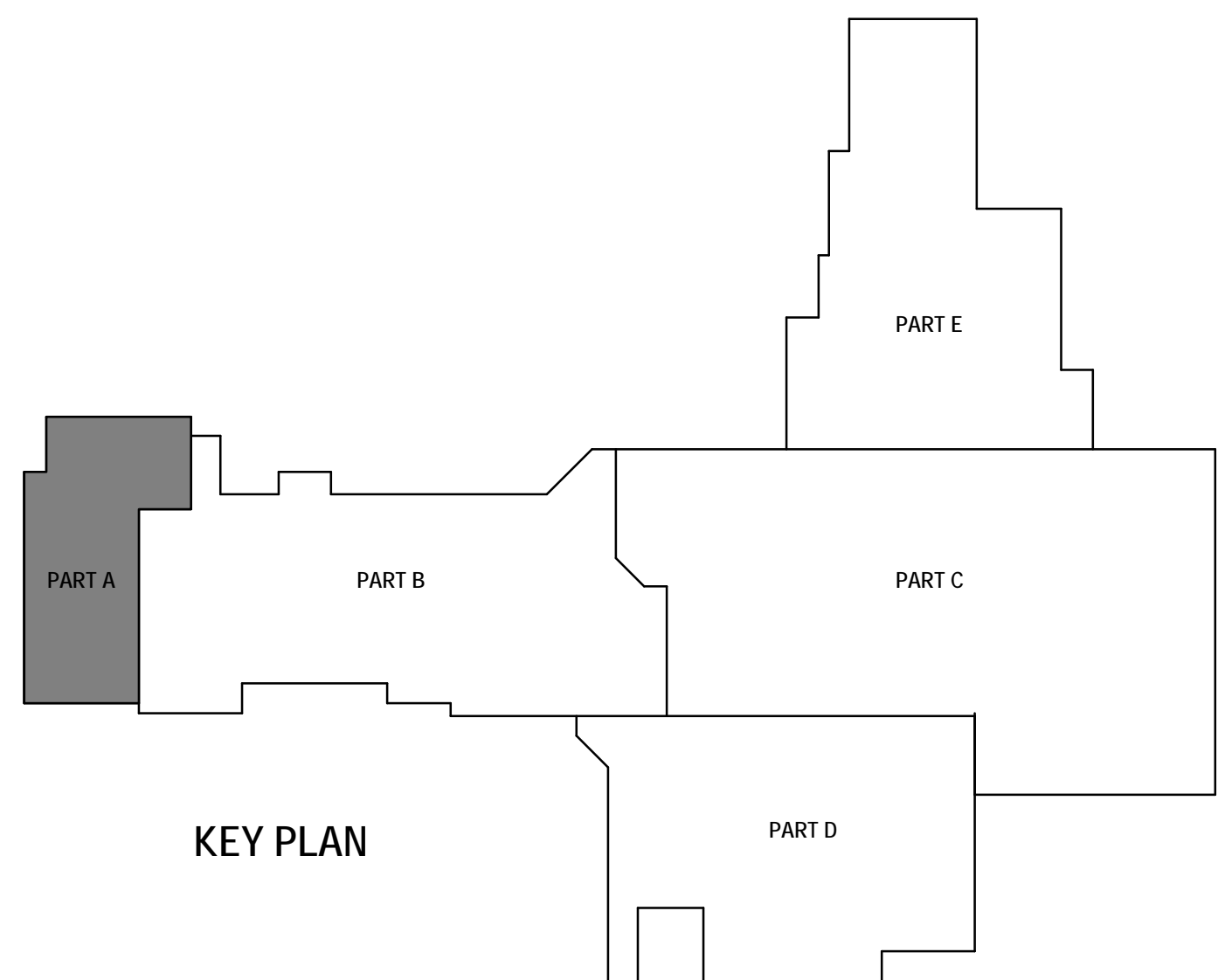


**1 GYMNASIUM DEMOLITION PLAN**  
P.02 1 : 100





**1** PROPOSED GYMNASIUM PLAN  
P.03 1 : 100





# BUDGET OUTLINE SUMMARY – CLASS D.2

PROJECT: Keyano College Art Gallery Expansion

LOCATION: Clearwater Campus, Fort McMurray, AB

CLIENT: Keyano College  
8115 Franklin Avenue, Fort Mc Murray, Alberta, T9H 2H7

DATE: August 29, 2019

CHANDOS CONSTRUCTION LTD.  
9604 20 ave NW, Edmonton Alta, T6N 1G1



**BUDGET OUTLINE SUMMARY  
KEYANO COLLEGE – ART GALLERY EXPANSION**

**DATE: August 29, 2019  
CCL EST NO.: 2018.359**

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**CONTENTS OF SCOPE OUTLINE SUMMARY**

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SITE

**C. CLOSURE**



**BUDGET OUTLINE SUMMARY**  
**KEYANO COLLEGE – ART GALLERY EXPANSION**

**DATE: August 29, 2019**  
**CCL EST NO.: 2018.359**

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## **A. GENERAL PROJECT DESCRIPTION**

The project consists of construction of new additions to the existing college of approximately 8,150 SF. The project areas generally consist of multiple galleries, studios, reception, and corridor links. In addition to the new spaces, there is the renovation of existing building as outlined in the preliminary construction documents of approximately 17,950 SF.

New construction areas are bored cast-in-place concrete piles and concrete grade beam foundations, load bearing block walls, clad with insulated metal panels with interior painted drywall finish. Roof structure consists of structural steel framing, metal deck, SBS Roofing and kalwal skyroofing along the west gallery roofing structures.

Renovated areas generally are to receive selective demolition, new architectural finishes, new mechanical equipment and distribution, electrical and lighting upgrades described more fully herein.

## **B. ELEMENTAL SCOPE OUTLINES**

The following is an overview of components that form the basis of the project requirements. It should be noted that the items listed below are major scope components either anticipated or requested. Unless noted otherwise, all scopes to contain minimum code & energy performance requirements as well as all industry standard performance level criteria. Maintenance / deficiencies beyond 12 months upon substantial completion is not included. Please refer to the attached Class D2 budget dated August 29, 2019 for costing data.

We have incorporated to the best of our knowledge the preliminary design information provided by Stantec – Design Feasibility Study dated August 29, 2019, Art Gallery Presentation dated August 26, 2019 and the preliminary Structural Plans dated August 26, 2019 as provided by Daniel Johnson (Stantec) from August 27-28 / 19.

## **GENERAL REQUIREMENTS**

Including but not limited to: supervision, administration and safety requirements, drawing documentation, quality control, temporary lighting, temporary construction facilities, material unloading, necessary access and parking, public protective fencing, temporary signage, surveying, ongoing common progressive cleanup, material lifts, hoisting, deliveries and freight, winter condition work, subcontractor bonding, general liability, building information modelling, virtual design construction, concrete and soils testing / inspections, permits, and finally out of town costs as required for any Chandos employees involved in the project.

Included in our budget are Prime Cost Allowances of 100,000 dollars for winter conditions.

Excluding: hazardous materials investigations & impacts, municipal improvements outside of property line, utility power line relocations, design & construction contingencies.



**BUDGET OUTLINE SUMMARY**  
**KEYANO COLLEGE – ART GALLERY EXPANSION**

**DATE: August 29, 2019**  
**CCL EST NO.: 2018.359**

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## **EXISTING CONDITIONS**

Chandos nor subtrades have had an opportunity to review site conditions at the time of this budget submission. We welcome the opportunity and strongly recommend there is a site visit prior to any further budget iterations. As noted above we have not allowed for hazardous materials testing or removal. We have assumed asbestos, mold removal will not be a factor in this project. We did not have geotechnical information at the time of budgeting and have therefore not allowed for extensive casing or supplemental pile extensions in this budget. To be determined upon review and recommendations by the Geotechnical consultant.

We have allowed reinforcing the three new wall openings between the new Gallery spaces and existing building. Method of reinforcing proposed is bolting C-Channels on each side of the wall to create headers at each opening location. Exact method to be determined by design professionals. A minor allowance for temporary structure support has been included.

Demolition of existing space would consist of the partition removal as shown on the Demolition Plan A004. We have assumed removing all flooring, and ceilings, along with mechanical and electrical infrastructure contained in the space highlighted in yellow on drawing A005 Proposed floor plan.

## **SUBSTRUCTURE**

Includes all work necessary for the structural integrity of the project inclusive of: necessary formwork for insitu concrete, placing, finishing, ready-mix supply/admixtures, wet curing, reinforcing supply and install, embedded component installs, and quality control

Foundations to consist of: straight shaft friction piles, gradebeams and pilecaps. Slab to be non-structural 130mm thick slab on grade reinforced w/ 10M 300mm O.C E/W on compacted granular. Saw cutting at max 4 meter centers each direction, with diamonds cut at each structural steel post. It is assumed that all new slab areas to receive flooring finishes, therefore no sealers or hardeners have been included. A 7-day wet cure on all concrete slabs is standard practice at Chandos.

An allowance for increased foundation components to the underside of the west galleries is included.

## **SUPERSTRUCTURE**

New addition structures consist of load bearing 290mm concrete block walls, structural steel wide flange beam roof structure, composite metal deck spanning across framing members. Kalwal sloped trusses have been included.

## **ENVELOPE**

Assemblies for the new additions are as follows:

Roof: Flat Areas: 2-Ply SBS system



## **BUDGET OUTLINE SUMMARY KEYANO COLLEGE – ART GALLERY EXPANSION**

**DATE: August 29, 2019  
CCL EST NO.: 2018.359**

Sloped Clerestory areas: Pre-finished metal standing seam roof on sub-girts and R-40 insulation to meet new energy code requirements

Walls: Insulated Metal Panel System Embossed Finished on sub-girts and R-28 insulation to meet new energy code requirements. Kingspan Optimo Wall Panels or equivalent

Aluminum Composite Panels at Clerestory locations and feature panels on Gallery Walls

Windows and Vestibule Roof Framing: Aluminum framing and Glass as shown on Exterior Perspectives Drawing A006. Glazing system to be Kawneer 1600 series or equivalent. Aluminum doors including institutional grade hardware are included as shown. Interior framing and glass (including bi-parting automatic doors shown on A005 Proposed floor Plan) are included in budget.

We have incorporated the information more fully described in the Draft Design Brief provided by Stantec on December 3<sup>rd</sup>, 2018

## **INTERIORS**

Millwork/Finish Carpentry: Only 2 Washroom vanities are included as directed by Stantec. No display case millwork or bar millwork included.

Interior Glass: Interior framing and glass (including bi-parting automatic doors shown on A005 Proposed floor Plan) are included in budget.

Doors and Hardware: We have included 17 new interior HMD in pressed steel frames complete with institution grade hardware.

Drywall: We have allowed new drywall partitions as shown in the new addition areas and existing renovated areas. As well we have assumed new suspended ceiling grid and tiles throughout renovated areas, complete with bulkheads as shown

Flooring: We have assumed new tile to all floors and base in the new additions and renovated areas.

Painting / Wall Features: We have assumed new paint to all walls and ceilings new addition and renovated areas. Wall features beyond painting is not included at this time.

Specialties: We have assumed toilet partitions and W/R accessories in the new proposed washrooms. Corner guards at high traffic corners are included.

Window Treatments and Furniture: Are not included

Appliances / Equipment: No appliances/equipment supply or install other than mechanical and electrical has been included.

Elevators and H/C Lifts: are not included in budget





**BUDGET OUTLINE SUMMARY  
KEYANO COLLEGE – ART GALLERY EXPANSION**

**DATE: August 29, 2019  
CCL EST NO.: 2018.359**

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## **MECHANICAL & ELECTRICAL**

Mechanical and Electrical budgets are rough order of magnitude as there is many details missing and a site visit was not available. Order of magnitude variance within mechanical and electrical budget allowance is 25%

## **SITE**

We have currently allowed within our budget a Prime Cost Allowance of 80,000 dollars to cover limited adjacent site improvements and site furniture as no information was available at the time of this budget submission.

## **C. CLOSURE**

This budget outline has been prepared for the exclusive and confidential use of Stantec and Keyano College. The recommendations and assumptions listed in this report are to be a guide for design and cost saving opportunities. If the Owner decides to accept such intents, the Owner shall have the Consultants approve such suggestions and shall make the design and engineering requirements appropriate. All work associated with design, engineering and building performance is to be performed by the Consultants. Chandos is in no way liable for damages or costs resulting from or arising out of suggested cost estimates or design / engineering considerations. Chandos assumes no liability for the performance of the Consultant nor offers any professional design advice.

We trust this information is satisfactory, if you should have any questions please contact our office.

Yours truly,

A handwritten signature in blue ink, appearing to read "Tyler Ashford", written over a horizontal line.

Tyler Ashford, Manager Pre-Construction Services

Chandos Construction Ltd.



## Budget Breakdown

Class D Estimate

**Project:** Keyano College - Art Gallery  
**Location:** Clearwater Campus, Fort McMurray, AB  
**Owner:** Keyano College  
**Consultant:** Stantec

**Date:** August 29, 2019  
**Est. No.:** 2018.359  
**Iteration:** No. D2  
**Estimator:** TA

Sys #	Description	Quantity	unit	Unit Price	Total	Comments
-------	-------------	----------	------	------------	-------	----------

### SUMMARY OF COSTS

Division 1 - General Requirements					1,803,044	
Division 2 - Existing Conditions					180,000	
Division 3 - Concrete					449,646	
Division 4 - Masonry					740,000	
Division 5 - Metals					641,000	
Division 6 - Wood and Plastics					58,280	
Division 7 - Thermal and Moisture Protection					735,000	
Division 8 - Doors and Windows					1,329,114	
Division 9 - Finishes					1,210,000	
Division 10 - Specialties					8,266	
Division 11 - Equipment					-	
Division 12 - Furnishings					-	
Division 13 - Special Construction					-	
Division 14 - Equipment					-	
Division 21 to 25 - Mechanical					1,525,035	
Division 26 to 28 - Electrical					858,500	
Division 31 - Earthwork					199,500	
Division 32 - Exterior Improvements					-	
Division 33 - Utilities					7,500	
Division 41 - Material Processing and Handling Equipment					-	
<b>TOTAL CLASS D BUDGET (EXCLUDES GST)</b>					<b>\$ 9,744,886</b>	
<b>RECOMMENDED CONTINGENCY - 10% ( TO BE CARRIED BY OWNER)</b>					<b>\$ 974,489</b>	



## Budget Breakdown

Class D Estimate

**Project:** Keyano College - Art Gallery  
**Location:** Clearwater Campus, Fort McMurray, AB  
**Owner:** Keyano College  
**Consultant:** Stantec

**Date:** August 29, 2019  
**Est. No.:** 2018.359  
**Iteration:** No. D2  
**Estimator:** TA

Sys #	Description	Quantity	unit	Unit Price	Total	Comments
<b>Division 1 - General Requirements</b>						
	<b>Allowances</b>					
	4 Months of Winter Conditions	S.16 (1)	SF	S.16 (1)	100,000	
	Exterior Improvements		SF		80,000	
	-				-	
	<b>Misc. Costs</b>					
	- Bonding		SF		-	General Contractor Bonding Not Included
	- Sub Bonding		SF		84,006	
	- General Liability Insurance		SF		24,861	All Insurance except General Liability to be provided by Owner
	- Building Permit		SF		-	Building Permit Fee to be Paid by Owner
	Winter Conditions		SF		-	See PC Sums
	<b>General</b>					
	- General Conditions		SF		582,821	
	- General Requirements		SF		443,897	
	- Utility Connection Charges		SF		-	Excluded
	- Quality Control		SF		-	Testing and Inspections by Owner
	- Construction Aids		SF		27,333	
	- Layout & Survey		SF		5,291	
	- LEED		SF		-	Not LEED Project
	Fee		SF		454,834	Approximately 5% of total
<b>Division 2 - Existing Conditions</b>						
026000	Hazardous Material Investigation		SF		-	Not Included
022000	Subsurface Investigations		SF		-	Not Included
024119	Selective Demolition		SF		180,000	Allowance
028200	Hazardous Material Abatement		SF		-	Not Included
<b>Division 3 - Concrete</b>						
033000	C.I.P. Concrete - Building Foundations and Slabs		SF		429,646	Includes structural slab under skyroof
038000	Concrete Cutting & Boring		SF		20,000	Cut, Break and Remove at New W/R Location



## Budget Breakdown

Class D Estimate

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**Consultant:** Stantec

**Date:** August 29, 2019  
**Est. No.:** 2018.359  
**Iteration:** No. D2  
**Estimator:** TA

Sys #	Description	Quantity	unit	Unit Price	Total	Comments
<b>Division 4 - Masonry</b>						
042000	Masonry		SF		740,000	Load Bearing Block
<b>Division 5 - Metals</b>						
051200	Structural Steel		SF		355,000	Includes skyroof framing
052100	Entrance Canopy		LS		180,000	Includes envelope items
053100	Metal Deck		SF		81,000	Allowance
055000	Miscellaneous Metal		SF		25,000	Allowance
<b>Division 6 - Wood and Plastics</b>						
061000	Rough Carpentry		SF		52,280	Allowance
064000	Millwork		EA		6,000	W/R Vanities Only
<b>Division 7 - Thermal and Moisture Protection</b>						
072129	Sprayed Air Seals		SF		18,000	Allowance at Perimeter - New Additions
074243	Composite Wall Panels		SF		400,000	
074619	Metal Siding		SF		240,000	Insulated Metal Panels at Exterior Walls
075000	Membrane Roofing		SF		67,000	Allowance on new Additions
078400	Firestopping		SF		10,000	Allowance
<b>Division 8 - Doors and Windows</b>						
081100	HM Doors & Frames		SF		18,161	Allowance
083400	Special Function Doors		SF		72,000	Bi Parting Doors at Gallery Locations
084100	Entrances & Storefronts		SF		425,000	Total Glazing
084233	Skyroof		SF		795,000	
087000	Hardware		SF		18,953	Allowance



# CHANDOS

## Budget Breakdown

Class D Estimate

**Project:** Keyano College - Art Gallery  
**Location:** Clearwater Campus, Fort McMurray, AB  
**Owner:** Keyano College  
**Consultant:** Stantec

**Date:** August 29, 2019  
**Est. No.:** 2018.359  
**Iteration:** No. D2  
**Estimator:** TA

Sys #	Description	Quantity	unit	Unit Price	Total	Comments

## Division 9 - Finishes

092000	Drywall & Steel Studs			s.16 (1)	SF		330,000	New Additions
092000	Drywall & Steel Studs				SF		250,000	Existing Area
092423	Stucco				SF		5,000	Misc Parging
093000	Tiling				SF		400,000	Allowance Entire Area
096150	Floor Preparation				SF		50,000	Allowance Existing Slabs
098000	Acoustical Wall Treatments				SF		-	Not Included
099000	Painting				SF		175,000	Allowance Entire Area

## Division 10 - Specialties

101400	Interior Signs			S.16 (1)	SF		-	Not Included
102100	Toilet Partitions				SF		4,450	
102600	Wall & Corner Guards				SF		1,068	
102800	Washroom Accessories				SF		2,748	

## Division 11 - Equipment

Not Included

## Division 12 - Furnishings

122000	Window Treatments			\$,16 (1)	LS	-	-	Not Included
129300	Site Furnishings				LS	-	-	Not Included

## Division 13 - Special Construction

Not Included

#### Division 14 - Equipment

142000	Elevators			s.16 (1)	LS	-	-	Not Included
144200	Wheelchair Lifts				LS	-	-	Not Included

## Division 21 to 25 - Mechanical



## Budget Breakdown

Class D Estimate

**Project:** Keyano College - Art Gallery  
**Location:** Clearwater Campus, Fort McMurray, AB  
**Owner:** Keyano College  
**Consultant:** Stantec

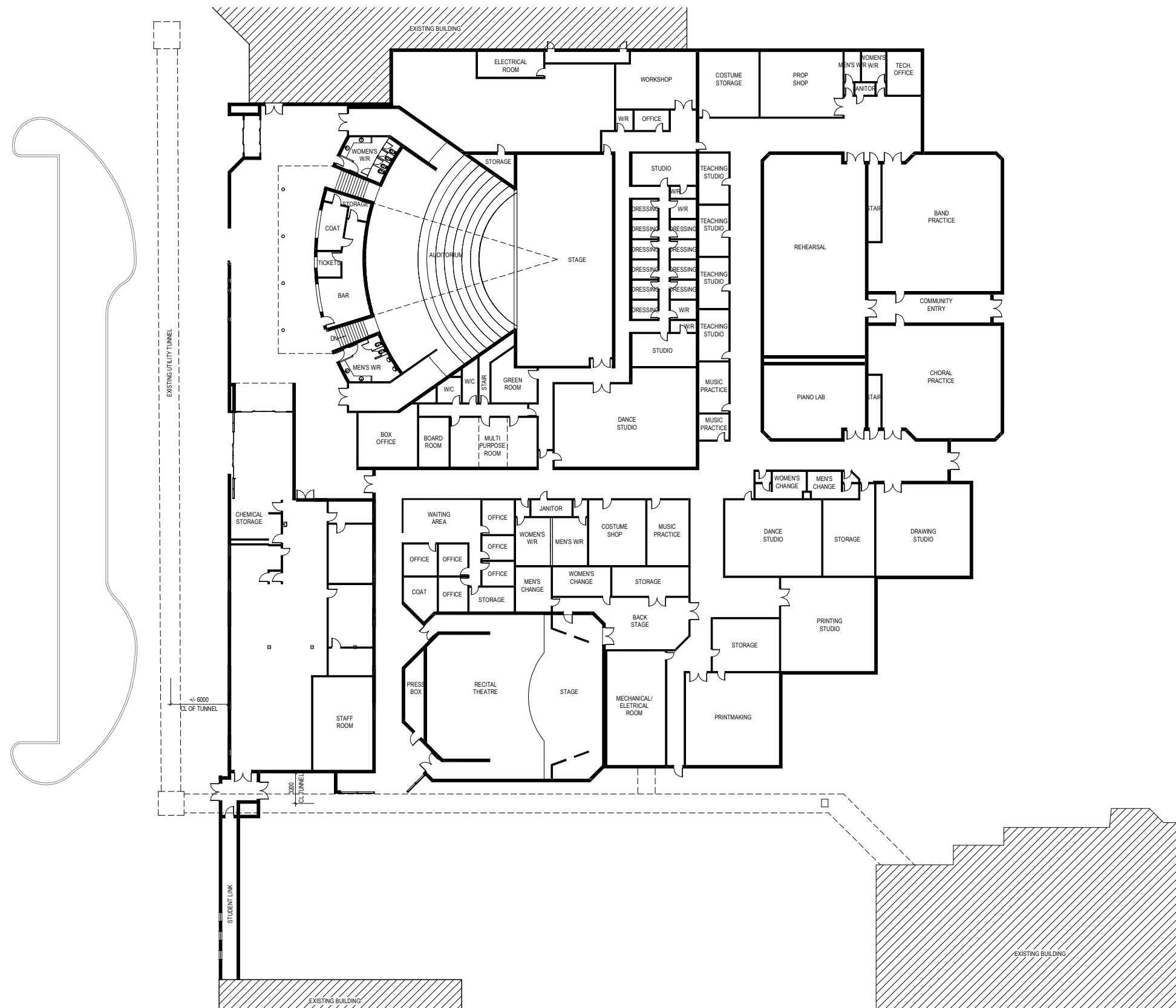
**Date:** August 29, 2019  
**Est. No.:** 2018.359  
**Iteration:** No. D2  
**Estimator:** TA

Sys #	Description	Quantity	unit	Unit Price	Total	Comments
220000	Plumbing	5,16 (1)	SF	5,16 (1)	1,520,000	Complete Mechanical System Budget
211300	Sprinklers		SF		-	
230000	HVAC		SF		-	
250000	Controls		SF		-	
330000	Site Services (incl'ds backfill)		SF		-	Not Included, Assume all existing
	Mechanical Backfill		SF		5,035	Allowance for New W/R Area
<b>Division 26 to 28 - Electrical</b>						
260000	Electrical		SF		856,000	Complete Electrical System Budget
272000	Communications/Data		SF		-	
280000	Safety/Security		SF		-	
	0 Electrical Backfill		SF		2,500	Allowance
<b>Division 31 - Earthwork</b>						
312300	Excavation & Backfill - BUILDING		SF		35,000	Allowance
316300	Bored Piles		SF		164,500	Allowance at New Additions
<b>Division 32 - Exterior Improvements</b>						
						See PC Sum
<b>Division 33 - Utilities</b>						
330000	Site Services (also see mech)		SF		-	
334600	Weeping Tile		SF		7,500	Allowance at Perimeter - New Additions
<b>Division 41 - Material Processing and Handling Equipment</b>						
						Not Included
<b>Total (GST extra)</b>		<b>26,140</b>	<b>SF</b>	<b>372.79</b>	<b>\$ 9,744,886</b>	

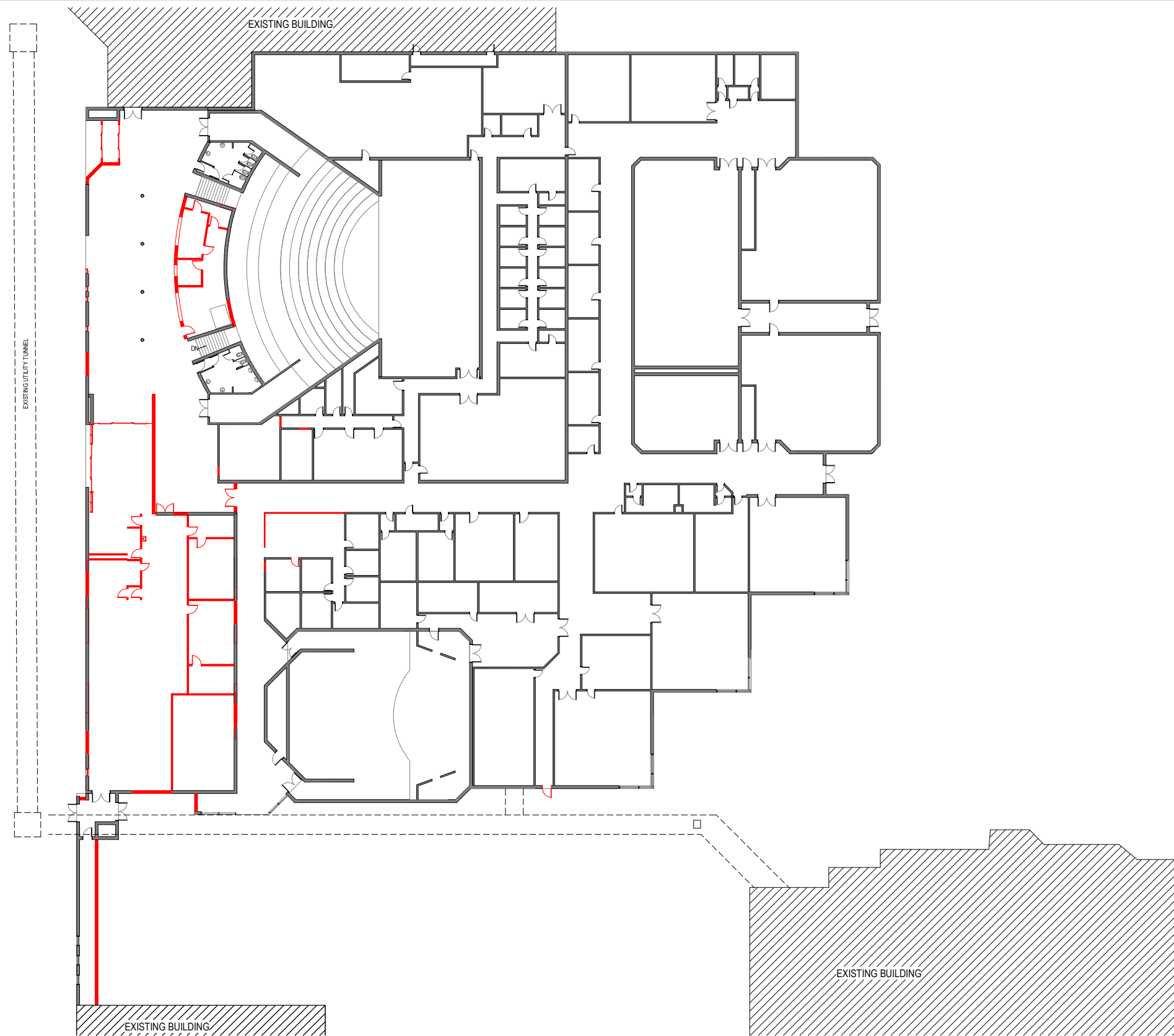
## Appendix A FULL DRAWING SET

Existing Floor Plan  
Demolition Plan  
Proposed Floor Plan  
Building Sections  
Building Sections  
Exterior Elevations  
Building Concept  
Building Concept  
Building Concept  
Building Concept  
Building Concept  
Building Concept – Sculpture Courtyard  
Building Concept – Gallery 1  
Building Concept – Gallery 2 & 3

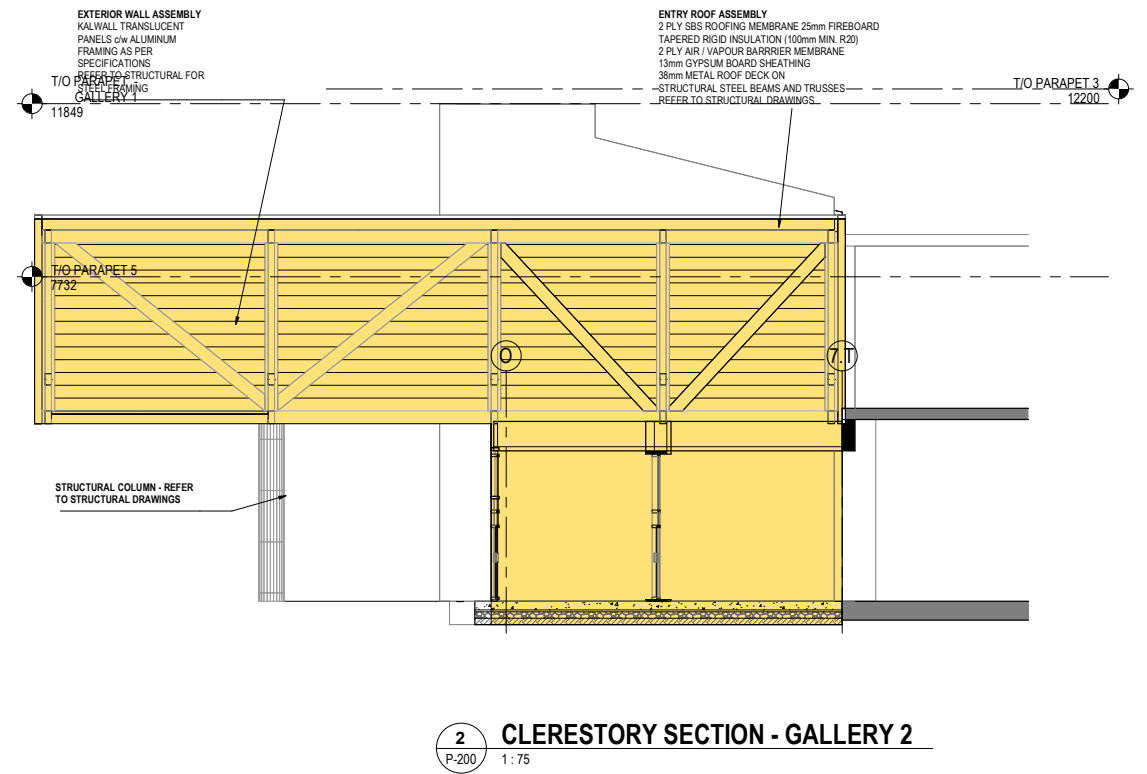
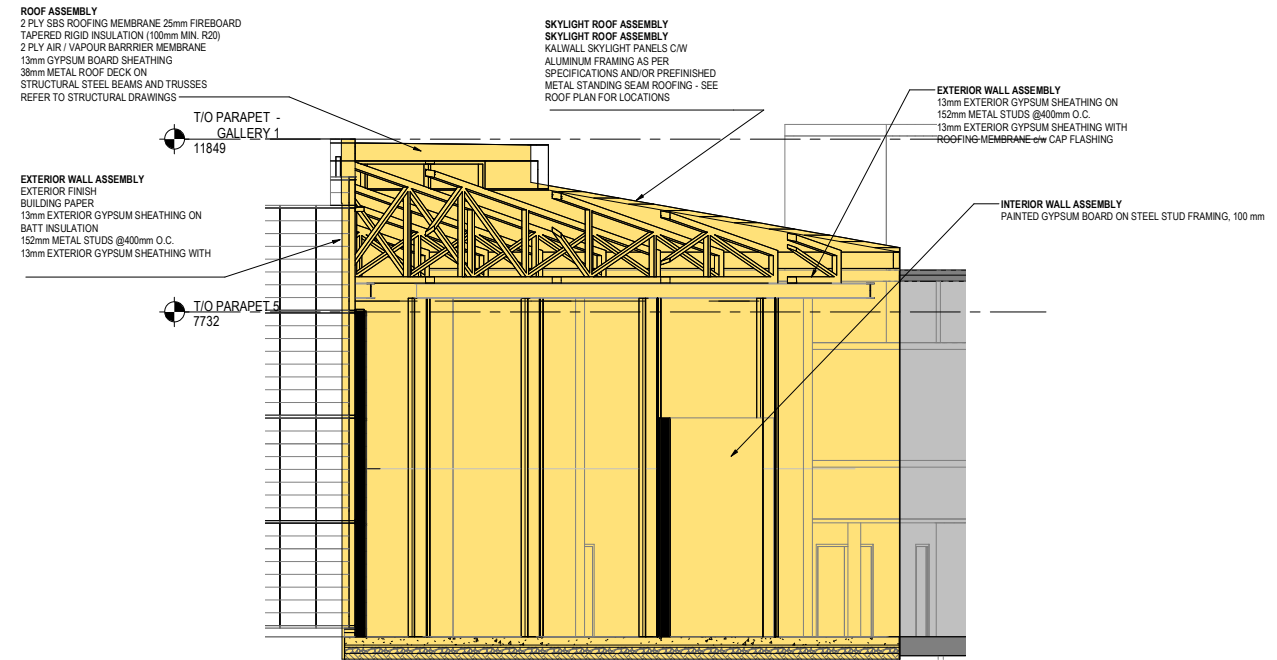
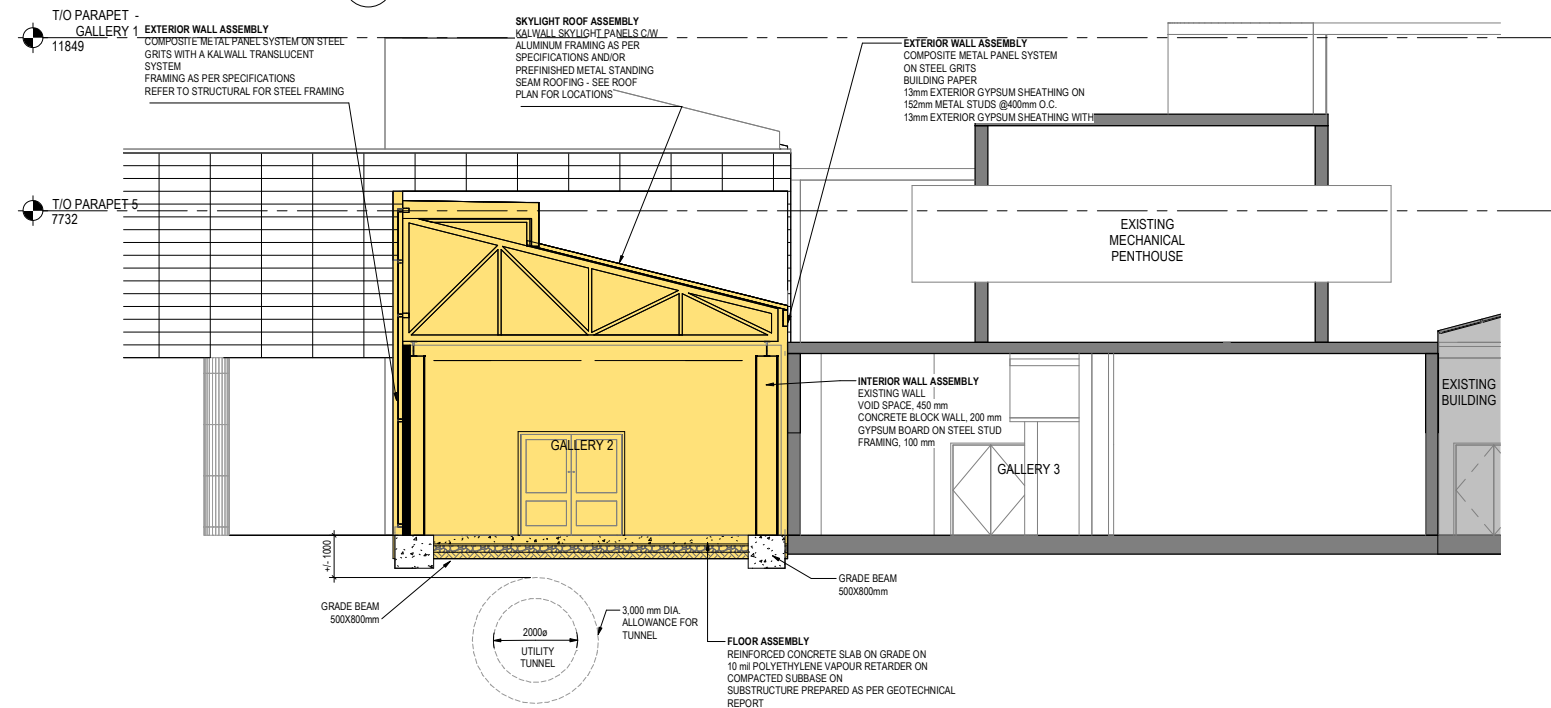
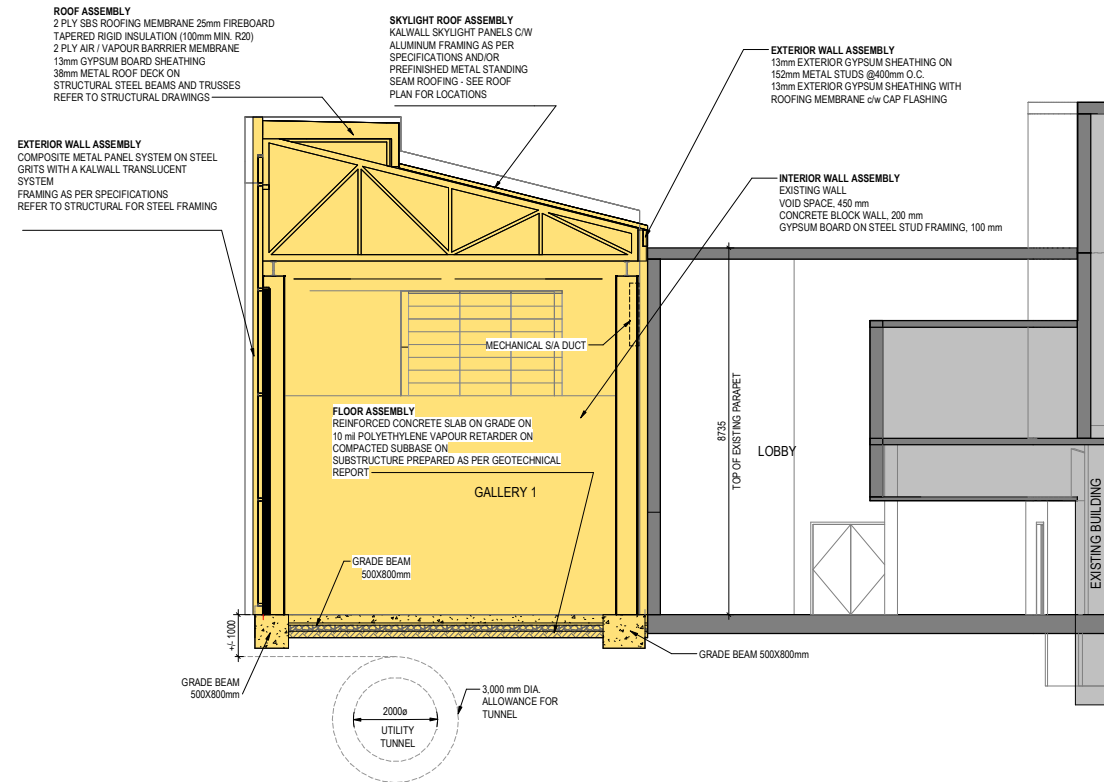


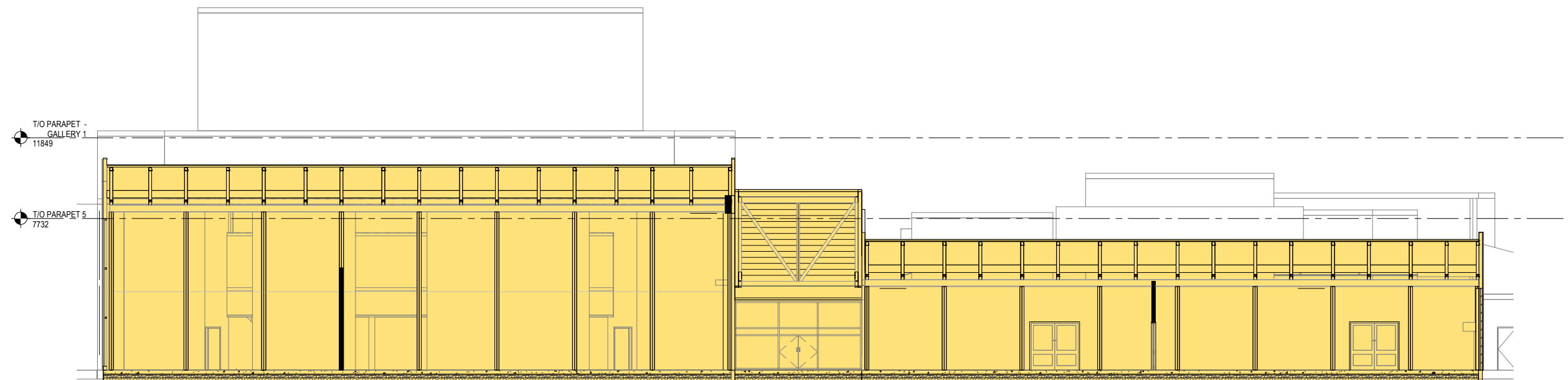




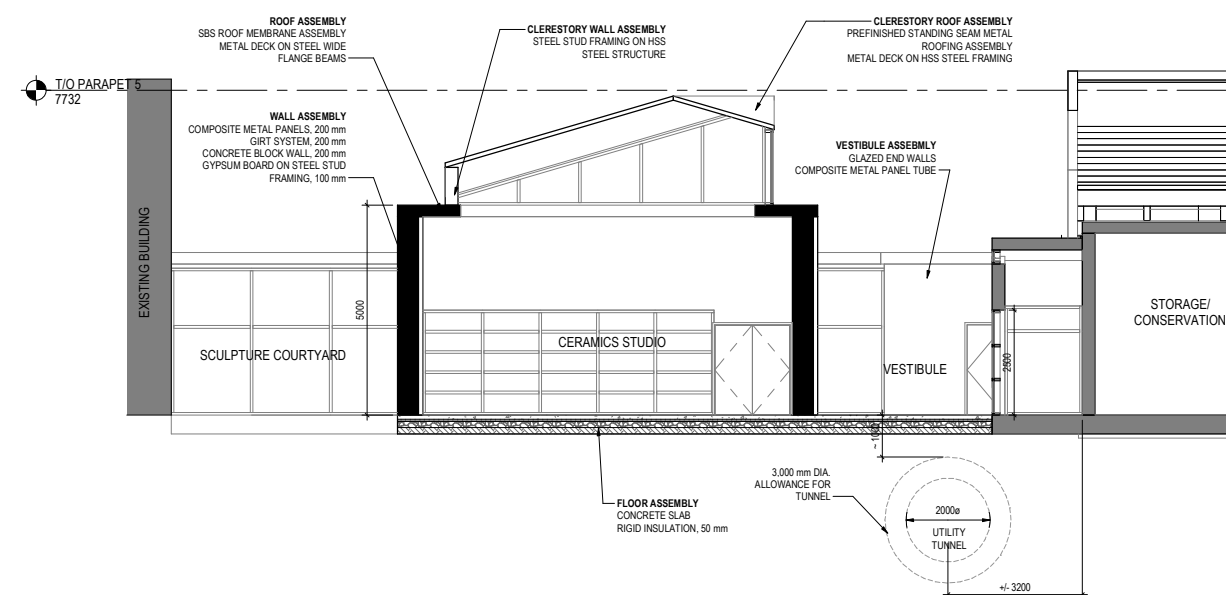




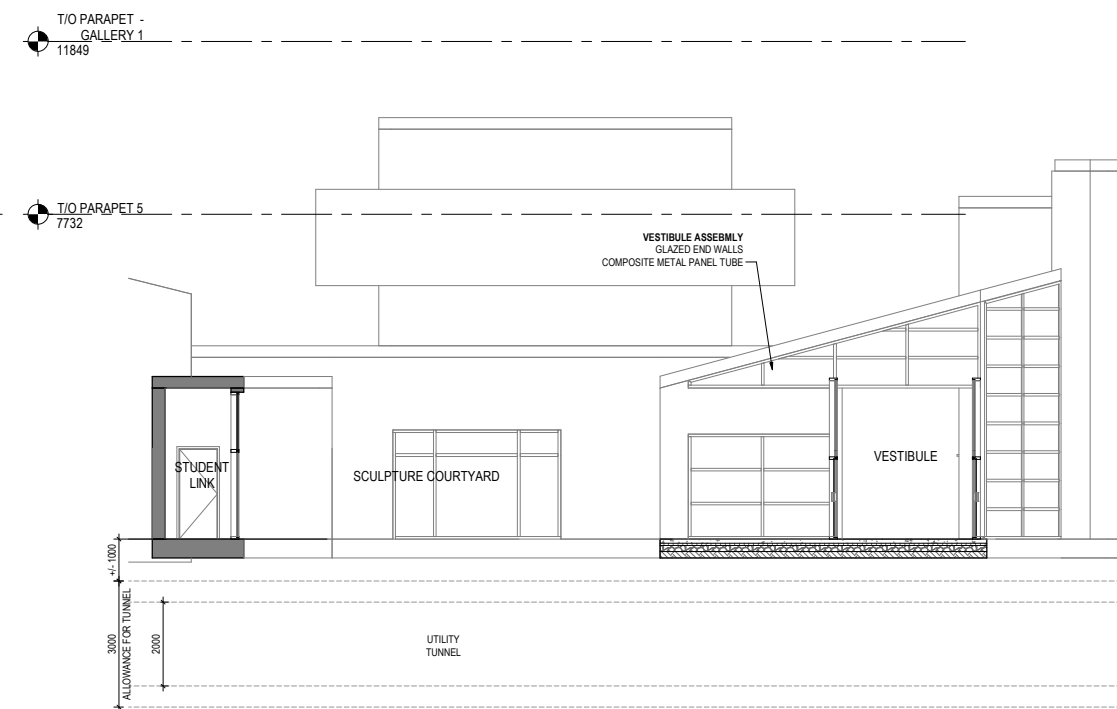




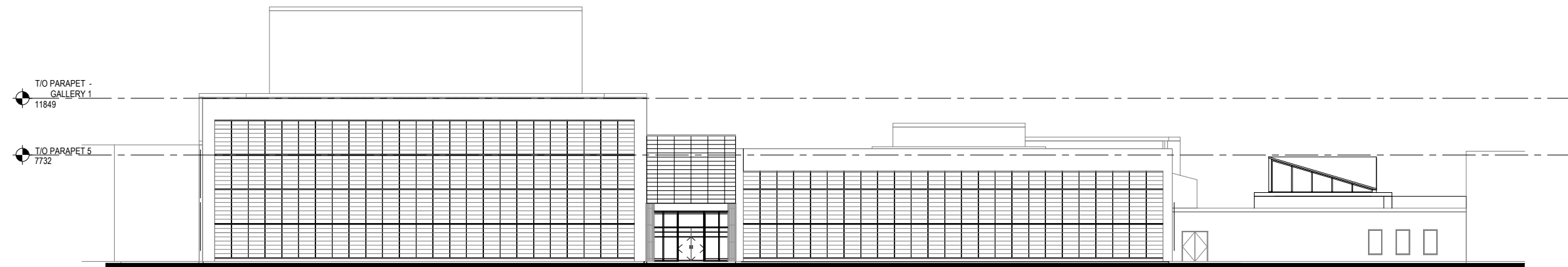
**2 BUILDING SECTION 2**  
P-201 1:100



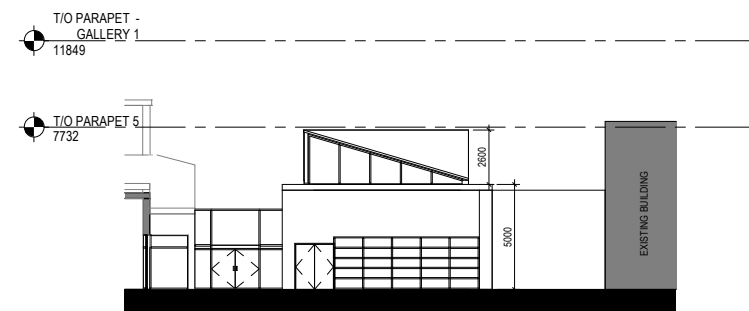
**1 SECTION DIAGRAM-CERAMICS STUDIO 1**  
P-201 1:75



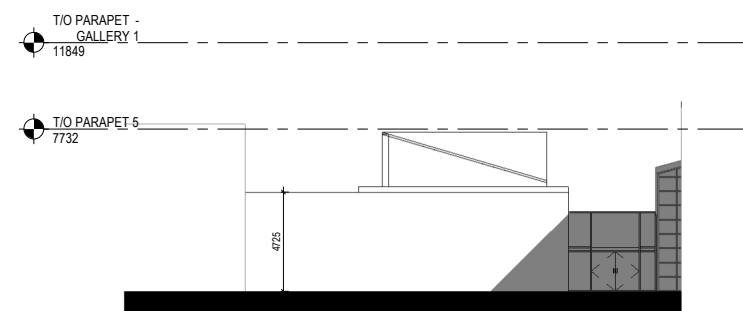
**3 SECTION DIAGRAM - CERAMICS STUDIO 2**  
P-201 1:75



**1 WEST ELEVATION**  
P-300 1 : 150



**2 WEST ELEVATION - CERAMICS STUDIO**  
P-300 1 : 150



**3 EAST ELEVATION - CERAMICS STUDIO**  
P-300 1 : 150



**BUILDING CONCEPT**  
Keyano College Art Gallery  
Clearwater Campus, Fort McMurray, Alberta  
Scale Date 08/26/2019







**BUILDING CONCEPT**  
 Keyano College Art Gallery  
 Clearwater Campus, Fort McMurray, Alberta  
 Scale Date 08/26/2019

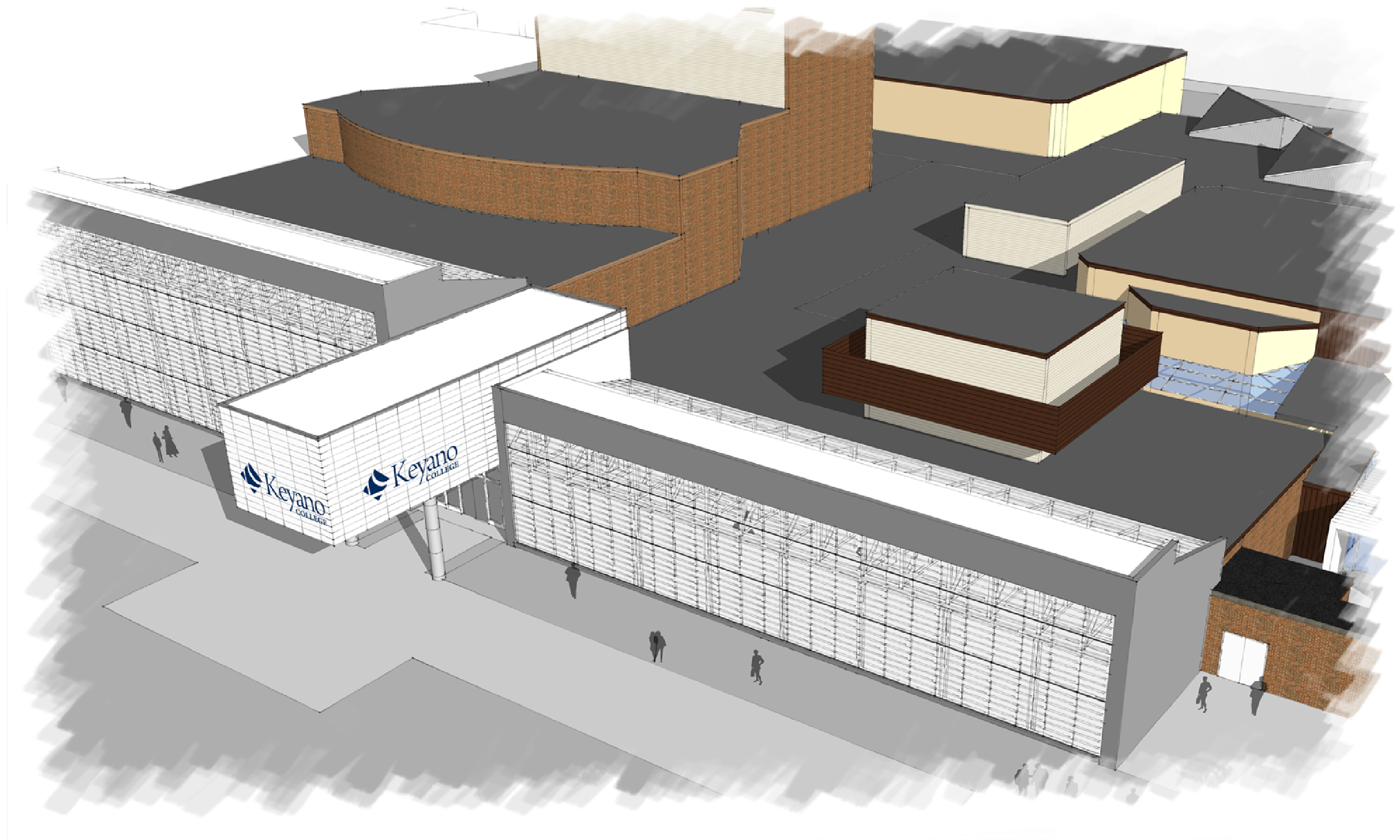




**BUILDING CONCEPT**  
Keyano College Art Gallery  
Clearwater Campus, Fort McMurray, Alberta  
Scale Date 08/26/2019

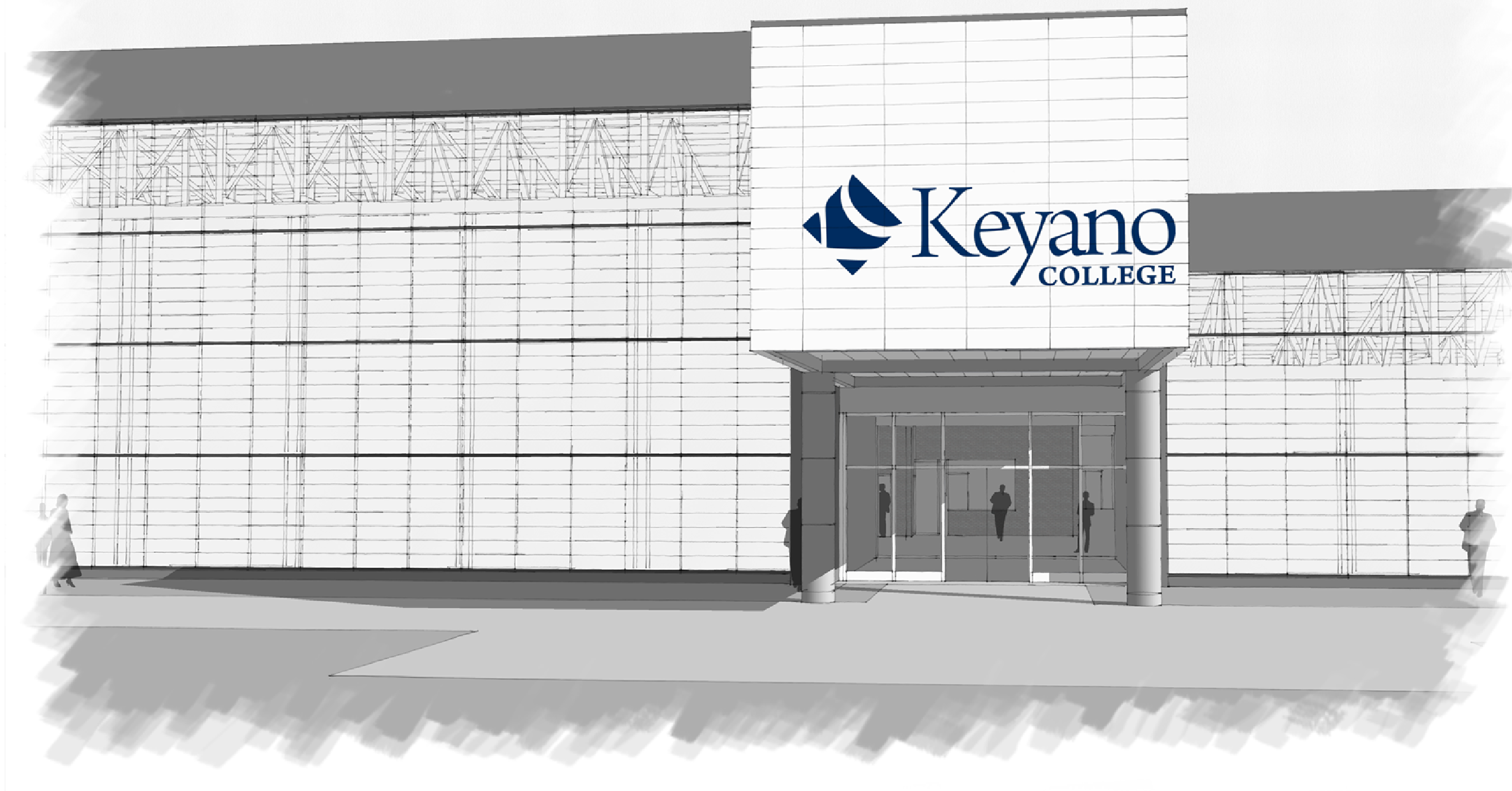






**BUILDING CONCEPT**  
 Keyano College Art Gallery  
 Clearwater Campus, Fort McMurray, Alberta  
 Scale Date 08/26/2019





**BUILDING CONCEPT**  
Keyano College Art Gallery  
Clearwater Campus, Fort McMurray, Alberta  
Scale Date 08/26/2019



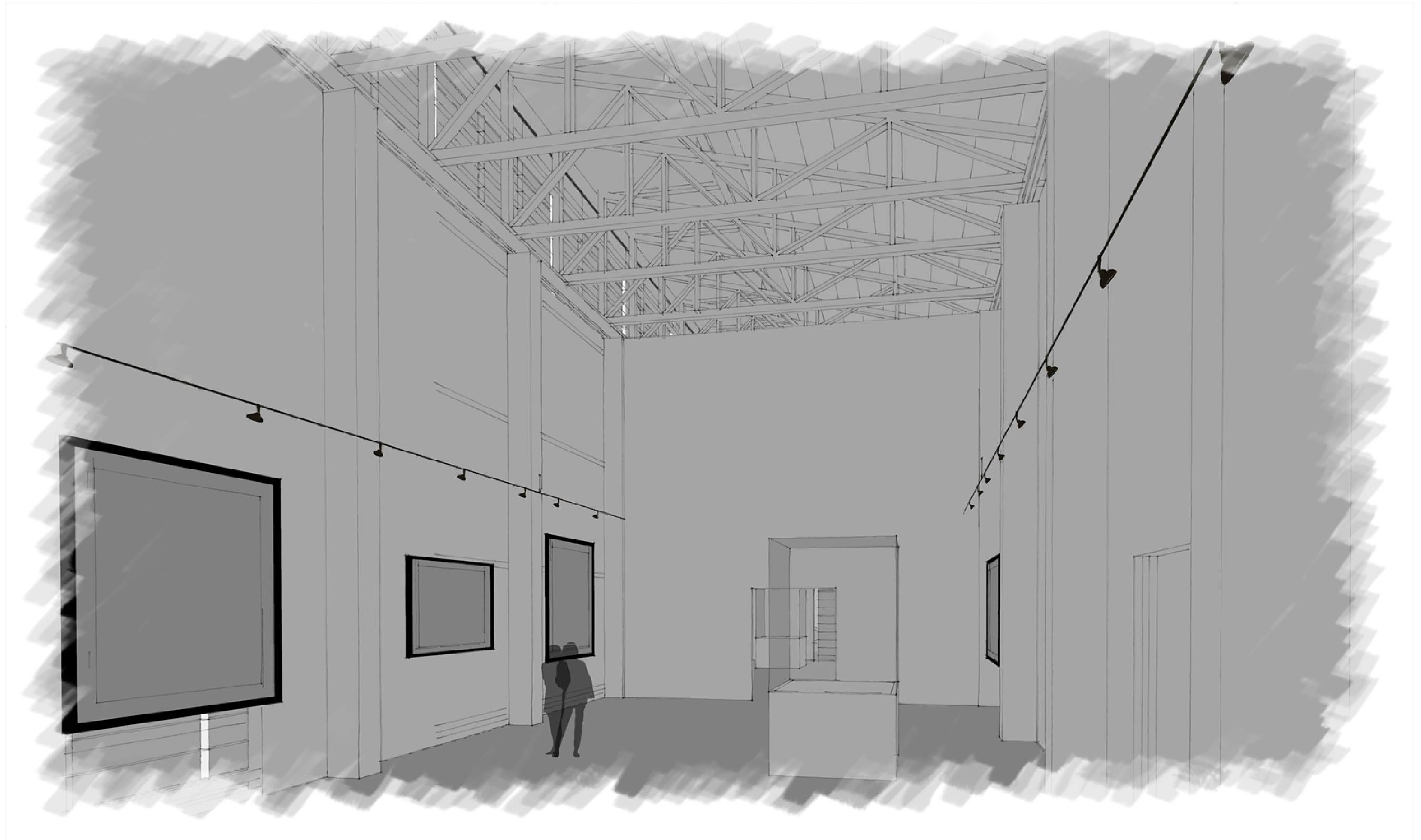




## BUILDING CONCEPT - SCULPTURE COURTYARD

Keyano College Art Gallery  
Clearwater Campus, Fort McMurray, Alberta  
Scale Date 12/06/18





## BUILDING CONCEPT - GALLERY 1

Keyano College Art Gallery

Clearwater Campus, Fort McMurray, Alberta

Scale

Date 08/26/2019





## BUILDING CONCEPT - GALLERY 2&3

Keyano College Art Gallery

Clearwater Campus, Fort McMurray, Alberta

Scale

Date 08/26/2019





# **KEYANO COLLEGE**

**CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**KEYANO COLLEGE**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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Independent Auditor's Report	
Statement of Management Responsibility	1
Consolidated Statement of Financial Position	2
Consolidated Statement of Operations	3
Consolidated Statement of Change in Net Financial Assets (Net Debt)	4
Consolidated Statement of Remeasurement Gains and Losses	5
Consolidated Statement of Cash Flows	6 - 31
Notes to the Consolidated Financial Statements	

## Independent Auditor's Report

To the Board of Governors of Keyano College

**Auditor  
General**  
OF ALBERTA

### Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of Keyano College, which comprise the consolidated statement of financial position as at June 30, 2018, and the consolidated statements of operations, remeasurement gains and losses, change in net financial assets (net debt), and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Keyano College as at June 30, 2018, and the results of its operations, its remeasurement gains and losses, its change from net debt to net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

July 11, 2019  
Edmonton, Alberta



# KEYANO COLLEGE

## STATEMENT OF MANAGEMENT RESPONSIBILITY

### YEAR ENDED JUNE 30, 2018

---

The consolidated financial statements of Keyano College have been prepared by management in accordance with Canadian Public Sector Accounting Standards. The consolidated financial statements present fairly the consolidated financial position of the College as at June 30, 2018 and the consolidated results of its operations, remeasurement gains and losses, changes in net financial assets (net debt) and cash flows for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has developed and maintains a system of internal controls designed to provide reasonable assurance that College assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the 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 & Audit Committee. With the exception of the President and the Board of Governors' CUPE representative, all members of the Finance & Audit Committee are not employees of the College. The Finance & 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 & 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.



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President & Chief Executive Officer




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Vice President Corporate Services and  
Chief Financial Officer

**KEYANO COLLEGE**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2018**

	2018	2017
<b>Financial assets excluding portfolio investments restricted for endowments</b>		
Cash and cash equivalents (Note 4)	\$ 2,807,730	\$ 20,298,691
Portfolio investments - non-endowment (Note 5)	11,832,005	11,708,294
Accounts receivable (Note 7)	7,192,517	1,814,838
Inventories held for sale	284,179	259,270
Loan receivable (Note 8)	391,478	418,781
Investment in and advances to government business enterprises (Note 9)	15,784,019	15,113,622
	<b>38,291,928</b>	<b>49,613,496</b>
<b>Liabilities</b>		
Bank indebtedness (Note 11)	-	1,764,028
Accounts payable and accrued liabilities	8,238,492	11,424,702
Debt (Note 12)	18,837,115	20,253,727
Deferred revenue (Note 13)	15,053,039	20,995,703
	<b>42,128,646</b>	<b>54,438,160</b>
<b>Net debt excluding portfolio investments restricted for endowments</b>	<b>(3,836,718)</b>	<b>(4,824,664)</b>
Portfolio investments - restricted for endowments (Note 5)	5,330,800	4,665,515
<b>Net financial assets/(net debt)</b>	<b>1,494,082</b>	<b>(159,149)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 14)	108,441,052	112,827,617
Prepaid expenses	433,665	348,647
	<b>108,874,717</b>	<b>113,176,264</b>
<b>Net assets before spent deferred capital contributions</b>	<b>110,368,799</b>	<b>113,017,115</b>
Spent deferred capital contributions (Note 15)	56,909,621	62,333,357
<b>Net assets (Note 16)</b>	<b>\$ 53,459,178</b>	<b>\$ 50,683,758</b>
<b>Net assets is comprised of:</b>		
Accumulated surplus	\$ 52,549,960	\$ 49,508,800
Accumulated remeasurement gains	909,218	1,174,958
	<b>\$ 53,459,178</b>	<b>\$ 50,683,758</b>
Contingent assets and contractual rights (Notes 18 and 20)		
Contingent liabilities and contractual obligations (Notes 19 and 21)		

Approved by the Board of Governors:

  
Chair, Board of Governors

  
Chair, Finance & Audit Committee

**KEYANO COLLEGE**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**YEAR ENDED JUNE 30, 2018**

	Budget (Note 28)	2018	2017
<b>Revenues</b>			
Government of Alberta grants (Note 24)	\$ 46,905,544	\$ 59,239,787	\$ 45,892,535
Sales of services and products	8,331,107	8,596,278	8,292,934
Student tuition and fees	9,518,630	8,195,004	8,270,440
Donations and other grants	2,887,132	2,288,514	2,437,264
Investment income	760,000	1,059,518	979,508
Federal and other government grants (Note 24)	1,061,538	1,048,347	1,047,536
Investment in government business enterprise (Notes 9 and 26)	649,240	344,675	620,010
Other revenue (Note 27)		6,842,328	-
	<u>70,113,191</u>	<u>87,614,451</u>	<u>67,540,227</u>
<b>Expenses (Note 22)</b>			
Facility operations and maintenance	7,658,131	25,470,590	8,897,280
Institutional support	24,512,027	24,731,272	21,305,103
Instruction and training	24,271,881	19,874,749	20,616,958
Academic and student support	6,645,229	8,010,434	9,205,797
Ancillary services	5,150,989	5,335,980	3,722,243
Special purpose and Trust	1,173,516	1,377,173	1,373,200
	<u>69,411,773</u>	<u>84,800,198</u>	<u>65,120,581</u>
<b>Annual operating surplus</b>	701,418	2,814,253	2,419,646
Endowment contributions (Note 16)	-	175,450	107,500
Capitalized income (Note 16)	-	51,457	7,322
<b>Annual surplus</b>	<u>701,418</u>	<u>3,041,160</u>	<u>2,534,468</u>
<b>Accumulated surplus, beginning of year</b>		49,508,800	46,974,332
<b>Accumulated surplus, end of year</b>	<u>\$ 701,418</u>	<u>\$ 52,549,960</u>	<u>\$ 49,508,800</u>

**KEYANO COLLEGE**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)**  
**YEAR ENDED JUNE 30, 2018**

	Budget (Note 28)	2018	2017
Annual surplus	\$ 701,418	\$ 3,041,160	\$ 2,534,468
Acquisition of tangible capital assets (Note 14)	(3,757,500)	(5,697,488)	(7,202,636)
Proceeds from sale of tangible capital assets		1,787	24,688
Amortization of tangible capital assets (Note 14)	8,627,000	8,443,911	8,219,227
Loss (gain) on disposal of tangible capital assets		134,385	(20,986)
Change in prepaid expenses		(85,018)	(114,806)
Write downs during the year		1,503,971	1,984,076
Change in spent deferred capital contributions (Note 15)		(5,423,736)	(322,312)
Change in accumulated remeasurement gains (losses)		(265,740)	475,053
Decrease in net debt		1,653,231	5,576,771
Net debt, beginning of year		(159,149)	(5,735,920)
Net financial assets (net debt), end of year		\$ 1,494,082	\$ (159,149)

**KEYANO COLLEGE**  
**CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES**  
**YEAR ENDED JUNE 30, 2018**

	2018	2017
Accumulated remeasurement gains, beginning of year	\$ 1,174,958	\$ 699,905
Unrealized gains (losses) attributable to:		
Portfolio investments - non-endowment	(20,779)	740,522
Amounts reclassified to the consolidated statement of operations:		
Portfolio investments - non-endowment	(244,961)	(265,469)
Accumulated remeasurement gains, end of year	<u>\$ 909,218</u>	<u>\$ 1,174,958</u>

**KEYANO COLLEGE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2018**

	2018	2017
<b>Operating transactions</b>		
Annual surplus	\$ 3,041,160	\$ 2,534,468
Add (deduct) non-cash items:		
Amortization of tangible capital assets (Note 14)	8,443,911	8,219,227
Gain on disposal of portfolio investments	(616,753)	(265,469)
Loss (gain) on disposal of tangible capital assets	134,385	(20,986)
Write down of tangible capital assets (Note 14)	1,503,971	1,984,076
Expended capital recognized as revenue (Note 15)	(5,933,831)	(5,194,389)
Investment earnings in government business enterprise (Note 9)	(344,675)	(620,010)
Government business enterprise non-cash interest revenue (Note 9)	(325,722)	(316,738)
Change in non-cash items	5,902,446	6,320,179
(Increase) decrease in accounts receivable (Note 7)	(5,377,679)	1,072,978
(Increase) decrease in inventories for held for sale	(24,909)	85,152
Decrease in accounts payable and accrued liabilities	(3,186,210)	(684,466)
(Decrease) increase in deferred revenue	(5,942,664)	6,865,291
Increase in prepaid expenses	(85,018)	(114,809)
<b>Cash (applied to) provided by operating transactions</b>	<b>(8,714,035)</b>	<b>13,544,325</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets (Note 14)	(5,697,488)	(4,238,778)
Proceeds on sale of tangible capital assets	1,787	24,688
<b>Cash applied to capital transactions</b>	<b>(5,695,701)</b>	<b>(4,214,090)</b>
<b>Investing transactions</b>		
Loan receivable repayments (Note 8)	27,303	26,518
Purchases of portfolio investments	(2,847,613)	(3,559,571)
Proceeds on sale of portfolio investments	2,409,630	3,649,134
<b>Cash (applied to) provided by investing transactions</b>	<b>(410,680)</b>	<b>116,081</b>
<b>Financing transactions</b>		
Debt repayment (Note 11 and 12)	(3,180,640)	(1,598,309)
Increase in spent deferred capital contributions, less expended capital recognized as revenue (Note 15)	510,095	4,872,076
<b>Cash (applied to) provided by financing transactions</b>	<b>(2,670,545)</b>	<b>3,273,767</b>
(Decrease) increase in cash and cash equivalents	(17,490,961)	12,720,083
Cash and cash equivalents, beginning of the year	20,298,691	7,578,608
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 2,807,730</b>	<b>\$ 20,298,691</b>

**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**1. Authority and purpose**

The Board of Governors of Keyano College is a corporation that manages and operates Keyano 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* Campus Alberta Sector Regulation, 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. This tax exemption does not extend to its wholly-owned subsidiary, Keyano College Land Trust Corporation (the "Land Trust").

**2. Summary of significant accounting policies and reporting practices**

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

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

The measurement of certain assets and liabilities is contingent upon future events; therefore, the preparation of these consolidated financial statements requires the use of estimates, which may vary from actual results. The College's management uses judgment to determine such estimates. Restricted expended capital recognized as revenue, along with collectability of accounts receivable, accrued liabilities and the useful life and corresponding amortization of tangible capital assets are considered 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 and cash equivalents	Cost or amortized cost
Portfolio investments	Fair value and amortized cost
Inventories held for sale	Lower of cost or net realizable value
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized 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.

**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**2. Summary of significant accounting policies and reporting practices (cont'd)**

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recognized in the consolidated statement of operations. A write-down of a portfolio investment to reflect a loss in value 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.

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

**c) Revenue Recognition**

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

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

Government transfers are referred to as government grants.

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

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

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



**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**2. Summary of significant accounting policies and reporting practices (cont'd)**

**ii) Grants and donations related to land**

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

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

**iii) Endowment donations**

Endowment donations 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.

**iv) 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 the College's policy, stipulates that the economic value of the endowments must be protected by limiting the amount of income that may be expended and by reinvesting unexpended income.

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

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

**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**2. Summary of significant accounting policies and reporting practices (cont'd)**

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, the spending allocation will be suspended until sufficient accumulated capitalized income is available. The principal of the endowment will remain intact.

Endowment contributions, matching contributions, and associated investment income allocated for the preservation of endowment capital purchasing power are recognized in the consolidated statement of operations in the period in which they are received.

**e) Inventories held for sale**

Inventories held for sale are valued at the lower of cost and expected net realizable value and are determined using the first-in, first-out ("FIFO") method basis.

**f) Tangible Capital Assets**

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

Capital lease liabilities are recognized at the present value of the future minimum lease payments at the inception of the lease, excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of the College's rate for incremental borrowing or the interest rate implicit in the lease.

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:

Land improvements	20 - 40 years
Buildings & renovations	10 - 40 years
Equipment	5 - 25 years
Other	5 - 25 years
Computer hardware & software	3 - 15 years

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

**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**2. Summary of significant accounting policies and reporting practices (cont'd)**

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) Asset Retirement Obligations**

Asset retirement obligations are recognized for statutory, contractual or legal obligations, associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included in determining the results of operations.

**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 provide pensions for the College's participating employees based on years of service and earnings.

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

**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**2. Summary of significant accounting policies and reporting practices (cont'd)**

**j) Basis of Consolidation**

**Consolidated entities**

The consolidated financial statements consolidate the accounts of Keyano College Foundation (the "Foundation") on a line-by-line basis. The Foundation is a registered public foundation created to solicit, receive and administer funds for the advancement of Keyano College.

**Investment in Keyano College Land Trust**

The consolidated financial statements include the accounts of Keyano College Land Trust (the "Land Trust"), a Government business enterprise (GBE), using the modified equity basis, with equity being computed in accordance with accounting standards applicable to the Land Trust. The purpose of the Land Trust is to maximize the value of specific College lands through development, sales and leases for purposes aligned with College needs. Under the modified equity method, the accounting policy of the GBE is not adjusted to conform to that of the other government entities.

**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. The liability is recognized net of any expected recoveries. A liability for remediation of contaminated sites normally results from an operation(s) that is no longer in productive use and is recognized when all of the following criteria are met:

- i) an environmental standard exists;
- ii) contamination exceeds the environmental standard;
- iii) the College is directly responsible or accepts responsibility;
- iv) it is expected that future economic benefits will be given up; and
- v) a reasonable estimate of the amount can be made.

**l) Expense by Function**

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

**Instruction and training**

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, galleries and expenses for Deans. Academic and student support also includes expenses for centralized functions that support individual students or groups of students.

**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.

**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**2. Summary of significant accounting policies and reporting practices (cont'd)**

**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 related to services and products provided to the College community and to external individuals and organizations. Services include the bookstore, parking, student residences, theatre and the Sport & Wellness Centre.

**Special Purpose and Trust**

Fundraising expenses related to sales of services and products and donations and other contributions earned.

**m) Funds and Reserves**

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

**n) Future Accounting Changes**

In June 2015, the Public Sector Accounting Board issued PS 3430 Restructuring transactions. This accounting standard is effective for fiscal years starting on or after April 1, 2018. PS 3430 Restructuring transactions defines a restructuring transaction and establishes standards for recognizing and measuring assets and liabilities transferred in a restructuring transaction.

In March 2018, the Public Sector Accounting Board approved PS 3280 Asset Retirement Obligations. This accounting standard is effective for fiscal years starting on or after April 1, 2021. PS 3280 Asset Retirement Obligations provides guidance on how to account for and report a liability for retirement of a tangible capital asset

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

**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**3. Adoption of new accounting standards**

The College has prospectively adopted the following standards from April 1, 2017:

- PS 2200 - Related party disclosures defines a related party and identifies disclosures for related parties and related party transactions, including key management personnel and close family members.
- PS 3420 - Inter-entity transactions, establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.
- PS 3210 - Assets provides guidance for applying the definition of assets set out in PS 1000, Financial statement concepts, and establishes general disclosure standards for assets.
- PS 3320 - Contingent assets defines and establishes disclosure standards for contingent assets.
- PS 3380 - Contractual rights defines and establishes disclosure standards on contractual rights.

**4. Cash and cash equivalents**

	2018	2017
Cash	\$ 1,512,537	\$ 18,908,547
Money market funds and interest bearing accounts	1,239,107	1,336,736
Restricted cash	56,086	53,408
	<u>\$ 2,807,730</u>	<u>\$ 20,298,691</u>

Cash equivalents includes money market funds, interest bearing accounts and short term investments with a maturity date of less than three months from the date of acquisition.

Restricted cash relates to a casino bank account with external restrictions from the Alberta Gaming and Liquor Commission.

## 5. Portfolio investments

Total portfolio investments (non-endowment) amounts presented on the statement of financial position, are made up of investments in pooled funds and guaranteed investment certificate totaling \$11,832,005 (2017 - \$11,708,294).

	2018			
	Level 1	Level 2	Level 3	Total
Portfolio investments at fair value				
Bonds				
Canadian government and corporate bonds	-	\$ 7,914,097	-	\$ 7,914,097
Equities				
Canadian equity fund	-	3,963,523	-	3,963,523
Foreign equity fund	-	4,509,562	-	4,509,562
Total portfolio investments	-	\$ 16,387,182	-	\$ 16,387,182
	0%	100%	0%	100%

The guaranteed investment certificate is carried at amortized cost, therefore, its carrying amount is not included in the fair value hierarchy tables above.

**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**5. Portfolio investments (cont'd)**

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).

**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 annualized standard deviation for the total portfolio investment pool over a four year period as determined by the asset management consulting firm. At June 30, 2018, if market prices had a 10% (2017 - 10%) increase or decrease, with all other variables held constant, the increase or decrease in accumulated remeasurement gains and losses and deferred revenue for the year would be \$1,605,944 (2017 - \$1,529,000).

**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 to manage the foreign currency exposure on these investments. The College's exposure to foreign exchange risk is very low due to minimal business activities conducted in a foreign currency.



**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**6. Financial Risk Management (cont'd)**

**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. To manage the risk the College has established an investment policy with required minimum credit quality standards and issuer limits. 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:

	2018	2017
<b>Credit rating</b>		
AAA	22.4%	22.7%
AA	22.7%	33.8%
A	36.5%	31.4%
BBB	18.4%	12.1%
Below BBB	0.0%	0.0%
	<b>100.0%</b>	<b>100.0%</b>

**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. As at June 30, 2018 the College has (1) a lease line of credit of \$4.5 million (2017- \$4.5 million) which has not been withdrawn and (2) a revolving line of credit of \$1.5 million (2017- \$1.5 million) which has not been withdrawn.

**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 increased by 1.00%, and all other variables are held constant, the potential loss in fair value to the College would be approximately 3.5% of total investments (2017: 3.8%). Interest risk on the College's debt is managed through fixed-rate agreements with Alberta Capital Finance Authority (Note 12). The maturity and effective market yield of interest bearing investments are as follows:

	< 1 year	1 - 5 years	> 5 years	Average effective market yield
Cash and cash equivalents	100%	0%	0%	1.48%
Portfolio investments, short term notes and treasury bill	100%	0%	0%	1.48%
Portfolio investments - Canadian government and corporate bonds	0%	17.70%	82.30%	3.98%

**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**7. Accounts Receivable**

	2018	2017
Trade receivables	\$ 629,462	\$ 563,680
Accrued receivables	5,744,628	1,101,484
Loan receivables from staff	25,346	19,811
Canada Revenue Agency (Goods and Services Tax)	817,447	93,665
Student receivables	-	44,022
Less: Allowance for doubtful accounts	(24,367)	(7,824)
	<u>\$ 7,192,517</u>	<u>\$ 1,814,838</u>

Accounts receivable are unsecured and non-interest bearing. Trade receivables are related to corporate training, continuing education and other rentals paid for by corporations.

Accrued receivables balance includes amount owed from the Ministry of Advanced Education of \$5,035,796 (2017- \$821,850), and an additional \$1,224 (2017 - \$80,450) from other Government of Alberta departments and agencies. These amounts are also included in government transfers balances (Note 24).

Loans receivable from staff includes computer loans that are repaid within 30 months with no interest.

**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**8. Loan Receivable**

During fiscal 2015, the College entered into a lease agreement with YMCA of Wood Buffalo by providing a renovated space. The College charges YMCA of Wood Buffalo interest on the capital cost of the renovations at a rate of 2.92% per annum. The capital cost is to be repaid by YMCA of Wood Buffalo over a period of 15 years.

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

	2018
2019	\$ 28,110
2020	28,942
2021	29,799
2022	30,680
2023	31,588
Thereafter	242,359
	<u>\$ 391,478</u>

**9. Investment In and Advances to Government Business Enterprise (Note 26)**

On July 4, 2013, the College transferred 611.04 acres of land development to the Land Trust with a cost base of \$6,876,225. This transaction occurred outside the course of normal operations, and was measured at its carrying value.

Included in sales of services and products is \$450,000 (2017 - \$450,000) in service fees related to cost recoveries from the Land Trust. The transaction occurred in the normal course of operations and was measured at the exchange amount. The exchange amount has been agreed to and established by the Land Trust and the College through a signed master service agreement.

On June 26, 2015, the College entered into a signed agreement with the Land Trust that set the terms of repayment to principal amount upon demand of the College. Until such demand is made, the Land Trust covenants and agrees to pay compounding interest monthly. The advances are to bear interest at a rate not to exceed the expected rate of return set by the investment policy of the College. As at June 30, 2018, the interest rate was 2.8% (2017 - 2.8%) with no covenants or repayment plan. The College records interest income on the advances to the Land Trust of \$325,722 (2017 - \$316,738). Principal repayment of the advances has been postponed pursuant to financing with RBC.

Interest revenue and other advances in the amount of \$325,722 (2017 - \$316,738) were non-cash transactions and have been excluded from the consolidated statement of cash flows.

**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**9. Investment In and Advances to Government Business Enterprise (Note 26) (cont'd)**

The balance represents the investment in the Land Trust with the following breakdown:

	2018	2017
100 Class "A" common voting shares <sup>(1)</sup>	\$ 10	\$ 10
Opening advances	\$ 11,484,358	\$ 11,167,822
Advances	325,722	316,736
Total advances to Keyano College Land Trust	11,810,080	11,484,358
Opening accumulated investment earnings	3,629,254	3,009,244
Current investment earnings (Note 26)	344,875	620,010
Total accumulated earnings	3,973,929	3,629,254
	<u>\$ 15,784,019</u>	<u>\$ 15,113,622</u>

<sup>(1)</sup> The Board of Governors of Keyano College is the registered holder of 100 Class "A" common voting shares of the Keyano College Land Trust Corporation.

**10. Employee Future Benefit Liabilities**

**Defined benefit plan accounted for on a defined contribution basis**

The Local Authorities 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, 2017, the LAPP reported an actuarial surplus of \$4,835,515,000 (2017 - \$637,357,000 deficiency). An actuarial valuation of the LAPP was carried out as at December 31, 2016 and was then extrapolated to December 31, 2017. The pension expense recorded in these financial statements is \$2,983,297 (2017 - \$3,038,401). Other than the requirement to make additional contributions, the College does not bear any risk related to the LAPP.

**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**11. Bank indebtedness**

In the prior year, the College entered in to an agreement with the Royal Bank of Canada (RBC) to increase its revolving lease line of credit up to \$4.5M to finance improvements for the Clearwater Hall residence. During the year, the College was advanced additional funds under the lease line of credit, and on June 27, 2018 the lease line of credit totalling \$3,635,684 was repaid in full resulting in \$nil (2017 - \$1,764,028) being outstanding as of June 30 2018. Interest is paid monthly at prime amounts due on demand are secured by College buildings.

**12. Debt**

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

	Collateral*	Maturity	Interest Rate	2018	2017
Debentures payable to Alberta Capital Finance Authority.					
Campus Development Project	1	June 2026	6.5%	\$ 2,745,407	\$ 3,001,225
Deferred Housing Maintenance	2	December 2020	3.4%	507,985	696,358
Power & Process Lab	3	June 2032	2.9%	15,164,544	16,023,648
				<u>18,417,936</u>	<u>19,721,231</u>
Obligations under capital leases	4	Various	0% to 5.6%	419,179	532,496
				<u>\$ 18,837,115</u>	<u>\$ 20,253,727</u>

\*Collateral.

- (1) Title to building with a net book value of \$3,564,370 (2017 - \$3,658,874).
- (2) None.
- (3) Title to the land for the College's Suncor Energy Industrial Campus main building with a net book value of \$754,038 (2017 - \$825,078).
- (4) Title to leased assets with a net book value of \$462,415 (2017- \$526,862) (Note 14)

Principal and interest repayments are as follows:

	Principal	Interest	Total
2019	\$ 1,572,567	\$ 635,116	\$ 2,207,683
2020	1,546,956	580,151	2,127,107
2021	1,431,514	527,084	1,958,598
2022	1,301,048	477,435	1,778,483
2023	1,351,047	427,435	1,778,482
Thereafter	11,633,983	1,666,972	13,300,955
	<u>\$ 18,837,115</u>	<u>\$ 4,314,193</u>	<u>\$ 23,151,309</u>

Interest expense on debt is \$698,185 (2017 - \$725,134) (Note 22) and is included in the consolidated statement of operations

**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**13. Deferred Revenue**

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

	2018			2017	
	Unspent externally funded grants and donations	Tuition, fundraising and other fees	Total	Total	
Balance, beginning of year	\$ 18,273,629	\$ 2,722,074	\$ 20,995,703	\$ 13,926,338	
Grants, tuition, and donations	12,075,505	2,744,293	14,819,798	18,986,287	
Investment income	124,720	-	124,720	547,127	
Unrealized gain (loss) on investments	130,843	-	130,843	(138,292)	
Transfers to spent deferred capital contributions	(247,131)	(262,964)	(510,095)	(4,905,721)	
Transfers to other deferred contributions	(94,000)	-	(94,000)	-	
Recognized as revenue	(17,844,539)	(2,569,392)	(20,413,932)	(7,420,036)	
Balance, end of year	\$ 12,419,027	\$ 2,634,011	\$ 15,053,039	\$ 20,985,703	

**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**14. Tangible Capital Assets**

	2018						2017	
	Land	Land Improvements	Buildings & Renovations	Equipment <sup>(1)</sup>	Computer Hardware & Software	Other <sup>(2)</sup>	Total	Total
<b>Cost</b>								
Balance, beginning of year	\$ 12,980,333	\$ 1,663,424	\$ 151,295,531	\$ 41,362,937	\$ 9,641,139	\$ 3,730,272	\$ 220,063,635	\$ 217,499,114
Acquisitions		147,771	3,044,720	1,856,477	296,149	349,366	\$ 5,697,483	7,202,637
Disposals including write-downs		(5,874)	(6,599)	(1,182,785)	(1,754,409)	(802,235)	\$ (5,731,972)	(4,858,115)
	12,980,333	1,825,321	154,333,656	36,059,629	7,582,879	3,277,403	216,059,222	220,692,636
<b>Accumulated Amortization</b>								
Balance, beginning of year	\$	\$ 871,731	\$ 10,741,280	\$ 24,537,148	\$ 1,575,963	\$ 3,439,887	\$ 107,265,015	\$ 101,667,125
Amortization expense		75,640	4,146,777	3,498,735	504,673	214,892	8,443,617	8,216,227
Effects on disposals including write-downs		(1,065)	(2,665)	(5,654,107)	(1,707,957)	(726,026)	(8,051,760)	(2,627,394)
		645,306	74,888,396	22,351,776	6,772,679	2,928,753	107,616,170	107,266,019
<b>Net book value at June 30, 2018</b>	<b>\$ 12,980,333</b>	<b>\$ 1,178,755</b>	<b>\$ 79,445,261</b>	<b>\$ 13,677,853</b>	<b>\$ 810,200</b>	<b>\$ 348,650</b>	<b>\$ 108,441,052</b>	<b>\$ 112,827,617</b>
<b>Net book value at June 30, 2017</b>	<b>\$ 12,980,333</b>	<b>\$ 1,111,693</b>	<b>\$ 80,554,240</b>	<b>\$ 16,825,789</b>	<b>\$ 1,065,176</b>	<b>\$ 290,385</b>	<b>\$ 112,827,617</b>	

<sup>(1)</sup> Equipment includes vehicles, heavy equipment, office equipment, furniture and leasehold improvements

<sup>(2)</sup> Other tangible capital assets include audio/visual equipment and library books

Buildings and renovations includes work in progress of \$1,119,228 (2017 - \$5,128,622). Computer hardware and software includes work in progress of \$294,150 (2017 - \$225,000). Furniture and equipment includes work in progress of \$1,042,755 (2017 - \$nil). Acquisitions during the year includes gift-in-kind contributions of \$nil (2017 - \$46,411). During the year there was a write down of work in progress buildings in the amount of \$nil (2017 - \$1,984,076) for projects the College is no longer continuing. There was a write down of tangible capital assets of \$1,503,971 (2017 - \$nil) for assets where management has assessed there is no remaining value.

Total cost of capital leases included in equipment is \$1,189,180 (2017 - \$1,189,180), accumulated amortization is \$726,765 (2017 - \$662,318) and amortization expense is \$79,215 (2017 - \$165,178). During the year, lease equipment with a cost of \$nil (2017 - \$39,378) and accumulated amortization of \$nil (2017 - \$85,110) were disposed.

Gift-in-kind contributions, acquisitions in accounts payable and accrued liabilities, bank indebtedness and capital leases are non-cash transactions and have been excluded from the consolidated statement of cash flows.

**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**15. 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).

**Spent deferred capital contributions**

	<b>2018</b>	<b>2017</b>
Balance, beginning of year	\$ 62,333,357	\$ 62,655,669
Transfers from unspent externally restricted grants and donations	510,095	4,872,076
Expended capital recognized as revenue	(5,933,831)	(5,184,389)
Balance, end of year	<u>\$ 56,909,621</u>	<u>\$ 62,333,357</u>



**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**16. Net Assets**

	Accumulated surplus from operations	Investment in tangible capital assets	Internally restricted surplus (Note 17)	Endowments	Total
Net assets, as at June 30, 2016	\$ 4,699,841	\$ 31,324,286	\$ 7,099,415	\$ 4,557,694	\$ 47,674,236
Annual operating surplus	2,419,646	-	-	-	2,419,646
Endowments	-	-	-	-	-
New donations	-	-	-	107,500	107,500
Capitalized investment income	-	-	-	7,322	7,322
Tangible capital assets	-	-	-	-	-
Acquisition of tangible capital assets	-	566,530	(566,530)	-	-
Amortization of tangible capital assets	(3,024,838)	(3,024,838)	-	-	(6,049,676)
Debt repayment	-	1,588,309	(1,588,309)	-	-
Net book value of tangible capital asset disposals	(1,987,778)	(1,987,778)	-	-	(3,975,556)
Net board appropriation to internally restricted surplus	(8,032,198)	-	8,032,198	-	-
Change in accumulated remeasurement gains (losses)	475,053	-	-	-	475,053
Net assets, as at June 30, 2017	4,574,958	28,476,509	12,905,714	4,665,516	\$ 50,683,756
Annual operating surplus	2,814,254	-	-	-	2,814,254
Endowments	-	-	-	-	-
New donations	-	-	-	61,457	61,457
Capitalized investment income	-	-	-	51,457	51,457
Transfer to endowments	-	-	-	94,000	94,000
Tangible capital assets	-	-	-	-	-
Acquisition of tangible capital assets	-	5,187,393	(5,187,393)	-	-
Amortization of tangible capital assets	2,510,080	(2,510,080)	-	-	-
Debt repayment	(3,180,640)	3,180,640	-	-	-
Net book value of tangible capital asset disposals	1,640,145	(1,640,145)	-	-	-
Net board appropriation to internally restricted surplus	(512,843)	-	512,843	-	-
Change in accumulated remeasurement gains (losses)	(265,740)	-	-	-	(265,740)
Net assets, as at June 30, 2018	7,580,214	32,694,317	8,292,224	4,892,423	\$ 53,459,178
Net assets is comprised of:	-	-	-	-	-
Accumulated surplus	6,670,996	32,694,317	8,292,224	4,892,423	\$ 52,549,960
Accumulated remeasurement gains and losses	909,218	-	-	-	909,218
Balance as at June 30, 2018	\$ 7,580,214	\$ 32,694,317	\$ 8,292,224	\$ 4,892,423	\$ 53,459,178

**KEYANO COLLEGE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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**17. Internally Restricted Surplus**

Internally restricted surplus represent amounts set aside by the College's Board of Governors for specific purposes. The Board passed a motion for internally restricted surplus on May 30, 2014 where the unrestricted operating surplus is to be maintained at 5% of the budgeted operating revenues; \$2,000,000 is to be restricted for educational purposes and the rest is restricted for future capital activities. Those amounts are not available for other purposes without the approval of the Board and do not have interest allocated to them. This policy is under review and no adjustment has been made for fiscal 2017/18. Total restricted professional development for the year per agreement with Faculty Association is \$197,400 (2017-\$233,020). Total restricted housing reserve for the year is \$315,443 (2017-\$323,176) as per the Board of Governors resolution passed on April 22, 2016.

**18. Contingent Assets**

The College, in the conduct of its normal activities, initiated legal matters and insurance claims where possible assets are being sought. These contingent assets are not recognized in the financial statements. The outcomes of these matters cannot be reasonably estimated at this time, and any settlement may or may not have a material effect on the financial position or the results of operations of the College.

**19. Contingent Liabilities**

The College is a defendant in one civil lawsuit, where the total claimed approximates \$87,347 (2017: \$nil). The College believes that any settlement will not have a material adverse effect on the consolidated financial position or the results of operations.

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

**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**20. 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
2019	\$ 167,002
2020	82,224
2021	82,224
2022	75,178
2023	40,376
Thereafter	-
	<u>\$ 447,004</u>
Total at June 30, 2017	<u>\$ 497,936</u>

**21. Contractual Obligations**

The College has contractual obligations which are commitments that will become liabilities in the future when the terms of the contracts or agreements are met. The estimated aggregate amount payable for the unexpired terms of these contractual obligations are as follows

	Service Contracts	Capital Projects	Information Systems and Technology	Theatre	Long-term Leases	Total
2019	\$ 2,208,560	\$ 5,171,115	\$ 415,309	\$ 30,100	\$ 98,400	\$ 7,923,484
2020	52,588	-	123,202	-	-	175,790
2021	9,680	-	80,977	-	-	90,657
2022	6,290	-	81,748	-	-	88,038
2023	3,868	-	48,781	-	-	52,649
Thereafter	967	-	-	-	-	967
	<u>\$ 2,281,953</u>	<u>\$ 5,171,115</u>	<u>\$ 750,017</u>	<u>\$ 30,100</u>	<u>\$ 98,400</u>	<u>\$ 8,331,585</u>
Total at June 30, 2017	<u>\$ 2,598,737</u>	<u>\$ 11,528,639</u>	<u>\$ 859,044</u>	<u>\$ 38,613</u>	<u>\$ 98,400</u>	<u>\$ 15,123,431</u>

**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**22. Expense by Object**

The following is a summary of expense by object.

	2018		2017
	Budget (Note 28)	Actual	Actual
Salaries and benefits	\$ 40,069,314	\$ 38,621,235	\$ 37,679,937
Materials, supplies and services	15,550,989	32,389,112	13,703,059
Amortization of tangible capital assets	8,627,000	8,443,911	8,219,227
Utilities	2,613,954	2,153,322	1,980,964
Cost of goods sold	793,500	774,432	740,956
Interest on debt (Note 12)		698,185	725,134
Scholarships and bursaries	583,500	342,828	698,104
Fundraising expenses	1,173,516	1,377,173	1,373,200
	<b>\$ 69,411,773</b>	<b>\$ 84,800,198</b>	<b>\$ 65,120,581</b>

**23. Related Parties**

The College is a related party with organizations within the Government of Alberta reporting entity. Key management personnel of the institution 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.

The College has liabilities with Alberta Capital Finance Authority (Note 12). There were no other related party transactions that met PS 2200 disclosure requirements.

**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**24. Government Transfers**

	2018	2017
Grants from Government of Alberta		
Advanced Education		
Operating	\$ 36,912,669	\$35,848,520
Apprenticeship	834,752	2,146,896
Capital	4,875,293	13,583,074
Other	1,316,638	610,252
Total Advanced Education	43,939,352	52,188,742
Other Government of Alberta departments and agencies		
Human Services	5,200	63,606
Other	259,965	1,163,525
Total other Government of Alberta departments and agencies	265,165	1,227,131
Total contributions received	44,204,517	53,415,873
Restricted expended capital recognized as revenue	4,710,994	4,101,616
Add: change in deferred contributions	10,324,276	(11,624,953)
	<u>\$ 59,239,787</u>	<u>\$45,892,535</u>
Federal and other government grants		
Contributions received	<u>\$ 1,048,347</u>	<u>\$ 1,047,536</u>
Accounts receivable (Accrued receivables (Note 7))		
Advanced Education	5,035,796	821,850
Other Government of Alberta departments and agencies	1,224	80,450
Alberta public post-secondary institutions	595	-
	<u>\$ 5,037,615</u>	<u>\$ 902,300</u>

**KEYANO COLLEGE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**25. Salary and Employee Benefits**

	2018			2017	
	Base Salary <sup>(1)</sup>	Other Cash Benefits <sup>(2)</sup>	Other Non-Cash Benefits <sup>(3)</sup>	Total	Total
<b>Governance</b>					
Members of the Board of Governors	\$ -	\$ 4,065	\$ -	\$ 4,065	\$ 338
<b>Executive</b>					
President & CEO <sup>(4)</sup>	s.17 (1)				
President & CEO <sup>(5)</sup>	s.17 (1)				
<b>Vice-Presidents:</b>					
Vice-President Finance and Administration & CFO <sup>(6)</sup>	s.17 (1)				
Acting, Vice President Capital Projects & Facilities Operations <sup>(7)</sup>	-	-	-	-	s.17 (1)
Vice President Capital Projects & Facilities Operations <sup>(7)</sup>	-	-	-	-	s.17 (1)
Acting VP Academic <sup>(8)</sup>	-	-	-	-	s.17 (1)
Vice President Academic <sup>(8)</sup>	s.17 (1)				24,813
Vice-President External Relations & Advancement <sup>(9)</sup>	s.17 (1)				79,492

- (1) Base salary includes pensionable base pay.
- (2) Other cash benefits include severance payments, honoraria, automobile allowances, living allowances, bonuses, and other allowances.
- (3) Other non-cash benefits include the College's share of all employee benefits and contributions or payments made on behalf of employees including pension, group life insurance, and accidental death dismemberment insurance. An automobile is included is provided to the President and no associated dollar amount is included in the table above.
- (4) President & CEO departed March 6, 2018.
- (5) President & CEO appointed June 25, 2018.
- (6) Also became CEO of the Keyano College Land Trust Corporation effective June 7, 2017. Vice President Finance and Administration & CFO position started January 25, 2016.
- (7) Vice President Capital Projects and Facilities Operations vacated the position on February 28, 2017. The Acting position filled in the position to May 16, 2017. The position remained vacant to June 30, 2018
- (8) Acting Vice President Academic occupied the position from March 16, 2017 to May 31, 2017. VP Academic was appointed on June 1, 2017 and remained on the position for the entire fiscal period. Also became Acting President & CEO from February 7, 2018 to June 22, 2018.
- (9) Vice President External Relations and Advancement appointed April 1, 2017 and departed June 29, 2018

**KEYANO COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**26. Condensed Supplementary Financial Information of Keyano College Land Trust (Note 9)**

The following table provides condensed financial information reported separately for Keyano College Land Trust. The Land Trust audited financial statements are prepared in accordance with the International Financial Reporting Standards.

	2018	2017
<b>Assets</b>		
Cash and cash equivalents	\$ 942,036	\$ 700,694
Accounts receivable	19,433	104,356
Prepaid expenses	118,061	123,549
Inventory - land for resale	13,314,913	13,314,913
Property and equipment	4,378	10,165
Investment property	4,497,925	4,956,424
	<u>\$ 18,896,746</u>	<u>\$ 19,210,101</u>
<b>Liabilities</b>		
Bank indebtedness and lot development loan	\$ 2,931,327	\$ 3,931,327
Accounts payable and accrued liabilities	55,443	36,394
Advances from Keyano College	11,810,092	11,484,371
Due to Keyano College Land Trust Corporation	10	10
Deferred lease rental revenue	4,200	-
Security deposits	121,765	128,765
	<u>\$ 14,922,837</u>	<u>\$ 15,580,867</u>
<b>Equity</b>		
Trust Surplus	\$ 3,973,909	\$ 3,629,234
	<u>\$ 18,896,746</u>	<u>\$ 19,210,101</u>
<b>Comprehensive income</b>		
Revenues	\$ 2,186,368	\$ 2,244,702
Expenses	(1,841,693)	(1,624,692)
	<u>\$ 344,675</u>	<u>\$ 620,010</u>

**KEYANO COLLEGE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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**27. Significant Events**

On May 3, 2016 the City of Fort McMurray and other areas within the Regional Municipality of Wood Buffalo were issued a mandatory evacuation order due to a wildfire event, with a phased re-entry beginning June 1, 2016.

Although the College did not lose any buildings or equipment due to the wildfire, significant damage, primarily smoke damage, was incurred. Remediation and mitigation efforts to restore facilities and equipment to pre-fire condition continued into the 2017-2018 fiscal year. The College is insured through AIG Insurance Company of Canada (AIG), as part of the Alberta Colleges, Universities & Technical Institutes Consortium. AIG has been and will be used to fund the cost of the remediation and recovery efforts.

There are two parts to the wildfire insurance claim; property loss and business interruption loss. The property loss was finalized in 2017-2018 and the business interruption claim is still ongoing.

As of June 30, 2018, the total property loss claim was settled at \$17.4 million. The total cost of remediation and restoration of buildings and equipment was \$15.8 million while property loss replacement was \$1.6 million. The majority of the remediation and restoration costs were paid directly to the vendors by AIG and was not recognized in the consolidated financial statements. In 2016 the College received an advance of \$5.0 million, for the property loss insurance claim, which was recorded in accounts payable and accrued liability in the Consolidated Statement of Financial Position. In 2018, this amount was utilized to pay the remainder of the remediation and restoration costs and therefore was recognized as revenue. As of June 30, 2018 the College has earned \$6.8 million (2017 - \$nil) in insurance proceeds, which were recorded as Other revenue in the Consolidated Statement of Operations.

Expenses in the amount of \$5.9 million (2017 - \$0.3 million, 2016 - \$0.2 million) have been recognized in the Consolidated Statement of Operations. Capital items in the amount of \$146,245 (2017 - \$30,592, 2016 - \$nil) have been recognized in the Consolidated Statement of Financial Position.

The impact of the wildfire event is subject to a high degree of estimation and judgment, particularly as it relates to the business interruption loss. As of June 30, 2018, the business interruption claim is still ongoing, and no reasonable estimate can be provided.

**28. Budget Figures**

Budgeted figures have been provided for comparison purposes and have been derived from the College's Comprehensive Constitutional Plan as approved by the Board of Governors.

**29. Approval of Financial Statements**

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

**30. Comparative Figures**

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



**Keyano College Theatre and Syncrude Sports & Wellness Centre**  
**2019-20 Operating Budget**

	Theatre	SSWC	Total
<b>Revenue:</b>			
Government of Alberta grants	\$ 25,000	\$ 356,346	\$ 381,346
Federal grants	40,000	-	40,000
Municipal Grants (note 1)	-	-	-
Student Tuition and fees	-	240,221	240,221
Sales and Membership	483,572	829,000	1,312,572
Facility rental and lease revenue	243,000	459,900	702,900
Advertising revenue	2,500	-	2,500
Other revenue	48,523	50,000	98,523
Donations	157,500	509,000	666,500
<b>Total revenue</b>	<b>1,000,095</b>	<b>2,444,467</b>	<b>3,444,562</b>
<b>Operating Expenses (note 2)</b>			
Salaries & benefits	1,070,972	1,932,253	3,003,225
Casual and student wages	73,292	194,000	267,292
<b>Total salaries and benefits</b>	<b>1,144,264</b>	<b>2,126,253</b>	<b>3,270,517</b>
Service contracts	196,800	67,200	264,000
Theatre production, set and costumes	44,805	-	44,805
Instructional supplies and uniforms	-	186,525	186,525
Scholarships, awards and bursaries	-	390,200	390,200
Marketing, advertising & subscriptions	42,480	184,000	226,480
Software licenses and maintenance fees	19,000	-	19,000
Travel expenses	23,467	281,000	304,467
Cost of goods sold	23,000	24,790	47,790
Furniture and equipment < \$5,000	17,120	-	17,120
Repairs and maintenance	7,500	43,000	50,500
Office, print and computing supplies	41,937	38,443	80,380
Bank charges	-	34,000	34,000
Training, PD and dues	3,190	82,750	85,940
Volunteer and donor recognition	2,792	-	2,792
Equipment rental	21,500	11,000	32,500
<b>Total contracts, materials and supplies</b>	<b>443,591</b>	<b>1,342,908</b>	<b>1,786,499</b>
<b>Total expenditures</b>	<b>1,587,855</b>	<b>3,469,161</b>	<b>5,057,016</b>
<b>Deficit from Theatre operations</b>	<b>\$ (587,760)</b>	<b>\$ (1,024,694)</b>	<b>\$ (1,612,454)</b>

Notes:

- 1 Excludes 2019 approved RMWB sustainability grant.
- 2 Operating expenditures exclude facility repairs and maintenance, utilities, capital depreciation, common facility area costs and corporate overheads.