



KEYANO COLLEGE
**THEATRE &
ARTS CENTRE**

Keyano College

Dr. Trent Keough - President & CEO
Dale Mountain - Executive Director
Tracy Boyde – VP Infrastructure & CIO

November 27, 2019

Organization Mandate

- 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

- Syncrude Sport & Wellness Centre
- Community Partnerships
- Community Access
- Community Events
- Community Programming
- Community Services
- Huskies Athletics
- Student Recruitment
- Non-Traditional & Traditional Programs
- Community Engagement
- Sport Entertainment
- Economic Impact

Community Impact

- Keyano Theatre & Arts Centre
 - Premier venue for arts, entertainment & engagement
 - Valuable Community Asset
 - Community Partnership
 - Community Access
 - Community Services
 - Supporting RMWB mandates and strategic growth

2020 Grant Request

2020 Grant Request	
Revenue	\$3,444,562
Expense	\$5,057,016
Subsidy Requested	\$1,612,454
Subsidy represents 32% of total expenses	

Previous Year's Financial Information	
Last Fiscal Year End Date	June 30, 2019
Total expenses from previous year	\$70,876,364
Unrestricted Net Assets	\$48,473,793

Expense Summary

Cost Category	Total Expense	Funded by RMWB
Salary/Wages (30 full time, 57 part time)	\$ 3,270,517	\$1,042,967
Program Costs	\$1,786,499	\$569,714
Overhead (utilities, insurance, etc.)	\$2,676,278 (Theatre & SSWC)	\$0
TOTAL	\$7,733,294	\$1,612,681

Community Investment History

2020 Request	2019	2018
\$1,612,454	\$449,500	\$-

Increase in 2020 of \$1,162,954 is due to the addition of funding support requests for two community based, outward facing, non-Government of Alberta funded programs, that contribute to the quality of life in the Regional Municipality of Wood Buffalo.

Keyano College

2020 Sustaining Grant Analysis

CIP Grant Summary:

				2020 Recommended by CIP	Variance * Recommended vs. Requested
2017	2018	2019	2020 Request		
-	-	449,500	1,612,454	-	(1,612,454)

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

Notes:

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

Budget Line Description	2020 Total Budget	2020 Grant Request	2020 Recommended
Revenues			
RMWB Sustaining Grant	1,612,454	1,612,454	-
Government of Alberta Grant	381,346	-	-
Federal Grant	40,000	-	-
Student Tuition & Fees	240,221	-	-
Sales & Membership	1,312,572	-	-
Facility Rental & Lease Revenue	702,900	-	-
Advertising Revenue	2,500	-	-
Other Revenue	98,523	-	-
Cash Donations - Keyano Foundation	666,500	-	-
Total Revenues	\$ 5,057,016	\$ 1,612,454	\$ -
Expenses			
Salaries & Benefits	3,270,517	1,044,347	-
Service Contracts	264,000	83,952	-
Theatre production & costumes	44,805	14,248	-
Instructional Supplies & Uniforms	186,525	59,315	-
Scholarships, Awards & Bursaries	390,200	124,084	-
Marketing, Advertising & Subscriptions	226,480	72,021	-
Software Licenses & Maintenance Fees	19,000	6,042	-
Travel Expenses	304,467	96,821	-
Costs of Goods Sold	47,790	15,197	-
Furniture & Equipment	17,120	5,444	-
Repairs & Maintenance	50,500	16,059	-
Office, Print & Computing Supplies	80,380	25,561	-
Bank Charges	34,000	10,812	-
Training, PD & Dues	85,940	27,329	-
Volunteer & Donor Recognition	2,792	888	-
Equipment Rental	32,500	10,335	-
Total Expenses	\$ 5,057,016	\$ 1,612,454	\$ -
Total Surplus (Deficit)	\$ -	\$ -	\$ -



2020 Sustaining Grant Application for Grant Funding

The grant program under which your organization is applying has specific eligibility requirements. The Application Form should clearly show how the proposed event meets these requirements. The Application Form, including all required attachments, must be received by the closing date. **Late or incomplete applications will not be processed (Community Investment Program Policy FIN-220, Section 3.1.5).**

In order to complete this application for funding, please read the following thoroughly:

- 2020 Sustaining Grant Guidelines

If you have reviewed the 2020 Sustaining Grant Guidelines and have any questions regarding this application form or eligibility, please contact CIP@rmwb.ca.

Organization Name: Keyano College

Declaration: In making this application, we, the undersigned, confirm:

- that we have read the Sustaining Grant Guidelines;
- that we understand that this application form and all attachments shall be part of the **public** Council agenda and accessible through all methods that the Council agenda is available;
- that we understand that this application form and all required attachments must be completed in full and received before 4:30 p.m. MT on Monday, September 23, 2019;
- that we understand the term of the Sustaining Grant is January 1 to December 31, 2020 and that all expenditures must happen during this term; and
- 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.

Board Member(s) and/or
Executive Director Initials:

[Handwritten initials for Board Member(s) and/or Executive Director]

[Handwritten signature of Trent Keough]

Signature of Board Member
(must have signing authority)

Trent Keough

Print Name

9/20/19

Date: (YYYY-MM-DD)

[Handwritten signature of Dale Mountain]

Signature of Board Member or Executive Director
(must have signing authority)

Dale Mountain

Print Name

9 / 20 / 19

Date: (YYYY-MM-DD)

Sustaining Grant Part A - Organization Summary

1. Organization Details

Organization Name:	Keyano College
Street Address:	8115 Franklin Ave
City/Hamlet:	Fort McMurray
Province:	AB
Postal Code:	T9H 2H7
Phone Number:	s.17 (1)
Email Address:	michelle.toner@keyano.ca
Act Registered Under:	Canada Not-For-Profit Corporation
Registration Number:	107566218 RR01

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

2. Main Contact

Title:	Manager of Advancement
Name:	Michelle Toner
Daytime Phone:	s.17 (1)
Email Address:	michelle.toner@keyano.ca

3. Executive Director

Name:	Dale Mountain
Daytime Phone:	s.17 (1)
Email Address:	Dale.Mountain@keyano.ca

4. Board Chair / President

Name:	Dr. Trent Keough (President & CEO)
Daytime Phone:	s.17 (1)
Email Address:	trent.keough@keyano.ca

Note: Should any of the contact details in Questions 2 to 4 change before December 31, 2020, please advise the Community Investment Program at CIP@rmwb.ca

Part B - Board Questionnaire

5. **How often does the Board of Directors meet?** 8 times per year

6. **Minimum number of board members according to bylaws:** 11

7. **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:

On August 16, 2019 the Government of Alberta appointed new board members at 11 post-secondary institutions to strengthen oversight and governance, including 5 new board members at Keyano College. On September 6th, 2019 the Government of Alberta issued a press release communicating that Board member recruitment for public agencies, boards and commissions would be centralized and coordinated by the Alberta Public Agency Secretariat. All Board vacancies for Keyano College have now been filled.

8. **Please list your current Board of Directors:**

Name	Board Position	Years on Board
Shelly Powell	Board Chair	0.1
Tyrone Brass	Public Member	0.1
Matthew Creighton	Public Memeber	2.0
Margaret Zoilecki	Public Member	0.1
Kim Farwell	Public Member	2.0
Christian Matte	Public Member	0.1
Joseph MacNeil	Public Member	0.1
Staci Millard	Public member	0.1
Nadine Rimmer	Faculty Representative	2.0
Prasan Naik	Non-Academic Staff	2.0
Tyshain Page	Student Member	0.1
Britainea Young	Student Member	0.1
Trent Keough	President & CEO	2.0

Part B - Board Questionnaire

9. 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 Nail	CUPE Representative	\$ S.17 (1)

10. What are the restrictions (if any) on becoming a member of your 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 fitness facility the Syncrude Sport & Wellness Centre (SSWC) or enjoy arts and cultural activities at the Keyano Theatre and Arts Centre.

11. How often does the Board review the financial position of the agency? What efforts have been made in the past fiscal year to increase the number and types of financial support for your 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 also 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 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 our ancillary operations, Keyano College Theatre and Arts Centre & The Keyano College Syncrude Sport & Wellness 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 - Strategic Plan

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 Sustaining Grant subsidizes organizations to operate and maintain Municipally-owned assets and/or contribute toward the key strategic priorities identified above. Please indicate which category that is applicable to the organization.

- ☐ Operator of a Municipally-owned asset (Please continue to Part E on page 8)
- ☐ Provide programs and services related to the collection, preservation and display of regional heritage and culture in a museum setting (Strategy & Initiatives #1a and #1c)
- ☒ a) the development of the arts community (Strategy & Initiative #1f);
b) progression of interests of the social profit sector (Strategy & Initiative #1i);
c) advancement of cultural diversity (Strategy & Initiative #3f); or
d) promotion of the economic diversification of the Municipality (Strategy & Initiative #3b)
- ☒ Provides strategic programs/services that are of benefit to the entire region

Part D - Organization Questionnaire

12. What year did the organization complete its last business plan or strategic plan?

July 2019

13. Provide a brief overview of the organization's strategic priorities:

Keyano College is a comprehensive community institution, committed to excellence in teaching and learning. In response to the needs of our community, Keyano College engages in comprehensive education, industry training and applied research through the delivery of relevant and sustainable programs. We seek to maximize opportunities for our students, staff, stakeholders and the community at large. The Keyano College, Syncrude Sport & Wellness Centre (SSWC) as an ancillary operation of the college endeavours to be the "Home of Sport Excellence" in the Regional Municipality of Wood Buffalo. As an integral piece of infrastructure in our region the SSWC makes a significant contribution to the quality of life of our residents. In addition to the 2300+ fitness members that regularly visit the Home of the Keyano Huskies, the SSWC is a cultural hub, becoming a gathering place for residents, playing host to a variety of events and programs. The Keyano College Theatre & Arts Centre sets the standard for excellence in arts in Northern Alberta. The theatre values our community with a welcoming, collaboration and inclusive approach, to contribute to the quality of life in our region.

Keyano College's overall strategic priorities are: Goal 1: To pursue empowerment Goal 2: Achieve engagement; Goal 3: To celebrate learning; Goal 4: To live our intention

Our goals align with the vision of the RMWB to be "A vibrant and sustainable region we are proud to call home" as well as the mission of "Delivering Excellence - every day." We want to support and ensure the growth of our region through the introduction of students to our area, and the provision of sport and cultural opportunities. As we expand our athletics program, engage the community through the theatre and offers programs to suit the needs of our region we know that Keyano and the RMWB, will be a destination of choice. This proposal, if funded, will allow for both organizations to be aligned in achieving excellence in and for our community, in a sustainable way.

Part D - Organization Questionnaire

14. Describe the elements, activities, or events that the organization is seeking this funding for:

The SSWC sees in excess of 150,000 guest visits to its fitness centre each year. The Keyano College Theatre & Arts Centre hosts over 35,000 guests a year. In addition, numerous community sport and cultural events hosted on campus, including private functions, community theatre and dance productions, birthday parties, sport leagues, concerts and Huskies Athletics Home Games, have made it easy to see that Keyano College is playing an integral role in the quality of life for residents of the RMWB. Keyano College is seeking funds to support the operations of the Keyano College Theatre & Arts Centre, Syncrude Sport & Wellness Centre and the expansion of Huskies Athletics as we continue to create a campus focused on excellence for our community. Keyano is and has been a vital and pertinent part of community infrastructure. We are asking for assistance to maintain our community offerings. In the next three years Huskies Athletics is expected to grow from 93 to 247 athletes. Designated funds for building operations and program expansion will provide a sizeable return on investment for the RMWB, increasing the level of elite athleticism in our region, facilitating increased sport tourism opportunities for our region, increasing the number of potential long-term residents and providing additional economic spin off. Huskies Athletics has a long history of hosting Championships resulting in significant economic impact for the region. See Appendix 1. Additional student athletes in our region equates to increased need for accommodations and rental properties, partnerships and shared coaching opportunities for sport organizations, and the designation of a preferred community of choice for sport tourism. An investment of \$1.2 million will see a return upwards of \$1.745 to \$3.120 million. Support for the SSWC by the RMWB, facilitates Keyano's ability to remain an emergency centre during times of crisis, allows for the opportunity for further partnerships in the region, to expand academic programming in the field of health and wellness, to ensure sport excellence for our residents and supports the strategic goals of the RMWB as indicated in the current strategic plan.

The Keyano College Theatre and Arts Centre serves as the community hub for arts where local individuals, groups, businesses and schools frequently rent the theatre or one of the equipped specialty spaces for the pursuit of arts based activities. Keyano is the venue of choice in the RMWB for presentations and touring professionals. In order to provide the services requested and required for our community the Theatre employs industry professionals in areas of programming, technical support, facility and box office management. Currently Keyano Theatre operates at a deficit of \$558K per year and as a result is being subsidized by the college, thus diverting funds away from academic programming. Keyano College wishes to provide affordable access to the community however can no longer continue doing so without external funding and support. As the largest, professionally equipped and operated performing arts centre in Northern Alberta, the Keyano Theatre and Arts Centre is an asset to the RMWB and its residents, and one that requires support to continue to operate.

15. Explain how the operations/programming will achieve the objectives of the Municipal Strategic Plan as indicated on page 5:

Support of Keyano College's Theatre & Arts Centre, SSWC and the Keyano Huskies Athletics program aligns to achieve the objectives of Regional Economic Development, Strategy and Initiative #1F - Development of the arts community as well as provides strategic program/services that are a benefit to the entire region. Resource allocation to the SSWC ensures we maintain a vibrant community and quality of life for residents, attracting cultural and sporting events, generating prosperity for the region through economic spin off and improving branding and reputation of our community by becoming a region of choice for sport. The SSWC has been a strong partner of the RMWB working with the 2015 Western Canada Games, the 2018 Alberta Winter Games and will again be a feature venue for the 2022 Arctic Winter Games. In the past 12 years since opening, the SSWC has played host to three National Championships, eight Provincial Championships, one International Volleyball event, countless local and regional athletic competitions and multiple cultural events, all providing an economic benefit to our region. In addition, the Huskies Athletics program annually introduces 20-30 International student athletes to our community, many of whom live and work here post-graduation. The Keyano Huskies are experiencing successes program wide not previously seen. National and International recognition of our facilities and programs is bringing positive attention to our region; however, we need support in order to sustain this success and continue to grow. In an economic impact study conducted pertaining to Keyano College, it was determined that for every dollar of cost associated with operating the college, a return of \$2.60 was generated in the region. Even conservative estimates indicate a multiplier of 1.45 is realistic for this type of investment.

The Keyano College Theatre and Art Centre's live theatre programming, provides a structured, professional environment for our community to be engaged in creative learning opportunities in the disciplines of acting, dance and voice. Keyano presents up to 14 professional touring shows annually from across the country and internationally to ensure our community has access to the many genres of world class entertainment; ranging from classical music and dance to emerging and established musical acts. For consideration other municipalities support local arts centres with operational funding. Fort Saskatchewan (Shell Theatre) \$348 175.00, Camrose (Jeanne and Peter Loughheed Centre) (\$250 000.00) Prince Alberta (E.A. Rawlinson Centre) \$367 290.00

Part D - Organization Questionnaire

16. Describe any other funding initiatives the organization has taken or is planning to implement to further support this request for Sustaining Grant funding:

Both the Keyano Theatre, as well as the Syncrude Sport & Wellness Centre and Huskies Athletics play an active roll in our community. With support from the Advancement Department, we seek corporate donations from local industry and business, individual donations from alumni and community members, support from grant funding organizations, province- and nation-wide, casinos, through fundraising events, home game ticket sales, merchandise, facility rentals and fitness membership fees.

The Syncrude Sport & Wellness Centre is currently undergoing a naming campaign for the building as all previous contracts have expired. Sponsorship dollars from the naming campaign will be allocated to the operations of the building to assist with ongoing maintenance and asset management. Contracts generally have a 10-year naming agreement with a five-year payment plan.

17. Current Volunteer Information:

	Per Organizational Needs:	Currently Filled:
Program & Services Volunteers	490	250
Fundraising Volunteers	10	0
Committee Volunteers		
Administrative Volunteers		
Total Organization Volunteers (Count each only once)	500	250

Part E - Financial Information, Budget Request & Cash Flow

18. Current Staff Information:

	Per Organization Chart:	Currently Filled:
Full Time Positions	30	29
Part Time Positions	57	57

19. Please explain any cost savings initiatives the organization has, or is planning, to implement:

Keyano College strategically balances its workforce in order to be financially responsible while meeting service and community needs. Replacement of capital equipment will be completed with energy-efficient products that meet current industry standards. Human Resources, Financial Services and IT are shared services across all departments. When possible, cross-functional job descriptions are created in order to maximize the opportunities for the employee to contribute to the organization in a meaningful way across departments.

20. 2020 Grant Request:

Total 2020 Budgeted Revenue (excluding RMWB Sustaining Grant)	\$	3,444,562.00
Total 2020 Budgeted Expenses	\$	5,057,016.00
Surplus* / (Deficit)	\$	(1,612,454.00)

2020 Sustaining Grant Request Amount:
\$ 1,612,454.00

* If in a surplus position, organization is not eligible for a Sustaining Grant.

Please Indicate Preferred Cash Flow, if approved:**

January/February \$ 1,128,717.00 April
(no more than 75% of request)

August \$ 483,737.00 October

** Must have minimum of 25% to be disbursed between August and December. There will be no funds released in July, as six-month reports are due by July 31 and require Administrative review prior to August/October disbursements.

21. Provide any additional information that may assist in developing a better understanding of your organization or its services/programs during the grant review.

Keyano College is an integral piece of the fabric of the Regional Municipality of Wood Buffalo. As the only post secondary education institution in our region we knowingly embrace the responsibility to educate tomorrows work force. Keyano College however is much more than a post secondary educational institution, we are a hub for the region for both sport and wellness and arts and culture. While Keyano is proud to play such an integral role in the experience of living in the RMWB, Provincial funding is not received for operations of the theatre and the sport and wellness centre. Keyano Colleges wishes to work with the RMWB and strategically align in order to build a centre of excellence in our region, for sport, culture and engagement beyond our educational programs.

As we continue to grow our athletics program, we are bringing new students to our region from across the Province, the country and the globe. We have seen the impact this region has on our new students and they make the choice to stay and be part of our region. Supporting the growth of our athletics program will increase the number of new residents brought into our community and will continue to elevate the quality and prestige of our programs and our region. Huskies Athletics has put Fort McMurray on the map in the collegiate sector and we are asking for support to grow and do even more.

Part F - Required Attachments for Application

22. The following attachment MUST accompany your application. Failure to submit the following will result in your application being deemed incomplete.

- ☒ A detailed budget showing projected 2020 revenue and expenses
- ☒ 2020 Business Plan or Strategic Plan
- ☐ Logic Model (if available)
- ☒ Financial Statements of the most recent fiscal year

In Person or By Mail:

Community Investment Program
Community Services
Regional Municipality of Wood Buffalo
9909 Franklin Avenue
Fort McMurray, AB T9K 2K4

OR

By Email: CIP@rmwb.ca

**LATE or INCOMPLETE applications will not be processed
(Community Investment Program Policy FIN-220, Section 3.1.5)**

Keyano College,
Syncrude Sport & Wellness Centre
Business Plan



BACKGROUND

For the past 10 years, the Syncrude Sport & Wellness Centre (SSWC) has offered state-of-the-art recreation and training facilities for people in the Wood Buffalo region. This important multi-use, community facility includes three field houses, a running track, fitness studios, wellness facilities, as well as community and meeting rooms, all located at the Keyano College Clearwater Campus.

The Centre is dedicated to the promotion of health, fitness, and sport excellence, offering students, faculty, staff, and members of the community a wide array of programs and services. Our experienced team is focused on enriching life experience, enabling patrons to pursue a more active and healthy lifestyle.

The SSWC team is committed to providing a mixture of structured and casual sport and wellness opportunities that embrace the needs of Keyano College, residents of the Regional Municipality of Wood Buffalo, visitors to our community, as well as local, regional and provincial sporting organizations.

From a wide variety of youth development programs, challenging fitness classes, numerous adult sport leagues, and outstanding post-secondary high performance opportunities with Huskies Athletics, the Syncrude Sport and Wellness Centre (SSWC) has something for everyone.

Home to the Keyano Huskies, the SSWC offers opportunities for aspiring athletes as well as for fans who enjoy watching outstanding college level action in a variety of sports. Dynamic, progressive, and customer-focused, we have an amazing facility and we make a positive difference to the health and wellness of the people of our region. We thrive for Sports excellence.

The Centre has become a community icon because of many factors, including our commitment to the residents of the Wood Buffalo region to provide a safe and welcoming environment and to offer programs and services that promote individual and community development.

As a result, we boast an annual membership of 2,300 –strong and growing. Of those memberships, over 1,800 are from the general public, while more than 500 represent staff and student members.

Huskies Athletics Overview

Athletics programming is an integral part of Keyano College. The Keyano Huskies are highly visible and respected throughout the community and outlying areas. As the home of the Keyano Huskies, the Syncrude Sport & Wellness Centre offers opportunities to aspiring athletes and fans that enjoy watching outstanding college level action in a variety of sports.

The Huskies are streamed live through Alberta College's Athletic Conference (ACAC) TV. ACAC TV viewership went from 84 countries in 2016-2017 to 96 in 2017-2018. Locally, the home games draw an average of 150-200 per game with over 126 games within the region and throughout the province per year with 60 of those games at home. If the athletics program expands, the number of games will reach 182 per year. Additionally there would be the opportunity to host golf and curling tournaments hosting up to 8 teams each, every three years. This could be yearly exposure for the RMWB. In addition, national recognition occurs whenever the Huskies teams qualify for the Canadian Collegiate Athletic Association Nationals.

Keyano Huskies come from all over the world and the teams are a significant draw for international students. Currently, there are 143 student athletes of which 36 of them are international. These 36 international student athletes come from 12 countries: Brazil, USA, India, Jamaica, Poland, England, France, Germany, Philippines, Serbia, Zimbabwe, Virgin Islands. International student athletes make up one third of the number of international students at Keyano College. Plans are not only to increase the number of international students but to also double the number of student athletes to approximately 247 overall. This would have a significant economic impact within the RMWB and student enrolment and on the RMWB reputation in the sporting world.

Keyano College currently has nine athletic teams including:

- Men's Futsal/Soccer – 20 student athletes
- Women's Futsal/Soccer – 16 student athletes
- Men's Volleyball – 19 student athletes
- Women's Volleyball – 17 student athletes
- Men's Basketball – 14 student athletes
- Women's Basketball – 18 student athletes
- Men's Cricket – 13 student athletes
- Women's Cricket – 12 student athletes
- Cheerleading – 14 student athletes

Keyano's teams have played host to sporting events, large athletic events and tournaments:

- 2015 ACAC Men's Basketball Championships
- 2015 Wood Buffalo Western Canada Summer Games
- 2016 CCAA Men's Volleyball Championship
- 2017 U-21 Men's Volleyball Pan American Cup
- 2018 Alberta Winter Games Host Venue (Volleyball)
- 2019 ACAC Women's Basketball Championship

The Huskies have had a significant profile in the past in terms of success. This includes:

<u>Men's Basketball</u> 2015-16 ACAC Bronze 2012-13 ACAC Silver CCAA Nationals Bid Finished #7 at Nationals	<u>Women's Futsal</u> 2015-16 ACAC Silver 2013-14 ACAC Bronze 2012-13 ACAC Bronze 2011-12 ACAC Bronze
<u>Men's Futsal</u> 2017-18 ACAC Gold 2016-17 ACAC Silver 2015-16 ACAC Gold 2014-15 ACAC Gold 2013-14 ACAC Gold 2012-13 ACAC Gold 2011-12 ACAC Bronze	<u>Men's Soccer</u> 2017-18 ACAC Gold CCAA Nationals Bid Finished #4 at Nationals 2016-17 ACAC Gold CCAA Nationals Bid Finished #2 at Nationals 2015-16 ACAC Gold CCAA Nationals Bid Finished #7 at Nationals 2014-15 ACAC Silver
<u>Men's Hockey</u> 2015-16 ACAC Bronze	<u>Men's Volleyball</u> 2017-18 ACAC Silver CCAA Nationals Bid Bronze medal at Nationals 2016-17 ACAC Bronze 2015-16 ACAC Silver CCAA Nationals Bid Finished #7 at Nationals 2012-13 ACAC Bronze 2008-09 CCAA Nationals Bid Finished #5 at Nationals

Additional games and tournaments are planned for the coming years giving great exposure to the RMWB region. We plan on applying to host at least one ACAC or CCAA championships each season starting in the 2020-21 season.

Keyano College hopes to expand upon its Athletic Programming by adding additional teams. The plan would add 80 new students to the area with the ability to attract 20 additional international students and adding the potential for extra provincial and national tournaments. These teams can be housed at MacDonald Island through an expansion of our existing collaboration. The teams includes the following:

- Men's and Women's Hockey
- Men's and Women's Golf
- Men's and Women's Curling

This plan would require additional resources from outside sources including the RMWB.

Syncrude Sport and Wellness Centre Programming

The Syncrude Sport and Wellness Centre is a multi-use facility consisting of three fieldhouses (hardwood floor, turf field and synthetic floor), a multi-lane track, and a fitness training center, a high performance studio, and aerobics studio, a Kinesiology classroom, lobby and meeting spaces.

The building hosts various one-time events as well as consistent rentals. As well, there are many members who use the facility to train and maintain a healthy lifestyle through weight training, attending various fitness classes and running on the track. Finally, the building is the home for the Keyano Huskies who has their Men's/Women's Basketball and Volleyball teams play on Friday nights and Saturday afternoons on the hardwood fieldhouse.

The Be Fit for Life Centre is located in the SSWC and is focuses on a healthy community. The program has resources and counselling services pertaining to: healthy food choices, heart health, active living and fitness, stress management, shift work management, fitness leadership and more. The Be Fit for Life Centre is the only Accredited Fitness Appraisal Centre in North Eastern Alberta providing a variety of specialized resources, services and examinations including:

- Fitness Assessments and Exercise Counselling
- Certification programs for Fitness Leaders and Appraisers through the Alberta Fitness Leadership Certification Association and Alberta CSEP Health and Fitness Program
- Physical Activity and Healthy Lifestyle Resources
- Presentations, demonstrations and displays on physical activity and active living

The Alberta Sport Development Centre, another part of the Keyano Sport & Wellness Department, focuses on furthering sport science application initiatives, developing coaches and sport leaders, training high performance emerging athletes and providing good leadership and organizational practices. The shared vision of all the centers in Alberta is that a collective approach of providing sport science support in an athlete centered structure will result in improved emerging athlete development in Northeastern Alberta.

The major demographic for the SSWC are those individuals who are south of the bridge in Fort McMurray. As well, we attract a younger demographic due to the fact that we are located on the Keyano College campus. Since the 2016 fire, our main customer areas of Beacon Hill and Abasand has been going through a rebuild and, as a result, has negatively impacted our membership numbers. Finally, our members are multi-cultural as well as from various levels of economic backgrounds.

The Fitness and Wellness industry is thriving. People are more interested in their physical and mental health than ever before. In our community, we are seeing more health and fitness business start-up so it is important for the College to ensure that the SSWC is properly serving our customers with the proper incentives along with good customer service in a building that is well maintained.

This involves thousands of participants and attendees:

Fitness Related Programming

<u>Program</u>	<u>Description</u>
Be Fit For Life (BFFL)	BFFL is a new community Initiative program in partnership with the Fort McMurray Recovery Centre, every week they will be coming in to play a different sport for an hour.
Senior Walking Initiative	Seniors from the Golden Years society come and walk the track and have coffee weekly.
Playful Paws	A physical literacy based program that gets parents and child moving together through a series of both structured and free play activities. This program is designed to increase physical confidence, competence, and motivation.

CanFit Pro	Includes courses such as fitness class instructor, healthy eating, personal training, and first aid.
Teen Weight Training	Courses offered once a month.
Fitness Classes	Fitness class enrollments are at 161 until end of November, 2019
Provincials for the Strongman competition	Participants come from all over Alberta.
Men's National Sitting Team	Keyano Huskies played against the Men's National Sitting Volleyball team when we hosted them over the summer.

Community Events and Community Organizations Using the Facility

Keyano College Gala	Fort McMurray Youth Soccer Association
Keyano College Orientation	Fort McMurray Ball Hockey League
Wood Buffalo Regional Science Fair	Fort McMurray Men's Soccer Association
Keyano College Career Fair	Nigerian soccer association
Careers the Next Generation – Career Expo	Ladies competitive volleyball league
Girl Power & Mega Boyz	Kangoo Power Filipino League
Youth Physical Education Days	Wood Buffalo Ball Hockey League
Girl Powerment (Teen Physical Education Day)	Women soccer league
Job fair in collaboration with the Chamber of Commerce	Roller Derby league
Career Fair in collaboration with Career Next Generation.	Minor Baseball Association
Golden Arrow Football Team	Minor Lacrosse coming this fall
Filipino Comedy Show	NAABA 25 th anniversary and AGM banquet

Markaz UI Islam Friday Prayer and Fun Fair for Kids (800 people)	
Fort McMurray Gujarati Society Navrati Dandia-Raas festival and the Diwali Celebration	McMurray Gospel Assembly (1400 people)
Prayer Concert and Northlife Church Family Celebration (1400 people)	
Small Businesses Christmas Party	Halloween Thriller Event
Back to the 80s Event	Birchwood Rental Birthday Parties
The Wood Buffalo Recreation Society, Suncor and Syncrude Kids Christmas Party	Father Patrick Mercredi's Basketball, Volleyball & Cheer
Individuals book 1/3 of a court for their team to practice volleyball, floor hockey, basketball & soccer out of the season	Suncor Lobster Boil (300 people)
Syncrude Christmas Parties (300-450 people)	SERA Halloween Party (200 people)
KMC Kids Christmas Party (100 people)	North Star Ford Kids Christmas Party, (50 people)
Northern Lights Kids Christmas party (100 People)	START Program
Junior Husky and Kids Athletic Camps	Shaw Cable Christmas Party (100)
Billy Talent/SUM 41 Concert (1000)	YMM Thriller (1000)

We are presently home to the Alberta College of Massage Therapy, Accel Physio Therapy, All In Sports Den, YMCA Daycare and the Fort McMurray Youth Soccer Association.

Current Opportunities

While we have vibrant community usage, daytime usage could be increased. This could happen if the facility expands its Athletic Programs and enters into more collaborative agreements with The Regional Recreation Corporation.

Additional challenges include the post fire recovery period where the facility was closed to provide emergency services and therefore lost patrons. Also most of the immediate region around Keyano College suffered from the fire and the rebuild is still underway. These people were a large part of the SSWC user group.

Keyano College also does not have educational program at a certificate, diploma and degree level. As an educational institution we must have programs to justify the existence of a Sport Facility. As such resources are required to add new educational programming.

The addition of Child Minding could increase potential members and users for those who have young children.

Paid parking is a current complaint from our community as the other fitness based business in town have free parking.

Finally we need to ensure adequate staffing and resources to ensure building sustainability both from an operations and maintenance perspective.

Competition

- MacDonald Island – largest facility in YMM; has pool, ice rink, soccer field, fitness area, track, golf course and offers free parking and child minding. Very busy which deters some people to join our facility.
- Oranj Fitness – yoga based business that offers yoga based classes; has child minding and sells clothing. No area to work out or to run.
- Casman Centre – largest ice rink in city; hosts a large number of events that are similar to what the SSWC can host. No area to work out or to run.
- Gym Nation – large gym facility; mostly free weight and station training.
- YMCA – community based facility with has a weight room, cardio rooms, and a pool; building is connected to Westwood High School.
- Phoenix Fitness - large gym facility; mostly free weight and station training.
- 9Round Fitness – cross training type business which focuses on station training involving kick boxing.
- CrossFit Crude – business which focus its members on CrossFit type instruction and training.

Advertising and Promotion

- Printing Unlimited - 17/18 Huskies Schedule Pop-up Banners
- Dreamline Canada - 17/18 Huskies Banner Pens - 1,000 count
- The Flag Shop - Pride Flags for August '17 Event
- TS Signs - Outdoor Flag Bullard's - September '17
- Rogers - SSWC 17/18 Huskies Schedule – Radio Ads – September '17
- Roger - SSWC Soccer Home Opener – Radio Ads – September '17
- SSWC Volleyball Home Opener
- SSWC Basketball Home Opener
- King's Cash Full Promotion – September '17 – February '18 (Radio ads scattered throughout)
- Full Promotion - Fit in 40 Days Campaign - December '17

- Full Promotion - Merry Fitness/Punch Passes Campaign – December '17
- Full Promotion – Merry Fitness/12 for 11 Campaign – December '17
- Fort McMurray Tourism 2018 Tourism Guide x 2 Ads – January '18
- New College Website – May '19
- New Huskies Athletics Website – Jan '20

Revenue Streams

The SSWC is currently partnered with 37 corporations for corporate discounts. Rates generally are as follows:

- Facility rental – from \$35 to \$165 per hour depending on the space
- Memberships – from \$10.50 (day pass) to \$445 (annual membership)
- Personal Training – from \$75 per session to \$1200 for 20 sessions
- Body Composition – from \$35
- Individual Program Design – from \$250
- Various Fitness Classes – from \$8 to \$15 per class (currently offered free to members)

Donations and Gifts

The SSWC provides naming rights to the facility and has been fortunate enough to obtain significant sponsors with sponsorship opportunities remaining for parts of the facility. This is an important revenue sources. Additionally there are advertising opportunities associated with each of the field houses that help to sustain the facility.

Adopt a Husky Revenues

Fund ID	Fund Name	Number of Gifts	Total Gift Amount
2019ACAC	Women's Basketball Provincials	1	\$5,000.00
2500000 - Renaming	Sport and Wellness Centre (Renaming Campaign)	2	\$120,000.00
Adopt-Athletics	Adopt-A-Husky program - Husky Athletics	15	\$3,005.00
Adopt-Men's Basketball	Adopt-A-Husky program - Men's basketball	18	\$14,191.25
Adopt-Men's Volleyball	Adopt-A-Husky program - Men's Volleyball	36	\$6,220.00
Adopt-Women's Basketball	Adopt-A-Husky program - Women's basketball	20	\$7,285.00
Adopt-Women's Soccer	Adopt-A-Husky program - Women's Soccer	10	\$1,862.77

Adopt-Women's Volleyball	Adopt-A-Husky program - Women's Volleyball	15	\$2,200.00
Athletics Program	Athletics Program	2	\$17,044.88

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

Revenue

Government of Alberta grants	\$356,346.00
Student Tuition and fees	\$240,221.00
Sales and Memberships	\$829,000.00
Facility rental and lease revenue	\$459,900.00
Other revenue	\$50,000.00
Donations	\$509,000.00
Total revenue	\$2,444,467.00

Operating Expenses

Salaries & benefits	\$1,932,253.00
Casual and student wages	\$194,000.00
Total salaries and benefits	\$2,126,253.00

Service contracts	\$67,200.00
Instructional supplies and uniforms	\$186,525.00
Scholarships, awards and bursaries	\$390,200.00
Marketing, advertising & subscriptions	\$184,000.00
Travel expenses	\$281,000.00
Cost of goods sold	\$24,790.00
Repairs and maintenance	\$43,000.00
Office, print and computing supplies	\$38,443.00
Bank charges	\$34,000.00
Training, PD and dues	\$82,750.00
Equipment rental	\$11,000.00
Total contracts, materials and supplies	\$1,342,908.00

Total expenditures	\$3,469,161.00
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Deficit	-\$1,024,694.00
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Keyano College Theatre and Syncrude Sports & Wellness Centre
2019-20 Operating Budget

	Theatre	SSWC	Total
Revenue:			
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
Total revenue	1,000,095	2,444,467	3,444,562
Operating Expenses (note 2)			
Salaries & benefits	1,070,972	1,932,253	3,003,225
Casual and student wages	73,292	194,000	267,292
Total salaries and benefits	1,144,264	2,126,253	3,270,517
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
Total contracts, materials and supplies	443,591	1,342,908	1,786,499
Total expenditures	1,587,855	3,469,161	5,057,016
Deficit from Theatre operations	\$ (587,760)	\$ (1,024,694)	\$ (1,612,454)

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.



Strategic Plan
Keyano Theatre & Arts Centre
Created February 2016
Updated August 2019
(Year 1 Complete)

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Executive Summary

Keyano Theatre & Arts Centre, as the only professionally operated venue of its size in the region, is actively moving forward towards a new model of sustainability. The reality of changes in funding and the College's key operations to provide excellence in education necessitate ancillary operations, such as the Theatre & Arts Centre to eliminate their dependence on deficit funding from the College. Keyano Theatre & Arts Centre is committed to provide the community with accessible studio and performance spaces and access to professional artists and community engagement and education in the arts.

Keyano College plays a pivotal role in enhancing sustainability within the region by collaborating with stakeholders to support social, cultural and economic development initiatives.

Keyano's specialized facilities including its Power and Process Engineering Lab, Theatre, Conservatory, and the Syncrude Sport and Wellness Centre make Keyano College an integral partner in providing educational, cultural, recreational and career opportunities for students and the residents of Wood Buffalo.

Approved by the Minister of Advanced Education, June 12, 2014.

Building upon an initiative proposed by the Regional Municipality of Wood Buffalo in 2008 in the Wood Buffalo Master Plan (November 2008), Keyano Theatre & Arts Centre is the ideal "heart" of the city's Arts District.

Since the Theatre opened in 1980, it has received funding from the College with significant reductions occurring over the past few years. The Theatre has been making gradual changes in operating expenses, programming and available services to adjust accordingly.

A sustainable model would have Theatre operating at a "net zero cost" to the College or preferably, making a profit in order contribute to capital and operating reserves as well as supporting growth in programming and other activities.

Theatres, inherently, are not self-sustaining solely on event and rental revenue, but from the support of sponsorships, donations, Federal, Provincial and Municipal grants. Keyano Theatre, due to its connection to a Post Secondary Institution is not eligible for many operating grants that independent professional theatres receive.

Keyano Theatre is a community resource, providing accessibility to venues, studios and performing arts programming, therefore it make sense for the Theatre to be funded by the community with support by those businesses and industries that have an invested interest in our community.

The majority of theatres across Alberta with similar mandates receive funding from their local municipality. Currently Keyano Theatre does not receive any municipal operating funding.

The Keyano Theatre & Arts Centre will provide exceptional programming and facilities that will foster community engagement, promote learning, and deepen connections in our diverse Wood Buffalo region.

Our mission is to *create new opportunities and inspiration in the community through the arts.*

Arts programming and facilities that promote connections in our community have never been more important in these times of economic change and uncertainty.

The arts bring people together in ways nothing else can; tapping into our emotions, our dreams, and our hearts' centre. Keyano will be a bright light for our community to focus on – a light that ignites hope, inspiration, creativity, and innovation, which are essential to building a cohesive and strong community - especially in challenging times.

Also, an extensive report on the value of arts and culture to society in the UK recently found strong evidence for five key ways that arts and culture can boost local economies: attracting visitors; creating jobs and developing skills; attracting and retaining businesses, revitalizing places; and developing talent.

This strategic plan was developed to help the Theatre & Arts Centre articulate fully the environment in which it must operate over the next five years and to establish priorities and conditions for success in that timeframe.

The plan outlines the vision, mission and values that will guide the direction of the work undertaken in the coming years.

The risks and opportunities were explored and five strategic objectives identified. These objectives will leverage the opportunities and mitigate the risks. The objectives are to:

1. Identify ways of determining and establishing relevance to the community based on existing expertise and building on the already established, strong community-based foundation of support.
2. Become experts in audience-building in a community that is small, diverse and transitional.
3. Identify, develop and nurture key partnerships , including with the Municipality and the Arts Council Wood Buffalo
4. Establish excellence/best practices in administrative processes/business processes, policies, procedures, and develop related training.
5. Ensure the financial viability of Keyano Theatre & Arts Centre.

A number of initiatives will be undertaken to realize these strategic objectives, many of which will require no resources other than time, which is in high demand within the Centre. Additional support would help to accomplish the goals.

Introduction

The purpose of this strategic plan is to set priorities for the Keyano Theatre & Arts Centre for the five years running from 2018 – 2023. The plan provides some context for the current direction. It briefly outlines the current customers, programs and activities of the Centre, identifies five strategic objectives for the future, sets a number of specific goals and lists steps for movement in these areas. More detailed action plans will continue to adapt as the plan is reviewed and specific committees are formed to address the recommendations outlined in the plan.

A strategic planning group comprising key internal personnel met on November 25th and 26th, 2015 and undertook a SWOT analysis of the Arts and Culture Centre and its activities. The group also identified some priorities and made suggestions for actions. Their input has been incorporated into the 2016 plan with minor updates to remain current and relevant.

With the first draft of this plan completed in February of 2016, ad-hoc community and external stakeholder consultations have been ongoing with recent engagements taking place in March of 2018. A review of the plan occurred in August, 2019 with minor updates.

Structure of the Strategic Plan

In the plan, some context is provided in the Background/History section. Statements of the vision, the mission and a list of the core values for the organization follow.

A high-level analysis of the customers/client groups is presented in this document. This information will be augmented, and further insights into these groups will be discerned through public consultation.

In the Environmental Assessment section, the strengths and weaknesses currently at play in the Centre are listed as well as the external opportunities and threats.

Five strategic objectives for the Centre have been articulated that, when successfully implemented, will realize the vision.

Within each of these strategic objectives, specific goals have been identified. Within the goals, actions detailing some immediate and some future steps are listed, along with timelines.

Background/History of the Centre

History

"During the Late 70's, while the present Keyano College buildings were still in the planning stage, three alert groups recognized the need for a large cultural facility in the rapidly growing city of Fort McMurray. The Province of Alberta, the City of Fort McMurray and the joint high school board planned a 575-seat, fully equipped, state of the art theatre to be built alongside the new college."

Keyano Theatre Brochure (circa 1987)

Keyano Theatre was completed in the summer of 1980 and had its official opening in September of the same year. The Theatre operated under a Joint Usage agreement Between the Province of Alberta (Minister of Housing and Public Works, Minister of Advanced Education and Manpower, Minister of Government Services), The Town of Fort McMurray, and The Fort McMurray School District No. 2833. It is suspected, the Joint Usage Agreement expired in 1990. Keyano College and the Theatre continue today to honour the intent and are subsidizing the accessibility to the Theatre for the local School boards and community users.

Since opening, Keyano College and the Theatre have operated the Keyano Theatre Company (KTC), which is a combination of community theatre and professional touring productions.

"Dedicated to Keyano College's theme, Yours, Mine, and Ours, Keyano Theatre is extremely busy with programs for and by the residents of Fort McMurray. Each year more than 50 community-use events are booked in the theatre and the number promises to grow."

Keyano Theatre Brochure (circa 1987)

When it opened, the Theatre was the primary facility used by other community-based groups to bring professional touring concerts and artists to the community. By 1990 the interest of these external groups to continue programming waned and eventually ceased. As a result Keyano Theatre assumed responsibility for programming professional touring artists and still does so today with the Syncrude Arts Alive Series and other professional touring artists.

In 1984 a steering committee took the results of a Cultural Needs Survey conducted by the City, and began to plan for and build the Keyano Cultural Centre (KCC) with an original completion date set for 1987. This was to address the expressed needs for an art gallery and community access to smaller studio spaces for arts, crafts, music and dance. The planned facility was to include an art gallery, a smaller

performance theatre, dance, music and art studies as well as administration spaces and instructor offices.

Economic challenges at the time caused the project to be postponed. It was re-configured with a modified scope and scale, removing the art gallery and construction began in January 1989. It was completed in the fall of 1990. The official name was changed to the Keyano Arts Centre, to represent the broader mandate and activity within the facility.

From 1990 until 2014 the Arts Centre was home to the Visual and Performing Arts (VPA) academic program, offering credit courses for diplomas in drama, music, visual art and design, technical theatre and musical instrument repair. It was also the home to non-credit conservatory programming in music, dance and visual arts. Low enrollment and economic pressures resulted in the program being cancelled. The last credit diploma courses ended in the spring of 2014 with the conservatory programming ending in the spring of 2016. Keyano Theatre & Arts Centre continues as the community focused hub for Keyano College today.

The Regional Municipality's commitment to our community was published in 2015 with the following objectives initially identified in the RMWB 2015-2017 Strategic Plan:

"Goal: To connect people and communities through accessible, regional based leisure and wellness activities, programmes and public gathering places.

Working with partner organizations and through direct delivery of service to residents throughout the Region, the Municipality provides opportunities for community members to enjoy a high quality of life. Opportunities will include arts, recreation, health and wellness, as well as leisure activities.

- *Encourage the use of the Region's recreational and community facilities, including natural amenities.*
- *Encourage and support the social profit sector.*
- *Increase accessible recreation and leisure opportunities for all user groups in the Region.*
- *Increase opportunities for large scale/sports/cultural tourism events.*
- *Increase tourism, culture and arts programming throughout the Region."*

*-Regional Municipality of Wood Buffalo. 2015-2017 Strategic Plan - Section 7
Building a Healthy and Active Lifestyle*

The Theatre has remained current; seating and onstage materials have been replaced as needed to ensure this, and all of the Theatre technical equipment and operating systems are leading edge technologies.

Keyano Theatre remains the hub with a strong and vibrant community theatre (KTC), a professional touring concert series – Syncrude Arts Alive, the TIFF series, featuring monthly screenings from the Toronto International Film Festival and

other ongoing initiatives to actively engage our community in performance activities.

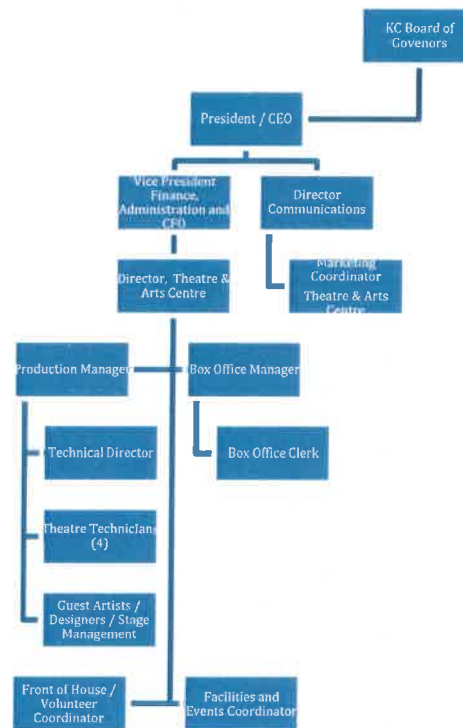
In the 2018-2019 season, Keyano Theatre produced four plays with 27 performances, 15 concerts/performance featuring 70 artists, and welcomed more than 11,550 patrons. Over 178 community and commercial events and thousands of patrons chose Keyano Theatre as their venue of choice.

“Keyano College, because of the Keyano Theatre, plays an important role as an entertainment centre for the Fort McMurray region. KCC will expand the scope and frequency of performances offered to the community. The recital theatre and art gallery, in particular, will provide additional opportunities for the citizens of Fort McMurray and broaden their cultural horizons. In this sense KCC will greatly enhance the quality of life in Fort McMurray”

*Facilities Program, Keyano Cultural Centre,
Fort McMurray, Alberta. Prepared by
Pyramid Facilities Planning Ltd. April 1984.
P 1.08*

Governance and Management

Keyano Theatre is owned and operated by Keyano College. The Director of the Theatre and Arts Centre manages the Theatre and Arts Centre, which operates as an internal department. The Director reports to the Vice President of Community Relations, who in turn reports to the President and CEO of the College. All are under the direction of the Keyano Board of Governors. The Theatre & Arts Centre is also supported by the College Marketing team and Advancement for donor and sponsorship support.



Finances

As the owner/operator, Keyano College looks after the overall physical plant (utilities, maintenance, custodial, security, etc.) and currently underwrites any Theatre operating deficit.

The Theatre is responsible for generating further operational revenue through facility rentals, ticket sales, municipal, provincial and federal grants, and, with the assistance of the Keyano Advancement team, sponsorships and donations.

Aligning with Keyano College's updated 2019/20 Comprehensive Institutional Plan (CIP), the Theatre will achieve success through: Goal #1 – Pursue Empowerment and Achieve Engagement; Goal #2 - To Celebrate Learning; and Goal #3 - To live Our Intention. New definitions in the Alberta Government Advanced Education funding grant describes non-student facing operations as a Commercial Enterprise therefore requiring a new funding model to further decrease the operating costs to the College. Therefore, Keyano Theatre is continuing with a high level rental analysis and investigations to seek alternate community support with the focus on long term sustainable funding.

Core Elements

Vision

The Keyano Theatre & Arts Centre sets standards for excellence in arts and arts education in Northern Alberta. Our state of the art facility is financially viable, and the community values our welcoming, collaborative and inclusive approach to contributing to the quality of life in our region.

Mission

Keyano Theatre & Arts Centre introduced a new mission statement in this strategic plan. The mission statement reflects the belief that the Centre is of greatest value when the programming addresses the needs of as many members of the community as possible at any point in time. The Regional Municipality of Wood Buffalo (RMWB) is always a transient community, with a very diverse population, and the Centre must be able to embrace the ever-changing environment if it is to be able to achieve its vision of setting the standard for excellence.

The mission of Keyano Theatre & Arts Centre is:

To create new opportunities, inspiration and learning opportunities in the community through the arts.

Core Values

The following core values influence the culture and image of the Keyano Theatre & Arts Centre. The diverse and changing nature of the community and our stakeholders require that we hold these values firmly.

Inclusivity – we provide a welcoming and inclusive space for community members

Creativity – we provide a safe, nurturing environment for creativity to flourish

Diversity – we welcome and encourage diverse ideas and interests

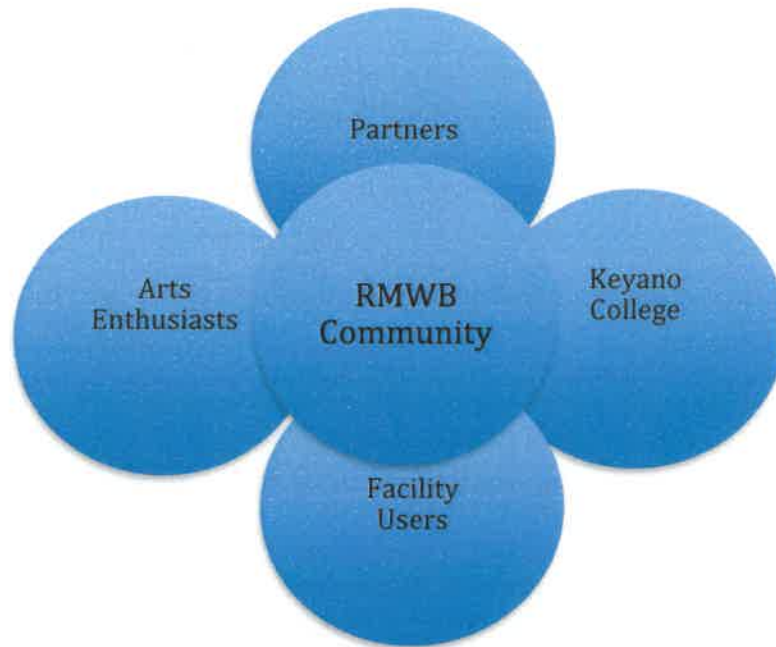
Collaboration – we seek opportunities to work with others, to share, to learn, to listen, to partner

Integrity – is woven throughout all aspects of our work – allowing for artistic integrity, financial integrity, and personal integrity

Engagement – we engage with others and with the arts through dialogue and by being supportive; we inspire others to engage with us

Customers

The Keyano Theatre & Arts Centre has many different customers. They can best be described by how they interact with the Centre, as depicted below.



The customer groups start with our support of the Regional Municipality of Wood Buffalo. As our Mission states, supporting the community at large within the RMWB is at the heart of what we do every day, in all of our activities.

Within that we also support more specifically

- Arts enthusiasts including students, patrons, volunteers, artists
- Facility users consisting of varied presenter organizations: i.e. local dance academies, music recitals and performances of national and international touring presenters
- Partners that contribute financially, gifts in kind, or with shared resources via our donors, schools, and arts collaborating organizations
- Keyano College

Environmental Assessment

The following is a brief summary of the key points of the environmental scan that was completed by the strategic planning committee completed in February of 2016. Key internal strengths, weaknesses, external opportunities and threats are highlighted. This analysis will be reviewed in the spring of 2020.

Strengths

Key strengths of the Centre include the organization's ability to provide a good experience to artists, users and patrons, as a result of a well-organized and well-run facility, well-maintained equipment, studio, rehearsal and performance spaces with a high level of customer service from professional staff. The diversity of the community provides a strong pool from which to draw support, and being associated with a post-secondary institution can be very valuable.

Weaknesses

The busy-ness of the Centre and the community-wide retention challenge have resulted in a fire-fighting mode of operation. This has meant delays in updating processes and procedures or staying current with research and current best practices.

Opportunities

The key opportunities that were identified were:

Marketing re-branding – there is an opportunity to leverage the long-term credibility and history of the Centre; also, a re-brand of a centre for arts will provide the chance to find new ways of engaging externals through space usage

Transitional Population – The constantly shifting population provides the chance to leverage youth, diversity and incomers

Government Relations/funding – New provincial and federal governments may provide some opportunities as a result of their different agendas; leverage support from foundations

Staffing changes – Provide opportunities to bring people in to our community and workplace

Collaboration – There is an opportunity to be more deliberate and strategic in establishing new partnerships with other arts organizations, (i.e. Arts Council Wood Buffalo) other institutions, and businesses. A joint usage agreement among key stakeholders can avoid duplication of services and assist in making the Theatre & Arts Centre sustainable, affordable and accessible.

The 2018-2021 Regional Municipality of Wood Buffalo Strategic Plan supports a partnership with Keyano College:

"Provide opportunities for access to collaborative creative spaces for artists, in addition to places where community- based art works can be displayed

Explore opportunities for joint usage agreements within existing arts and culture facilities to foster increased collaboration and operational support

Explore Partnerships with Keyano College"

*Regional Municipality of Wood Buffalo 2018-2021 Strategic Plan
Strategy and Initiative #3f – Support Arts and Culture p. 16*

Aligning with the Municipalities 2018-2021 Strategic Plan is the Arts Recovery Workgroup (established by the RMWB) with their Post Fire Recovery in the Arts Strategic Plan. In the conclusion of this report Keyano College was mentioned as the obvious choice to:

"Provide Arts with a Center from which they can grow, organize and work."

*Post Fire Recovery in the Arts Strategic Plan
Post Fire recovery: Step #2 p.1*

Threats

The threats considered to be most important include:

Economy – There is a lack of diversification locally, which means that funding and revenue streams are affected; there are budget concerns – from decrease in post-secondary funding to subsidize ancillary operations; decreased revenues

Staffing – The market pool is limited

Competition for disposable income – There are always others competing for disposable income. Competition includes: Suncor Community Leisure Centre; Suncor Energy Centre for the Performing Arts; Casman Centre; hockey, movies etc.

Changing Demographic – Increased diversity could make programming more challenging, with fewer interested in any given offering; increased number of children

Environmental issues – Due to our reliance on incandescent (inefficient) lighting, and perceived waste of construction materials. Live theatre is not typically seen as a green, environmentally sustainable business

Public perception – Changes to existing community support would be perceived negatively

Strategic Direction

Based on the mission, values, understanding of key stakeholders and of the environment, the next four years will be a time for the Keyano Theatre & Arts Centre to continue our pursuit of five strategic objectives:

1. Identify ways of determining and establishing relevance to the community based on existing expertise and building on the already established, strong community-based foundation of support and instituting funding agreements with our partners.
2. Become experts in audience-building in a community that is small, diverse and transitional. Continue engaging our patrons and stakeholders to determine and ensure programming is relevant, accessible and educational.
3. Identify, develop and nurture key partnerships, including with the Municipality and the Arts Council Wood Buffalo.
4. Continue focusing on excellence/best practices in administrative processes /business processes, policies, procedures, and develop related training.
5. Building a medium to long-term financial plan to ensure the financial viability of Keyano Theatre & Arts Centre.

Strategic Goals/Action Plan (by Year)

The Strategic Goals document outlines the goals and activities that will be undertaken over the next five years, in the context of the five strategic objectives. The first four years will be heavily action oriented, and the fifth year, 2022, will be a time to continue to develop and stabilize all new activities and initiatives, and to look at lessons learned in each area. It will be a time to focus on leveraging new strengths, assessing ways to mitigate emerging challenges, and to begin organizing the strategy for the next five years.

In the following charts, each strategic goal has been addressed individually, on its own page, and has a number of goals attached to it. If these goals are achieved, significant movement in the pursuit of the strategic goal should be seen.

Specific measures, against which to measure progress toward the goals that are included in the action plans, are in a column beside the goals being measured.

A series of actions that will be carried out by individuals or small groups have been identified and specified by the year in which they are likely to be undertaken.

Overall, this should provide a roadmap to success, and allow constant progress toward the Vision, while allowing members of the team to fulfill the mission on a daily basis through their actions.

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

To the Board of Governors of Keyano College

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.



President & Chief Executive Officer




Vice President Corporate Services and
Chief Financial Officer

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

	2018	2017
Financial assets excluding portfolio investments restricted for endowments		
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
	38,291,928	49,613,496
Liabilities		
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
	42,128,646	54,438,160
Net debt excluding portfolio investments restricted for endowments	(3,836,718)	(4,824,664)
Portfolio investments - restricted for endowments (Note 5)	5,330,800	4,665,515
Net financial assets/(net debt)	1,494,082	(159,149)
Non-financial assets		
Tangible capital assets (Note 14)	108,441,052	112,827,617
Prepaid expenses	433,665	348,647
	108,874,717	113,176,264
Net assets before spent deferred capital contributions	110,368,799	113,017,115
Spent deferred capital contributions (Note 15)	56,909,621	62,333,357
Net assets (Note 16)	\$ 53,459,178	\$ 50,683,758
Net assets is comprised of:		
Accumulated surplus	\$ 52,549,960	\$ 49,508,800
Accumulated remeasurement gains	909,218	1,174,958
	\$ 53,459,178	\$ 50,683,758
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
Revenues			
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>
Expenses (Note 22)			
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>
Annual operating surplus	<u>701,418</u>	<u>2,814,253</u>	<u>2,419,646</u>
Endowment contributions (Note 16)	-	175,450	107,500
Capitalized income (Note 16)	-	51,457	7,322
Annual surplus	<u>701,418</u>	<u>3,041,160</u>	<u>2,534,468</u>
Accumulated surplus, beginning of year		<u>49,508,800</u>	<u>46,974,332</u>
Accumulated surplus, end of year	<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	(244,961)	(265,469)
Accumulated remeasurement gains, end of year	\$ 909,218	\$ 1,174,958

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

	2018	2017
Operating transactions		
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)
Cash (applied to) provided by operating transactions	(8,714,035)	13,544,325
Capital transactions		
Acquisition of tangible capital assets (Note 14)	(5,697,488)	(4,238,778)
Proceeds on sale of tangible capital assets	1,787	24,688
Cash applied to capital transactions	(5,695,701)	(4,214,090)
Investing transactions		
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
Cash (applied to) provided by investing transactions	(410,680)	116,081
Financing transactions		
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
Cash (applied to) provided by financing transactions	(2,670,545)	3,273,767
(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
Cash and cash equivalents, end of the year	\$ 2,807,730	\$ 20,298,691

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

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

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

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

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

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

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

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

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

Cash

Money market funds and interest bearing accounts

Restricted cash

	2018	2017
	\$ 1,512,537	\$ 18,908,547
	1,239,107	1,336,736
	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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. Portfolio investments

	2018	2017
Portfolio investments - non-endowment	\$ 11,056,382	\$ 10,936,530
Portfolio investments - restricted for endowments	5,330,800	4,665,515
Total portfolio investments at fair market value	16,387,182	15,602,045
Guaranteed investment certificate - non-endowment	775,623	771,764
	<u>\$ 17,162,805</u>	<u>\$ 16,373,809</u>

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).

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

	2018		
	Level 1	Level 2	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%	100%
	2017		
	Level 1	Level 2	Total
Portfolio investments at fair value			
Bonds			
Canadian government and corporate bonds	-	\$ 7,111,476	\$ 7,111,476
Equities			
Canadian equity fund	-	4,164,934	4,164,934
Foreign equity fund	-	4,325,635	4,325,635
Total portfolio investments	-	\$ 15,602,045	\$ 15,602,045
	0%	100%	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

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
Credit rating		
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%
	100.0%	100.0%

Liquidity risk

Liquidity risk is the risk that the College will encounter difficulty in meeting obligations associated with its financial liabilities. The College maintains a short-term line of credit that is designed to ensure that funds are available to meet current and forecasted financial requirements in the most cost effective manner. 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
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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
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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
YEAR ENDED JUNE 30, 2018

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 ⁽¹⁾	\$ 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>

⁽¹⁾ 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
YEAR ENDED JUNE 30, 2018

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
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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 ⁽¹⁾	Computer Hardware & Software	Other ⁽²⁾	Total	Total
Cost								
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
Accumulated Amortization								
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)
		646,406	74,888,396	22,351,776	6,772,679	2,928,753	107,616,170	107,266,019
Net book value at June 30, 2018	\$ 12,980,333	\$ 1,178,755	\$ 79,445,261	\$ 13,677,853	\$ 810,200	\$ 348,650	\$ 108,441,052	\$ 112,827,617
Net book value at June 30, 2017	\$ 12,980,333	\$ 1,111,693	\$ 80,554,240	\$ 16,825,789	\$ 1,065,176	\$ 290,385	\$ 112,827,617	

⁽¹⁾ Equipment includes vehicles, heavy equipment, office equipment, furniture and leasehold improvements

⁽²⁾ 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
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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).

	2018	2017
Spent deferred capital contributions		
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	\$ 56,909,621	\$ 62,333,357

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	12,905,774	4,665,516	\$ 50,623,756
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**

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
YEAR ENDED JUNE 30, 2018

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
	\$ 69,411,773	\$ 84,800,198	\$ 65,120,581

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
YEAR ENDED JUNE 30, 2018

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
YEAR ENDED JUNE 30, 2018**

25. Salary and Employee Benefits

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

- (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
YEAR ENDED JUNE 30, 2018

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
Assets		
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>
Liabilities		
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>
Equity		
Trust Surplus	\$ 3,973,909	\$ 3,629,234
	<u>\$ 18,896,746</u>	<u>\$ 19,210,101</u>
Comprehensive income		
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**

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
Revenue:			
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
Total revenue	1,000,095	2,444,467	3,444,562
Operating Expenses (note 2)			
Salaries & benefits	1,070,972	1,932,253	3,003,225
Casual and student wages	73,292	194,000	267,292
Total salaries and benefits	1,144,264	2,126,253	3,270,517
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
Total contracts, materials and supplies	443,591	1,342,908	1,786,499
Total expenditures	1,587,855	3,469,161	5,057,016
Deficit from Theatre operations	\$ (587,760)	\$ (1,024,694)	\$ (1,612,454)

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.