



Keyano College

ANNUAL REPORT 2005





Mission Statement

Keyano College is committed to providing excellent education, training and services that will prepare people for the challenges of work and enhance individual growth. Keyano College holds the fundamental belief that its purpose is to enable students to meet the challenges of the future through accessible programming that maximizes the potential of students and promotes individual and community development, which will improve the quality of life in our region and throughout Alberta.

Accountability Statement

Keyano College's Annual Report for the year ended June 30, 2005 was prepared under the Board's direction in accordance with the Government Accountability Act and ministerial guidelines established pursuant to the Accountability Act. All material economic, environmental or fiscal implications of which we are aware have been considered in preparation of this report.

Board of Governors 2004-2005

Chair – Pam MacGillivray

Keyano College President – Jim Foote

Public Members – Robert Campbell, Hector Demers, Bill Gendreau, Carna MacEachern, Rick Nilson, Tim Revington

Faculty Member - Blair Hemstock

Support Staff Member - Gail Wall

Student Member - Murray Pruden

Senior Executive

President – Jim Foote

Vice President of Finance & Administration – Al Adibi

Vice President of Instruction – Marylea Jarvis

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Message from the Board Chair

This year, Keyano College is celebrating its 40th anniversary. This milestone in our history provides us with the opportunity to reminisce about how much we have grown and gives us the fortitude to forge ahead. We certainly have grown over the past 40 years, but one thing has remained the same – our commitment to the region and our students.

Take a walk down any hallway of our campuses or visit any community in our region and you'll see that Keyano College is as committed to providing excellence in education, training and services as it was 40 years ago.

Through the construction of additional Trades and Technology facilities, the expansion of our University Studies program offerings and the development of applied research at Keyano, we are striving to continue preparing students for the challenges of the future. We're still focused on making post-secondary education more accessible by offering online courses through eCampusAlberta; by participating in Alberta North; and, by developing partnerships with other post-secondary institutions and industry to bring the classroom to potential students.

We also remain committed to encouraging individual and community development and to improving the quality of life in the Regional Municipality of Wood Buffalo. This year we moved forward with the construction of the Syncrude Sport and Wellness Centre at our Clearwater Campus. The construction of this community-use facility represents Keyano's commitment to community wellness by providing all residents of the Wood Buffalo region with access to first-class recreational facilities

and services. With the construction of this Centre at Keyano, we are well poised to meet our region's immediate and future recreation and sporting needs.

Additionally, the Syncrude Sport and Wellness Centre enables Keyano College to develop new certificate and diploma programs in sport and wellness; create new opportunities and diversity for students; and, attract more high school graduates entering university studies and career programs.

With our city's population anticipated to increase from 70,000 to at least 100,000 over the next five years, the demand for Keyano's services and expertise will continue to grow in the coming decade. As you will read in our 2005 Annual Report, Keyano has positioned itself to take advantage of the opportunities that lie ahead. Every facet of our operation, and every new initiative is implemented in direct response to the immediate and future needs of students, our community and industry. Through constant attention to emerging challenges and opportunities, Keyano College will continue to provide responsive, quality programming, training and services.



Pam MacGillivray

*Chair, Board of Governors
Keyano College*



President's Report



Keyano College is located in the fastest-growing region in Alberta. The Regional Municipality of Wood Buffalo is currently home to 70,000 people, however by 2010 the base population is expected to top 100,000. An additional \$50 billion in oilsands investment is anticipated in that same time frame.

In March 2005, the Regional Issues Working Group brought together community and industry stakeholders to develop the *Wood Buffalo Business Case*, a comprehensive overview of the urgent public infrastructure needs of the region. According to the document, our region has undergone a very high level of sustained growth in the past six years (8 per cent annually and 55 per cent on a cumulative basis) and the same rate of annual growth is expected for at least another decade.

This is evident in Alberta Energy's vision to produce 3 million barrels per day from the oilsands by 2020 - approximately 2 million more barrels than is produced per day now. As industry grows, demand for skilled workers will increase and ultimately so will our population. In order to support the growth of the oilsands industry and our region, Keyano must expand its infrastructure and programming which presents a number of unique opportunities and challenges.

Clearly our infrastructure has not been able to keep pace with the rapidly growing community and, we face construction costs that are more than 50 per cent higher than in the rest of the province. However, the College is committed to addressing the needs of the community.

Keyano College was pleased that the Alberta Government focused on post-secondary education as its #1 priority in its 2005 Budget Address; and, we have positioned the College to take advantage of the opportunities that this presents including an 18 per cent increase in base operating grants over three years, increased funding for apprenticeship training and capital projects. Additionally, the Alberta Government's new endowment fund, Access to the Future, along with its initiative to add 15,000 post-secondary seats to its institutions by 2008,

directly aligns with Keyano's student recruitment target of 2000+ By 2010 and future expansion plans.

These plans are highlighted in the College's Campus Development Master Plan, which will guide the future growth and development of Keyano College for the next 25 years. Industrial investment and population growth in northeastern Alberta is expected to continue to climb during the next five year period, which will push Fort McMurray's baseline population to over 100,000 residents. The Campus Development Master Plan addresses the physical infrastructure needed to deliver education and training programs that are needed to support the growth and development that is driven by the oilsands industry.

One of the driving forces behind the Campus Development Master Plan is the construction of the Syncrude Sport and Wellness Centre for the students and community members of the Wood Buffalo region. This project has taken great strides forward over the past year - the Centre was officially named, an architect was hired, and construction went to tender. From the very beginning Keyano College has been firmly committed to community wellness and to building this facility, so we are very excited to be one step closer to starting construction.

The Syncrude Sport and Wellness Centre will be constructed as a field house that includes a running track, a gymnasium and indoor playing fields for sports such as soccer, lacrosse, tennis, basketball, volleyball, and seating for major events. Fitness and aerobic facilities, high performance and strength training resources, and a Kinesiology Lab are also included in the Centre. Initial groundwork started last fall and major construction will start this spring with an official opening slated for Fall 2007.

Another driving force behind the Campus Development Master Plan is the impending expansion of Keyano's Trades and Technology facilities. The shortage of skilled labour in Alberta is quickly becoming the foremost threat to the future development

President's Report

of the oilsands industry. Keyano currently trains approximately 30 per cent of the regional apprentices in the top five trades fields. The expansion of the Trades and Technology facilities will allow the College to address the growing shortage of skilled workers in our region. Local employers and students are looking to Keyano College for training in these areas and we must construct, renovate and expand our facility to meet these demands. In response to these demands, Keyano College has prepared a comprehensive Business Case, which outlines how Keyano College plans to double its apprenticeship and technology training programs by the year 2010.

This program expansion will create training opportunities for an additional 500 students per year in high-demand employment areas such as welding, electrical, heavy equipment technician and power engineering. Keyano's industry partners have also identified a need for eight new "in high demand" programs: Instrument Mechanic, Insulator, Plumber/Gasfitter, Steamfitter/Pipefitter (Apprenticeship programs); and Chemical Engineering Technology, Electrical Engineering Technology, Industrial Instrumentation Technology, Non-Destructive Testing Technician (other programs).

Subsequently, the College has launched the 'Heart of the Campus' project to identify how space vacated as a result of the Trades and Technology expansion will be utilized to promote a more collegiate environment that is welcoming for both students and the community. While expansion of the

Trades and Technology division is the next major initiative for Keyano, the College also recognizes the need to expand certificate and diploma programs, University Studies and Aboriginal programming.

Keyano College believes that developing partnerships with industry, the community and other post-secondary institutions will play a major role in the expansion of our programming. Just this past year a number of initiatives were launched as a direct result of collaboration.

Students in the Regional Municipality of Wood Buffalo now have access to additional education opportunities without having to leave their community thanks to two Memorandums of Understanding signed on May 10 between the University of Alberta and Keyano College. The first agreement strengthens university level transfer opportunities available and presents an opportunity to discuss the possibility of offering additional degree completion opportunities, such as a Bachelor of Education at Keyano's Clearwater Campus. The second memorandum resulted in Keyano's adaptation of the U of A's Aboriginal Transition Year Program.

Keyano's Aboriginal Transition Year Program was launched in September. The Program allows the College to provide courses that will enable Aboriginal students in the Wood Buffalo region to smoothly transition into University Studies and ultimately achieve post-secondary success. Students completing the

Program at Keyano can then apply to a variety of transfer programs at the U of A. This agreement supports the Campus Alberta vision as well as the government's initiative to increase post-secondary seats in the province. Syncrude Canada Ltd. demonstrated its support of the initiative with a contribution of \$55,000 towards the intake of Aboriginal students starting degree programs at Keyano College.

Keyano's partnership with the University of Alberta is just one example of how we are finding innovative ways to meet the needs of the people and industry in our region. Keyano College's Aboriginal Education and Trades departments teamed up with the Wood Buffalo Partners in Aboriginal Training this year to offer a two-phase Aboriginal Skills Employment Partnership (ASEP) program that will prepare students to enter trades programs. Phase one includes Preparation for Academic and Career Education and Connecting to College and Careers courses. In phase two, successful graduates of ASEP applied for entry into Mine Operations, Power Engineering, Process Operations and Mechanical Construction Trades Preparation programs.

In January 2005, Keyano College began offering first year electrical apprenticeship training at Suncor's Oil Sands Tar Island #1 Site in response to industry demands. This cooperative pilot project was developed through a partnership between Suncor Energy, Ledcor Industrial, Flint Energy Services, the Christian Labour Association of Canada (CLAC), Casca Electric, Laird Electrical Ltd. and Keyano to deliver and evaluate mobile

electrical apprenticeship training. Since the workforce within the trades is aging and demand is increasing province-wide, alternative approaches to apprenticeship training are needed. Mobile delivery of apprenticeship training is one solution designed to address the shortage of journeypersons in the Fort McMurray area.

Over the next year, Keyano College will continue to foster partnerships. We'll also be keeping our focus firmly on the future in order to ensure people are provided with unprecedented learning experiences and are prepared for the opportunities available in our region. Innovative solutions, ambitious vision and commitment to excellence has led our institution through 40 years of success and thanks to the support of our employees and partners we are well positioned to continue that success well in to the future.



Jim Foote
President, Keyano College

Goals and Expected Outcomes

Goal 1

Define program and campus development plans for Keyano College for the next four years and identify infrastructure needs to support plans.

In February 2005, the Keyano College Board of Governors approved a Campus Development Master Plan that will serve as a blueprint for the growth and expansion of Keyano College during the next 25-year period.

Recommendations in the plan include:

- Consolidation of programs (with the exception of any heavy equipment programs) at Clearwater Campus
- Development of family housing closer to Clearwater Campus
- Maintain and enhance the integration of different programs
- Develop a sustainable approach to development that integrates transportation demand management with a long-term parking strategy
- Establish areas for new academic buildings including the Trades and Technology Centre, and a Learning Resource Centre (library)
- Enrich campus and community life through the construction of a Sport and Wellness Centre, consolidation of student services, food kiosks and other commercial spaces
- Implement a consolidated approach to future campus development
- Adopt new landscape design guidelines
- Carry development principles to the Regional Learning Centres
- Address the strategic need to acquire land adjacent to Clearwater Campus for future development
- Conduct a land review of the property at the Suncor Energy Industrial Campus (600 acres) for future development

In the 2005 Keyano College Business Plan, key focus areas are identified to meet those recommendations by which the College is guided during the decision-making process. They are:

- Syncrude Sport and Wellness Centre
- Major expansion for trades and technology

- Expansion of the library and media services
- Improved service in regional Aboriginal programming
- Replacement of the College's incapacitated chilled water system
- Ensure reliability of the information technology network infrastructure
- Replacement of capital items, i.e. computers, labs, facility equipment, furniture and fixtures, in all areas of the College

With the Syncrude Sport and Wellness Centre in the early stages of site development, and the chilled water system project nearing completion, the College is looking to increase its number of full load equivalencies (FLEs) by providing additional programs and training in the Regional Municipality of Wood Buffalo with an expansion of Trades and Technology, and other academic areas.

A report prepared in November 2005 by Alberta Human Resources and Employment, Data Development and Evaluation, indicates a severe shortage of some trades groups, (i.e. electricians, carpenters, transportation equipment mechanics) with critical shortages in some trades beginning in 2006. With this information, it is timely that Keyano College expands its Trades and Technology programs to better serve the community.

With this expansion comes the need for additional academic resources. The College is planning to launch Phase 2 of the Campus Development Master Plan, by looking at the 'Heart of the Campus'. This study will look at a centralized service area for students which will include a learning resource centre, counselling, registrar's office, food services, day care, student lounge, banking services, health services, and the bookstore. Phase 2 is required to optimize space utilization and allocation, and to better serve the educational needs of students, and the community-at-large.

The Campus Development Master Plan can be viewed on the Keyano College Web site (www.keyano.ca).

On the academic programming side, Keyano College offered new programs and found innovative ways of delivering education to our students throughout the Regional Municipality of Wood Buffalo in response to industry and community demands.

In January 2005, Keyano College began offering first year electrical apprenticeship training at Suncor's Oil Sands Tar Island #1 Site in response to industry demands. This cooperative pilot project was developed through a partnership between Suncor Energy, Ledcor Industrial, Flint Energy Services, the Christain Labour Association of Canada (CLAC), Laird Electrical, Casca Electric Ltd. and Keyano to deliver and evaluate mobile electrical apprenticeship training. Mobile delivery of apprenticeship training is attractive to both employers and prospective apprentices. Employers are able to maintain a more constant, uninterrupted workforce since apprentices are able to work throughout their apprenticeship; and, apprentices continue to receive a salary and do not incur the additional costs associated with relocation to off-site training. Since the workforce within the trades is aging and demand is increasing province-wide, alternative approaches to apprenticeship training are needed. Mobile delivery of apprenticeship training is one solution designed to address the shortage of journeypersons in the Fort McMurray area.

This year, Keyano College has focused on improving access to learning in addictions counselling and social services in Aboriginal communities by developing its entire Aboriginal Addictions Services Program as well as its Aboriginal Child and Family Services Certificate for online delivery. These are two of Keyano's most innovative programs, and they will be available to students throughout the province via eCampusAlberta in 2006. In 2004, Keyano College received \$140,000 in Access Funding from the Alberta government to develop and provide online access of its programs to Aboriginal communities. Keyano received \$75,000 to develop 15 online courses in the

certificate and diploma programs for Aboriginal Addictions Services, as well as \$65,000 to develop 13 online courses in the Aboriginal Child and Family Services program. By responding to the needs of learners with flexible and convenient online educational opportunities, Keyano College is reaching a specific group of people who might not otherwise be able to access post-secondary education.

Students in Conklin, Janvier, Fort Chipewyan, and Fort MacKay began learning valuable employment skills this year thanks to Keyano's Connecting to College and Careers (CCC) Program. The Program, which rotates among the four regional campuses as well as the Clearwater Campus in Fort McMurray, is offered through a partnership with the Aboriginal Skills and Employment Program (ASEP). Officially launched by the Aboriginal Human Resources Development Strategy, ASEP is a nationally managed program geared towards providing Aboriginal people with the skills they need to participate in economic opportunities. Its overall objective is sustainable employment for Aboriginal people in major economic industries, leading to lasting benefits for Aboriginal communities, families and individuals.

A partnership forged in May 2005, is providing students in the Regional Municipality of Wood Buffalo with access to additional education opportunities without having to leave their community. Keyano College and the University of Alberta signed two Memorandums of Understanding; one resulted in a Keyano adaptation of the U of A's Aboriginal Transition Year Program, while the second promises to strengthen university level transfer opportunities available. The possibility of offering additional degree completion opportunities is also being investigated.

Goals and Expected Outcomes

Goal 2

Ensure Keyano College has stable and current information technology infrastructure to support innovation and quality in program, service and management systems.

Keyano College has formed an internal Educational Technology Steering Committee to identify, research, recommend, implement and train all learning and administrative technology related initiatives and strategies. One key recommendation of this Committee, which was accepted by the College's Executive Committee, was to begin replacement of aging servers and personal computers. A strategy will be put in place to ensure that the necessary equipment is provided.

The Computer Services Department has been focusing on the College's online operation, and more specifically, on accessibility and security by addressing the following:

- Installation of new uninterruptible power sources (UPSs) to support the system servers for additional power protection
- Reduction of IT downtime to almost nil by feeding the server rooms with power from the emergency generator
- Replacement and consolidation of the existing system and network servers with newer blade servers with adequate redundancy to ensure 99.9 per cent uptime. The completion of this phase is expected in January 2006.
- Replacement of the existing storage with a 2-terra byte SAN system by January 2006. The legacy NAS system will be used for online backup system to decrease any loss of data to less than one-man hour.

With respect to the network, the College has started phasing in the SuperNet as the network medium backbone, which will allow increased connectivity with the external campuses. QoS (Quality of Service) and network monitored systems will be in place to increase reliability of the communication medium. The Computer Services Department is in the process of installing a Firewall / IDS / IPS system to improve network security. A new anti-spam system has been implemented to trap spam e-mail before they reach the end users.

The Computer Services Department also has plans to move services toward an Active Directory/Exchange/SharePoint environment to allow improved authentication, security, online collaboration and content management. Full implementation will be completed by September 2006.

The College is in the midst of implementing its new Management Information System (MIS). Following thorough research, SunGard SCT / powerCAMPUS was chosen to replace the aging POISE system used by Human Resources, Finance Services, and Student Services. To date, a number of milestones have been achieved. Implementation of the new system began in the Finance Services area and the financial modules will be fully implemented by the end of the first quarter of 2006. The Student Services Centre will be the next area to go online.

Goal 3

Complete the design and undertake the construction of the Sport and Wellness Centre

In March 2005, The Regional Municipality of Wood Buffalo and Keyano College decided that they could better meet the immediate and future needs of the community if they each built separate sport and wellness centers.

While the Municipality opted to rejuvenate its MacDonald Island facility, Keyano College is forging ahead with its plans to build the Syncrude Sport and Wellness. The College's Board of Governors agreed to send the construction of the facility to tender in the Fall 2005.

The Syncrude Sport and Wellness Centre will be constructed as a field house that includes a running track, a gymnasium and indoor playing fields for sports such as soccer, lacrosse, tennis, basketball, volleyball, and seating for major events. Fitness and aerobic facilities, high performance and strength training resources, and a Kinesiology Lab are also included in the Centre.

The construction of the Syncrude Sport and Wellness Centre represents Keyano's commitment to community wellness by providing all residents of the Wood Buffalo region with access to first-class recreational facilities and services. With the construction of this community-use facility at Keyano, we are well poised to meet our region's immediate and future recreation and sporting needs.

Preliminary site work of the Syncrude Sport and Wellness Centre at the Clearwater Campus started in October 2005. Major construction is set to commence in early 2006, with an official opening slated for the Fall 2007.

Goals and Expected Outcomes

Goal 4

Oversee the alignment of planning, budgeting and stewarding of resource management and goal progress in accordance with policy directions

The Keyano College Board of Governors approved a \$39.5 million balanced operating budget for the 2005/2006 academic year. The budget allows Keyano to build a base for future expansion and puts Keyano in a position to take advantage of opportunities presented by the Alberta Government. The new endowment fund, Access to the Future, along with its initiative to add 15,000 post-secondary seats to its institutions by 2008 (60,000 by 2020), directly aligns with Keyano's future expansion plans and student recruitment target of 2000+ By 2010.

With utility costs continuing to rise, Keyano College made some innovative changes during the 2004/2005 academic year and significantly reduced its expenditures. By implementing some new initiatives and utilization of the Building Management System, Keyano reduced its energy costs by approximately \$300,000. This System, which has not yet been fully implemented, is divided into five key areas: (1) the purchase of new chillers and cooling towers; (2) improved coordination of building occupancy; (3) the negotiation of new cost-efficient contracts; (4) the optimization of heating and cooling systems; and, (5) the installation of a new lighting system that allows for programmable lighting sequences. Future areas of investigation include the negotiation of a new gas contract and the optimization of Keyano's performance in each of the five key areas noted above.

The revised financial controls will streamline budget planning and reporting for current and capital budgets, which will include a capital replacement strategy. This has been the main focus of Finance Services during the last year.

During the annual budget process, it will be the responsibility of all budget managers to plan the type and cost of expenditures required for the following year, in order to provide the level of service and capacity required to meet the College's priorities, as approved by the Board of Governors.

Changes have been made for the 2006-07 budget year, which will see College budget managers develop a ten-year capital plan forecast. This budget year will also see the centralization, and scheduled replacement, of vehicles, computers, office and classroom equipment, furniture, and specialized equipment and tools. This plan will alleviate the burden placed on budget managers who should balance their budgets on a yearly basis, and to save money for the required capital expenditures.

These initiatives will enable Keyano College to plan and monitor capital expenditures more timely and effectively.

Key Performance Measures



GRADUATE SURVEY HIGHLIGHTS			
	2000	2001	2002
Employment Rate:	89.3%	91.8%	92.0%
Graduate Satisfaction:	96.8%	97.0%	95.6%

ADMINISTRATION EXPENDITURES: 7.4%

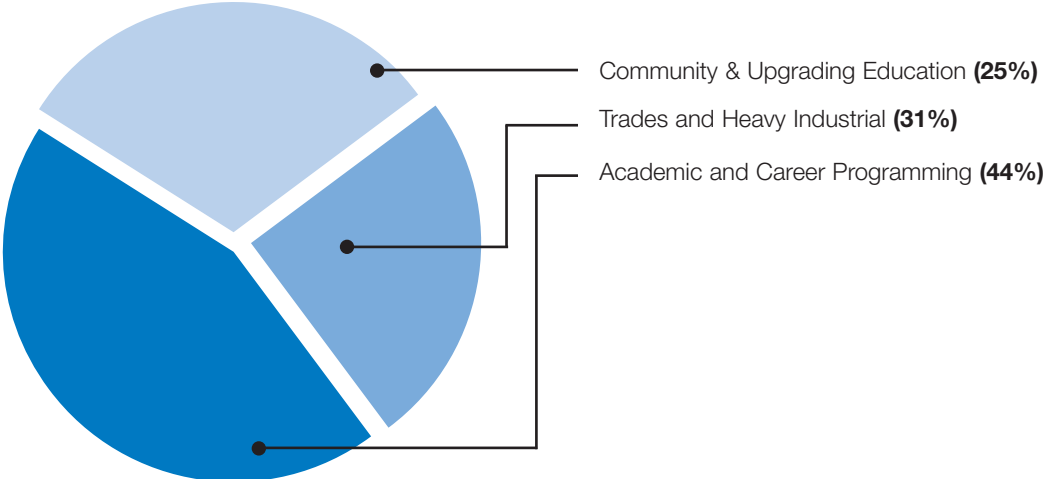
Administration expenditures as a percentage of total expenditures less ancillary expenditures.

ENROLMENT	
In 2005 Keyano College experienced a 1 per cent increase in enrolment over the previous year.	
2002/2003:	1,278 FLE
2003/2004:	1,306 FLE
2004/2005:	1,322 FLE
Total Credit Students:	3,980 (duplicated)
Full-Load Equivalents:	10,528 (duplicated)

ENTERPRISE REVENUE: 26.8%

Revenues less all government grants, tuition fees under policy, sponsored research (universities), ancillary services and earned capital contributions as a percentage of Alberta Advanced Education grants.

ENROLMENT BY DIVISION



Operational Overview

Keyano College continues to expand program offerings and program diversification based on the needs and demands of the Wood Buffalo Region. The College is dedicated to providing program excellence through utilizing a highly qualified, dedicated faculty and staff.

MANDATE STATEMENT

[Approved by the Minister of Learning, July 8, 1992]

Keyano College is a Board-governed, comprehensive community college that offers educational and training programs, courses and services to the residents of northeast Alberta. The College does so in accordance with the Colleges Act.

Keyano College continues to expand program offerings and program diversification based on the needs and demands of the Wood Buffalo Region. The College is dedicated to providing program excellence through utilizing a highly qualified, dedicated faculty and staff.

CORE PROGRAMS

COMMUNITY AND UPGRADING EDUCATION

Aboriginal Addictions Services
Aboriginal Child and Family Services
Aboriginal Entrepreneurship -
*Supported by RBC Financial Group,
through the RBC Foundation*
Community Wellness

Academic Upgrading

Academic Foundations
College Preparation
Connecting to College and Careers
Preparation for Academic and
Career Education
Transitional Program

Workforce Development

Custom-designed training programs, courses and consulting services for business and industry are offered through the Workforce Development unit. Courses in trades, business and personal development, computer training and language skills can be tailored to meet the needs of learners.

ACADEMICS

Career, Certificate and Diploma

Business Administration
– Accounting
– Business
– Human Resources Management
Computer Information Systems
Early Learning and Child Care
Educational Assistant
Emergency Medical Technologist
– Ambulance
– Paramedic
Environmental Technology - *Sponsored
by Albion Sands Energy Inc.*
Information Systems Fundamentals
Licensed Practical Nurse
Office Administration
Office Software Specialist
Visual and Performing Arts
– Drama
– Music
– Musical Instrument Repair
– Visual Art and Design

University Studies

*First- and second-year University
Studies courses offered in:*

Arts
Commerce
Education
Engineering
Fine Arts
Science

*Pre-professional transfer University
Studies courses offered in:*

Pre-Architecture
Pre-Chiropractic
Pre-Dentistry
Pre-Journalism
Pre-Medicine
Pre-Medical Lab Science
Pre-Optometry
Pre-Pharmacy
Pre-Rehabilitation Medicine
Pre-Social Work
Pre-Veterinary

Collaborative Degree Programs

Keyano College/Athabasca University
Administration
Arts
General Studies

Keyano College/University of Alberta
Bachelor of Science in Nursing (BScN)

Keyano College/University of Calgary
Bachelor of Social Work (BSW)

Keyano College Financial Statements

June 30, 2005

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Auditor's Report

**To the Board of Governors of
Keyano College**

I have audited the statement of financial position of Keyano College as at June 30, 2005 and the statements of revenue and expense, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the College's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures

in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Auditor General
Edmonton, Alberta
August 31, 2005



Keyano College

Statement of Financial Position



As at June 30, 2005	2005	2004
ASSETS		
Current:		
Cash (Note 3)	\$ 1,401,694	\$ 2,073,629
Short-term investments (Note 4)	893,823	83,323
Accounts receivable	1,918,487	1,390,566
Inventories (Note 5)	139,549	158,030
Prepaid expenses	210,866	179,229
	4,564,419	3,884,777
Long-term investments (Note 4)	8,187,122	8,459,067
Long-term accounts receivable (Note 6)	80,620	80,620
Tangible capital assets (Note 7)	61,167,867	60,870,744
	\$ 74,000,028	\$ 73,295,208
LIABILITIES AND NET ASSETS		
Current:		
Accounts payable and accrued liabilities	\$ 1,224,478	\$ 2,216,668
Accrued vacation pay	1,656,675	1,583,441
Unearned revenue (Note 8)	704,277	655,010
Long-term debt due within one year (Note 11)	293,247	193,903
Deferred contributions (Note 9)	1,437,131	2,819,797
	5,315,808	7,468,819
Long-term:		
Long-term debt (Note 11)	6,019,863	5,281,363
Deferred contribution for capital purpose	1,136,421	-
Unamortized deferred capital contributions (Note 12)	31,438,627	32,137,266
	38,594,911	37,418,629
Net assets:		
Endowments (Note 13)	1,252,523	1,158,189
Investment in tangible capital assets (Note 14)	23,431,163	23,258,212
Unrestricted net assets	5,405,623	3,991,359
	30,089,309	28,407,760
	\$ 74,000,028	\$ 73,295,208

The accompanying notes are part of these financial statements.

Keyano College

Statement of Revenue and Expense

For the year ended June 30, 2005	2005 Budget	2005 Actual	2004 Actual
Revenue:	(Note 15)		
Grants (Note 23)	\$ 22,485,927	\$ 22,596,622	\$ 21,364,094
Sales, rentals and services	4,910,486	4,883,366	5,032,614
Tuition	5,179,301	5,871,981	5,066,650
Education contracts	792,441	1,150,889	1,018,657
Investment income (Note 4)	247,385	415,014	1,154,036
Donations	723,500	805,156	595,148
Amortization of deferred capital contributions (Note 12)	1,842,705	1,934,435	1,878,770
	36,181,745	37,657,463	36,109,969
Expense:			
Salaries and benefits	22,899,568	22,662,815	22,233,985
Supplies and services	7,080,562	6,705,325	6,058,033
Scholarships and awards	326,931	498,106	421,215
Utilities	1,889,239	1,475,899	1,923,027
Cost of goods sold	510,433	645,379	645,225
Amortization	3,205,828	3,315,848	3,294,616
Interest on long-term debt	361,223	348,673	367,496
Loss on disposal of tangible capital assets	-	60,225	21,629
Transfer to Keyano Foundation (Note 23)	205,455	357,978	229,768
	36,479,239	36,070,248	35,194,994
Excess (deficiency) of revenue over expense	\$ (297,494)	\$ 1,587,215	\$ 914,975

The accompanying notes are part of these financial statements.

Keyano College

Statement of Changes in Net Assets

For the year ended June 30, 2005	2005				2004
	Endowments	Investment in Tangible Capital Assets	Unrestricted Net Assets	Total	Total
	(Note 13)	(Note 14)			
Beginning of year	\$ 1,158,189	\$ 23,258,212	\$ 3,991,359	\$ 28,407,760	\$27,526,161
Excess (deficiency) of revenue over expense	-	-	1,587,215	1,587,215	914,975
Endowments received (withdrawn)	94,334	-	-	94,334	(33,376)
Tangible capital assets acquired from internal funds	-	1,428,356	(1,428,356)	-	-
Amortization of internally funded tangible capital assets	-	(1,381,413)	1,381,413	-	-
Net book value of disposals	-	(74,245)	74,245	-	-
Principal repayment of long-term debt	-	119,170	(119,170)	-	-
Repayment of capital lease obligations	-	81,083	(81,083)	-	-
	\$ 1,252,523	\$ 23,431,163	\$ 5,405,623	\$ 30,089,309	\$28,407,760

The accompanying notes are part of these financial statements.

Keyano College

Statement of Cash Flows

For the year ended June 30, 2005	2005	2004
Cash provided from operating activities:		
Excess (deficiency) of revenue over expense	\$ 1,587,215	\$ 914,975
Non-cash transactions:		
Amortization of tangible capital assets	3,315,848	3,294,616
Amortization of deferred capital contributions	(1,934,435)	(1,878,770)
Loss on disposal of tangible capital assets	60,226	21,629
	3,028,854	2,352,450
Changes in non-cash working capital (Note 19)	(3,603,931)	928,508
Cash generated from (used in) operating activities	(575,077)	3,280,958
Cash provided from (used in) investing activities:		
Purchases of tangible capital assets:		
Internally funded	(1,428,356)	(692,055)
Externally funded through contributions and debt	(2,258,860)	(291,648)
Proceeds on disposals of tangible capital assets	14,020	13,946
Purchases (disposal) of long term investments - net	271,945	(838,346)
Cash used in investing activities	(3,401,251)	(1,808,103)
Cash provided from (used in) financing activities:		
Capital contributions received	2,372,216	265,668
Endowment contributions (withdrawals) - net	94,334	(33,376)
Long-term debt repayment - net	837,844	(155,235)
Cash generated from financing activities	3,304,394	77,057
Increase (decrease) in cash	(671,934)	1,549,911
Cash at beginning of year	2,073,628	523,717
Cash at end of year	\$ 1,401,694	\$ 2,073,628

The accompanying notes are part of these financial statements.

Keyano College

Notes to Financial Statements

June 30, 2005

Note 1 Authority and Purpose

Keyano College operates under the authority of the Post-secondary Learning Act, Statutes of Alberta 2003, Chapter P-19.5. The College is a comprehensive community college serving primarily the north-eastern region of Alberta. The College is exempt from payment of income tax under Section 149 of the Income Tax Act.

Note 2 Summaries of Significant Accounting Policies and Reporting Practices

(a) General

The financial statements of the College have been prepared in accordance with Canadian generally accepted accounting principles. The measurement of certain assets and liabilities is contingent upon future events; therefore, the preparation of these financial statements requires the use of estimates, which may vary from actual results.

(b) Revenue Recognition

Operating grants are recognized as revenue in the period when receivable. Operating grants received for a future period are deferred until that future period and are reflected as deferred contributions.

Amounts received for tuition fees and sales of goods and services are recognized as revenue at the time the goods are delivered or the services are provided.

Externally restricted non-capital contributions are deferred and recognized as revenue in the period in which the related expenses are incurred. Externally restricted amounts can only be used for purposes designated by the contributors. Any externally restricted contributions containing stipulations that the amounts should be retained as net assets or that the contributions should not be expended are recorded as direct increases in net assets. Such stipulations would include contributions made for endowment purposes or to be used to acquire non-amortizable property. Investment income earned on external endowments is recorded as a direct increase in net assets where the donor has stipulated that the economic value of endowments must be protected.

Externally restricted capital contributions are recorded as deferred contributions until the amount is invested to acquire tangible capital assets. Amounts invested representing externally funded tangible capital assets are then transferred to unamortized deferred capital contributions. Unamortized deferred capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded tangible capital asset is recorded.

Contributions of materials and services that would otherwise have been purchased are recorded at fair value when a fair value can be reasonably determined.

Keyano College

Notes to Financial Statements

June 30, 2005

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

(c) Inventories

Inventories held for resale are valued at the lower of cost and net realizable value. Inventories held for consumption are valued at the lower of cost and replacement value.

(d) Investments

Short-term investments are recorded at the lower of cost and market value.

Long-term investments are recorded at cost. Gains or losses on long-term investments are recognized at liquidation or when the impairment in the value of an investment is other than temporary.

(e) Tangible Capital Assets

Tangible capital asset acquisitions are recorded at cost except for donated assets, which are recorded at fair market value at the time of receipt. Tangible capital assets are amortized on a straight-line basis over the following estimated average useful lives:

	Years
Land improvements	40
Buildings and renovations	40
Furnishings and equipment	10-25
Automotive and heavy equipment	5-25
Library materials	10
Audio-visual equipment	10
Computer hardware and software	5-10

(f) Employee Future Benefits

The College participates in the Local Authorities Pension Plan. This pension plan is a multi-employer defined benefit pension plan that provides pensions for the College’s participating employees, based on years of service and earnings.

Pension costs included in these financial statements comprise the amount of employer contributions required for its employees during the year, based on rates that are expected to provide for benefits payable under the pension plan. The College does not record the College’s portion of the pension plan’s deficit.

(g) Expenses

Instruction encompasses all formal educational and instructional program elements. Institutional support includes all activities that provide institution-wide support to other programs. Academic support includes all activities that directly support the educational and instructional elements such as academic administration, library and audio-visual services. Student services include all activities or services to the student body of the institution including scholarships and bursaries.

Keyano College

Notes to Financial Statements

June 30, 2005

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

(h) Translation of Foreign Currencies

Monetary assets are translated into Canadian dollars at the rate of exchange at Statement of Financial Position date. Non-monetary items are translated at historical exchange rates. Revenue and expense items are translated at the rate of exchange in effect on the dates they occur.

Note 3 Cash

At June 30, 2005, the College had an available line of credit totaling \$1,000,000, none of which was drawn, which bears interest at Royal bank prime plus 0.25%.

Note 4 Investments

	2005				2004
	Short-term Investments	Long-term Investments	Total Cost	Market Value	Total Cost
Money market investments	\$ 893,823	-	893,823	893,823	\$ 83,323
Bonds	-	4,546,132	4,546,132	4,683,311	4,575,249
Equities	-	3,640,990	3,640,990	4,033,331	3,883,818
	\$ 893,823	8,187,122	9,080,945	9,610,465	\$ 8,542,390

As at June 30, 2005, \$1,252,523 (2004 - \$1,158,189) is restricted for endowment purposes.

The Board of Governors has approved investment policies covering both short and long-term investments of the College and the Sport and Wellness Centre.

The investment policy is as follows:

- Quality constraint of "R1 or A1" or better for money market securities.
- All corporate and provincial bonds will be rated "A" or higher, with the exception of the portfolio manager having discretion to purchase "BBB" rated securities up to a maximum of 15% of the market value of the fixed income component.
- No more than 10% of cash and equivalents will be invested in any one issuer, other than investments guaranteed by the Government of Canada or any province.
- No more than 5% of the portfolio will be invested in any one corporate bond issue.
- The fixed income category of the portfolio shall be a minimum of 40% and a maximum of 60% of the portfolio.
- The equity category of the portfolio shall be a minimum of 40% and a maximum of 50% of the portfolio.
- No more than a maximum of 10% of the equity component, at market, will be invested in any one equity issue.

Keyano College

Notes to Financial Statements

June 30, 2005

Note 4 Investments (continued)

Investment policy for the Sport and Wellness Centre is as follows:

Given the short-term nature of the account, the portfolio will be invested in money market securities and short-term bonds.

- a) Money market category of the portfolio shall be a minimum of 50% and a maximum of 100% of the portfolio.
- b) Short-term bonds shall be a maximum of 30% of the portfolio.
- c) The Money Market Fund will invest in money market securities that are rated "R-1 mid" or better, as rated by the Dominion Bond Rating Service or Standard and Poor's Rating Service, with a 10% provision for "R-1 low" rated paper. The Fund's short-term bond holdings will include investment grade issues with at least an "A" rating from one of the major rating agencies.
- d) The Short-term Bond Fund will invest in investment grade bonds and "R-1" rated money market instruments, as rated by the Dominion Bond Rating Service or "A-1" by Standard & Poor's Rating Service. However, the fund will have a maximum exposure of 20% in "BBB" rated bonds or "R-1 low" rated paper.

The portion of the investments related to the Sport and Wellness Centre totaled \$1,143,942 at June 30, 2005.

The effective yield for the portfolio on the bond investment is 3.9% (2004 - 4.85%). The bond investments mature as follows:

	1-5 years	6-10 years	over 10 years	Total
Bonds	\$ 1,341,109	\$ 2,423,088	\$ 781,935	\$ 4,546,132

Investment Income	2005	2004
Interest earned on investments	\$ 423,118	\$ 1,317,892
Interest earned on operating funds	59,404	42,405
Total interest earned	482,522	1,360,297
Transferred to deferred contributions (Note 9)	(67,508)	(206,261)
	\$ 415,014	\$ 1,154,036

Keyano College

Notes to Financial Statements

June 30, 2005

Note 5 Inventories

	2005	2004
Bookstore	\$ 104,693	\$ 121,590
Maintenance supplies	34,856	36,440
	\$ 139,549	\$ 158,030

Note 6 Long-term Accounts Receivable

The College entered into an agreement to allow corporations to rent certain student residences for a period of five years. The long-term account receivable is GST that is recoverable from the Federal Government once these residences revert to College student use.

Note 7 Tangible Capital Assets

Tangible capital assets are summarized as follows:

	2005			2004
	Cost and Appraised Value	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 12,779,392	\$ -	\$ 12,779,392	\$ 11,679,586
Land improvements	463,183	46,318	416,865	428,444
Buildings and renovations	72,628,878	34,301,177	38,327,701	40,088,470
Furnishings and equipment	9,534,057	4,758,963	4,775,094	4,293,243
Automotive and heavy equipment	6,433,641	4,158,407	2,275,233	2,504,533
Library materials	2,017,943	1,745,269	272,674	287,089
Audio-visual equipment	917,685	558,295	359,389	394,321
Computer hardware and software	4,975,940	3,014,421	1,961,519	1,195,058
	\$ 109,750,718	\$ 48,582,851	\$ 61,167,867	\$ 60,870,744

The Province of Alberta has been granted an option to purchase the whole or any part of the land, buildings and improvements transferred to the College in 1984, at value of \$47,534,300, for the nominal amount of \$1 per purchase.

Keyano College

Notes to Financial Statements

June 30, 2005

Note 8 Unearned Revenue

	2005	2004
Tuition fees	\$ 255,075	\$ 274,082
Contract programs	449,202	380,928
	\$ 704,277	\$ 655,010

Note 9 Deferred Contributions

Deferred contributions represent unspent amounts externally restricted for non-capital purposes.

	2005	2004
Contributions:		
Grants	\$ 2,845,662	\$ 2,758,648
Donations	351,037	231,141
Investment income (Note 4)	67,508	206,261
	3,264,207	3,196,050
Transferred to revenue:		
Grants	(2,706,323)	(2,054,186)
Donations and investment income	(318,029)	(247,676)
	(3,024,352)	(2,301,862)
Transferred to deferred contributions for capital purposes (Note 10)	(500,000)	-
Transferred to UDCC (Note 12)	(1,028,187)	(100,568)
Transferred from (to) endowments	(94,334)	33,376
	(1,622,521)	(67,192)
Increase (decrease) during the year	(1,382,666)	826,996
Balance at beginning of year	2,819,797	1,992,801
Balance at end of year	\$ 1,437,131	\$ 2,819,797
The balance consists of funds restricted for:		
Scholarships and bursaries	\$ 442,723	\$ 436,541
New program start-up funds	621,657	546,654
Deferred contributions for maintenance	372,751	1,836,602
	\$ 1,437,131	\$ 2,819,797

Keyano College

Notes to Financial Statements

June 30, 2005

Note 10 Deferred Contributions for Capital Purposes

	2005	2004
Contributions:		
Grants (Note 9)	\$ 500,000	\$ 100,568
Donations	844,030	165,100
	1,344,030	265,668
Transferred to unamortized deferred capital contributions (Note 12)	(207,609)	(265,688)
Increase (decrease) during the year	1,136,421	-
Balance, beginning of year	-	-
Balance, end of year	\$ 1,136,421	\$ -

Note 11 Long-term Debt

	2005	2004
Alberta Capital Finance Authority Debenture, interest at 6.5% per annum. Repayment of 25 consecutive annual installments of \$450,898, principal and interest combined, secured by tangible capital assets with a net book value of \$5,640,764. Maturity June 2026	\$ 5,088,378	\$ 5,201,198
Obligations under Capital Lease Interest at varying rates of 1.5% to 8.9%. Payment maturity ranging from October 2005 to July 2008	192,984	274,068
Ford Credit Interest at 0%, repayment of \$634 per month secured by related asset with a net book value of \$32,745. Maturity August 2009	31,748	-
Alberta Capital Finance Authority Debenture, interest at 4.26% per annum. Repayment of 20 consecutive semi-annual installments of \$61,939, principal and interest combined, secured by tangible capital assets with a net book value of \$984,967. Maturity March 2015	\$ 1,000,000	\$ -
	6,313,110	5,475,266
Current portion	293,247	193,903
	\$ 6,019,863	\$ 5,281,363

Keyano College

Notes to Financial Statements

June 30, 2005

Note 11 Long-term Debt (continued)

Repayment of principal in each of the next five fiscal years will be as follows:

2006	\$ 293,247
2007	303,810
2008	258,717
2009	247,494
2010	253,041

All acquired intangibles, accounts, monies, accounts receivable, instruments, claims or rights, choices in action and insurance proceeds derived directly or indirectly from the operations of the student residence have been pledged as security on the Alberta Capital Finance Authority debenture.

Long-term debt is subject to certain covenants with respect to loan payments, property tax payments, and certain contract restrictions. As at June 30, 2005, the College is in compliance with all such covenants. It is management's opinion that the College is likely to remain in compliance with all long-term debt covenants throughout the next 12 months subsequent to June 30, 2005.

Note 12 Unamortized Deferred Capital Contributions

Unamortized deferred capital contributions represent the external funding of tangible capital assets which will be recognized as revenue in future periods.

	2005	2004
Balance at beginning of year	\$ 32,137,266	\$ 33,750,368
Add amount transferred		
Deferred contribution (Note 9)	1,028,187	-
Deferred contribution for capital purpose (Note 10)	207,609	265,668
Less amount amortized to revenue	(1,934,435)	(1,878,770)
Balance at end of year	\$ 31,438,627	\$ 32,137,266

Note 13 Endowments

Endowments are comprised of externally restricted amounts that are required to be maintained intact.

Keyano College

Notes to Financial Statements

June 30, 2005

Note 14 Investment in Tangible Capital Assets

	2005	2004
Tangible capital assets	\$ 61,167,867	\$ 60,870,744
Less Debt	(6,298,077)	(5,475,266)
Unamortized deferred capital contributions (Note 12)	(31,438,627)	(32,137,266)
Balance at end of year	\$ 23,431,163	\$ 23,258,212

Note 15 Budget

The budget was approved by the Board of Governors on April 28, 2004.

Note 16 Funds Held on Behalf of Others

As at June 30, 2005, the College had \$262,630 (2004 - \$27,984) in funds held in trust for other parties. These amounts are not included in these financial statements.

Note 17 Ancillary Operations

The College's ancillary operations revenue included in sales, rentals and services and ancillary operations direct expense are summarized as follows:

	2005	2004
Revenue:		
Student residence	\$ 1,881,592	\$ 1,786,557
Food services facility rental contract	32,309	32,466
Bookstore	686,057	694,777
Theatre	687,864	571,701
Parking	195,877	208,872
	\$ 3,483,699	\$ 3,294,373
Expense:		
Student residence	\$ 1,246,090	\$ 1,212,116
Food services facility rental contract	127	3,437
Bookstore	694,544	684,773
Theatre	1,033,875	928,054
Parking	123,540	102,905
	\$ 3,098,176	\$ 2,931,285

Keyano College

Notes to Financial Statements

June 30, 2005

Note 18 Salaries and Benefits

	2005				2004
	Salary (Note 1)	Other cash benefits (Note 2)	Other non-cash benefits (Note 3)	Total	Total
Board Chairman	\$ -	\$ 4,510	\$ 174	\$ 4,684	\$ 4,675
Board members - 10	-	25,174	717	25,891	23,464
President	130,000	23,547	-	153,547	139,880
Vice President - Instruction	109,108	22,693	-	131,801	123,234
Vice President - Finance & Administration	109,108	36,146	-	145,254	106,207
Project Manager (MIS)	102,098	14,458	-	116,556	108,620
Director, Finance	92,505	13,669	-	106,174	102,541
Director, Campus Development	92,505	13,669	-	106,174	100,065

Notes:

1. Salary includes pensionable regular base pay.
2. Other cash benefits include honoraria.
3. Employer share of all employee benefits and contributions or payments made on behalf of employees including pension, automobile allowances, health care, dental, vision, group life insurance, accidental death and dismemberment insurance and other allowances.

Note 19 Changes in Non-Cash Working Capital

	2005	2004
Short-term investments	\$ (810,500)	\$ (83,323)
Accounts receivable	(527,921)	(230,864)
Inventories	18,482	26,745
Prepaid expenses	(31,637)	(52,949)
Accounts payable and accrued liabilities	(992,189)	381,928
Accrued vacation pay	73,234	(123,195)
Unearned revenue	49,266	183,170
Deferred contributions	(1,382,666)	826,996
	\$ (3,603,931)	\$ 928,508

Keyano College

Notes to Financial Statements

June 30, 2005

Note 20 Commitments and Contractual Obligations

Minimum annual operating lease commitments required under the terms of various office space leases are as follows:

2006	90,822
Total	\$ 90,822

Note 21 Pension Costs

The pension expense recorded in these financial statements is equivalent to the College's annual contributions payable of \$1,255,808 for the year ended June 30, 2005 (2004 - \$1,065,756). At December 31, 2004, the Local Authorities Pension Plan reported a deficit of \$1,288,924,000 (2003 – deficit of \$1,453,487,000). The employers' contribution rates were increased further on January 1, 2004 by 1.077%.

Note 22 Financial instruments

The College as part of its operations carries a number of financial instruments. It is management's opinion that the College is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed. The carrying amounts of accounts receivable, accounts payable, accrued liabilities, vacation pay, and current portion of long-term debt approximate their fair value due to the short-term maturities and market interest rates of these items.

The fair values of the College's investments are based on cash surrender value, and described in Note 4.

The carrying value of the College's long-term debt approximates its fair value, as there have been no significant changes in lending rates or other conditions.

Keyano College

Notes to Financial Statements

June 30, 2005

Note 23 Related Party Transactions

(a) Related Party Transactions – Keyano College Foundation (“the Foundation”)

The Keyano College Foundation is a registered charitable organization, and receives donations from various sources for the advancement of Keyano College.

The Foundation financial statements (which are prepared using the Restricted Fund method of revenue recognition) are not consolidated in the College’s financial statements. The financial summaries of the unconsolidated entity as at June 30, 2005 and 2004 are as follows:

	2005	2004
Financial Position		
Total assets	\$ 3,742,355	\$ 3,183,234
Total liabilities	\$ 20,919	\$ 105,339
Net assets	\$ 3,721,436	\$ 3,077,895

All of the Foundation’s net assets must be provided to the College or used for the College’s benefit. As at June 30, 2005, \$3,313,348 (2004 - \$2,854,169) of the Foundation’s net assets are restricted for College programs.

	2005	2004
Results of Operations		
Revenue	\$ 2,743,687	\$ 4,039,951
Expenses	2,100,146	1,711,838
Excess of revenue over expenses	\$ 643,541	\$ 2,328,113

Total expenses include contributions of \$1,498,065 (2004 – \$1,013,725) to the College.

	2005	2004
Cash Flows		
Cash from operations and increase in cash	\$ 84,394	\$ 189,850

Total revenue includes contributions from the College of \$357,978 (2004 - \$229,768) toward salaries and other operating costs of the Foundation. In addition, the College provided certain administrative services and accommodations at no cost to the Foundation.

Keyano College

Notes to Financial Statements

June 30, 2005

Note 23 Related Party Transactions (continued)

- (b) The College is a provincial corporation as all the members of the Board of Governors are appointed either by the College Act or by a combination of orders by the Lieutenant Governor in Council and the Minister of Advanced Education.
- (c) Transactions between the College and Province are included in the following balances as at June 30, 2005:

	Revenue	Deferred Contributions	Unamortized Deferred Capital Contributions
Operating grant	\$ 19,890,300	\$ -	\$ -
Conditional grant	332,360	20,588	-
Infrastructure grant	762,057	372,751	898,644
Access grant	940,288	76,111	23,541
Apprenticeship grant	157,930	229,760	44,043
Other grants	513,687	295,197	61,960
Total	\$ 22,596,622	\$ 994,407	\$ 1,028,188

Keyano College

Notes to Financial Statements

June 30, 2005

Note 24 Contingent Liabilities

The College, in conduct of its normal activities, is a defendant in a legal proceeding. While the ultimate outcome of this proceeding cannot be predicted at this time, it is the opinion of the management that adequate provision for this proceeding has been made in the College's accounts. It is believed that the resolution of the proceeding will not have a material effect on the financial position of the College, however, should any additional loss result from the resolution of this proceeding, such amounts would be expensed as the related amounts become known to the College.

Note 25 Approval of Financial Statements

The Board of Governors approved these financial statements.



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COLLEGE

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