



KEYANO COLLEGE
ANNUAL
REPORT
2022-2023





We respectfully acknowledge that we are on Treaty No. 8 Territory, the traditional meeting grounds and gathering places of our First Nations, Métis, and Inuit peoples.

Keyano is a Cree word roughly translated, means "sharing."

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ACCOUNTABILITY STATEMENT

Keyano College's Annual Report for the year ending June 30, 2023, was prepared under the Board's direction in accordance with the *Fiscal Planning and Transparency Act* and ministerial guidelines established pursuant to the *Post-Secondary Learning Act*. All material economic, environmental, or fiscal implications of which we are aware have been considered in the preparation of this report.

[ORIGINAL SIGNED BY DON SCOTT]

Don Scott,

Chair, Keyano College Board of Governors

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

Keyano College's management is responsible for the preparation, accuracy, objectivity, and integrity of the information contained in the Annual Report, including the financial statements, performance results, and supporting management information. Systems of internal control are designed and maintained by management to produce reliable information to meet reporting requirements.

The system is designed to provide management with reasonable assurance that transactions are properly authorized, are executed in accordance with all relevant legislation, regulations, and policies, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

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

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

[ORIGINAL SIGNED BY DR. JAY NOTAY]

Dr. Jay Notay,

President & CEO

[ORIGINAL SIGNED BY MURRAY WALFORD]

Murray Walford,

Vice President, Corporate Services & CFO

MESSAGE FROM THE BOARD CHAIR

On behalf of the Keyano College Board of Directors, I'm delighted to showcase Keyano College's Strategic Plan as the backbone of our 2022-23 year. The plan underpins the College's significant achievements in the past year and will continue to do so until 2025. This strategy - co-created by the Board, faculty, staff, students, and community- is built on four key pillars: Access and Affordability, Skills for Jobs, Internationalization, and Sustainability. It strongly emphasizes providing an inclusive student experience and integrates the Truth and Reconciliation Calls to Action.

Our primary objectives include:

- Making education accessible and affordable through integrated pathways and collaborations with other post-secondary institutions.
 - In 2022, we added 48 new Bachelor of Science (BSC) in Nursing program seats, a program we proudly offer in collaboration with the University of Alberta.
- Enriching the student experience and diversifying our community through enhanced learning opportunities.
 - In the Fall of 2022, a second-year student was among 250 students selected from 2,500 youth leaders worldwide to attend the inaugural United Nations Organization's (UNO) Camp, a changemakers initiative in New York.
- Preparing students for a globalized future through the implementation of our International Education and Global Citizenship Strategy.
 - In March of 2023, for illustration, 13 Keyano students from three business classes visited Costa Rican tourism industry spots, such as urban and rural hotels and a coffee farm, to learn the impact of COVID-19 and the economic hardship local businesses face.
- Seeking new opportunities with industry partners to provide solutions for the labour market by recruiting internationally for in-demand jobs in our region.



- This past Spring, our partnership with Wood Buffalo Economic Development and Tourism won multiple awards at the EDA Annual Awards of Excellence, which is focused on supporting immigration to our region through student recruitment, aiming to retain talent locally and promote regional growth.

With Dr. Jay Notay, President & CEO of Keyano College and recent recipient of the Queen Elizabeth II Platinum Jubilee Medal (Alberta), at the helm, our unwavering vision is alive and well. At Keyano, we are educating to change lives. I am honoured to be a part of Keyano College's continued journey of delivering high-quality education, global engagement, and financial sustainability in North-Eastern Alberta.

[ORIGINAL SIGNED BY DON SCOTT]

Don Scott,

Chair, Keyano College Board of Governors

MESSAGE FROM THE PRESIDENT

This year, we have ushered in a heightened sense of purpose, marked by substantial investments, academic growth, and strategic domestic and international recruitment campaigns. In the 2022-23 academic year, our focus revolved around fostering a multicultural learning environment that not only sets us apart in a competitive landscape but also upholds the core values of diversity, equity, and inclusion. Throughout this period, our foremost goal has been to make a meaningful impact on our students' lives, ensuring they have access to programs that equip them for learning, living, and working within our service region.

We are pleased to report several noteworthy achievements during this time:

- Keyano observed a 25% increase in qualified applicants this past year and graduated 527 students. Our enrollment grew to 2,342 credit students and just over 1,000 non-credit students, including 463 international students. Notably, the Business Administration Diploma- Management program experienced considerable growth, accounting for 360 students.
- The Government of Alberta granted Keyano College Health and Human Services the highest level of licensure to offer our Health Care Aide Program.
- The Language Instruction for Newcomers to Canada (LINC) program significantly expanded, offering nine classes and accommodating approximately 294 students.
- We proudly welcomed our first refugee student from Lebanon, a collaboration facilitated through the World University Service of Canada's (WUSC) Student Refugee Program (SRP).
- The Alberta College of Social Workers granted the Keyano College Social Work Diploma Program reaccreditation for 2023 – 2027.
- We disbursed \$672,443 across 429 student awards, comprising more than 400 scholarships and bursaries, demonstrating the generosity of over 100 donors.
- Keyano College received \$8.1 million in additional funding from the Government of Alberta, \$1.1 million earmarked for creating 93 new seats in our healthcare training programs and \$6.9 million to replace HVAC air handling units on campus.

Additionally, in November 2022, we reinstated the Northern Living Allowance (NLA), suspended since July 2020. The loss of the NLA and record-high inflation made it difficult for Keyano College to recruit and retain staff, causing various operational challenges. This year, to the contrary, marked the beginning of increased staff morale and a notable sense of security for the college's more than three hundred employees.



Our institution also enjoyed celebrating numerous achievements among our team members. Business Instructor and faculty board representative Nermin Zukic received the Leadership Excellence Award from Colleges and Institutes Canada (CICAN). Associate Vice President Chantal Beaver was honoured with the Heart of Wood Buffalo Award. Our International Student Recruitment team received two Awards of Excellence from the Economic Developers of Alberta, while Men's Basketball Coach Jeremy Wielenga once again received the ACAC North Division Coach of the Year accolade, in addition to the prestigious Canadian Collegiate Athletic Association (CCAA) Men's Basketball Coach of the Year honour. The Keyano College e-sports program garnered national recognition through the inaugural E-sport Canada Post-Secondary power rankings, and Keyano's men's and women's futsal teams both won ACAC gold.

Keyano College is a highly adaptable post-secondary institution characterized by continuous student body expansion, a celebration of diversity, and a willingness to embrace new challenges with humility. We take pride in our role as a modest yet vibrant institution serving the Regional Municipality of Wood Buffalo and its communities.

We are Keyano, and we are committed to educating to change lives right here in Northern Alberta.

Sincerely,

[ORIGINAL SIGNED BY DR. JAY NOTAY]

Dr. Jay Notay,
Keyano College President & CEO



PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT

Keyano College offers clear avenues for the safe disclosure of concerns related to wrongdoing and misconduct. There were no disclosures under the Public Interest Disclosure (Whistleblower Protection) Act for the period of July 1, 2022, to June 30, 2023.

FREEDOM OF SPEECH ACT

Keyano College is committed to protecting and promoting free speech as a fundamental tenant of the academic experience, as reflected in the University of Chicago Statement on Principles of Free Expression. Keyano has not received any concerns or complaints to date related to freedom of speech. Reporting of concerns or complaints will be addressed following Keyano College's Board Approved Policies and Procedures.

[ORIGINAL SIGNED BY DR. JAY NOTAY]

Dr. Jay Notay,
Keyano College President & CEO

OPERATIONAL OVERVIEW

Keyano College proudly resides in Treaty No. 8 Territory, the traditional meeting grounds and gathering places of our First Nations, Métis, and Inuit peoples.

The College is in the Regional Municipality of Wood Buffalo (RMWB), in Alberta's northern region. Keyano College was established in 1965 as one of several Alberta Vocational Centres owned and operated by the provincial government. Ten years later, the institution changed its name to Keyano College, which is a Cree word for "sharing."

In 1978, Keyano College officially became a public community college with the appointment of its first Board of Governors. The College's programs and services have been continuously improved to align with the changing demands and interests of the region, its broadening multicultural orientation, and changing technologies.

Keyano College supports the community with two campuses in Fort McMurray (Clearwater Main Campus and Suncor Energy Industrial Centre (SEIC), and outreach to Fort Chipewyan, Conklin, Janvier, Fort McKay, and Gregoire Lake.

Keyano College offers programs that lead to dual credit programs, certificates, diplomas, certificates of qualification (trades), and collaborative baccalaureate degrees through relationships with other post-secondary institutions in Alberta. The College also supports the development of professional knowledge and skills in several sectors, including energy, construction, business, health and safety, arts, sciences, education, human services, and transportation. A wide range of corporate training options are available to client companies.

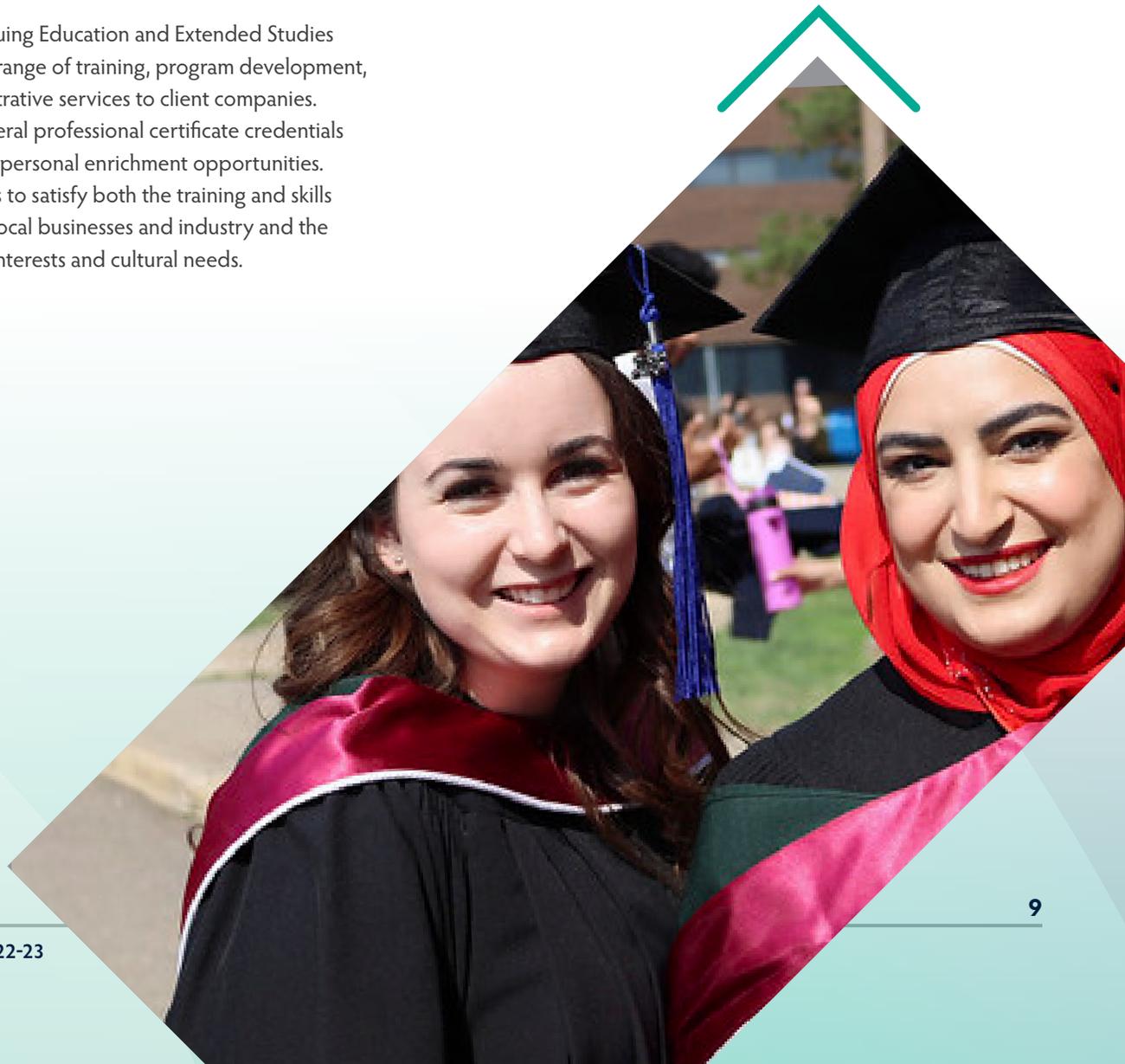
Keyano College continues to provide local and relevant access to post-secondary learning while contributing to the Government of Alberta's long-term economic and social objectives.



ENROLLMENT PLAN AND PROGRAM CHANGES

Keyano College offers a comprehensive range of credit and non-credit programming. The School of University Studies, Career Programs, and Academic Upgrading, the School of Health and Human Services, and the School of Trades and Heavy Industrial undertake credit programming in arts, humanities, sciences, social sciences, health, human services, business, esports, education, technologies, trades, transportation, heavy equipment operations, and industrial skills. Courses to strengthen English language skills are offered through the Language Instruction for Newcomers to Canada (LINC) program, which is sponsored by Immigration, Refugees, and Citizenship Canada. The English for Academic Purposes (EAP) program also provides English language learners (both domestic and international) with the language skills necessary to pursue academic studies.

The School of Continuing Education and Extended Studies provides a complete range of training, program development, delivery, and administrative services to client companies. Offerings include several professional certificate credentials and other career and personal enrichment opportunities. The program mix aims to satisfy both the training and skills acquisition needs of local businesses and industry and the community's special interests and cultural needs.





ACADEMIC UPGRADING AND LANGUAGE

Academic Foundations
Advanced High School Equivalency
College Preparation
English for Academic Purposes
General High School Equivalency
Language Instruction for Newcomers to Canada (LINC)

APPRENTICESHIP

Carpenter
Electrician
Gasfitter
Heavy Equipment Technician
Industrial Mechanic (Millwright)
Steamfitter/Pipefitter
Welder

BUSINESS & ADMINISTRATIVE STUDIES

Business Administration Certificate – Business
Business Administration Diploma – Accounting
Business Administration Diploma – Esports Management
Business Administration Diploma – Management
Business Administration Diploma (Co-op) – Accounting
Business Administration Diploma (Co-op) – Management
Business Aviation Diploma– Airline Operations
Business Aviation Diploma– Aviation Operations
Hospitality and Tourism Management
Human Resources Management Certificate
Office Administration Certificate

CHILDHOOD STUDIES

Applied Early Learning and Child Care
Early Learning and Child Care Certificate
Early Learning and Child Care Diploma
Educational Assistant

ENVIRONMENTAL STUDIES

Community-Based Environmental Monitoring
Environmental Technology Diploma (Co-op)

HUMAN SERVICES

Social Work Diploma

NURSING AND ALLIED HEALTH

Advanced Care Paramedic (ACP)
Primary Care Paramedic (PCP)
Health Care Aide
Practical Nurse

POWER ENGINEERING AND PROCESS OPERATION

Power Engineering 3rd Class
Power Engineering 3rd Class Co-op
Power Engineering 4th Class
Power Engineering 4th Class Comprehensive

PRE-EMPLOYMENT TRADES

Pre-employment Carpentry
Pre-employment Electrician
Pre-employment Heavy Equipment Technician
Pre-employment Plumber
Pre-employment Welder

UNIVERSITY TRANSFER AND OPEN STUDIES

UT Bachelor of Arts
UT Bachelor of Commerce
UT Bachelor of Education – Elementary
UT Bachelor of Education – Secondary
UT Bachelor of Engineering
UT Bachelor of Nursing
UT Bachelor of Science
UT Bachelor of Social Work
Open Studies Program

ENROLMENT OVERVIEW (OR)

CREDIT PROGRAMMING QUALIFIED APPLICATIONS

The number of qualified applicants for credit programs (excluding apprenticeship) was

3,068

COMPARED TO 2,327
in 2021-22 ²

CREDIT PROGRAMMING

Full Load Equivalent:

1277.177 ²

OVERALL TOTAL UNIQUE HEADCOUNT:

2,342

NON-CREDIT PROGRAMMING

Continuing Education
Registrations: **1,573** ²

Corporate Training
Registrations: **395** ²

OVERALL TOTAL REGISTRATIONS:

1,968

Continuing Education
Headcount: **895** ²

Corporate Training
Headcount: **146** ²

OVERALL TOTAL UNIQUE HEADCOUNT:

1,039

GRADUATES



527

students graduated
in 2022-23 ¹

¹ DATA COLLECTION AND REPORTING (DCAR)-LEARNER AND ENROLMENT REPORTING SYSTEM (LERS) | ² KEYANO COLLEGE STUDENT INFORMATION SYSTEM (SIS)

GOALS AND PERFORMANCE MEASURES

Keyano College signed the 2021-2022 Investment Management Agreement (IMA) for Public Post-Secondary Institutions with the Department of Advanced Education in late 2021. Keyano's performance metrics goals focused on Work Intergrated Learning. The College surpassed their work place intergrated learning target of 75% and achived 79% by the end of 2022-23 ficial year.

LEGISLATED ROLES AND MANDATES

PATHWAYS TO DEGREE-GRANTING IN ALBERTA

Keyano College collaborates with Campus Alberta partners to offer high-quality, relevant life-long learning opportunities, collaborative degrees, and flexible transfer agreements.

The College offers multiple Collaborative Degree options including a Bachelor of Business Administration with the Northern Alberta Institute of Technology (NAIT), a Bachelor of Science in Nursing, and a Bachelor of Education – Elementary Education with the University of Alberta.

COLLABORATIVE DEGREES

Bachelor of Business Administration
Northern Alberta Institute of Technology (NAIT)
5 students in the program.

Bachelor of Education, Elementary Education
University of Alberta
40 students in the program.

Bachelor of Science in Nursing
University of Alberta
50 students in the program.

NEW PROGRAMS FOR THE 2023-2024 ACADEMIC YEAR



GOVERNANCE AND CIVIL STUDIES



**BUSINESS ADMINISTRATION
HUMAN RESOURCE
MANAGEMENT**



**COMPUTER SYSTEMS
TECHNOLOGY
DIPLOMA & CERTIFICATE**

¹ KEYANO COLLEGE STUDENT INFORMATION SYSTEM (SIS)

COLLABORATION, TRANSFER AGREEMENTS, AND LEARNER PATHWAYS

Students can earn university credits, diplomas, and degrees by taking courses at Keyano College. Most university transfer courses at Keyano College are modeled on the University of Alberta courses. However, students can successfully apply to transfer to the University of Lethbridge, the University of Calgary, and MacEwan University.

ADVANCED CREDIT AND TRANSFER OUT

193 Total Advanced Credit /
courses (transferred in) ²

98 Total Unique students granted
Advanced Credit (Transferred In) ²

Several initiatives related to learner pathways also exist at Keyano College. Namely, (1) the LINC program, funded by the Government of Canada; (2) the English for Academic Purposes Program (EAP); (3) the Community Adult Learning Program (CALP); and (4) Dual Credit, which is a partnership between Keyano College and local and regional school districts. These programs contribute to learner pathways by supporting students to obtain necessary admission requirements or advanced credit towards credentialed programs.

UNIQUE STUDENTS PARTICIPATING IN LEARNER PATHWAYS

294 Language Instruction for
Newcomers to Canada (LINC) ¹

132 Community Adult
Learning Program (CALP) ³

15 Dual Credit-Electrician ¹

12 Dual Credit-Heavy
Equipment Technician ¹

8 Dual Credit-Welder ¹

¹ DATA COLLECTION AND REPORTING (DCAR)-LEARNER AND ENROLMENT REPORTING SYSTEM (LERS) | ² KEYANO COLLEGE STUDENT INFORMATION SYSTEM (SIS) POWER-PAY APPLICATION REPORT | ³ DATABASE.CALP.CA

MENTAL HEALTH, WELLNESS SERVICES & WELLNESS NAVIGATION

The Wellness Services Team at Keyano College is committed to supporting student mental health and well-being, ensuring they have the necessary mental health resources to succeed from the beginning to the end of their academic journey. Our team works effortlessly to uphold the principles of diversity and inclusion for every student. Our knowledgeable counsellors have worked to create an environment where students feel comfortable discussing their mental health concerns with our counsellors and coordinators.

The team takes great pride in embracing diversity across the broad spectrum of identity, encompassing, but not limited to, ethnicity, language, sexual orientation, gender, neurodiversity, religion, and culture.

During the last year, our Mental Health Coordinators held 597 counseling and 24 crisis appointments. Our data showed that many students utilized the Wellness Navigation services, which provided them with information on healthcare decisions, including housing, finances, and the necessities of everyday life. Moreover, in the 2022-2023 school year, the Wellness Navigator held 353 navigation appointments, and services staff delivered a new wellness program to 9 athletic teams, reaching over 100 athletes.

This year's events on Mental Health and Wellness had approximately 200 employees participate in the following:

- Suicide Prevention Day
- Mental Illness Awareness Week
- Mental Health Week
- ADHD Week
- Campus Recovery on Campus.

Our Mental Health Coordinators are persistent in making sure that they provide students with the support they need, reinforcing their values, and celebrating their talents and strengths. Keyano College's future goal is to continue to refine and expand our offerings to meet our students' evolving mental health needs.



PROGRAMMING AND STUDENT SUPPORT TO MEET THE NEEDS OF STUDENTS AND EMPLOYERS

WORK-INTEGRATED LEARNING

Keyano College is committed to supporting Alberta's Recovery Plan. Keyano College makes evidence-based programming decisions that contribute to learners getting jobs and starting businesses that help diversify the province's economy. To ensure alignment with Alberta's Recovery Plan and the Alberta 2030 mandate, Keyano College continues to implement its Work-Integrated Learning Strategy to enhance current programming to include Work-Integrated Learning opportunities, collaborating with Apprenticeship and Industry Training (AIT) about Bill 67, the Skilled Trades and Apprenticeship Education Act, as well as Alberta Advanced Education in the Expansion of Apprenticeship-Style Programs Grant which supports the development of new programs to be launched in 2023. Keyano College has also partnered with Alberta Advanced Education on the Alberta at Work – Targeted Enrollment Expansion Grant, which will support the expansion of enrollment in 2022-23.

79% of programs at Keyano College have a work-integrated learning component.

As of year-end 2021-22, 70% of the College's programs have a Work-Integrated Learning component. The target for the 2022-23 year was to increase this percentage to 75%, but the College exceeded expectations by achieving a rate of 79% for the same period. More programs with Work-Integrated Learning will foster strong links that help organizations in the RMWB build a more resilient future for Alberta's economic recovery and growth.



STUDENT EMPLOYMENT SUPPORT

Keyano College strives to ensure current students and alumni are successful in their careers by connecting them with employers. Students can access numerous publications that cover job search skills, personal finance, career planning and enhancement, entrepreneurship, employee rights, as well as a range of other topics. Resources are also available for pick up at the Clearwater Campus. Keyano College also offered the Employment Skills Certificate, a program designed to help students transition between college and successful employment. It is free to all students and includes workshop options such as Personality Dimensions, Digital Literacy, Personal Branding, Interview Skills, Workplace Basics, Gender & Diversity, Networking & Communications. In 2022-23, 207 students registered for 34 total workshop offerings.

34 Workshops

207 Number of students enrolled and attended

EXAMPLES OF WORKSHOPS

- Employment Skills Certificate
- Digital Literacy
- Financial Literacy
- Gender & Diversity
- Interview Strategies
- Networking & Communication
- Networking Event
- Personal Branding
- Personality Dimensions
- Professional Photo for LinkedIn
- Professional Portfolio
- Workplace Basics

PROGRAM ADVISORY AND COLLABORATION WITH OTHER LEARNING PROVIDERS

Keyano College has several advisory boards that help inform our program planning. Members of the advisory boards come from diverse backgrounds, including the business sector, industry, students, Keyano College employees, the non profit sector, and the local municipality. The Continuing Education and Extended Studies department collaborates with several Alberta post-secondary institutions, including NAIT, Northwest Polytechnic, and MacEwan University.

Keyano College is responsible for regional stewardship, collaborating with its Campus Alberta partners, community adult learning providers, business and industry partners, regional school districts, Indigenous communities, and all levels of government to ensure access to a broad spectrum of learning opportunities for the RMWB. Through the Community Adult Learning Program (CALP), Keyano College fosters learner transitions from the community-based, informal, non-credit adult learning system to the for-credit post-secondary system. It is focused on the needs of Indigenous learners in particular.

The College works closely with Alberta Labour, Athabasca Tribal Council, its members, and all Indigenous communities to provide Indigenous students access to post-secondary education.

STRATEGIC RESEARCH

Keyano College participates in Labour Education Applied Research North (LEARN) which has funded 128 Northern-Alberta-specific research reports and collaborates on research on industry trends, specific occupations, training opportunities, and other related topics such as demographic trends and community needs. This helps to ensure evidence-based programming decisions. Keyano College is also part of a network of researchers in post-secondary institutions through Alberta Innovates and the Regional Innovation Networks (RIN), including the Wood Buffalo Research Innovation Network, we are members of Start-up YMM, the Fort McMurray Wood Buffalo Economic Development and Tourism (FMWBEDT).

In 2022-23, Keyano College developed and released its inaugural Research Strategy for 2023-2025. The inaugural Keyano College Research Strategy defines priorities and outcomes referenced during the establishment phase of a Centre for Research and Innovation over the next two years. This Strategy was developed in alignment with the College's 2022–2025 Strategic Plan along with its Mission and Vision. Five strategic pillars of research were identified as 1. Energy, Environment, & Sustainability, 2. Thriving Communities, 3. Health & Wellbeing, 4. Scholarship for Teaching and Learning, and 5. Innovative Solutions. These strategic pillars will support Keyano College's position as the leading northern hub for research through its substantial contributions to social and economic growth via robust partnerships with industry and the community.

In 2022-23, Keyano College established a Research Data Management Advisory Committee under the leadership of Library Services to lead the development and publication of its Institutional Strategy for Research Data Management. This strategy will ensure compliance with accreditation requirements by the Natural Sciences and Engineering Research Council (NSERC), Social Sciences and Humanities Research Council (SSHRC), and the Canadian Institutes of Health Research (CIHR).

Faculty at Keyano College engaged in research and scholarly activities, including those in the collaborative degree programs.

Keyano College created a Research Ethics Board (REB) in the spring of 2023, where Keyano College will be committed to ensuring the ethical conduct of research involving humans; as such, any research conducted at Keyano or undertaken by Keyano faculty, staff, or students involving human participants must be reviewed and approved by REB.

FINANCIAL AND BUDGET INFORMATION

The Management Discussion and Analysis (MD&A) is an overview of the consolidated financial results of the College for the fiscal year ended June 30, 2023, and offers a detailed discussion on the following:

1. Operating Environment Overview
2. Financial Results
3. Net Assets
4. Capital Spending
5. Consolidated Entities



In 2020, the Ministry of Advanced Education introduced a performance-based funding model to tie a portion of the operating grant to certain performance metrics. The College has a three year Investment Management Agreement that included the following metrics and targets for the 2022-23 fiscal year. If these targets are not met (with consideration for tolerance ranges as approved by the Ministry), the Ministry could reduce future operating grants (maximum of 25%, but prorated based on percentage of variances from target after tolerance is factored out). The metrics, weighting, targets, tolerance and forecast for the year are noted in the table below.

| METRIC | WEIGHT | 2022-23 TARGET | TOLERANCE | CURRENT |
|--------------------------------------|--------|----------------|-----------|---------|
| W/L | 8% | 75% | 4% | 78% |
| Domestic Enrolment (FLE) | 2% | 729 | 80 | 798 |
| Apprenticeship Enrolment (headcount) | 2% | 460 | 51 | 419 |
| Graduate Employment | 3% | 91% | 10% | 85% |
| International Enrolment (FLE) | 0% | 150 | N/A | 313 |
| Administration Expense Ratio | 0% | N/A | N/A | 12% |

Total student enrolment increased by 217 (20.5%) Full Load Equivalent (FLEs) from 1060 FLE in 2021-22 to 1277 FLE in 2022-23 (certificate, diploma, and non-credential programs). The Operating and Program Support Grant (previously the Campus Alberta Grant) was reduced by 4.0% (\$1,147,883) from the previous year. Following the lifting of the 2014-15, tuition fee freeze by the Government of Alberta, a 7% increase was applied in the 2022-23 fiscal year to most programs.

Most of the increase in students is attributed to a large increase in international students of 204 FLE, from 134 to 338. This has a significant impact on tuition fees because international students pay three times the rate domestic students pay (the Province does not subsidize out of province students).

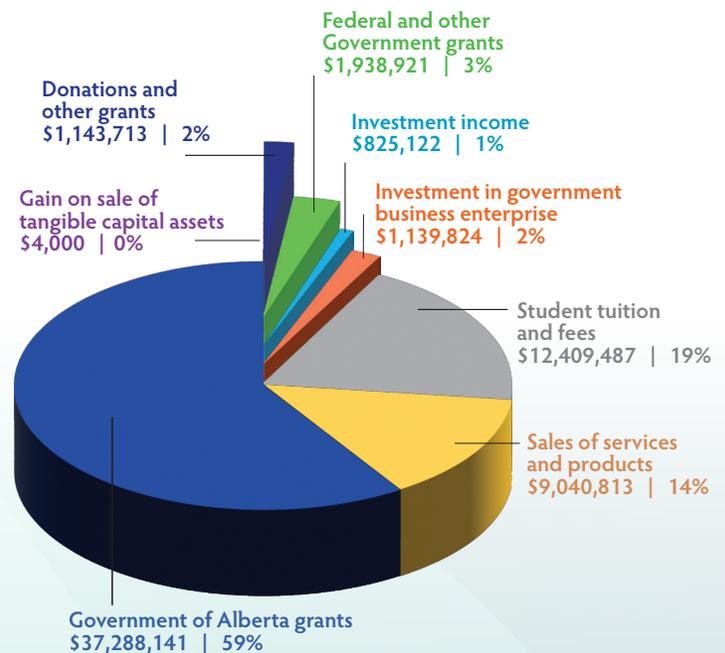
The College's revenue has increased significantly from \$55 million in 2021-22 to \$63.8 million in 2022-23. This growth was primarily related to the post-Covid return to in person classes, the growth in international student enrolments and the return of the northern living allowance, a \$4.1 million expense for the College that is 100% funded by a grant from the Province.

FINANCIAL RESULTS

The College ended the year with an operating loss of \$610,482 (0.9 % of expenses) compared to a surplus of \$218,164 in the prior year. After included endowment related additions the College had an Annual Surplus of \$240,334, a modest reduction from the prior year's surplus of \$463,030.

REVENUE

Total revenues for the year ended June 30, 2023, were \$63,790,021, an increase of \$8,737,815 over the prior year and \$1,236,181 less than budget. Revenue from the Government of Alberta represented Keyano College's largest source of income, at 59% of total College revenue. Major components of revenue are as follows:



GOVERNMENT OF ALBERTA GRANTS

Revenues from Alberta Government grants were \$37,288,141 an increase of \$3,343,128 over the prior year and \$494,108 lower than budget.

The increase is mainly due to the reinstatement of the grant for the Northern Living Allowance which was \$4.1 M, the recognition of a \$509 K grant that was transferred to the Rupert's Land Endowment, and new Education and Training grants for health programs of \$500 K. These increases were offset by a \$1.1 M decrease in the operating, a reduction in earning of spent deferred capital contributions of \$350 K, and lower expenses related to other restricted grants of \$300 K.

Government of Alberta grants are under budget primarily because some restricted grants were spent on capital rather than expenses.

Due to significant increases in other revenues, the proportion of grants from the Government of Alberta as a percentage of total revenue has decreased from 61.7% to 58.5%. The College's annual operating grant of \$27.1 million is 42.5% of total revenue, a decrease from 51.3% in the prior year.

SALES OF SERVICES AND PRODUCTS

Sales of services and products revenue of \$9,040,813 was \$3,353,638 higher than prior year and \$868,987 higher than budget.

The increase in revenue is due to the significant increase in student enrolments (full load equivalent students increased by 20.5% from 1,060 to 1,277). 19.2% of this increase was related to an increase of international students, from 134 to 338. The increase in students affects bookstore, residence and other ancillary revenues such as the Theatre and the Sports and Wellness Centre (SSWC). Details are as follows:

| | |
|-----------|---|
| \$673,687 | SSWC revenue has increased due to naming rights (recorded as donation in prior year) and increased memberships due to increase in students and no COVID restrictions during the year. |
| \$643,315 | Increase in housing rental revenue due to increase in students. |
| \$649,177 | Increase is due to Advancement fundraising events, including the return of the Keyano Gala. However, offsets to this revenue are included in material and supplies expense. |
| \$458,344 | Theatre sales and rental revenue has increased due to the return of a full line up of shows and events and an increase in students. |
| \$392,903 | Contract revenue increased due to increase of trades programming and new contracts with Fort McMurray Wood Buffalo economic development for recruitment and retention. |
| \$181,216 | Increase in facilities rental revenue due to renting of Suncor Energy Industrial Campus (SEIC) for the full year, a new lease for the old gym (Field House #4) and additional lease tenants in Bob Lamb |
| \$167,360 | Increase in bookstore sales due to increase in staff and students. |
| \$111,292 | Increase in interest revenue due to higher interest rates. |
| \$52,718 | Increase in food services revenue due to new contract with vendor, and increase in staff and students as they are now back on campus. |
| \$23,606 | Increase in parking revenue due to a return of staff to campus and return of in-person learning. |

Sales of services and products is over budget due to a reclassification from donation revenue of \$1.1 M, an increase in contract revenue for non-credit trades of \$670 K, unbudgeted service agreement revenue from the Land Trust of \$208 K, an increase in interest revenue for the operating bank account of \$162 K, an increase in theatre ticket sales of \$190 K and an unbudgeted contract with Economic Development for international recruitment of \$121 K. These increases were partially offset by lower than anticipated housing rentals of (\$485 K), recording of the related Gala revenue under donations of (\$144 K), lower parking revenue of (\$118 K), and lower bookstore sales of (\$102 K).

¹ KEYANO COLLEGE STUDENT INFORMATION SYSTEM (SIS)

STUDENT TUITION AND FEES

Student tuition and fees revenue of \$12,409,487 was \$3,936,013 higher than the prior year and \$1,384,191 lower than budget. Tuition and fees have increased over the prior year due to a 20.5% increase of student full load equivalents (FLE).

| CREDENTIAL | 2022-23 OFFICIAL FLE | 2021-22 OFFICIAL FLE | CHANGE OFFICIAL FLE | % CHANGE |
|---------------------------------------|-------------------------|-------------------------|------------------------|---------------|
| Certificate | 461 | 367 | 94 | 25.61% |
| Diploma | 403 | 285 | 118 | 41.40% |
| Non-Credential | 413 | 408 | 5 | 1.23% |
| KEYANO COLLEGE TOTAL | 1277 | 1060 | 217 | 10.47% |
| International | 338 | 134 | 204 | 152.24% |
| Percent of Total | 26.47% | 12.64% | | |
| Indigenous | 66 | 69 | -3 | -4.35% |
| Percent of Total | 5.27% | 6.51% | | |
| Total Domestic (inc.Apprenticeship) | 939 | 926 | 13 | 1.40% |
| Apprenticeship | 131 | 128 | 3 | 2.34% |
| Domestic w/o Apprenticeship | 808 | 798 | 10 | 1.25% |
| Percent of Total | 63.27% | 75.28% | | |
| Investment Management Agreement (IMA) | 729 | 798 | | |
| | TARGET | ACTUAL | | |

Although student tuition and fees were \$1.4 million lower than budget, they were \$3.9 million higher than last year's actuals, and \$1.3 million higher than last year's budget. The budget included stretch targets, especially for international students. The federal government was extremely slow at processing international student visas until late Fall, so Fall enrolments suffered. However, enrolments increased significantly for the Winter intake.

DONATIONS AND OTHER GRANTS

Donations and other grant revenue of \$1,143,713 was \$272,907 lower than the prior year and \$1,078,853 lower than budget. The variance to prior year is mainly due to the classification of naming rights as advertising revenue under sales and services.

Donations were received in the past for the SSWC and these were restricted for capital and/or major repairs and renovations. Some of these donations were allocated to fund the SSWC roof replacement project, but this project was delayed resulting in lower earned donations than the budget. This project was completed in the Fall of 2023. Donation revenue was also lower because of the reclassification of naming rights and advancement events ticket sales and auction proceeds to sales and services revenue. This revenue component should be reviewed in light of the changes to endowments reflected in the College's Annual Surplus.

\$742,841 in endowment contributions were received during the year and these were not reflected in donations and other grant revenue.

INVESTMENT INCOME

Investment income of \$825,122 was \$186,304 lower than the prior year and \$50,515 higher than budget. The variance is mainly due to a decrease in the realized investment gains (dividends and interest) over the preceding year. Market value gains or losses of \$292 K are not recorded in investment income, in accordance with PSAB standards – instead they are recorded in the statement of remeasurement gains and losses. Investment earnings from portfolio investments restricted for endowments are recorded as deferred revenue until funds are used for the purposes intended.

FEDERAL AND OTHER GOVERNMENT GRANTS

Grant revenue from federal and other government sources of \$1,938,921 did not vary significantly from prior year or the budget.

INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISE

Investment in Government business enterprise of \$1,139,824 was \$472,749 higher than previous year and \$873,275 higher than budget. This represents the Land Trust net comprehensive income for the year. Income is derived primarily from the rental of non-serviced laydown lots to third party companies and from the royalties earned on the gravel pit. The increase in revenue, over the prior year, is mainly due to an increase in interest revenue due to increased interest rates, and lower maintenance and legal expenses.

The increase in budgeted revenue is due to an increase in lot rentals, royalty revenue, better than budget interest rates and decreased maintenance expenses. The budget for the Trust included very conservative royalty revenues as the gravel pit nears the end of its useful life.

INSURANCE PROCEEDS

Insurance proceeds were not received this year. The \$1,682,500 for the prior year related to insurance settlements for the 2020 Fort McMurray flood.

GAIN ON SALE OF TANGIBLE CAPITAL ASSETS

Gain on sale of tangible capital assets of \$4,000 was \$245,357 lower than the previous year and \$4,000 better than budget. Gain on sale of tangible capital assets will vary year over year. The College sold a large piece of equipment in the prior year.

SPENT DEFERRED CAPITAL REVENUE EARNED

Tangible capital assets purchased with externally restricted funds result in an obligation to the College to use the acquired assets over their useful lives for the provision of College services. Under Public Sector Accounting Standards (PSAS), spent deferred capital, when earned as revenue, must be attributed to the primary revenue source in the consolidated statement of operations. The following table depicts operating and spent deferred capital revenue earned by object grouping for the year ended June 30, 2023.

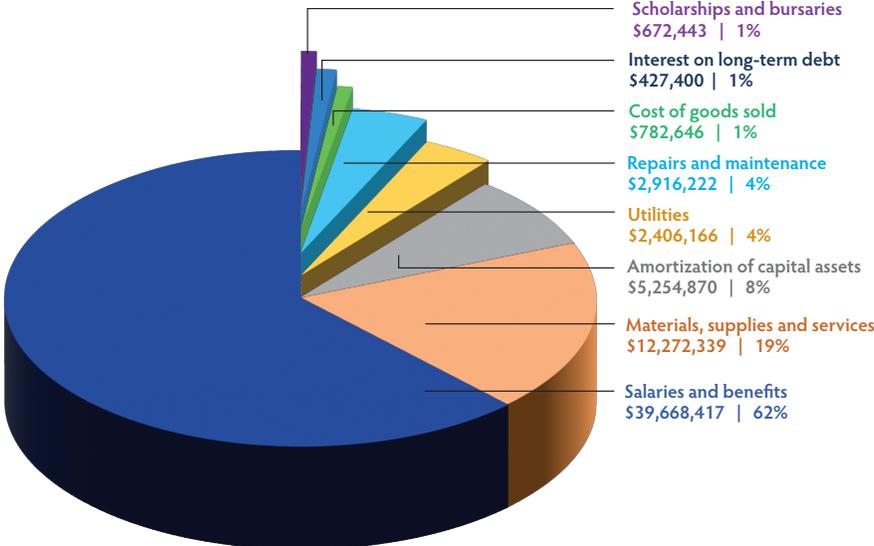
| | OPERATING | SPENT DEFERRED CAPITAL EARNED | TOTAL |
|--|---------------------|-------------------------------|---------------------|
| Government of Alberta grants | \$35,520,894 | \$1,767,247 | \$37,288,141 |
| Sales of services and products | \$9,040,813 | - | \$9,040,813 |
| Student tuition and fees | \$12,409,487 | - | \$12,409,487 |
| Donations and other grants | \$760,541 | \$383,172 | \$1,143,713 |
| Investment income | \$825,122 | - | \$825,122 |
| Federal and other government grants | \$1,938,921 | - | \$1,938,921 |
| Investment in government business enterprise | \$1,139,824 | - | \$1,139,824 |
| Gain on sale of tangible capital assets | \$4,000 | - | \$4,000 |
| Total revenue | \$61,639,602 | \$2,150,419 | \$63,790,021 |



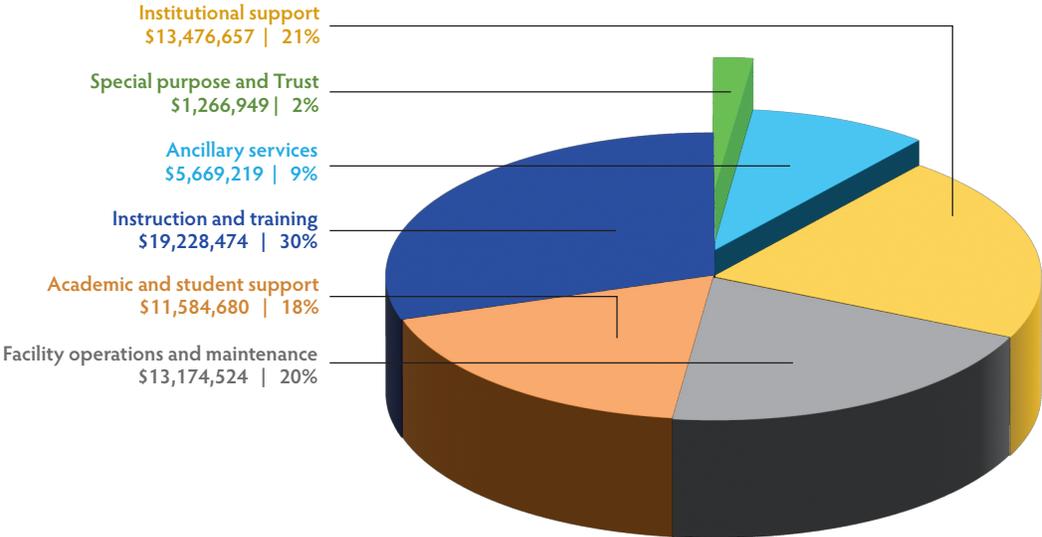
EXPENSES

Total expenses for the year ended June 30, 2023, were \$64,400,503, an increase of \$9,566,461 over the prior year and a decrease of \$625,699 from budget. Salaries and benefits represented Keyano's single largest expense at 62% of the total. Major components of expenses are as follows:

EXPENSE BY OBJECT



EXPENSE BY FUNCTION



SALARIES AND BENEFITS

Salaries and benefits of \$39,668,417 have increased by \$6,410,454 over the prior year and are \$3,023,687 over budget. Salaries increased from prior year due to:

| | |
|-------------|---|
| \$4,087,831 | Reinstatement of Northern Living Allowance |
| \$1,556,701 | Increase in full time workforce, mainly in Academic areas, 271 FTE vs. 244 FTE. |
| \$440,695 | Increase in benefits due to additional workforce |
| \$225,436 | Increase in faculty overload and faculty and CUPE overtime |
| \$99,791 | Various other increases related to casual and contract workforce and severance |

Salaries are over budget mainly due to the reinstatement of the Northern Living Allowance. The average vacancy rate for the year was 19 FTE. The budget for this was \$867 K based on an estimated vacancy rate of 12 FTE.

MATERIALS, SUPPLIES AND SERVICES

Materials, supplies and services of \$12,272,339 have increased by \$2,191,413 over the prior year and are \$736,456 higher than budget. Expenses increased from prior year due to commissions for international student recruitment, facilities consultants, athletic travel, software licenses, and flood mitigation. This was partially offset by a decrease in security and custodial expenses.

Materials, supplies, and services were over budget due to commissions for international student recruitment, facilities consultants, security, athletic travel, student bad debt and software licenses.

AMORTIZATION OF TANGIBLE CAPITAL ASSETS

Amortization of tangible capital assets of \$5,254,870 has increased by \$264,842 over the prior year and is \$1,122,526 under budget. Amortization has increased over the prior year due to capital additions throughout the year and application of the new standard for asset retirement obligations.

Amortization is under budget because in the prior year, the useful life of buildings was revised from 40 to 60 years – this change was completed subsequent to budget completion.

UTILITIES

Utilities of \$2,406,166 have increased by \$351,073 over the prior year and are \$178,223 over budget. College utilities (power, gas and water) have increased over prior year due to usage, delivery charges and the carbon tax.

The utilities are over budget due to increased rates and the carbon tax.

As the College considers and implements options to reach carbon neutrality, it is expected that these costs will moderate, albeit the carbon tax will continue to increase quite significantly.

REPAIRS AND MAINTENANCE

Repairs and maintenance of \$2,916,222 have increased by \$374,712 over the prior year and are \$3,292,441 under budget. College project expenses will vary year over year based on timing but also based on whether the project is capitalized or expensed. The increase over the prior year was due to grant funded capital maintenance projects.

The College is under budget due to the timing of projects completed during the year, the reversal of the budgeted ARO liability for Riedel units 6 and 10 (\$1.1 M credit in the budget) and due to capitalization of projects that were reflected as expenses in the budget.

COST OF GOODS SOLD

Cost of goods sold of \$782,646 has increased by \$176,983 over the prior year and is \$43,854 under budget. Cost of goods sold has increased over the prior year due to increased enrollment and sales.

INTEREST ON DEBT

Interest on debt of \$427,400 has decreased by \$51,154 over the prior year and is \$122,487 under budget. This expense reflects borrowing costs in capital lease agreements and loans with the Alberta Capital Finance Authority. Interest on debt has decreased as our loan values have decreased due to principal payments made over the past year.

SCHOLARSHIPS AND BURSARIES

Scholarships and bursaries of \$672,443 have decreased by \$151,862 over the prior year and are \$17,243 over budget. Scholarships and bursaries will vary year to year as they are dependent on the availability of awards and students meeting the criteria for eligibility.





NET ASSETS

Net assets are accumulated operating surplus, internally restricted surplus, investments in tangible capital assets, endowments, and remeasurement gains and losses. Net assets are described in Note 17 of the consolidated financial statements. Net Assets increased by \$529,574 (1.0%) from \$50,895,641 in 2021- 22 to \$51,425,215 in 2022-23 and is further disclosed as follows:

| | 2022-23 | 2021-22 | INCREASE (DECREASE) | % CHANGE |
|---------------------------------------|-------------------|-------------------|------------------------|-------------|
| Accumulated operating surplus | 3,327,685 | 2,674,471 | 653,214 | 24.4% |
| Internally restricted surplus | 11,971,933 | 14,777,618 | (2,805,625) | -19.0% |
| Investment in tangible capital assets | 28,916,966 | 27,883,711 | 1,033,255 | 3.7% |
| Endowments | 6,996,109 | 5,636,619 | 1,359,490 | 24.1% |
| Accumulated remeasurement gains | 212,462 | (76,778) | 289,240 | -376.7 |
| Total | 51,425,215 | 50,895,641 | 529,574 | 1.0% |

ACCUMULATED SURPLUS FROM OPERATIONS

The accumulated operating surplus is the net result of life-to-date operating surpluses at Keyano College, which have not been designated for specific purposes through internally restricted surplus or investment in tangible capital assets. The accumulated operating surplus of \$3,327,685 increased by \$653,214. Changes to accumulated surplus from operations include increases related to the amortization expense for tangible capital assets that were purchased with College funds, decrease for purchases of tangible capital assets purchased with College funds, debt payments related to capital acquisitions, the change in remeasurement gains and losses on investments, other changes related to capital assets purchased with College funds and any transfers to or from internally restricted surplus or endowments.

INTERNALLY RESTRICTED SURPLUS

Internally restricted surplus of \$11,971,993 decreased by \$2,805,625 in accordance with a Board motion to transfer funds to/from accumulated surplus from operations to provide for future capital programs. The total of the internally restricted surplus is set at 5% of the following year's budget.

INVESTMENT IN TANGIBLE CAPITAL ASSETS

Investment in tangible capital assets of \$28,916,966 increased by \$1,033,255 over 2021-22 (changes to investment in tangible capital assets only relate to those assets that have been purchased with College funds. The change consisted of capital acquisitions of \$3,096,497, debt repayment for capital leases, Alberta Treasury Board and Finance loans of \$1,375,839, less amortization on tangible capital assets of \$2,979,995, decrease in asset retirement obligations of \$124,456, and the net book value of tangible capital asset disposals of \$334,630. The investment in tangible capital assets, plus the balance of long-term debt obtained to purchase tangible capital assets, plus spent deferred capital contributions, plus asset retirement obligations will equal the total net-book-value of tangible capital assets of \$92,062,246.

ENDOWMENTS

The endowment balance of \$6,996,109 has increased by \$1,359,490 from the prior year. Endowments consist of externally restricted donations received by the College. In the current year, the College transferred \$508,674 to the Rupertsland endowment after the Government of Alberta approved the repurposing of an expired grant. The College also received \$742,841 in new endowment donations, which includes \$500,000 from the Metis Education Foundation for the Rupertsland Endowment, and earned \$107,975 in capitalized investment income.

ACCUMULATED REMEASUREMENT LOSS

Market value changes to non-endowment investments are recorded in the statement of accumulated remeasurement gains. At the end of F2023 related investments were \$212,462 above cost. Accumulated remeasurement gains (market value) increased by \$289,240 over the prior year.

CAPITAL SPENDING

TANGIBLE CAPITAL ASSETS

Every year the College invests in the acquisition of tangible capital assets for expansion, renewal, and replacement of College assets. In 2022-23, the College spent \$5,113,174 on tangible capital assets in the categories below:

| | ADDITIONS | WORK IN PROGRESS | TOTAL ADDITIONS | COMMENTS |
|--------------------------------|--------------------|--------------------|--------------------|---|
| Land | - | - | - | |
| Land improvements | 44,320 | - | 44,320 | Additions include the following site improvements, grading and fencing, at SEIC |
| Building and renovations | - | 1,475,949 | 1,475,949 | E-sports arena and lab upgrades |
| ARO | 194,214 | | 194,214 | Cost exalaction |
| Equipment | 772,029 | 1,518,646 | 2,240,675 | Additions include 3 new vehicles for Facilities, 2 new trucks for Driver's Training, lights for Theatre and the Board of Governor's audio visual upgrade. |
| Computer hardware and software | 111,537 | 1,046,478 | 1,158,015 | Additions include network switches and Raiser's Edge NXT upgrade |
| Total | \$1,072,100 | \$4,041,073 | \$5,113,174 | |

| TANGIBLE CAPITAL ASSET CATEGORY | COST | EFFECT OF DISPOSAL/WRITE DOWN ON ACCUM AMORTIZATION | NET DISPOSAL/WRITE DOWN | COMMENTS |
|---------------------------------|------------------|---|-------------------------|---|
| Land | - | - | - | |
| Land improvements | - | - | - | |
| Building and renovations | 525,570 | 192,709 | 332,861 | Penhorwood roof replacement |
| Equipment | 242,530 | 240,761 | 1,769 | Includes workstations, treadmill, lab equipment, shelving and a piano |
| Computer hardware and software | - | - | - | |
| Total | \$768,100 | \$433,470 | \$334,630 | |

CONSOLIDATED ENTITIES

KEYANO COLLEGE LAND TRUST

The Keyano College Land Trust (Land Trust) was established in March 2012 following an approved Order-In-Council authorizing the College to transfer 611 acres of undeveloped land to the Land Trust. The purpose of the Land Trust is to provide development of the lands to generate a sustainable and predictable revenue source for the College.

In 2015, the Land Trust Board of Directors suspended further development of lands, due to the slowdown in the Alberta economy. The development was further impacted by the 2016 Fort McMurray Wildfire, which created more uncertainty.

The Land Trust currently generates income from renting un-serviced laydown lots to companies primarily in the construction and transport industries. In 2017, the Land Trust entered into a lease contract with a third party to excavate gravel and sand at the Saline Creek gravel pit.

On August 4, 2022, the Board of Directors of Keyano College Land Trust approved motions to distribute all lands and other properties to Keyano College and to wind down the Keyano College Land Trust (Land Trust). On October 26, 2022, the Board of Governors of Keyano College approved a motion to accept the distribution of the Trust Property from KCLT and to take the necessary steps to carry out such distribution.

The effective date of the transfer of the Saline Creek lands and operations was July 1, 2023. The transfer of the Sparrowhawk Condominium property and operations is still underway. The effective date of this transfer is expected to be December 1, 2023.

The subsequent effect of these transfers will result in the discontinuance of all operations of the KCLT. The assets, liabilities, revenue and expenses of the KCLT will be reflected in Keyano College's financial statements upon the effective date of the transfers. See Note 26 for a condensed summary of financial information of the KCLT.

For the year ended June 30, 2023, the Land Trust had revenues of \$2,141,833 (2022 - \$2,519,640), resulting in a comprehensive income of \$1,139,822 (2022 - \$667,075). The increase in comprehensive income was primarily due to increased lease, royalty and interest revenue and decreased maintenance and legal expenses.

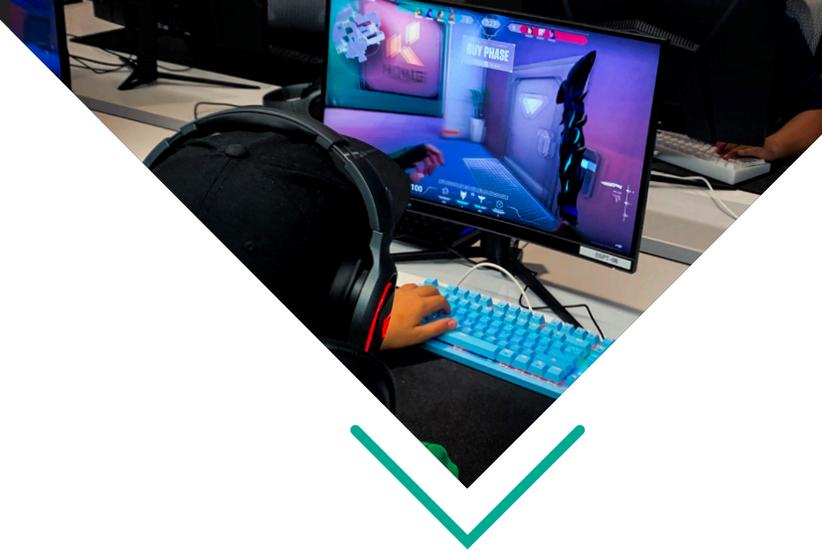
As of June 30, 2023, the College had an investment in a government business enterprise (Land Trust) of \$22,927,535 (2022 - \$22,095,317). The Keyano College Land Trust is consolidated in the College financial statements on a modified equity basis.



CAPITAL PROJECTS REPORT

The following table includes all capital expenditures for projects carried forward from prior years or projects approved in the 2022-23 Capital Budget. The College self funded \$3,290,711 of the \$5,113,174 spent on tangible capital assets in 2022-23. Grants and/or donations funded \$1,822,463.

| PROPOSED/NEW/EXPANSION/MAINTENANCE | DESCRIPTION | DEPARTMENT | SPENT IN PRIOR YEARS | 2022-2023 SPENDING | TOTAL SPENT | STATUS |
|------------------------------------|---|-------------------------|----------------------|--------------------|--------------------|--------------------|
| New | Driver training equipment | Academics-Trades | \$ - | 361,895 | 361,895 | Completed |
| New | Equipment | Theatre | 17,261 | 149,074 | 166,335 | Completed |
| Maintenance | Science and Biology Laboratory Renovation | Academics-Science | 166,920 | 873,685 | 1,040,605 | Ongoing |
| Maintenance | Security-electronic ID card access, cameras | IT | 1,020,656 | 382,280 | 1,402,936 | Completed |
| New | Facilities Equipment | Facilities | 15,000 | 192,397 | 207,397 | Completed |
| New | Ambulance Simulator | Health | - | 358,825 | 358,825 | Completed |
| Maintenance | Penhorwood Townhouse/CW Hall Roofing | Student Residence | 126,150 | 399,421 | 525,570 | Completed |
| Maintenance | Riedel Renovation | Student Residence | 59,329 | 112,974 | 172,303 | Completed |
| New | HyFlex Classroom Upgrades | IT | 457,801 | 326,601 | 784,402 | Ongoing |
| New | Esports Classroom Keyano College | Facilities | 222,762 | 1,012,977 | 1,235,738 | Completed |
| New | ERP System Enhancement Project | IT | 13,383 | 170,905 | 184,288 | Ongoing |
| Maintenance | Communication Project (rewire) | Facilities/IT | 916,299 | 462,413 | 1,378,712 | Completed |
| New | Large Fans | Sport & Wellness Centre | - | 71,198 | 71,198 | Ongoing |
| Maintenance | Leasehold improvements-Trades Campus | Facilities | - | 44,320 | 44,320 | Completed |
| Maintenance | Asset Retirement Obligation-cost escalation | Student Residence | - | 194,210 | 194,210 | Completed |
| | | | | \$3,015,560 | \$5,113,174 | \$8,128,734 |



PROJECT TIMELINES AND STATUS

| PROJECT DESCRIPTOR | PROJECT TIMELINES | START DATE | COMPLETION DATE | PROJECT STATUS | PROGRESS MADE TO DATE |
|------------------------------------|-------------------------------|------------|-----------------|----------------------------|---|
| Esports Arena | January 2022 - May 2023 | Jan-21 | May-23 | Project commenced Jan 2021 | Complete |
| Science/Biology | May 2019 – September 2024 | Oct-21 | Sep-24 | Const. Man engaged | AHU/Mech ordered, Casework finalized, work to commence Aug 2022 |
| Roofing Project | May 2019 - November 2023 | Mar-22 | Nov-23 | Contract awarded | Penhorwood 75% complete, CWC, CWH, BL & SSWC |
| Code Remediation | February 2021- September 2024 | Feb-21 | Sept-24 | Ongoing | 60% Complete |
| Facilities Grounds Storage | March 2022 – September 2022 | Mar-22 | Sep-22 | Ongoing | Product onsite, awaiting assembly |
| Clearwater Hall (Envelope Repairs) | June 2022 – September 2022 | Jan-22 | Sep-23 | On Hold | Preliminary structural review |
| Heating/Mechanical System Repairs | January 2022 – August 2025 | Mar-22 | Aug-25 | Planning | Engineering report received |

The College continues to work on renewing the Science/ Biology Lab to enhance the learning experience and upgrade to the current code. The project has had some delays due to the need for specialized products. Some delivery times have been up to ten months. This has necessitated that the project be divided into several phases to minimize the impact on program delivery.

The College has been working with a consulting firm to develop a College master plan. The plan has reviewed the Colleges programs, vision, and physical infrastructure in addition to room capacity and utilization rates. The review also consisted of a condition review and will assist in developing longer-term maintenance and capital planning.

As part of the review of college assets, the College has also been exploring the divesture of several underutilized or surplus assets. The College has also explored the potential of renting currently underutilized spaces. A decision on divesture will be made in the Fall of 2023.

INFORMATION TECHNOLOGY SERVICES

During the 2022/2023 year, the Information Technology Services (ITS) team made improvements in five key areas:

- Customer Relationship Management (CRM)
- IT Infrastructure – Structured Cabling
- IT Infrastructure – CCTV/Security System
- Hyflex Classroom Technology
- Cybersecurity

CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

ITS has implemented a Customer Relationship Management (CRM) system. This is a multiyear project with the implementation of the Admissions portion in the 2022/2023 year.

This project provides significantly improved processes for students' application and acceptance. Additionally, the implementation of the CRM enables a more streamlined process for student admission and acceptance and introduces automations to enhance the experience.

IT INFRASTRUCTURE -STRUCTURED CABLING

ITS has completed the remainder of the Structured Cabling project started in the 2021/2022 financial year.

In collaboration with the Facilities Department, structured cabling has been replaced in all buildings campus-wide. This upgrade modernizes the structured cabling across campus, provides a more redundant and resilient network, and ensures that the cabling meets fire and building code requirements.

IT INFRASTRUCTURE – CCTV/ SECURITY SYSTEM

ITS has completed the remainder of the CCTV/Security System project started in the 2021/2022 financial year.

The access control system across campus has been replaced.

The upgrade to this system sees the replacement of an obsolete access control system with a modern and robust access control system.

Along with the access control system, the security camera system is being modernized. During the 2022/2023 fiscal year, the completion of the security camera system was completed. This system is integrated with the access control system to provide greater security to the students, faculty, and staff of Keyano College.

HYFLEX CLASSROOM TECHNOLOGY

Two additional classrooms were ordered with Hyflex capabilities, to expand the College's ability to deliver course materials with students in class or remotely. This technology, paired with conferencing and communication technology such as Zoom, and Microsoft Teams provides Keyano faculty with the ability to deliver high quality lectures synchronously or asynchronously.

The implementation of these two rooms is pending due to ongoing supply chain issues.

CYBERSECURITY

During the 2022/2023 fiscal year, ITS has adopted the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF). This fiscal year also sees the implementation of a cloud based Security Information and Event Management (SIEM) platform. Along with this, we have partnered with a managed service provider to provide firewall management services to the college. Additionally, ITS has implemented stronger security controls for servers, remote access, and identity management processes.

REGIONAL STEWARDSHIP, FOUNDATIONAL LEARNING, UNDERREPRESENTED LEARNERS

INDIGENOUS LEARNERS AND LEARNERS IN RURAL AND REMOTE COMMUNITIES

The Regional Municipality of Wood Buffalo (RMWB) is home to five First Nations Communities - Mikisew Cree First Nation, Athabasca Chipewyan First Nation, Fort McKay First Nation, Fort McMurray No. 468 First Nation, and Chipewyan Prairie Dene First Nation. Métis peoples are represented by six Métis Locals - 63 (Fort McKay), 125 (Fort Chipewyan), 193 (Conklin), 780 (Anzac), and 1935 and 2020 (both in Fort McMurray).

To increase access the learning opportunities for Indigenous communities and their educational success, Keyano College has collaborated with local Indigenous organizations to remove barriers to education and raise academic outcomes. By improving the services provided by the Indigenous Student Centre, Keyano College can better provide equitable access to education for Indigenous learners. This includes facilitating Indigenous learners' progression within the post-secondary education system and participation in employment training programs designed with Indigenous learner pathways in mind.

Keyano College has created multiple positions dedicated to Indigenous education, including new roles such as Senior Indigenous Relations Officer, Indigenous Navigator, Indigenous Student Resource Coordinator, Indigenous Academic Advisor, and managers for Indigenous educational contracts and Equity, Diversity, and Inclusion.

Keyano College collaborates with Indigenous communities and organizations to increase access to learning and support Indigenous student success.

The following programs have been delivered:

- Haul Truck
- Upskilling to GED
- Child Development 1
- ELCC
- Youth Exploration of the Trades
- Skid Steer & Forklift Training
- Office Career Training

THE COMMUNITY ADULT LEARNING PROGRAM

During this reporting period, the Indigenous Education Department assisted the College in serving Indigenous learners and communities throughout the region. Indigenous Education programming is focused on improving access to learning opportunities in Fort McMurray and the rural communities in partnership with the Athabasca Tribal Council and other Indigenous stakeholder groups. The Community Adult Learning Program has also fostered learner transitions to the post-secondary system and focused on the needs of Indigenous learners.

Consequently, the Continuing Education team maintained its engagement with community organizations, evaluated learners' preparedness skills, and offered on-demand training to rural communities as needed. This was especially apparent this spring when Keyano College provided office space and assistance to evacuees from the Fort Chipewyan region.

APPLICATIONS FOR CREDIT PROGRAMS

To ensure equitable access and successful participation of Indigenous learners, students can self-identify as Indigenous status during the credit program application process. Specific programming seats are reserved for Indigenous students in high-demand Nursing, Practical Nursing, and Social Work programs. When admission decisions are made, opportunities for Indigenous students are considered first. The close collaboration between Indigenous Education and various student services departments enables Keyano College to provide seamless support to credit and non-credit programming students.



“Through the lens of Equity, Diversity, and Inclusivity, and the Truth and Reconciliation Calls to Action, provide support for diverse, vulnerable, and underrepresented learners.”

INDIGENOUS STUDENT PROGRAM PARTICIPATION (credit programming only)



90 CERTIFICATES ¹



17 DIPLOMA ¹



144
UNIQUE HEADCOUNT ¹

¹ DATA COLLECTION AND REPORTING (DCAR)-LEARNER AND ENROLMENT REPORTING SYSTEM (LERS)

FOUNDATIONAL LEARNERS

ACADEMIC FOUNDATIONS

The Academic Foundations program is intended to provide students with the knowledge, skills, and prerequisites to study courses in College Preparation at the grades 10-12 level. The target student population includes residents of the RMWB who require foundational skills before studying high school courses. The program consists of Foundational English Language Arts and/or Foundational Mathematics instruction. Students who enroll in and successfully complete both courses are eligible for an Academic Foundations Certificate. Although the program provides an essential service of preparing students for future studies in a program of their choice, the program did not run in 2022-2023.

COLLEGE PREPARATION

The College Preparation program offers Alberta Education high school equivalent courses at the Clearwater Campus in Fort McMurray. Available study areas include biology, chemistry, English, math, physics, and social studies. The target student population includes students who need to upgrade courses for post-secondary admission or those who need to acquire a high school equivalency diploma. Although most courses were offered in a face-to-face mode of delivery in 2022-2023, other modes of delivery were also available. English 10-1, 20-1, and 30-2 were delivered in an online synchronous format, and Math 10C was offered in a hyflex format where students had the option to attend classes online or in person.





LANGUAGE INSTRUCTION FOR NEWCOMERS TO CANADA (LINC)

Keyano College offers free English language and settlement training classes through the LINC program. LINC is funded by Immigration, Refugees and Citizenship Canada and is only available to Permanent Residents, Convention Refugees, and Protected Persons, 18 years or older. LINC is designed to assist in the process of cultural, social, and economic understanding to help newcomers integrate more quickly and easily into Canadian society. LINC focuses on practical language use supported by traditional classroom activities. Keyano College offers part-time LINC instruction from absolute beginner to upper-intermediate levels – Canadian Language Benchmarks (CLB) 0-6. All LINC class levels are offered in-person with additional online classes available for higher level LINC classes (CLB 4-6).

LINC has also offered tuition waivers to help their students continue on with their education at Keyano College.

ENGLISH FOR ACADEMIC PURPOSES (EAP)

The EAP program is intended to meet an existing gap in Keyano College's program offerings. The target student population includes residents of the RMWB who have met all the requirements of the LINC program and individuals who are not eligible for the LINC program, including international students who apply to the College and do not meet the English language requirements. The EAP program provides our graduate LINC students with the English language instruction they need to succeed in academic study in Canadian post-secondary institutions. The EAP program is focused on developing academic study skills to show students how to learn for continued success in the future. The EAP program is primarily designed to help prepare English language learners for post-secondary education in Canada. Although the program serves an essential purpose to enable students to enter into programs at Keyano College, the program did not run in 2022-23. The EAP program is free to eligible students for the 2023-24 Academic year.

SUPPORTS FOR STUDENTS WITH DISABILITIES

The Accessibility Services Team at Keyano College supports students with functional limitations due to disabilities by providing accommodations, adaptive technologies, and learning strategies to facilitate learning. Keyano College is dedicated to ensuring that students with disabilities receive personalized accommodations and support services to help them successfully navigate our programs. Our commitment extends to those with permanent disabilities and those facing temporary medical challenges necessitating academic adjustments. By implementing suitable accommodations and fostering accessibility, we aim to minimize any obstacles students may encounter during their educational journey. A few of these services and supports include, and are not limited to:

- Assessing student needs and facilitating the implementation of accommodations for learning.
- Enhancing learners' academic skills by providing learning strategies applied in context.
- Providing training and access to assistive technology to develop independent learners.
- Making referrals for mental health support.
- Making referrals to accessible free tutorial support through the Academic Success Centre.
- Making referrals for academic success coaching to at-risk students who need individualized support to develop the skills to thrive in post-secondary.
- Developing policies and practices that support students with learning barriers.

During the 2022-23 Academic School Year, the Accessibility team had an increase of 66.66% in the number of students they helped over the previous year.

Accessibility Services continues to focus on removing the stigmatization associated with disabilities. Universal Design for Learning is an educational framework Keyano College implemented to ensure that learning environments are barrier-free for any student with a disability. Keyano College strives to create a learning culture where students with disabilities have equal opportunities throughout their academic careers. Another priority for the College this academic year was

supporting students through connections within the College and the greater community. This helped shed light on the impact of ableism and how to integrate an inclusive learning culture on campus better.

LEARNERS FROM LOW-INCOME BACKGROUNDS, SCHOLARSHIPS, AND FINANCIAL SUPPORT

Keyano College is committed to supporting students to achieve their goals by providing financial assistance when possible. Students are encouraged to seek available funding for eligible Indigenous students through Alberta Works, Schedule 4 Funding, and band funding.

Our mental health coordinators and wellness navigators work closely with the Wood Buffalo Food Bank to refer students or navigators to provide emergency food bags to students in need. Furthermore, our student awards are a collaborative effort between Keyano College and the community. Together, we work to remove the financial barriers that impede educational success.

In the 2022-2023 academic year, Keyano College assisted 50 qualified students in applying for the Schedule 4 funding grant. The total approximate amount that students could access this year collectively was \$450,000 in grant funds. This kind of funding support significantly reduces the financial barriers to academic success for many students with disabilities.

TESTING SERVICES

Keyano College's Testing Services is an authorized testing facility that provides testing services to Keyano students, non-Keyano students, and external organizations. The external organizations include other post-secondary institutions across Canada, government agencies, corporations, and professional regulatory bodies. Keyano's Testing Services staff are certified testing facilitators for the Differential Aptitude Test (DAT), General Educational Development (GED), Alberta Water and Wastewater Certification, and Canadian English Language Proficiency Index Program (CELPPI). Testing Services also oversees safety certifications, including Workplace Hazardous Materials Information System (WHMIS).

During the 2022-23 Academic year there were 2122 exams completed.

ADDITIONAL SERVICES AVAILABLE TO COMMUNITY MEMBERS

KEYANO COLLEGE THEATRE & ARTS CENTRE

Keyano Theatre & Arts Centre is the largest performing Arts Centre in Northern Alberta, featuring two state-of-the-art live theatres, supporting workshops, and several studios and creative spaces.

Keyano Theatre Company is the producing arm of Keyano and presented two live theatre performances with *Misery* and *Anne of Green Gables the Musical* as well as our annual young actors' summer intensive. This program, known as *Drama Force*, engages 35 students in a three-week program to learn acting, singing, and dance to present three fully produced performance of Disney's *Newsies Jr.* in the main theatre. Over the season, Keyano Theatre, as a community hub is very appreciative of the volunteer support, both onstage and behind the scenes with in excess of 6700 volunteer hours committed to helping out.

Our professional touring artists series, operating as *Syncrude Arts Alive Presents*, was very successful this year with audiences returning to enjoy the twelve presentations across a wide variety of genres, ranging from rap to classical, and country to ballet. Keyano Theatre is very pleased to be able to host the incredible talents of artist such as Teri Clark, Aaron Goodvin, Stephen Page, and Ballet Jorgen.

The Arts Centre saw an increase in facility usage over the 2022-2023 season with new recurring clients choosing the Arts Centre as their venue of choice for music and dance instruction as well as other groups utilizing the studios for rehearsals, performances, and meeting spaces.



SYNCRUDE SPORT AND WELLNESS CENTRE

The Syncrude Sport & Wellness Centre (SSWC) is a premier facility built in 2007 and equipped to host basketball, badminton, floor hockey, indoor soccer, futsal, and volleyball as well as other college and community events. Since the 2020 Fort McMurray flood, several upgrades have been completed at the SSWC, including a new hardwood floor, a new turf, and a new synthetic floor in the three large fieldhouses. The Centre has several other tenants, including the Fort McMurray Youth Soccer Association, YMCA Daycare, Alberta School of Massage, and Accel Physio.

This past year the SSWC had over 116,497 people use their facility.

The SSWC is home to the Keyano College Huskies, the College's athletics teams. There are currently eight Varsity teams which include Men's and Women's teams for the sports of basketball, volleyball, futsal, and soccer. Also, there is one Club team, Esports. In total, over 130 student-athletes participate on these teams. Students come from various parts of Alberta, Canada, and a number of other countries.

SSWC hosted a number of events for the Arctic Winter Games in February, 2023.



This year, we want to highlight the Keyano Huskies and their achievements.

Our Men's and Women's Futsal teams won ACAC Gold Medals for the first time. The Men's Volleyball team also captured the ACAC Bronze Medal for this season. Women's Soccer had the best season in program history by finishing second in the North Division. The Men's Basketball team saw their second straight, no-loss regular season. And finally, our Women's Volleyball team tied for most wins in a regular season.

There were also many individual achievements this year:

CCAA Academic All-Canadian

- Tyneille Neufeld, Women's Volleyball
- Sean-Michael Clancey, Men's Basketball

CCAA Player of the Year:

- Sean-Michael Clancey, Men's Basketball

CCAA All-Canadian

- Sean-Michael Clancey, Men's Basketball
- Felicia Rodney, Women's Soccer

ACAC Player of the Year:

- Sean-Michael Clancey, Men's Basketball
- Felicia Rodney, Women's Soccer

ACAC Rookie of the Year:

- James Bartha, Men's Soccer

ACAC North Division Coach of the Year

- Jeremy Wielenga, Men's Basketball



INTERNATIONAL EDUCATION AND GLOBAL CITIZENSHIP

In the past year, Keyano College has continued to foster a vibrant and inclusive community where international education and global citizenship intersect to create a holistic learning environment. Efforts this year were centered around growing and supporting our international students through the work of recruitment agencies and local partnership, as well as providing our domestic students the opportunity to experience education internationally.

Keyano College continues to implement the International Education and Global Citizenship Strategic Plan by expanding its international student body and providing the required assistance for these students and agents to be successful in their collaboration with Keyano. Over the past year, we have increased the number of international students through partnerships with international agencies. The college continues to maintain strong partnerships with these agents to ensure that accurate information is provided to facilitate a smooth transition to Keyano College. The college remains committed to maintaining a robust framework of oversight over its international agencies to ensure alignment with the institution's values and standards.

Keyano College's strategic collaboration with the Fort McMurray Wood Buffalo Economic Development and Tourism (FMWBEDT) agency also showcased its dedication to regional growth and international engagement. Through initiatives such as agent familiarization tours, the college effectively showcased its programs and campus facilities to prospective international students, enhancing its global outreach. This partnership not only bolstered Keyano College's branding efforts but also underscored its commitment to driving economic development and fostering educational excellence within the Fort McMurray Wood Buffalo region.

Our international partnerships have also expanded, allowing our domestic students to participate in short term mobility programs that offer immersive learning experiences abroad. Through the collaboration with Colleges and Institutes Canada (CiCAN) and their Global Skills Opportunity initiative, Keyano College students have the opportunity to become global citizens by finding themselves in international academic and work experience landscapes, broadening their horizons, and cultivating a deeper understanding of different cultures.

INTERNATIONAL STUDENTS

| CREDENTIAL | PROGRAM | 2022-23 | | |
|---|---|----------------|----------------------------|------------|
| | | PROJECTED FLE | ACTUAL FLE | VARIANCE |
| Certificate | Business Administration Certificate | 3.600 | 8.600 | 139% |
| | Early Learning and Child Care Certificate | 1.767 | 56.714 | 3110% |
| | Educational Assistant | 0.500 | 1.501 | 200% |
| | Health Care Aide | 0.467 | 3.000 | 542% |
| | Human Resources Management Certificate | 7.458 | 10.375 | 39% |
| | Office Administration Certificate | 2.000 | 4.801 | 140% |
| Diploma | 4th Class Power Engineering | - | 0.250 | - |
| | Business Administration Diploma-Accounting | 18.267 | 31.434 | 72% |
| | Business Administration Diploma-Management | 53.266 | 121.684 | 128% |
| | Esports Management | - | 2.300 | - |
| | Business Administration Diploma-Coop Accounting | 3.330 | 4.850 | 46% |
| | Business Administration Diploma-Coop Management | 6.025 | 19.600 | 225% |
| | Early Learning and Child Care Diploma | 39.629 | 9.513 | (76.0%) |
| | Environmental Technology Co-op Diploma | 4.477 | 16.100 | 260% |
| | Practical Nurse | 5.292 | 5.489 | 4% |
| Non-Credential | Social Work Diploma | 11.364 | 3.094 | (72.8%) |
| | Language Instruction Newcomers to Canada | - | 3.562 | - |
| | Open Studies | - | 4.801 | - |
| | Upgrading | 5.666 | 6.933 | 22% |
| | English for Academic Purpose | 7.334 | - | (100.00%) |
| | UT: Bachelor or Arts | 0.733 | 0.300 | (59.10%) |
| | UT: Bachelor of Education | 0.833 | 1.800 | 116% |
| | UT: Bachelor of Engineering | 2.550 | 1.700 | (33.3%) |
| | UT: Bachelor of Science | - | 0.600 | - |
| | UT: Bachelor of Social Work | - | 3.200 | - |
| | UT: Bachelor of Nursing | 5.1720 | 3.277 | (36.60%) |
| Keyano College International Total | | 179.730 | 325.478¹ | 81% |

TOP 5 HIGHEST ENROLLED PROGRAMS¹



Business Administration Diploma Management
 Early Learning and Child Care Certificate
 Business Administration Diploma Accounting
 Business Administration Diploma-Co-op Management
 Environmental Technology Co-op Diploma

20% % of students relative to the total student population

34 Number of Countries¹



TOP 5 HIGHEST COUNTRIES

India
 Philippines
 Nigeria
 Jamaica
 Ukraine

¹ DATA COLLECTION AND REPORTING (DCAR)-LEARNER AND ENROLMENT REPORTING SYSTEM (LERS)

APPENDIX: CONSOLIDATED FINANCIAL STATEMENTS

KEYANO COLLEGE CONSOLIDATED FINANCIAL
STATEMENTS YEAR ENDED JUNE 30, 2023

KEYANO COLLEGE

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

KEYANO COLLEGE
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

| | |
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KEYANO COLLEGE
STATEMENT OF MANAGEMENT RESPONSIBILITY
YEAR ENDED JUNE 30, 2023

The consolidated financial statements of Keyano College have been prepared by management in accordance with Canadian public sector accounting standards as described in note 2 to the consolidated financial statements. The consolidated financial statements present fairly the consolidated financial position of Keyano College as at June 30, 2023 and the consolidated results of its operations, remeasurement gains and losses, changes in net financial assets and cash flows for the year then ended.

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

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

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

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

[ORIGINAL SIGNED BY JATINDER NOTAY]

Jatinder Notay
President & CEO

[ORIGINAL SIGNED BY MURRAY WALFORD]

Murray Walford, MA, CPA
Vice President, Corporate Services
& Chief Financial Officer

To the Board of Governors of Keyano College

Report on the Consolidated Financial Statements

Opinion

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

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2023, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

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

Other information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

October 25, 2023
Edmonton, Alberta

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

| | 2023 | 2022 (Restated Note 3) |
|---|----------------------|------------------------------|
| Financial assets excluding portfolio investments restricted for endowments | | |
| Cash (Note 4) | \$ 14,480,416 | \$ 8,840,721 |
| Portfolio investments - non-endowment (Note 5) | 5,436,869 | 4,936,907 |
| Accounts receivable (Note 7) | 3,399,258 | 3,394,900 |
| Inventories held for sale | 211,163 | 192,492 |
| Loan receivable (Note 8) | 242,357 | 273,946 |
| Investment in and advances to government business enterprises (Note 9) | 22,927,535 | 22,095,317 |
| | <u>46,697,598</u> | <u>39,734,283</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities | 4,823,301 | 6,631,379 |
| Debt (Note 11) | 11,679,781 | 13,055,620 |
| Deferred revenue (Note 12) | 27,857,928 | 17,978,264 |
| Liability for contaminated sites (Note 13) | 929,611 | 929,611 |
| Asset retirement obligations (Note 14) | 5,369,765 | 5,175,551 |
| | <u>50,660,386</u> | <u>43,770,425</u> |
| Net debt excluding portfolio investments restricted for endowments | <u>(3,962,788)</u> | <u>(4,036,142)</u> |
| Portfolio investments - restricted for endowments (Note 5) | 8,213,251 | 7,451,051 |
| Net financial assets | <u>4,250,463</u> | <u>3,414,909</u> |
| Non-financial assets | | |
| Tangible capital assets (Note 15) | 92,062,246 | 92,538,571 |
| Prepaid expenses | 1,208,268 | 1,365,878 |
| | <u>93,270,514</u> | <u>93,904,449</u> |
| Net assets before spent deferred capital contributions | <u>97,520,977</u> | <u>97,319,358</u> |
| Spent deferred capital contributions (Note 16) | 46,095,762 | 46,423,717 |
| Net assets (Note 17) | <u>\$ 51,425,215</u> | <u>\$ 50,895,641</u> |
| Net assets is comprised of: | | |
| Accumulated surplus | \$ 51,212,753 | \$ 50,972,419 |
| Accumulated rereasurement gains/(losses) | 212,462 | (76,778) |
| | <u>\$ 51,425,215</u> | <u>\$ 50,895,641</u> |

Contractual rights (Notes 20)
Contingent liabilities and contractual obligations (Note 19), (Note 21)

Approved by the Board of Governors (Note 30)

KEYANO COLLEGE
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED JUNE 30, 2023

| | Budget | | 2022 |
|--|-------------------|----------------------|------------------------------|
| | (Note 29) | 2023 | (Restated Note 3) |
| Revenues | | | |
| Government of Alberta grants (Note 24) | \$ 37,782,249 | \$ 37,288,141 | \$ 33,945,013 |
| Student tuition and fees | 13,793,678 | 12,409,487 | 8,473,474 |
| Sales of services and products (Note 9) | 8,171,826 | 9,040,813 | 5,687,175 |
| Federal and other government grants (Note 24) | 2,014,727 | 1,938,921 | 1,919,566 |
| Donations and other grants | 2,222,566 | 1,143,713 | 1,416,620 |
| Investment in government business enterprise (Note 9), (Note 26) | 266,549 | 1,139,824 | 667,075 |
| Investment income | 774,607 | 825,122 | 1,011,426 |
| Gain on sale of tangible capital assets | | 4,000 | 249,357 |
| Insurance proceeds | - | - | 1,682,500 |
| | 65,026,202 | 63,790,021 | 55,052,206 |
| Expenses (Note 22) | | | |
| Instruction and training | 19,408,708 | 19,228,474 | 17,101,858 |
| Facility operations and maintenance | 16,560,859 | 13,174,524 | 11,324,361 |
| Institutional support | 12,582,290 | 13,476,657 | 11,136,743 |
| Academic and student support | 10,720,808 | 11,584,680 | 9,806,484 |
| Ancillary services | 5,083,271 | 5,669,219 | 4,717,480 |
| Special purpose and Trust | 670,266 | 1,266,949 | 747,116 |
| | 65,026,202 | 64,400,503 | 54,834,042 |
| Annual operating (deficit) surplus | - | (610,482) | 218,164 |
| Endowment contributions and capitalized investment income | | | |
| Endowment contributions (Note 17) | - | 742,841 | 137,031 |
| Endowment capitalized income (Note 17) | - | 107,975 | 107,835 |
| Annual surplus | - | 240,334 | 463,030 |
| Accumulated surplus, beginning of year | | 50,972,419 | 50,509,389 |
| Accumulated surplus, end of year (Note 17) | \$ - | \$ 51,212,753 | \$ 50,972,419 |

**KEYANO COLLEGE
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
YEAR ENDED JUNE 30, 2023**

| | Budget (Note 29) | 2023 | 2022 (Restated Note 3) |
|---|-----------------------------|---------------------|---------------------------------------|
| Annual surplus | \$ - | \$ 240,334 | \$ 463,030 |
| Acquisition of tangible capital assets (Note 15) | (3,300,000) | (5,113,174) | (4,102,991) |
| Amortization of tangible capital assets (Note 15) | 6,377,396 | 5,254,870 | 4,990,027 |
| Loss on disposal of tangible capital assets (Note 15) | | 334,631 | 108,324 |
| Decrease/(increase) in prepaid expenses | | 157,610 | (324,459) |
| (Decrease) in spent deferred capital contributions (Note 16) | | (327,955) | (104,023) |
| Increase/(decrease) in accumulated remeasurement gains/(losses) | | 289,240 | (749,634) |
| Increase in net financial assets | | 835,554 | 280,274 |
| Net financial assets, beginning of year | | 3,414,909 | 3,134,635 |
| Net financial assets, end of year | | \$ 4,250,463 | \$ 3,414,909 |

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

| | <u>2023</u> | <u>2022</u> (Restated Note 3) |
|--|--------------------|-------------------------------------|
| Accumulated remeasurement gains/(losses), beginning of year | \$ (76,778) | \$ 672,856 |
| Unrealized gains/(losses) attributable to: | | |
| Portfolio investments - non-endowment | 292,204 | (609,137) |
| Amounts reclassified to the consolidated statement of operations: | | |
| Portfolio investments - non-endowment | (2,964) | (140,497) |
| Change in accumulated remeasurement gains/(losses) | \$ 289,240 | \$ (749,634) |
| Accumulated remeasurement gains/(losses), end of year | \$ 212,462 | \$ (76,778) |

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

| | 2023 | 2022 (Restated Note 3) |
|--|----------------------|------------------------------|
| Operating transactions | | |
| Annual surplus | \$ 240,334 | \$ 463,030 |
| Add (deduct) non-cash items: | | |
| Amortization of tangible capital assets (Note 15) | 5,254,870 | 4,990,027 |
| Loss/(Gain) on disposal of tangible capital assets | 328,861 | (249,357) |
| Gain on disposal of portfolio investments | (2,964) | (140,497) |
| Expended capital contributions recognized as revenue (Note 16) | (2,150,419) | (2,636,287) |
| Investment earnings in government business enterprise (Note 9) | (1,139,822) | (667,075) |
| Government business enterprise non-cash interest revenue (Note 9) | (310,578) | (364,276) |
| Change in non-cash items | 2,220,282 | 1,395,565 |
| Increase in accounts receivable (Note 7) | (4,358) | (1,306,068) |
| (Increase) decrease in inventories for held for sale | (18,671) | 269,301 |
| (Decrease) increase in accounts payable and accrued liabilities | (1,808,071) | 677,980 |
| Increase in deferred revenue (Note 12) | 9,431,878 | 2,530,978 |
| (Decrease)/increase in liability for contaminated sites (Note 13) | - | (128,389) |
| Increase (decrease) in asset retirement obligations (Note 14) | 194,214 | 311,200 |
| Decrease (increase) in prepaid expenses | 157,610 | (324,460) |
| Cash provided by operating transactions | 10,172,884 | 3,426,107 |
| Capital transactions | | |
| Acquisition of tangible capital assets (Note 15) | (5,113,174) | (4,102,991) |
| Proceeds on sale of tangible capital assets | 5,769 | 357,176 |
| Cash applied to capital transactions | (5,107,405) | (3,745,815) |
| Investing transactions | | |
| Loan receivable repayments (Note 8) | 31,589 | 30,681 |
| Repayment of advances to government business enterprise (Note 9) | 618,174 | - |
| Purchases of portfolio investments | (3,794,559) | (2,933,753) |
| Proceeds on sale of portfolio investments | 3,272,388 | 2,361,338 |
| Cash provided by (applied to) investing transactions | 127,592 | (541,734) |
| Financing transactions | | |
| Debt repayment (Note 11) | (1,375,839) | (1,324,685) |
| Increase in spent deferred capital contributions, less expended capital contributions recognized as revenue (Note 16) | 1,822,463 | 2,532,264 |
| Cash provided by financing transactions | 446,624 | 1,207,579 |
| Increase in cash | 5,639,695 | 346,137 |
| Cash, beginning of the year | 8,840,721 | 8,494,584 |
| Cash, end of the year | \$ 14,480,416 | \$ 8,840,721 |

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

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

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 and CEO, who is an ex officio member. Under the *Post-secondary Learning Act*, the College is a comprehensive community institution offering mandated credentials and programs. The College is a registered charity, and under section 149 of the *Income Tax Act (Canada)*, is exempt from the payment of income tax. 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 - Canadian Public Sector Accounting Standards ("PSAS") and Use of Estimates

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

The measurement of certain assets, liabilities, revenues and expenses 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. Employee future benefit liabilities, amortization of tangible capital assets, asset retirement obligations, liabilities for contaminated sites and the revenue recognition for expended capital are the most significant items based on estimates. In management's opinion, the resulting estimates are within reasonable limits of materiality and are in accordance with the significant accounting policies summarized below. These significant accounting policies are presented to assist the reader in evaluating these consolidated financial statements and, together with the following notes, should be considered an integral part of the consolidated financial statements.

b) Valuation of Financial Assets and Liabilities

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

| Financial Statement Component | Measurement |
|--|--|
| Cash and cash equivalents | Cost |
| Portfolio investments | Fair value and amortized cost |
| Inventories held for sale | Lower of cost or net realizable value |
| Accounts receivable | Lower of cost or net recoverable value |
| Loan receivable | Amortized Cost |
| Accounts payable and accrued liabilities | Cost |
| Liability for contaminated sites | Present Value |
| Asset retirement obligations | Cost |
| Debt | Amortized Cost |

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

**KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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 that is other than temporary is not reversed for a subsequent increase in value.

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

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

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.

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.

**KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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

iii) Endowment contributions

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

iv) Investment income

Investment income includes dividends, interest income and realized gains or losses on the sale of non-endowed 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.

In any year, if the investment income earned on endowments is insufficient to fund the spending allocation, the spending allocation is curtailed to the available funding. However, for individual endowments without sufficient accumulated capitalized investment income, the spending allocation will be suspended until sufficient capitalized income is available. The principal of the endowment will remain intact.

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.

**KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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

f) Tangible Capital Assets

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

Leases of tangible capital assets which transfer substantially all the benefits and risks of ownership are accounted for as leased tangible capital assets. Capital lease liabilities are recognized at the present value of the 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:

| | <u>Useful Life</u> |
|------------------------------|--------------------|
| Land improvements | 20 - 40 years |
| Buildings and renovations | 10 - 60 years |
| Asset Retirement Obligations | 10 - 60 years |
| Equipment | 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 an expense.

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) 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.

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

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

h) 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 predetermined amounts that are expected to provide the plan's future benefits.

i) Basis of Consolidation

Investment in Keyano College Land Trust

The College controls Keyano College Land Trust Corporation, the trustee of Keyano College Land Trust (the "Land Trust") and is a beneficiary of the Land Trust. The financial statements of the Land Trust are included in the consolidated financial statements of the College as a government business enterprise using the modified equity method. Under the modified equity method, the accounting policies of the GBEs are not adjusted to conform to those of the other government organizations. The College's investment in this entity is recorded at cost and is increased for the proportionate share of post-acquisition earnings and decreased by post acquisition losses and distributions received.

j) Liability for Contaminated Sites

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

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

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

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

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

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

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

These liabilities reflect the College's best estimate, as of June 30, of the amount required to remediate the sites where the contamination has exceeded an environmental standard. Where possible, provisions for remediation are based on environmental assessments completed on a site; for those sites where an assessment has not been completed, estimates of the remediation are completed using information available for the site and by extrapolating from the cost to clean up similar sites. This liability is reported in liability for contaminated sites in the Consolidated Statement of Financial Position.

k) Asset Retirement Obligations (ARO)

Asset retirement obligations are legal obligations associated with the retirement of a tangible capital assets (TCA). Asset retirement activities include all activities relating to an asset retirement obligation. These may include, but are not limited to;

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

A liability for an asset retirement obligation is recognized when, as at the financial reporting date:

- (a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transaction or event giving rise to the liability has occurred;
- (c) it is expected that future economic benefits will be given up; and
- (d) a reasonable estimate of the amount can be made.

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

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

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.

**KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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

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, corporate insurance premiums, custodial services, landscaping and grounds keeping, as well as major repairs and renovations.

Institutional support

Includes expenses for centralized College-wide administration including executive management, public relations, alumni relations and development, corporate 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 Syncrude Sport & Wellness Centre.

Special purpose and Trust

Fundraising expenses related to the 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 Changes in Accounting Standards

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

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

In April 2021, PSAB issued PS 3160 Public Private Partnership. This accounting standard is effective for fiscal years starting on or after April 1, 2023. Public private partnerships provides guidance on how to account for infrastructure when procured under these types of arrangements.

Management has not yet adopted these standards, and is currently assessing their impact on the consolidated financial statements.

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

3. Changes in accounting policy

Effective July 1, 2022, the College adopted the new accounting standard PS 3280 Asset Retirement Obligations and applied the standard using the modified retroactive approach with restatement of prior year comparative information.

On the effective date of the PS 3280 standard, the College recognized the following to conform to the new standard;

- i. asset retirement obligations
- ii. asset retirement cost capitalized as an increase to the carrying amount of the related tangible capital assets in productive use;
- iii. accumulated amortization on the capitalized cost; and
- iv. adjustment to the opening balance of the accumulated surplus.

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

| | 2022 | | |
|--|------------------------|---------------------------|---------------|
| | As previously reported | ARO Adjustment Recognized | As restated |
| Consolidated Statement of Operations | | | |
| Revenues | \$ 55,052,206 | \$ - | \$ 55,052,206 |
| Expenses | 54,720,376 | 113,666 | 54,834,042 |
| Annual surplus | 576,696 | (113,666) | 463,030 |
| Accumulated surplus at beginning of year | 53,428,000 | (2,918,611) | 50,509,389 |
| Accumulated surplus at end of year | 54,004,696 | (3,032,277) | 50,972,419 |
| Consolidated Statement of Financial Position | | | |
| Financial assets excluding portfolio investments restricted for endowments | 39,734,283 | - | 39,734,283 |
| Liabilities | 38,594,874 | 5,175,551 | 43,770,425 |
| Net financial assets | 8,590,460 | (5,175,551) | 3,414,909 |
| Non-financial asset | 91,761,175 | 2,143,274 | 93,904,449 |
| Net assets | 53,927,918 | (3,032,277) | 50,895,641 |
| Consolidated Statement of Change in Net Financial Assets (Net Debt) | | | |
| Annual surplus | 576,696 | (113,666) | 463,030 |
| Net financial assets, beginning of year | 7,998,986 | (4,864,351) | 3,134,635 |
| Net financial assets, end of year | 8,590,460 | (5,175,551) | 3,414,909 |
| Consolidated Statement of Cash Flows | | | |
| Annual surplus | 576,696 | (113,666) | 463,030 |
| Amortization of tangible capital assets | 4,876,361 | 113,666 | 4,990,027 |

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

4. Cash

| | 2023 | 2022 |
|--------------|----------------------|---------------------|
| Unrestricted | \$ 14,480,416 | \$ 8,840,721 |

5. Portfolio Investments

| | 2023 | 2022 |
|---|----------------------|----------------------|
| Portfolio investments - non-endowment | \$ 5,436,869 | \$ 4,936,907 |
| Portfolio investments - restricted for endowments | 8,213,251 | 7,451,051 |
| Total portfolio investments at fair market value | \$ 13,650,120 | \$ 12,387,958 |

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

| | 2023 | | | |
|---|----------------------|----------------|----------------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Bonds | | | | |
| Canadian government and corporate bonds | \$ 5,332,041 | \$ - | \$ - | \$ 5,332,041 |
| Equities | | | | |
| Canadian equity fund | 3,333,662 | - | - | 3,333,662 |
| Foreign equity fund | 4,234,313 | - | - | 4,234,313 |
| Other | | | | |
| Cash and money market | 750,104 | - | - | 750,104 |
| Total portfolio investments | \$ 13,650,120 | \$ - | \$ - | \$ 13,650,120 |
| | 100.0% | 0.0% | 0.0% | 100.0% |

| | 2022 | | | |
|---|----------------------|----------------|----------------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Bonds | | | | |
| Canadian government and corporate bonds | \$ 6,128,050 | \$ - | \$ - | \$ 6,128,050 |
| Equities | | | | |
| Canadian equity fund | 3,391,871 | - | - | 3,391,871 |
| Foreign equity fund | 2,733,484 | - | - | 2,733,484 |
| Other | | | | |
| Cash and money market | 134,553 | - | - | 134,553 |
| Total portfolio investments | \$ 12,387,958 | \$ - | \$ - | \$ 12,387,958 |
| | 100.0% | 0.0% | 0.0% | 100.0% |

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).

**KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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 Bissett Investment Management. At June 30, 2023, if market prices had a 10% (2022 – 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 \$1,212,602 (2022 - \$1,164,074).

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.

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:

| | <u>2023</u> | <u>2022</u> |
|----------------------|---------------|---------------|
| Credit rating | | |
| AAA | 23.3% | 26.9% |
| AA | 24.8% | 25.4% |
| A | 32.0% | 31.6% |
| BBB | 19.4% | 15.9% |
| Below BBB | 0.5% | 0.2% |
| | <u>100.0%</u> | <u>100.0%</u> |

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, 2023 the College has a revolving line of credit of \$1.5 million (2022 - \$1.5 million) which has not been withdrawn.

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

6. Financial Risk Management (cont'd)

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 1.0%, and all other variables are held constant, the potential loss in fair value to the College would be approximately 2.8% of total investments (2022 - 3.8%). Interest risk on the College's debt is managed through fixed-rate agreements with the Department of Treasury Board and Finance (Note 11).

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% | n/a |
| Portfolio investments, Canadian government and corporate bonds | 5.29% | 35.40% | 59.31% | 1.00% |

7. Accounts Receivable

| | 2023 | 2022 |
|--|---------------------|---------------------|
| Trade receivables | \$ 1,227,510 | \$ 893,961 |
| Accrued receivables | 683,729 | 364,849 |
| Receivable from Foundation liquidation (Note 27) | 1,108,422 | 1,108,422 |
| Property loss insurance receivable | - | 742,611 |
| Canada Revenue Agency (Goods and Services Tax) | 232,878 | 232,514 |
| Student receivables | 374,525 | 159,219 |
| Less: Allowance for doubtful accounts | (227,806) | (106,676) |
| | \$ 3,399,258 | \$ 3,394,900 |

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

Trade receivables balance includes \$320,619 (2022 - \$62,980) from other Government of Alberta departments and agencies. These amounts are also included in government transfers balance.

Included in the accounts receivable balance is \$118,315 (2022 - \$nil) receivable from Keyano College Land Trust in relation to the service agreement with the College.

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:

| | |
|-------------------------------|-------------------|
| 2024 | \$ 32,523 |
| 2025 | 33,486 |
| 2026 | 34,477 |
| 2027 | 35,497 |
| 2028 | 36,548 |
| Thereafter | 69,826 |
| Total at June 30, 2023 | \$ 242,357 |
| Total at June 30, 2022 | \$ 273,946 |

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

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 \$250,000 (2022 - \$250,000) 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. Accounts payable includes an amount of nil (2022 - \$2,500) which arose from an over-billing in relation to the service agreement. Accounts receivable includes an amount of \$118,315 (2022 - nil) in relation to the service agreement and security.

On June 26, 2015, the College entered into a signed agreement with the Land Trust that set the terms of repayment of the principal amount upon demand of the College. Until such demand is made, the Land Trust covenants and agrees to accrue 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, 2023 the interest rate was 2.41% (2022 - 2.8%) with no covenants or repayment plan. The College records interest income on the advances to the Land Trust of \$310,578 (2022 - \$364,276). Repayments during the year were \$618,174 (2022 - nil).

Interest revenue and other advances in the amount of \$310,578 (2022 - \$364,276) were non-cash transactions and have been included from the consolidated statement of cash flows.

Refer to Note 28 for subsequent events - Dissolution of Keyano Land Trust.

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

| | 2023 | | 2022 | |
|--|----------------------|-----------|---------------|-----------|
| | \$ | 10 | \$ | 10 |
| 100 Class "A" common voting shares⁽¹⁾ | | | | |
| Opening advances | \$ 13,208,026 | | 12,843,750 | |
| Interest on advances | 310,578 | | 364,276 | |
| Repayment on advances | (618,174) | | - | |
| Total advances to Keyano College Land Trust ⁽²⁾ | 12,900,430 | | 13,208,026 | |
| Opening accumulated investment earnings | 8,887,281 | | 8,220,206 | |
| Current investment earnings (Note 26) | 1,139,824 | | 667,075 | |
| Total accumulated earnings | 10,027,105 | | 8,887,281 | |
| | \$ 22,927,535 | | \$ 22,095,317 | |

⁽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 Authority Pension Plan ("LAPP") is a multi-employer contributory defined benefit pension plan for support staff members and is accounted for on a defined contribution basis. At December 31, 2022, the LAPP reported an actuarial surplus of \$12,671,000,000 (December 31, 2021 - \$11,922,370,000). An actuarial valuation of the LAPP was carried out as at December 31, 2021 and was then extrapolated to December 31, 2022. The pension expense recorded in these consolidated financial statements is \$2,273,508 (2022 - \$2,309,923). 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, 2023

11. Debt

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

| | Collateral* | Maturity | Interest Rate | 2023 | 2022 |
|---|--------------------|------------------|----------------------|----------------------|----------------------|
| Debentures payable to the Department of Treasury Board and Finance (Note 23): | | | | | |
| Campus Development Project | 1 | June 2026 | 6.5% | \$ 1,197,427 | \$ 1,548,870 |
| Power & Process Lab | 2 | June 2032 | 2.9% | 10,452,500 | 11,454,272 |
| | | | | 11,649,927 | 13,003,142 |
| Obligations under capital leases | 3 | Various | 1.21% | 29,854 | 52,478 |
| | | | | \$ 11,679,781 | \$ 13,055,620 |

*Collateral:

- (1) Title to building with a net book value of \$3,082,983 (2022 - \$3,020,706) (Note 15).
- (2) Title to the land for the College's Suncor Energy Industrial Campus main building with a net book value of \$48,405 (2022 - \$51,094).
- (3) Title to leased assets with a net book value of \$21,873 (2022 - \$43,747) (Note 15).

Principal and interest repayments are as follows:

| | Principal | Interest | Total |
|-------------------------------|----------------------|---------------------|----------------------|
| 2024 | \$ 1,427,017 | \$ 376,222 | \$ 1,803,239 |
| 2025 | 1,463,974 | 320,698 | 1,784,672 |
| 2026 | 1,514,907 | 263,575 | 1,778,483 |
| 2027 | 1,123,656 | 203,928 | 1,327,584 |
| 2028 | 1,156,729 | 170,855 | 1,327,584 |
| Thereafter | 4,993,498 | 316,841 | 5,310,338 |
| Total at June 30, 2023 | \$ 11,679,781 | \$ 1,652,119 | \$ 13,331,900 |
| Total at June 30, 2022 | \$ 13,055,620 | \$ 2,079,518 | \$ 15,135,138 |

Interest expense on debt is \$427,400 (2022 - \$478,554) (Note 22) and is included in the consolidated statement of operations.

12. Deferred Revenue

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

| | 2023 | | | 2022 |
|---|---|--|----------------------|----------------------|
| | Unspent externally restricted grants and donations | Tuition, fundraising and other fees | Total | Total |
| Balance, beginning of year | \$ 13,697,378 | \$ 4,280,886 | \$ 17,978,264 | \$ 16,367,185 |
| Grants, tuition, and donations | 17,931,589 | 16,816,849 | 34,748,438 | 19,986,036 |
| Investment income | 487,452 | - | 487,452 | 476,196 |
| Unrealized (losses)/gains on investments | 437,279 | - | 437,279 | (1,131,398) |
| Transfers to spent deferred capital contributions | (1,822,463) | - | (1,822,463) | (2,532,263) |
| Other transfers | (6,347) | 2,500 | (3,847) | (110,458) |
| Recognized as revenue | (9,907,522) | (14,059,673) | (23,967,195) | (15,077,034) |
| Balance, end of year | \$ 20,817,366 | \$ 7,040,562 | \$ 27,857,928 | \$ 17,978,264 |

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

13. Liability for Contaminated Site

The composition of liabilities is as follows:

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Balance, beginning of year | \$ 929,611 | \$ 1,058,000 |
| Addition to liabilities during the year | - | - |
| Change in estimate related to existing sites | - | (128,389) |
| Balance, end of year | <u>\$ 929,611</u> | <u>\$ 929,611</u> |

The College has accepted responsibility to perform remediation work at the Riedel student housing apartments which is no longer in productive use. The building contains asbestos, lead and mould which makes it unsafe for human occupation. The liability associated with remediation was calculated based on the environmental site assessment work carried out by a third party expert. The liability was determined as the estimated future remediation cost discounted by the College's net borrowing rate of 5.22% (2022 - 4.24%) at June 30, 2023. This liability is expected to be settled within the next two years.

14. Asset Retirement Obligations

| | 2023 | 2022 |
|---|---------------------|--------------------------|
| | | (Restated Note 3) |
| Asset Retirement Obligations | | |
| Liability incurred | \$ - | \$ - |
| Liability settled | - | - |
| Accretion expense | - | - |
| Revision in estimates | 194,214 | 311,200 |
| Increase in asset retirement obligations | <u>\$ 194,214</u> | <u>\$ 311,200</u> |
| Asset retirement obligations, beginning of year | 5,175,551 | 4,864,351 |
| Asset retirement obligations, end of year | <u>\$ 5,369,765</u> | <u>\$ 5,175,551</u> |

Tangible capital assets with associated retirement obligations include buildings at the Clearwater Campus, Suncor Energy Industrial Campus and the Riedel residences.

Asset retirement obligations are initially measured as of the date the legal obligation was incurred, based on management's best estimate of the amount required to retire tangible capital assets and subsequently re-measured taking into account any new information and the appropriateness of assumptions used. The estimate of the liability is based on third party quotes, legislation and professional judgement.

Asset retirement obligations are expected to be settled over the next 5 to 20 years.

For the year ended March 31, 2023, a recovery of \$nil was recognized.

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

15. Tangible Capital Assets

| | 2023 | | | | | | | 2022 (Restated Note 3) |
|---|----------------------|----------------------|----------------------------|---------------------|------------------------------------|---------------------------------|----------------------|------------------------------|
| | Land | Land Improvements | Buildings & Renovations | Equipment (1) | Computer Hardware & Software | Asset Retirement Obligations | Total | Total |
| Cost | | | | | | | | |
| Balance, beginning of year | \$ 12,958,536 | \$ 2,791,269 | \$ 156,142,861 | \$ 36,892,482 | \$ 6,800,944 | \$ 5,175,551 | \$ 220,761,643 | \$ 217,625,226 |
| Acquisitions | - | 44,320 | 1,536,939 | 2,095,683 | 1,242,018 | 194,214 | 5,113,174 | 4,102,991 |
| Disposals, including write-downs | - | - | (525,570) | (242,530) | - | - | (768,100) | (966,574) |
| | <u>12,958,536</u> | <u>2,835,589</u> | <u>157,154,230</u> | <u>38,745,635</u> | <u>8,042,962</u> | <u>5,369,765</u> | <u>225,106,717</u> | <u>220,761,643</u> |
| Accumulated Amortization | | | | | | | | |
| Balance, beginning of year | \$ - | \$ 1,072,707 | \$ 89,618,554 | \$ 28,416,828 | \$ 6,082,705 | \$ 3,032,277 | \$ 128,223,071 | \$ 124,091,295 |
| Amortization expense | - | 204,737 | 2,161,510 | 2,461,211 | 302,956 | 124,456 | 5,254,870 | 4,990,027 |
| Effects on disposals, including write-downs | - | - | (192,709) | (240,761) | - | - | (433,470) | (858,250) |
| | <u>-</u> | <u>1,277,444</u> | <u>91,587,355</u> | <u>30,637,278</u> | <u>6,385,661</u> | <u>3,156,733</u> | <u>133,044,471</u> | <u>128,223,072</u> |
| Net book value at June 30, 2023 | \$ 12,958,536 | \$ 1,558,145 | \$ 65,566,875 | \$ 8,108,357 | \$ 1,657,301 | \$ 2,213,032 | \$ 92,062,246 | \$ 92,538,571 |
| Net book value at June 30, 2022 (restated) | \$ 12,958,536 | \$ 1,718,562 | \$ 66,524,307 | \$ 8,475,653 | \$ 718,239 | \$ 2,143,274 | \$ 92,538,571 | |

(1) Equipment includes vehicles, heavy equipment, office equipment, furniture, leasehold improvements and audio/visual.

Buildings and renovations includes work-in-progress of \$2,073,290 (2022 - \$1,122,910). Computer hardware and software includes work-in-progress of \$1,134,083 (2022 - \$87,605). Furniture and equipment includes work-in-progress of \$2,957,978 (2022 - \$1,805,046).

Total cost of capital leases included in equipment is \$109,367 (2022 - \$109,367), accumulated amortization is \$87,493 (2022 - \$65,620) and amortization expense is \$21,873 (2022 - \$21,873).

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

16. Spent Deferred Capital Contributions

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

| | <u>2023</u> | <u>2022</u> |
|---|----------------------|----------------------|
| Spent deferred capital contributions | | |
| Balance, beginning of year | \$ 46,423,717 | \$ 46,527,740 |
| Transfers from unspent externally restricted grants and donations | 1,822,464 | 2,532,264 |
| Expended capital contributions recognized as revenue | (2,150,419) | (2,636,287) |
| Balance, end of year | <u>\$ 46,095,762</u> | <u>\$ 46,423,717</u> |

17. Net Assets

| | Accumulated surplus from operations (Restated Note 3) | Investment in tangible capital assets (Restated Note 3) | Internally restricted surplus (Note 18) | Endowments | Total (Restated Note 3) |
|---|---|---|--|---------------------|----------------------------|
| Net assets, as at June 30, 2021 | \$ 9,148,137 | \$ 27,761,563 | \$ 8,880,791 | \$ 5,391,753 | \$ 51,182,244 |
| Annual operating surplus | 218,164 | | | | 218,164 |
| Endowments | | | | | |
| New donations | - | - | - | 137,031 | 137,031 |
| Capitalized investment income | - | - | - | 107,835 | 107,835 |
| Tangible capital assets | | | | | |
| Acquisition of tangible capital assets | (1,570,727) | 1,570,727 | - | - | - |
| Amortization of tangible capital assets | 2,353,740 | (2,353,740) | - | - | - |
| Debt repayment | (1,324,685) | 1,324,685 | - | - | - |
| Increase (decrease) in asset retirement obligations (Note 14) | 311,200 | (311,200) | - | - | - |
| Net book value of tangible capital asset disposals | 108,324 | (108,324) | - | - | - |
| Net Board appropriation to internally restricted surplus | (5,896,827) | - | 5,896,827 | - | - |
| Change in accumulated remeasurement loss | (749,634) | - | - | - | (749,634) |
| Net assets, as at June 30, 2022 | 2,597,692 | 27,883,711 | 14,777,618 | 5,636,619 | 50,895,640 |
| Annual operating loss | (610,482) | | | | (610,482) |
| Endowments | | | | | |
| New donations | | | | 742,841 | 742,841 |
| Internal appropriation | (508,674) | | | 508,674 | - |
| Capitalized investment income | | | | 107,975 | 107,975 |
| Tangible capital assets | | | | | |
| Acquisition of tangible capital assets | (3,290,711) | 3,290,711 | - | - | - |
| Amortization of tangible capital assets | 3,104,451 | (3,104,451) | - | - | - |
| Debt repayment | (1,375,839) | 1,375,839 | - | - | - |
| Increase (decrease) in asset retirement obligations (Note 14) | 194,214 | (194,214) | - | - | - |
| Net book value of tangible capital asset disposals | 334,630 | (334,630) | - | - | - |
| Net Board appropriation to internally restricted surplus | 2,805,625 | | (2,805,625) | | |
| Change in accumulated remeasurement losses | 289,240 | | | | 289,240 |
| Net assets, as at June 30, 2023 | <u>3,540,146</u> | <u>28,916,966</u> | <u>11,971,993</u> | <u>6,996,109</u> | <u>51,425,214</u> |
| Net assets is comprised of: | | | | | |
| Accumulated surplus | 3,327,684 | 28,916,966 | 11,971,993 | 6,996,109 | 51,212,752 |
| Accumulated remeasurement gains | 212,462 | - | - | - | 212,462 |
| Balance as at June 30, 2023 | <u>\$ 3,540,146</u> | <u>\$ 28,916,966</u> | <u>\$ 11,971,993</u> | <u>\$ 6,996,109</u> | <u>\$ 51,425,214</u> |

Investment in tangible capital assets has been reduced by the asset retirement obligation of \$5,369,765 (2022 - \$5,175,551). A funding source for this obligation has not been determined.

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

18. Internally Restricted Surplus

Internally restricted surplus represent amounts set aside by the College's Board of Governors for specific purposes. On June 29th 2022, the Board passed a motion for internally restricted surplus where the unrestricted operating surplus is to be maintained at 5% of the budgeted operating revenues with the remainder being 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. On June 30, 2023 a transfer of \$2,805,625 (2022 - \$5,896,827) was completed from Accumulated surplus from operations to Internally restricted surplus.

19. Contingent Liabilities

At June 30, 2023, the College was named as a defendant in four (2022: one) specific legal actions. The total claimed in specific legal cases approximates \$15,000 (2022: \$87,347). The resulting loss from these claims, if any, cannot be determined.

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

The College's ongoing efforts to assess environmental liabilities may result in additional environmental remediation liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. The College commissioned environmental assessments from third party experts for the Clearwater and Suncor Energy Industrial Campuses. These assessments indicated a risk of environmental contamination that might require remediation. The amount of liability, if any, cannot be reasonably estimated at this time. Any changes to the environmental liabilities will be accrued in the year in which they are assessed as likely and measurable.

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 three years and thereafter are as follows:

| | Operating Leases | Other Contracts | Total |
|------------------------|-----------------------------|----------------------------|---------------------|
| 2024 | \$ 998,485 | \$ 362,944 | \$ 1,361,429 |
| 2025 | 777,188 | - | 777,188 |
| 2026 | 129,531 | - | 129,531 |
| Total at June 30, 2023 | \$ 1,905,205 | \$ 362,944 | \$ 2,268,149 |
| Total at June 30, 2022 | \$ 2,685,566 | \$ - | \$ 2,685,566 |

Contracts are mainly for grant agreements.

**KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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 | Other Contracts | Information Systems and Technology | Total |
|------------------------|----------------------|---------------------|--|---------------------|
| 2024 | \$ 618,976 | \$ 59,168 | \$ 716,885 | \$ 1,395,029 |
| 2025 | 287,998 | - | 226,809 | 514,807 |
| 2026 | 11,208 | - | 108,324 | 119,532 |
| 2027 | 10,290 | - | 14,503 | 24,793 |
| 2028 | 1,900 | - | - | 1,900 |
| Thereafter | - | - | - | - |
| Total at June 30, 2023 | \$ 930,372 | \$ 59,168 | \$ 1,066,521 | \$ 2,056,061 |
| Total at June 30, 2022 | \$ 4,735,027 | \$ 1,560,199 | \$ 1,729,773 | \$ 8,024,999 |

22. Expense by Object

The following is a summary of expense by object:

| | 2023 | | 2022 |
|---|----------------------|----------------------|--------------------------------|
| | Budget (Note 29) | Actual | Actual (Restated Note 3) |
| Salaries and benefits | \$ 36,644,730 | \$ 39,668,417 | \$ 33,257,963 |
| Materials, supplies and services | 11,535,883 | 12,272,339 | 10,080,926 |
| Amortization of tangible capital assets | 6,377,396 | 5,254,870 | 4,990,028 |
| Repairs and maintenance | 6,208,663 | 2,916,222 | 2,541,510 |
| Utilities | 2,227,943 | 2,406,166 | 2,055,093 |
| Cost of goods sold | 826,500 | 782,646 | 605,663 |
| Scholarships and bursaries | 655,200 | 672,443 | 824,305 |
| Interest on debt (Note 11) | 549,887 | 427,400 | 478,554 |
| | \$ 65,026,202 | \$ 64,400,503 | \$ 54,834,042 |

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 arm's length transactions with these entities and individuals.

The College has liabilities with the Department of Treasury Board and Finance as outlined in Note 11. There were no other related party transactions during the year that met PS 2200 disclosure requirements.

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

24. Government Transfers

| | 2023 | 2022 |
|---|----------------------|---------------|
| Grants from Government of Alberta | | |
| Advanced Education: | | |
| Operating | \$ 27,080,606 | \$ 28,228,489 |
| Capital | 9,699,605 | 3,565,819 |
| Apprenticeship | 248,362 | 745,090 |
| Other | 6,176,336 | 2,403,551 |
| Total Advanced Education | 43,204,909 | 34,942,949 |
| Other Government of Alberta departments and agencies: | | |
| Skilled Trades and Professions | 844,486 | - |
| Seniors, Community and Social Services | 104,896 | 64,632 |
| Jobs, Economy and Trade | (139,321) | 153,770 |
| Alberta Foundation for the Arts | 12,093 | - |
| Total other Government of Alberta departments and agencies | 822,154 | 218,402 |
| Total contributions received | 44,027,063 | 35,161,351 |
| Restricted expended capital contributions recognized as revenue | 1,767,247 | 2,198,875 |
| Add: change in deferred contributions | (8,506,169) | (3,415,213) |
| | \$ 37,288,141 | \$ 33,945,013 |
| Federal and other government grants | | |
| Contributions received | 1,914,456 | 1,917,925 |
| Add: change in deferred revenue | 24,465 | 1,641 |
| | \$ 1,938,921 | \$ 1,919,566 |

**KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

25. Salary and Employee Benefits

| | 2023 | | | 2022 | |
|--|----------------------------|------------------------------------|--|---------|---------|
| | Base Salary ⁽¹⁾ | Other Cash Benefits ⁽²⁾ | Other Non-Cash Benefits ⁽³⁾ | Total | Total |
| Governance | | | | | |
| Members of the Board of Governors | \$ - | \$ - | \$ - | \$ - | \$ - |
| Executive | | | | | |
| President & CEO | 232,533 | 21,600 | 32,918 | 287,051 | 268,674 |
| Vice-Presidents and Executive Director: | | | | | |
| Vice-President Corporate Services & CFO ⁽⁴⁾ | 205,086 | 21,376 | 36,778 | 263,240 | 207,585 |
| Vice-President Academic & Student Experience ⁽⁵⁾ | 203,430 | 22,370 | 34,380 | 260,180 | 244,855 |
| Vice President, Strategy & Business Transformation ⁽⁶⁾ | 95,540 | 8,470 | 16,815 | 120,825 | - |
| Vice President Infrastructure & Chief Information Officer ⁽⁷⁾ | 188,619 | 116,896 | 30,243 | 335,758 | 248,813 |
| Associate Vice-President People & Culture ⁽⁸⁾ | 175,201 | 11,650 | 19,861 | 206,712 | 201,815 |

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include severance payments, honoraria, automobile allowances, and other allowances. No bonuses were paid in 2022 or 2023.

(3) Other non-cash benefits include the College's share of all employee benefits and contributions or payments made on behalf of employees.

(4) This position was occupied by two individuals through the year. A temporary contract individual occupied the position July 1, 2022 to October 2, 2022 when they were replaced by a permanent appointment who occupied the position from October 3, 2022 to June 30, 2023.

(5) This position was occupied by two individuals through the year. The first individual occupied the role from July 1, 2022 to January 12, 2023 when they moved into the new Vice-President, Strategy & Business Transformation role. The second individual occupied the position from January 12, 2023 to June 30, 2023.

(6) This position was created January 12, 2023. One person occupied this position from January 16, 2023 to June 30, 2023.

(7) One person occupied this position from July 1, 2022 until it was abolished on May 29, 2023. A severance of \$96,923 is included in other cash benefits.

(8) This position was occupied by three individuals through the year. The first individual occupied the role from July 1, 2022 to September 2, 2022 when a temporary contract individual took over. The contract individual occupied the position from September 3, 2022 to April 2, 2023 where they were replaced by a permanent appointment who occupied the position from April 3, 2023 to June 30, 2023.

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

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.

| | 2023 | 2022 |
|---|----------------------|----------------------|
| Assets | | |
| Cash and cash equivalents | \$ 6,068,618 | \$ 5,596,386 |
| Accounts receivable | 109,362 | 145,160 |
| Prepaid expenses | 80,332 | 86,661 |
| Advance on land development fees | 54,400 | 54,400 |
| Investment property | 17,149,543 | 17,192,202 |
| | \$ 23,462,255 | \$ 23,074,809 |
| Liabilities | | |
| Accounts payable and accrued liabilities | \$ 403,582 | \$ 827,099 |
| Advances from Keyano College ⁽¹⁾ | 12,900,420 | 13,208,016 |
| Due to Keyano College | 10 | 10 |
| Deferred revenue | - | 16,263 |
| Security deposits | 131,140 | 136,140 |
| | \$ 13,435,152 | \$ 14,187,528 |
| Equity | | |
| Trust Surplus | \$ 10,027,103 | \$ 8,887,281 |
| | \$ 23,462,255 | \$ 23,074,809 |
| Comprehensive income | | |
| Revenues | \$ 2,141,833 | \$ 2,519,640 |
| Expenses | (1,002,011) | (1,852,565) |
| | \$ 1,139,822 | \$ 667,075 |

Refer to Note 28 for subsequent events - Dissolution of Keyano Land Trust.

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

27. Dissolution of Keyano College Foundation

On June 16, 2021, the Membership of Keyano College Foundation (the "Foundation") approved the voluntary wind-up and dissolution of the Foundation in accordance with Companies Act (Alberta) RSA 2000, C-21. Consequently, the Membership appointed a Liquidator and legal counsel to oversee the discharge of the Foundation liabilities and the distribution of its assets to those entitled. The Foundation was dissolved on November 1, 2022. The remaining assets were distributed to the College subsequent to year-end.

An amount of \$1,108,394 (2022 - \$1,108,422) representing due from the Foundation liquidation Trustee to the College is included in accounts receivable (Note 7).

28. Subsequent Events - Dissolution of Keyano College Land Trust

On August 4, 2022, the Board of Directors of Keyano College Land Trust approved motions to distribute all lands and other properties to Keyano College and to wind down the Keyano College Land Trust ("Land Trust"). On October 26, 2022, the Board of Governors of Keyano College approved a motion to accept the distribution of the Trust Property from KCLT and to take the necessary steps to carry out such distribution.

The effective date of the transfer of the Saline Creek lands and operations was July 1, 2023. The transfer of the Sparrowhawk Condominium property and operations is still underway. The effective date of this transfer is expected to be December 1, 2023.

The subsequent effect of these transfers will result in the discontinuance of all operations of the Land Trust. The assets, liabilities, revenue and expenses of the Land Trust will be reflected in Keyano College's financial statements upon the effective date of the transfers. See Note 26 for a condensed summary of financial information of the Land Trust.

29. Budget Figures

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

30. Approval of Financial Statements

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

31. Comparative Figures

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