


Community Investment Program
2025 Community Capital Grant
CIPAC Approved Allocation

No.	Applicant	Project Name	2025 Total Budget	2025 Grant Request	Eligible Grant Request	CIPAC Approved Grant
1	Centre of Hope Non-Profit Society of Fort McMurray	Purchase of 10095 Marshall Street Property	1,027,000	500,000	500,000	500,000
2	Keyano College	Technology Hub (TechHub)	2,931,713	920,182	920,182	-
			3,958,713	1,420,182	1,420,182	500,000



Application Summary: 2025 - 3130 - Community Capital Grant

Application ID

2025 - 3130 - Community Capital Grant

Applicant Information

Organization Information


Centre of Hope Non-Profit Society of Fort McMurray
10095 Marshall Street
Fort McMurray, AB, T9H 1X6

Primary Contact

Rosie Keating

Phone: (s.17(1))

Email: execdirector@fmcentreofhope.com



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What is your organization's Mission Statement?

Supporting individuals living in homelessness through collaboration with the community and its support systems

Please note any restrictions on participating in your organization's programs or services.

Adult facility 18+

Minimum number of board members according to the organization's bylaws:

4

Please list your current Board of Directors in the table:

Board of Directors


Name	Board Position	Years on Board
Mardi Getty	Chair	4
Hope Ellis	Vice Chair	12
Ryan Adlam	director	2
Riz Fazal	director	4

Do one or more board representatives have lived experience or expertise reflective of the demographics your organization serves?

Yes

If Yes; Please briefly explain the lived experience or expertise.

Centre of Hope Board of Directors includes a long term RCMP officer who is very familiar with the population we serve.



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Project Details

Project Name

Purchas of 10095 Marshall Street Property

Project Classification

Choose a category that best fits the project.

Accommodations & Land

Project Location


Choose the location of the project. If it applies to more than one rural location, choose Multi Rural. If it applies to the entire Municipality, choose Municipal Wide.

Fort McMurray

Please summarize the scope of the project. Clearly state the community need that the project will address, and provide supporting evidence that the need exists in the community.

Centre of Hope currently rents and maintains a property located at 10095 Marshall Street in Fort McMurray, Alberta. The property is currently owned and for sale by Wood Buffalo Housing Development Corp. As a non for profit agency we are seeking to procure the property to reduce funding cost and create a permanent and sustainable service delivery system for our chronic homeless population of our region.

Operated within this location: Drop-In; open 365 days a year providing all essential services including basic hygiene items, showers laundry, safety supplies for extreme weather conditions, safe consumption and harm reduction supplies, as well as a safe social environment Outreach Services: strategic referral system supporting individual's to manuver various supports towards a better quality of life. Addictions and Mental Health: focused assertive counselling support for individuals presenting with mental health or addictions barriers. Permanent Supportive Housing: 24/7 intensive support for 17 chronic multiple barrier individuals. Low income Housing Units: 8 fully furnished units utilized by the COH Housing First team to provide intense case management fostering independence. ASH Services: provide assertive mental and physical health care.



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What other options have been considered to address the identified need? Why were these options not pursued?

Fundraising efforts have been attempted with minimal success towards the purchase goal. With the overhead cost of operations for the building and the present economy funds are depleted as they are raised.

The COH is currently operating several programs within this property that are funded by the CPH, CIP, NEAFAN and United Way funding streams. The operation cost of the property along with the rental fee places a heavy burden on the funding, as well as community grants and donations. Several negotiation meetings with WBHDC have been had to reach a reasonable purchase amount.

Is the project intended to replace existing facilities or equipment?

No

Summarize the probable impact on the environment.

With a set goal to own and operate a community Hub to service individuals living in chronic homelessness the COH aims to foster both of the the following: Establishing a community facility in this location will secure the longevity and provide more opportunity to create a process to service patrons and provide them with a path out of homelessness. The location better services the regions down down core residents as well as the business sector. The increased space capacity allows for more partnerships and growth in the community creating awareness in our region and province wide. Having well established systems and services housed in one central space it is the agency hope to lead other rural areas in a similar direction to lessen barriers and decrease burdens of the vulnerable population survival plight.

Please give specifics of the duration of the project from predesign to completion.

If funding is received the Centre of Hope intends to purchase the property immediately from Wood Buffalo Housing. The purchase price has already been established and both parties are in agreement for the sale. The COH will continue operating the established programs and focus on program enhancement, and building upgrades to continue delivering services.



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Detail any major constraints or risks involved with the project and how you propose to mitigate those risks.

Should any financial constraints present the COH would adjust funding streams accordingly, revamp operating programs to complement the need as well as seek additional grants and donations to reflect any issues arising. The Centre of Hope will carry all necessary insurances to protect against emergencies.


In the event that the large stream provincial capital grant is denied, COH contingency plan is to leverage secured invested funds earmarked for capital maintenance as well as make an application for a mortgage with our financial institution. In the event that the provincial capital grant is successful COH will ensure under a memorandum of understanding to return all funds plus any interest incurred on the funds received back to the RMWB.

Past experiences:

In 2005 Centre of Hope was awarded a duplex building located on 1 McLeod Street. This building serviced all of COH programming listed above including CPH funded programs for Housing First. The community demand grew for servicing individuals living in homelessness, in turn the agency support services responded. The COH relocated to 10095 Marshall Street where developed programs could adequately provide quality services. The 1 McLeod Street building is now housing all administrative duties for the agency allowing for COH to capitalize on the space at Marshall street and provide a multi service hub allowing our vulnerable population to have a multitude of needs met in one location. The COH has operated and maintained property at 1 McLeod for more than 17 years and is seeking the opportunity to expand.

Indicate the consequences and impact of not doing the project on a financial and operational level.

Although Centre of Hope have successfully operated the property and paid rental and other fees for the past 5 years, shifts in funding sources, increase in our vulnerable sector, cost of supplies, impacts from economy on donations and fundraising, is beginning to have a financial burden on the agency. Should this increase the COH may have to consider downsizing programs and resort back to owned property. There has been several restraints placed on the operating program in the Day Shelter impacting supplies for patrons. The Day Shelter is the first line of service delivery received by the population experiencing homelessness. They support a level of wellness for individuals so that they can begin to navigate community service providers and seek other opportunities to increase their quality of life. Having limited supplies in this program will impact individuals mental and physical wellness and in turn will decrease the connection to other resources lessening choice and opportunities.




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Council approved plans identify seven funding priorities. Please indicate which funding priorities are applicable to this application:

Please select at least 3 funding priorities for the Community Capital Grant application.

- ☒ Community support services and wellness
- ☒ Diversity, inclusion and accessibility
- ☐ Hosting events/new business and visitors
- ☒ Partnership and collaboration
- ☐ Rural and Indigenous Communities and Relationships
- ☒ Social participation
- ☐ Value of culture, heritage and regional pride



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Describe how the proposed project align with these priorities.

Ownership of this property will allow for the following entities to continue and prosper.

Community support services and wellness: There are several layers of support systems in this property including: Basic needs of showers laundry and hygiene supplies, Outreach services for inhouse as well as street community service referrals and assessment, Housing programs servicing more then 105 individual in community housing as well as 17 individual in supportive housing.

Diversity, inclusion and accessibility: The COH has most recently undergone an accessibility assessment with the RMWB to target areas for improvement and upgrade to increase services.

Partnership and collaboration: The Centre of Hope team has built a large network of community contacts in order to efficiently serve and assist clients through a referral process. We have ensured the various agencies are aware of the programs offered and the individuals we serve. IE:

RMWB
United Way
Alberta Health Services
Inner-city Health Clinic
Canadian Mental Health Assoc
Assertive Outreach
Addictions & Mental Health
Pastew Place Detox Centre
Northeast Alberta Fetal Alcohol Network (NEAFAN)
Support Through Housing Team (STHT)
Blue Heroin Support Services
The Salvation Army
Wood Buffalo Housing Development Corp.
Alberta Supports.

Social participation: The Centre of Hope lends all support when called upon by funders and community alike. It is often the Hub space when social events for the vulnerable sector is being celebrated. Summer BBQ as well as several cultural events are held annually within this space.

Implementation

Estimated Schedules

Project Planning	Predesign	Design	Construction	Completion
Q1 2025 Purchase building	Q2 2025 established building	Q2 2025 No alterations at this time	Q2 2025	Q2-2025 Purchase complete

Total Cost of Ownership

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

Estimated Life of Asset (in years)

50



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Please describe the operational requirements that will exist upon completion of the project.

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

The operational requirements and program operation will not need to increase or be modified once the purchase of the building is complete.

Currently operating:

Intake Program -5 staff

Street Reach - 1 staff

Eviction Prevention- 1 staff

NEAFAN outreach - 2 staff

Maintenance - 1 Staff

Housing With Supports - 8 staff

Permanent Supportive Housing - 15 staff

The agency Maintains:

HVAC contract

Security Contract

Amicable Insurance policies

Cost of all utilities

Internet and cable services

Please outline your sustainability plan upon completion of the project.

As the Centre of Hope is currently operating out of this property the intention is to continue operating all before mentioned programs as well as seek grants and community donations as agency practices allow for not for profits. In addition the said rental cost currently being paid will be reverted back into enhancing programs and building structure ensuring continued service delivery for the region.

The purchase of the building will create financial gain lessing the ask on funders as well as stabilizing services.

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Finances

Organization's most recent Fiscal Year End date

Please click Save Draft to update the following two questions with this date.

03/31/2024

Unrestricted Net Assets

Unrestricted Net Assets (accumulated net assets/surplus that the organization has not set aside for a particular purpose or earmarked by a donor for a specific program or project) from your Financial Statements ending: 03/31/2024

\$466,649.00

Total Operating Expenses

Total Expenses from your Financial Statements Ending: 03/31/2024

\$3,326,290.00

What efforts have been made in the past fiscal year to increase the financial support for your organization?

In the last fiscal year the COH was awarded an increase in funding and program services for a housing program. In addition 2 new programs were awarded by NEAFAN to operate outreach services for adults suspected of FASD as well as the NEAFAN diagnostic clinic. Fundraising efforts continues with established partner ACDEN in hosting the SHOW and SHINE for proceeds going to COH.

Budget Information

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Revenue*


Description	Revenue
Other	\$200,000.00
	\$200,000.00

Projected Cash Flow*

	Q1	Q2	Q3	Q4	Total
Consultant Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Contract Administration Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
General Services - Contracted	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Equipment and Furnishing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Contingency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00	\$1,027,000.00	\$1,027,000.00
Total Cost of the Project	\$0.00	\$0.00	\$0.00	\$1,027,000.00	\$1,027,000.00

Total Cost of Investment*

One-Time Capital Grant
\$500,000.00



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Total Capital Project Cost

Total cost includes all costs of the entire project.

\$1,027,000.00

Total Grant Request


Up to 50% of the total Capital project cost.

\$500,000.00

Grant request as percentage of total cost of Capital Project

Click on the Save Draft button to calculate the percentage.

49%



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Total Revenue Secured

Must match Revenue Secured listed in Budget Table

\$200,000.00

Revenue secured as a percentage of total cost of the Capital Project.

Click on the Save Draft button to calculate the percentage.

19%

Total Amount of Other Funding Sources Pending:

Must match Other Fundings Sources amounts in Table Above

\$1,000,000.00

Total Other Funding Sources Pending as a percentage of total cost of the Capital Project.

Click on the Save Draft button to calculate the percentage.

97%

Outline any expected in-kind contributions or other non-financial resources being leveraged for this program, project, service or event to demonstrate community support.

There are no expected in kind contributions at this time.

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Attachments

Financial statements for the most recent fiscal year end

Note: Year end date must fall between July 1st of last year and June 30th of this year.

[COH_Audit_financials_2024.pdf](#)

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Total Files: 1


Please attach documentation relevant to this application.

Please provide proof of the secured funding, as well as any other relevant documents, such as maps, diagrams, feasibility studies, quotes, detailed costing spreadsheets/backup.

[2020_Centre_of_Hope_Lease_aggreement_Draft.docx](#)

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Total Files: 1



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Declaration

Declaration: – In making this application, I , the undersigned, confirm:

- that I have read the appropriate Grant Guidelines;
- that I understand that this application form and all required attachments must be completed in full and received before 2024-10-15 4:30 p.m. MT;
- that I understand that this application form and any attachments shall be part of the Community Investment Program Approval Committee (CIPAC, Council Appointed) meeting agenda and accessible through all methods that the public meeting agenda is available;
- that I understand the term of the Grant is January 1 to December 31, 2025 and that all expenditures must happen during this term; and
- that I am authorized by the applicant organization to complete the application and hereby represent to the Regional Municipality of Wood Buffalo's Community Investment Program and declare that to the best of our knowledge and belief, the information provided is truthful and accurate, and the application is made on behalf of the above-named organization and with the Board of Directors' full knowledge and consent.
- that I understand the personal information collected in this application is collected under the authority of section 33(c) of Alberta's Freedom of Information and Protection of Privacy (FOIP) Act. It will be used to process the application and contact you if needed, during the review of this application. If you have any questions about the collection and use of the personal information you may contact the Manager, Community Partnerships and Initiatives, at 9909 Franklin Avenue, Fort McMurray, AB T9H 2K4 or at (587)919-5522.

Acknowledgement

I do hereby certify that to the best of my knowledge, this application contains a full and correct account of all matters stated herein.

Applicant Name

Rosie Keating

Position/Title

Executive Director

Date: 10/14/2024



CENTRE OF HOPE NON-PROFIT SOCIETY OF FORT MCMURRAY
Financial Statements
Year Ended March 31, 2024

CENTRE OF HOPE NON-PROFIT SOCIETY OF FORT MCMURRAY
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Year Ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Centre of Hope Non-Profit Society of Fort McMurray

Opinion

We have audited the financial statements of Centre of Hope Non-Profit Society of Fort McMurray (the Society), which comprise the balance sheet as at March 31, 2024, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

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

Other Matter

The financial statements for the year ended March 31, 2023 were audited by another auditor who expressed a qualified opinion on those financial statements on September 28, 2023 for the following reasons: The Society derives revenue from fundraising and donation activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expenses and cash flows from operations for the years ended March 31, 2023 and 2022, current assets as at March 31, 2023 and 2022 and net assets as at April 1 and March 31 for both years.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Society'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 management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Independent Auditor's Report to the Members of Centre of Hope Non-Profit Society of Fort McMurray
(continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 our 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 our 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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

(continues)

Independent Auditor's Report to the Members of Centre of Hope Non-Profit Society of Fort McMurray
(continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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 we identify during our audit.

Sherwood Park, Alberta
September 26, 2024



CHARTERED PROFESSIONAL ACCOUNTANTS

CENTRE OF HOPE NON-PROFIT SOCIETY OF FORT MCMURRAY**Statement of Revenues and Expenditures****Year Ended March 31, 2024**

	General Fund	Capital Fund	2024	2023
REVENUES				
Regional Municipality of Wood Buffalo (Note 7)	\$ 1,794,094	\$ -	\$ 1,794,094	\$ 1,955,662
Rent Contributions	398,496	-	398,496	372,083
United Way (Note 7)	330,684	-	330,684	230,945
Fundraising	184,258	-	184,258	124,745
CASA - NEAFAN (Note 7)	175,644	-	175,644	97,435
Donations	47,931	-	47,931	113,309
Interest income (Note 4)	18,788	-	18,788	-
Other Grant Revenue (Note 7)	14,914	-	14,914	15,277
	2,964,809	-	2,964,809	2,909,456
EXPENSES				
Salaries and wages	1,940,483	-	1,940,483	1,840,694
Rental	422,732	-	422,732	394,217
Client Support	286,140	-	286,140	318,177
Utilities	171,168	-	171,168	128,753
Repairs and maintenance	151,313	-	151,313	85,668
Office	88,932	-	88,932	75,981
Professional fees	88,414	-	88,414	83,462
Amortization	-	76,040	76,040	76,769
Insurance	42,245	-	42,245	39,616
Supplies	18,403	-	18,403	1,947
Professional Development	17,179	-	17,179	7,946
Fundraising Expense	15,384	-	15,384	18,035
Interest and bank charges	3,157	-	3,157	2,514
Patron Supplies	2,629	-	2,629	418
Property taxes	2,071	-	2,071	2,355
Travel	-	-	-	205
	3,250,250	76,040	3,326,290	3,076,757
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS				
	(285,441)	(76,040)	(361,481)	(167,301)
Amortization of Deferred Capital Contributions (Note 6)	-	46,197	46,197	53,283
DEFICIENCY OF REVENUES OVER EXPENSES				
	\$ (285,441)	\$ (29,843)	\$ (315,284)	\$ (114,018)

See notes to financial statements

CENTRE OF HOPE NON-PROFIT SOCIETY OF FORT MCMURRAY
Statement of Financial Position
March 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 167,893	\$ 1,103,532
Accounts receivable (Note 3)	-	54,806
Goods and services tax recoverable	39,267	39,466
Marketable securities (Note 4)	618,788	-
	825,948	1,197,804
CAPITAL ASSETS (Note 5)	1,165,354	1,192,026
	\$ 1,991,302	\$ 2,389,830
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 38,179	\$ 65,911
Wages payable	22,705	47,113
Bonuses payable	23,162	15,917
Employee deductions payable	-	12,519
Deferred income (Note 6)	984,620	1,010,450
	1,068,666	1,151,910
NET ASSETS		
General Fund	477,649	501,513
Capital Fund	444,987	736,407
	922,636	1,237,920
	\$ 1,991,302	\$ 2,389,830

APPROVED BY THE DIRECTORS

X

[Redacted Signature]

Director

X

[Redacted Signature]

Director

CENTRE OF HOPE NON-PROFIT SOCIETY OF FORT MCMURRAY**Statement of Changes in Net Assets****Year Ended March 31, 2024**

	General Fund	Capital Fund	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 736,407	\$ 501,513	\$ 1,237,920	\$ 1,351,935
Deficiency of revenues over expenses	(285,441)	(29,843)	(315,284)	(114,015)
Purchase of capital assets	(49,358)	49,358	-	-
Capital assets funded by restricted contributions	76,041	(76,041)	-	-
NET ASSETS - END OF YEAR	\$ 477,649	\$ 444,987	\$ 922,636	\$ 1,237,920

See notes to financial statements

CENTRE OF HOPE NON-PROFIT SOCIETY OF FORT MCMURRAY**Statement of Cash Flows**
Year Ended March 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (315,284)	\$ (114,018)
Item not affecting cash:		
Amortization of capital assets	76,041	76,769
	<u>(239,243)</u>	<u>(37,249)</u>
Changes in non-cash working capital:		
Accounts receivable	54,806	(20,100)
Accounts payable	(27,743)	25,466
Deferred income	(25,830)	3,565
Prepaid expenses	-	5,793
Goods and services tax payable	199	(18,003)
Wages payable	(24,408)	(1,558)
Bonuses payable	7,245	(2,087)
Employee deductions payable	(12,519)	(2,841)
	<u>(28,250)</u>	<u>(9,765)</u>
Cash flow used by operating activities	<u>(267,493)</u>	<u>(47,014)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(49,358)	(166,014)
Purchase of marketable securities	(600,000)	-
Interest accrued on marketable securities	(18,788)	-
Cash flow used by investing activities	<u>(668,146)</u>	<u>(166,014)</u>
DECREASE IN CASH FLOW	(935,639)	(213,028)
Cash - beginning of year	<u>1,103,532</u>	<u>1,316,560</u>
CASH - END OF YEAR	\$ 167,893	\$ 1,103,532
CASH CONSISTS OF:		
Cash	<u>\$ 167,893</u>	<u>\$ 1,103,532</u>

CENTRE OF HOPE NON-PROFIT SOCIETY OF FORT MCMURRAY**Notes to Financial Statements****Year Ended March 31, 2024****1. Purpose of the Society**

Centre of Hope Non-Profit Society of Fort McMurray (the "Society") was incorporated on September 30, 2009 under the authority of the Societies Act of Alberta and is registered as a charity and thus is exempt from income taxes under the Income Tax Act. Its purpose is to assist homeless individuals with the basic necessities of daily living.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of presentation**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Summary

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the accounting standards board in Canada and include the following significant accounting policies:

Fund accounting

The Society follows the deferral method of accounting for two funds: General Fund and Capital Fund.

The General Fund reports the Society's assets, liabilities, revenue and expense relating to general operations.

The Capital Fund reports the Society's assets, liabilities, revenue and expense relating to capital assets.

Revenue recognition

The Society follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the General Fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the General Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Rent contributions received from individuals are recognized in the period in which they relate.

All other revenue is recognized as revenue when received or receivable in the amount to be received can be reasonably estimated and the collection is reasonably assured.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of a year or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Contributed materials and services

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Society's operations and would otherwise have been purchased.

(continues)

CENTRE OF HOPE NON-PROFIT SOCIETY OF FORT MCMURRAY

Notes to Financial Statements

Year Ended March 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined. Capital assets are amortized using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives. Leasehold improvements are amortized over the term of associated lease.

In the year of acquisition capital assets are amortized at one-half their usual rates.

Buildings	4%	declining balance method
Leasehold improvements	15 years	straight-line method
Motor vehicles	30%	declining balance method
Office Furnishings	20%	declining balance method
Kitchen and laundry equipment	30%	declining balance method
Parking Lot	8%	declining balance method
Computer equipment	30%	declining balance method

The Society regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Long-lived assets

Long-lived assets consist of capital assets held for use and are measured and amortized as described in the applicable accounting policies.

The Society writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the organizations ability to provide goods and services. Assets are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the organization determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

Financial instruments

The Society recognizes financial instruments when the Society becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

(continues)

CENTRE OF HOPE NON-PROFIT SOCIETY OF FORT MCMURRAY

Notes to Financial Statements

Year Ended March 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments originated/acquired or issued/assumed in an arm's length transaction are initially recorded at their fair value.

At initial recognition, the Society may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Society has not made such an election during the year.

The Society subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attribute to the Society, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess (deficiency) of revenue over instruments subsequently measured at cost or amortized cost.

(continues)

CENTRE OF HOPE NON-PROFIT SOCIETY OF FORT MCMURRAY
Notes to Financial Statements
Year Ended March 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Related party financial instruments

The Society initially measures investment or debt instruments with a market value or derivatives originated in a related party transactions at fair value.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of revenues over expenses in the periods in which they become known.

3. ACCOUNTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Downtown Revitalization grant	<u>\$ -</u>	<u>\$ 54,806</u>

The Downtown Revitalization grant receivable was received in full in the year.

4. MARKETABLE SECURITIES

	<u>2024</u>	<u>2023</u>
Guaranteed Investment Certificate	<u>\$ 618,788</u>	<u>\$ -</u>

The Society invested \$600,000 on a Guaranteed Investment Certificate that will be maturing in April 2024. As of March 31, 2024, these Guaranteed Investment Certificates have accrued \$18,788.

CENTRE OF HOPE NON-PROFIT SOCIETY OF FORT MCMURRAY**Notes to Financial Statements****Year Ended March 31, 2024****5. CAPITAL ASSETS**

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Buildings	\$ 652,729	\$ 211,650	\$ 441,079	\$ 570,919
Leasehold improvements	489,279	79,505	409,774	298,524
Land	221,500	-	221,500	221,500
Motor vehicles	73,962	43,157	30,805	44,007
Office Furnishings	74,634	53,070	21,564	24,683
Kitchen and Laundry Equipment	18,484	2,171	16,313	4,162
Parking Lot	28,625	15,650	12,975	14,103
Computer equipment	27,684	16,340	11,344	14,128
	\$ 1,586,897	\$ 421,543	\$ 1,165,354	\$ 1,192,026

6. DEFERRED CAPITAL CONTRIBUTIONS

	2024	2023
Balance, beginning of year	\$ 690,513	\$ 668,990
Additions	-	74,806
Amortization	(46,197)	(53,283)
	\$ 644,316	\$ 690,513

7. DEFERRED REVENUES

	2023	Additions	Allocations	2024
Deferred Capital Liability	\$ 690,513	\$ -	\$ 46,197	\$ 644,316
Deferred FM Catholic Board	137,212	85,563	85,563	137,212
Deferred Weekend	104,239	99,817	79,450	124,606
Deferred Housing First	55,671	-	-	55,671
Deferred PSH	29,999	-	-	29,999
Deferred Eviction Prevention	(7,184)	-	-	(7,184)
	\$ 1,010,450	\$ 185,380	\$ 211,210	\$ 984,620

8. FINANCIAL INSTRUMENTS

The Society, as part of its operations, carries a number of financial instruments. It is managements opinion that the Society is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Society is mainly exposed to other price rate risk.

Other price risk*(continues)*

CENTRE OF HOPE NON-PROFIT SOCIETY OF FORT MCMURRAY

Notes to Financial Statements

Year Ended March 31, 2024

8. FINANCIAL INSTRUMENTS *(continued)*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is exposed to other price risk through its investment in Guaranteed Investment Certificates.

All secured financial liabilities have a combined carrying amount of \$618,788.01 (\$0 in 2023).

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

9. ECONOMIC DEPENDENCE

The Society like many other not for profit organizations, is dependant on funding from government agencies and donations in order to provide services. The level of services performed is dependant on the level of funding obtained.



Application Summary: 2025 - 3149 - Community Capital Grant

Application ID

2025 - 3149 - Community Capital Grant

Applicant Information

Organization Information

Keyano College
8115 Franklin Avenue
Fort McMurray, AB, T9H 2H7

Primary Contact

Jennifer Moore
8115 Franklin Avenue
Fort McMurray
Phone: s.17(1)
Email: Jennifer.Moore@keyano.ca

What is your organization's Mission Statement?

In partnership with industry and community, develop a relevant workforce and leaders of tomorrow, in a safe learning environment that embraces equity, diversity, and inclusivity (EDI).

Please note any restrictions on participating in your organization's programs or services.

The envisioned space for the Technology Hub is located in an area in the College that would allow for easily achieved public access. However, the space may also be used by students during specific times for class purposes. Since the space will be multi-functional, we do not foresee limitations to public access except for examination times. This can be bridged by scheduling exams in a different venue.

Minimum number of board members according to the organization's bylaws:

12

Please list your current Board of Directors in the table:

Board of Directors

Name	Board Position	Years on Board
Don Scott	Chair	2
Kim Farwell	Public Member	5
Kalpesh Patel	Public Member	2
Joe MacNeil	Public Member	3
Andrew Rosser	Public Member	2
Raymond Powder	Public Member	2
Adele Thompson	Public Member	4
Kathleen Brennan	CUPE Representative	0
Nermin Zukic	Faculty Representative	4
Sandra Efu	Interim President & CFO	1
Chioma Igbokei	Student Representative	0
Kevin Vergara	Student Representative	0
Vacant	Public Member	0



Application Summary: 2025 - 3149 - Community Capital Grant

Do one or more board representatives have lived experience or expertise reflective of the demographics your organization serves?

Yes

If Yes; Please briefly explain the lived experience or expertise.

All board members are community members, with the majority having been residents of Fort McMurray for several years. There is a mix of genders, ethnicities and professions across the board that can speak to the diversity found within the College and community.

Project Details

Project Name

Technology Hub (TechHub)

Project Classification

Choose a category that best fits the project.

Technology / Innovation

Project Location

Choose the location of the project. If it applies to more than one rural location, choose Multi Rural. If it applies to the entire Municipality, choose Municipal Wide.

Fort McMurray

Please summarize the scope of the project. Clearly state the community need that the project will address, and provide supporting evidence that the need exists in the community.

The project will complement both the RMWB Strategic and Development plans. The MDP will be complemented as a TechHub would support skills and knowledge development by allowing users the opportunity to pilot their technologies and co-create in a technology-rich environment. The College is also in a unique position to assist local tech-innovators as applied research opportunities are often available. Fort McMurray already hosts several elements that would surround the TechHub, such as Community Futures Business programs, an Esports arena, the Regional Innovation Network makers space and Startup YMM. However, the need remains for a technology and innovation centre where academia, innovators and the community can connect to leverage some of the relationships in research, expert knowledge, training and feeder programming. Additionally, the region has now matured to the extent that our high schools, such as Westwood, deliver top youth talent, only to lose the talent in the FMWB as we cannot retain the talent without have an encompassing ecosystem in place where the talent can be cultivated beyond high school. Keyano is uniquely positioned to meet not only the demand for a TechHub in the region but can also further support the RMWB strategic plan's objective in the local economy as having a TechHub in addition to Keyano's existing programming would enable the RMWB to continue in attracting talent for a thriving business advisory committee.

What other options have been considered to address the identified need? Why were these options not pursued?

Since the overall project, which includes the salaries for professionals to support the ongoing operations of the TechHub, has an estimated cost of approximately \$3 million, several sources of funding are being explored and a variety of funders have already provided their financial support for this project. Aligned with the Keyano College Strategic Plan, Pillar 4: Sustainability, the College continues to seek alternative sources of funding to efficiently optimize on the use of the College's assets. Thus, often College projects, including the current, are not fully funded from provincial funding sources. Consequently, the College looks to alternative sources of funding. The alternative sources are also being pursued, with some funding already fully leveraged and other funding options identified but not yet ready to commit with a letter providing the exact number for the support. Additionally, our Advancement team continues to look for additional revenue sources, but due to the sizable investment, several funding streams must be sourced to meet the project requirements and without the support of the RMWB CCG, reaching a 2026 opening to the public would not be possible. Some other funding opportunities already committed and being pursued are: FMWBEDT, Prairies Can, NRED, and Community Futures.

Is the project intended to replace existing facilities or equipment?

No

Summarize the probable impact on the environment.

There will be a minimal impact on the environmental aspect of this project, as the existing infrastructure will be built in accordance with various site improvements (LEED, Carbon reduction strategies, Environmental Code Standards). Anything that could potentially affect the environment will be captured under the planning aspect of this project.

Please give specifics of the duration of the project from predesign to completion.

Preliminary work on the TechHub has already commenced, with community feedback activities and initiatives committed through the NRED grant taking place during Fall 2024. Should the RMWB funding be secured, the project work can commence as early as January 2025. Keyano can move toward the design phase, which, from previous experience, takes up to four months. Hereafter, Keyano can move to the RFP and award with a timeline of two months, consequently being construction-ready. The construction would comprise electrical, mechanical, architectural, furniture, and IT work. The construction would take up to six months. A detailed work breakdown can only be solidified after the design phase and could create significant risk in the project's scope. Consequently, the planned project duration is the best estimate based on the experiences of the facilities director at the College. The estimated schedule allows for additional time for delivery/completion in an attempt to mitigate the risk of delays within the project scope.

Detail any major constraints or risks involved with the project and how you propose to mitigate those risks.

Any significant risks that could derive from this project will be subject to a vigorous risk analysis during the progression of the project as a whole. Potential infrastructure risk could include, but not be limited to, certain known unknowns (older portion of the campus and potential upgrades required, ensuring code compliance with various trades). Other ways to mitigate said risks include a financial contingency to offset any unknown infrastructure-related costs.

Indicate the consequences and impact of not doing the project on a financial and operational level.

Not proceeding with this project will have both a college and community impact. Since the space is currently available at Keyano College to develop into a TechHub, not completing the project has a significant opportunity cost as ample space is not utilized, and some parts of the space are significantly underutilized. However, the more significant impact is on that of the community. The FMWB region will continue to lose talent to other provincial hubs as there would be less support for SMEs and entrepreneurs, fewer opportunities for training and skills development of community partners, fewer direct and indirect jobs that are created, and an overall community investment impact as no materials will be sourced from the local economy.

Council approved plans identify seven funding priorities. Please indicate which funding priorities are applicable to this application:

Please select at least 3 funding priorities for the Community Capital Grant application.

- ☐ Community support services and wellness
- ☒ Diversity, inclusion and accessibility
- ☐ Hosting events/new business and visitors
- ☒ Partnership and collaboration
- ☐ Rural and Indigenous Communities and Relationships
- ☒ Social participation
- ☒ Value of culture, heritage and regional pride

Describe how the proposed project align with these priorities.

Value of culture, heritage and regional pride

- Aligned with the RMWB Culture plan, the TechHub would allow for an opportunity to support collaboration and innovation. Individuals who visit the TechHub likely have a common purpose: advancing technological innovation among all ages.

Diversity, inclusion and accessibility

- Technology is synonymous with inclusion and accessibility, allowing individuals from diverse backgrounds to work towards a common goal. An example of the importance of a TechHub in promoting inclusion is illustrated by the work of Shayan Awan (see <https://openbci.com/community/openbci-discovery-program-neurospectrum-a-brainwave-powered-vision-enhancement-device/>), a local high school student, who is using technology to assist individuals who may be impacted by dyslexia.

Partnership and collaboration

- As a part of the Municipal Development Plan, supporting skills and knowledge development directly relates to partnerships and collaborations formed based on having a TechHub available for collaborators to meet and connect with other regions. Having the TechHub at the College also allows for a strong partnering foundation, as the College can leverage existing relationships with partners and expand the network to create links with hubs such as Platform Calgary.

Social participation

- Downtown is already known as the social heart of the municipality (RMWB, 2024), and introducing a TechHub would complement the education social infrastructure, further enhancing the livability within the RMWB.

Implementation

Estimated Schedules

Project Planning	Predesign	Design	Construction	Completion
Q1-Q2/2025 (Summer/Fall 2024)	Q3/2025 (Winter 2025)	Q4/2025-Q1/2026 (Spring/Summer 2025)	Q2-Q3/2026 (Fall 2025/Winter 2026)	Q4/2026 (Spring 2026)

Please see attached
Excel Spreadsheet.

Total Cost of Ownership

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

Estimated Life of Asset (in years)

20

Please describe the operational requirements that will exist upon completion of the project.

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

Since the TechHub would be a retrofitted space within the College, several of the operational requirements to maintain the IT equipment, provide janitorial services, maintain the facility, pay utilities (except for newly installed technologies), and secure standard software licenses already form part of the costs incurred by the College.

The TechHub would require 1.5 FTE positions to support the ongoing operations. In addition, further support may also be available in the form of in-kind support from community partners.

Experts such as an entrepreneur in residence and researchers would become complementary to the TechHub as the College is uniquely positioned to gain support from faculty with knowledge in different fields.

Please outline your sustainability plan upon completion of the project.

Upon completion, the retrofitted space will remain a part of the College's structure and will be adequately maintained. Since different technologies advance at different rates, evergreen planning will form part of operational planning. Computers have a life cycle of up to 5 years and will have to be replaced a minimum of four times during the life of this asset. Other technologies, such as the CNC laser-cutter and drones, have different life cycles and will also form part of the evergreen planning to ensure that the College plans accordingly and seeks external funding before the technology replacements are due.

Finances

Organization's most recent Fiscal Year End date

Please click Save Draft to update the following two questions with this date.

06/30/2025

Unrestricted Net Assets

Unrestricted Net Assets (accumulated net assets/surplus that the organization has not set aside for a particular purpose or earmarked by a donor for a specific program or project) from your Financial Statements ending: 06/30/2025

\$4,359,442.00

Total Operating Expenses

Total Expenses from your Financial Statements Ending: 06/30/2025

\$71,618,026.00

What efforts have been made in the past fiscal year to increase the financial support for your organization?

Our Business Development Department works to secure financial donations for various initiatives such as our Indigenous Student Centre, an ambulance simulator, and our sports teams. Additionally, we receive many gift-in-kind donations for initiatives such as trades programming, lab improvements, and fundraising events. We continuously pursue research grant opportunities and apply for funding that is relevant to our organization, and the Business Development department assists with applications.

Budget Information

Application Summary: 2025 - 3149 - Community Capital Grant

Revenue*

Description	Revenue
Government of Alberta Grant	\$200,000.00
Donation	\$99,000.00
Donation	\$30,000.00
In-Kind Revenue	\$925,348.00
	\$1,254,348.00

Detailed Budget is included as an attachment. This is the cash flow for the first year.

Projected Cash Flow*

	Q1	Q2	Q3	Q4	Total
Consultant Fees	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$60,000.00
Contract Administration Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
General Services - Contracted	\$0.00	\$0.00	\$75,000.00	\$75,000.00	\$150,000.00
Equipment and Furnishing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Contingency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$10,000.00	\$0.00	\$0.00	\$10,000.00
Total Cost of the Project	\$15,000.00	\$25,000.00	\$90,000.00	\$90,000.00	\$220,000.00

Total Cost of Investment*

One-Time Capital Grant
\$1,465,856.00



Application Summary: 2025 - 3149 - Community Capital Grant

Total Capital Project Cost

Total cost includes all costs of the entire project.

\$2,931,713.00

Total Grant Request

Up to 50% of the total Capital project cost.

\$920,182.00

Grant request as percentage of total cost of Capital Project

Click on the Save Draft button to calculate the percentage.

31%

Total Revenue Secured

Must match Revenue Secured listed in Budget Table

\$1,254,348.00

Revenue secured as a percentage of total cost of the Capital Project.

Click on the Save Draft button to calculate the percentage.

43%

Total Amount of Other Funding Sources Pending:

Must match Other Fundings Sources amounts in Table Above

\$812,474.00

Total Other Funding Sources Pending as a percentage of total cost of the Capital Project.

Click on the Save Draft button to calculate the percentage.

28%

Outline any expected in-kind contributions or other non-financial resources being leveraged for this program, project, service or event to demonstrate community support.

The project will also incorporate in-kind contributions from Community Futures, Startup YMM and Keyano College. This would include contributions such as having a business counsellor, tech support for the makerspace and a facilitator for sessions between Startup YMM and the TechHub.



Attachments

Financial statements for the most recent fiscal year end

Note: Year end date must fall between July 1st of last year and June 30th of this year.

[2023_Consolidated_Financial_Statements_-_June_30_2023_FINAL.pdf](#)

612.5 KB - 10/15/2024 1:13 AM

[2024_Consolidated_Financial_Statements_-_June_30_2024_-_DRAFT_as_of_October_8_2024.pdf](#)

21.6 MB - 10/15/2024 9:44 AM

Total Files: 2



Application Summary: 2025 - 3149 - Community Capital Grant

Please attach documentation relevant to this application.

Please provide proof of the secured funding, as well as any other relevant documents, such as maps, diagrams, feasibility studies, quotes, detailed costing spreadsheets/backup.

[Ap_A_Project_Schedule.xlsx](#)

206.7 KB - 11/04/2024 9:59 AM

[Ap_B_Secured_Funding.xlsx](#)

206.4 KB - 11/04/2024 2:07 AM

[Ap_C_Other_Funding.xlsx](#)

206.2 KB - 11/04/2024 2:07 AM

[Ap_D_Expense_Summary_Capital_Operational_In-kind.xlsx](#)

219.8 KB - 11/04/2024 11:11 AM

[TechHub_Logic_Model.pdf](#)

60.7 KB - 10/15/2024 9:42 AM

[TechHub_Overview.pdf](#)

3.2 MB - 10/15/2024 2:13 PM

[Tech_Hub_Project_Budget_-_Oct_2024_\(Overall_project\).xlsx](#)

33.2 KB - 10/15/2024 3:21 PM

Total Files: 7

Declaration

Declaration: – In making this application, I , the undersigned, confirm:

- that I have read the appropriate Grant Guidelines;
- that I understand that this application form and all required attachments must be completed in full and received before 2024-10-15 4:30 p.m. MT;
- that I understand that this application form and any attachments shall be part of the Community Investment Program Approval Committee (CIPAC, Council Appointed) meeting agenda and accessible through all methods that the public meeting agenda is available;
- that I understand the term of the Grant is January 1 to December 31, 2025 and that all expenditures must happen during this term; and
- that I am authorized by the applicant organization to complete the application and hereby represent to the Regional Municipality of Wood Buffalo's Community Investment Program and declare that to the best of our knowledge and belief, the information provided is truthful and accurate, and the application is made on behalf of the above-named organization and with the Board of Directors' full knowledge and consent.
- that I understand the personal information collected in this application is collected under the authority of section 33(c) of Alberta's Freedom of Information and Protection of Privacy (FOIP) Act. It will be used to process the application and contact you if needed, during the review of this application. If you have any questions about the collection and use of the personal information you may contact the Manager, Community Partnerships and Initiatives, at 9909 Franklin Avenue, Fort McMurray, AB T9H 2K4 or at (587)919-5522.

Acknowledgement

I do hereby certify that to the best of my knowledge, this application contains a full and correct account of all matters stated herein.

Applicant Name

Coert Erasmus

Position/Title

Dean, School of Business, University Studies & Academic Upgrading

Date: 10/15/2024

Expense Type	Sum of TOTAL		50%
Capital/Project	\$ 1,840,365	\$	920,182
In-Kind	\$ 925,348	\$	462,674
Operational/Ongoing	\$ 166,000	\$	83,000
Grand Total	\$ 2,931,713	\$	1,465,856

RIE PROJECT COST DETAILING

Project No:

Applicant:

Keyano College

Prepared by:

Sandra Efu

VP Academic & Student Experience / Currently, Interim President & CEO

Date Prepared:

11-Nov-23

Revised by:

Coert Erasmus

Dean, School of Business, US & AU.

Date Revised:

31-Oct-24

Name

Title

Complete the fields in gray. Examples are provided in the Instructions tab.

Cost Type	Cost Item	% of Time Allocated to the Project	2024-2025	2025-2026	2026-2027	Notes	TOTAL
			July 1, 2024 to June 30, 2025	July 1, 2025 to June 30, 2026	July 1, 2026 to June 30, 2027		
	1 Equipment						
	Description						
Capital/Project	a Furniture			300,000		Modular work stations, fixed work stations, height adjustable tables, and chairs	300,000
Capital/Project	b Storage and charging shelves and stations for ipads and headsets			150,000		Storage and charging shelves and stations for ipads and headsets	150,000
In-Kind	c Microsoft software charge			\$ 3,600.00		In-kind support provided by Keyano College - license for 40 users	3,600
Capital/Project	d Design and programming software			\$ 11,250.00		45 licenses	11,250
In-Kind	e Startup YMM Makerspace Equipment and maintainance cost			\$ 34,350.00		In-kind contribution of \$34,350 provided by Startup YMM - the Makerspace equipment is valued at \$32,350 and the annual maintainance cost is \$2,000	34,350
Capital/Project	f General use computer			\$ 20,000.00		General Use laptops / desktop (quantity - 20)	20,000
Capital/Project	g Ergonomic workstations			67,500		For learning AI & ML, need a powerful GPU. Can also be used for video rendering and other intensive computational tasks (quantity - 15)	67,500
Capital/Project	h Multimedia workstations (Mac)			25,000		For video, graphics, and audio editing (5 needed).	25,000
Capital/Project	i Multimedia work stations (Windows/Linux)			25,000		For video, graphics, and audio editing (quantity - 5)	25,000
Capital/Project	j VR headsets			\$ 2,100.00		For VR development (10) (ie: Oculus 3)	2,100
Capital/Project	k AR / XR headset			\$ 10,000.00		For AR development / 3D design (2) (ie: Vision Pro)	10,000
Capital/Project	l Intermediate 3D printer			\$ 2,000.00		For rapid prototyping (quantity - 2)	2,000
Capital/Project	m Advanced 3D printer			\$ 7,500.00		For more detailed prototyping (quantity - 3)	7,500
Capital/Project	n Panoramic Video camera			\$ 2,000.00		For 3D video work (quantity - 2)	2,000
Capital/Project	o Audio equipment			\$ 5,000.00		Various audio components (microphones, recorder, etc.)	5,000
Capital/Project	p Live Streaming Studio			\$ 12,000.00		Includes camera, switcher, computer, etc	12,000
Capital/Project	q Digital photo cameras			\$ 4,000.00		For digital design and photography	4,000
Capital/Project	r Internet of things devices			\$ 4,000.00		IoT devices, such as smart home devices for development	4,000
Capital/Project	s Aerial Drones for Beginners			\$ 4,000.00		For learning about aeronautics and for imaging (5 needed)	4,000
Capital/Project	t Advanced drone			\$ 5,000.00		For teaching courses on advanced licensing and imaging, 3D mapping, infrared imaging, etc.	5,000
Capital/Project	u Arduino Kits			\$ 2,398.00		For Teaching intro to robotics and projects (quantity - 20)	2,398
Capital/Project	v Jetson Nano kits			\$ 9,000.00		For machine learning projects (quantity - 15)	9,000
Capital/Project	w Esport equipments			\$ 220,000.00		Full computer build components (memory, ssd, mother boards, building gaming computers for Esports) (quantity - 5); viewing screen	220,000
Capital/Project	x Networking raks (switches routers etc.)			\$ 6,000.00		(quantity - 5)	6,000
Capital/Project	y Raspberry pi			\$ 4,800.00		set of 30	4,800
Capital/Project	z Vex			\$ 6,000.00		V5 Classroom Starter Bundle	6,000
Capital/Project	aa Steam deck			\$ 1,400.00		portable computers for game proگرامing (quantity - 2)	1,400
Capital/Project	ab Cybersecurity tools			\$ 5,000.00		Cybersecurity equipment and softwares	5,000
Capital/Project	ac Color laser printers			\$ 4,000.00		(quantity - 2)	4,000
Capital/Project	ad Display panels			\$ 16,000.00		(quantity - 2)	16,000
Capital/Project	ae Portable projectors			\$ 2,000.00		(quantity - 2)	2,000
Capital/Project	af Network storage			\$ 5,000.00		(quantity - 2)	5,000
Capital/Project	ag Virtual Machine servers			\$ 12,000.00		(quantity - 2)	12,000
Capital/Project	ah Miscellaneous cabling and equipment			\$ 5,000.00			5,000
							992,898
	2 Salaries						
	Description						
In-Kind	a Researcher and knowledge expert in innovation and entrepreneurship		\$ 5,17(1)			New position (in-kind, Keyano College) - subject matter expert to provide programming and training for entrepreneurs; establish a sustainable framework for the tech hub, including the long term sustainability of the project through additional grant funding to tri-council and other agencies.	5,17(1)
Capital/Project	b Project Manager					New (term) position - for the duration of the project; responsible for the planning, organizing and directing of the project to a successful completion in accordance with the project agreement.	
In-Kind	c Project Administrative Coordinator					In-kind, Keyano College (2024/25) - for the duration of the project; supports the Project Manager with administrative duties required for the successful planning, organizing and directing of the project to a successful completion.	
Operational/Ongoing	d Broadcast Coordinator (Esports)					New (part-time) position - dedicated broadcast support for the Esports arena and training for entrepreneurs and start-up operating in the Esports space.	
In-Kind	e Business Counsellor					In-kind support provided by Community Futures.	
In-Kind	f Startup YMM Facilitation					In-kind support provided by Start-up YMM	
In-Kind	g Startup YMM Makerspace programming and tech support					In-kind support provided by Start-up YMM	
	h						
							1,023,667
	3 Travel						
	Description						
Capital/Project	a Travel outside the region		10,000			Travel within Alberta to view other spaces and learn how best to maximize available space for the Tech & Innovation Centre	10,000
	b						0
	c						0
	d						0
	e						0
	f						0
	g						0
	h						0
	i						0
	j						0
	k						0
	l						0
	m						0
							10,000

Revenue Secured			
<i>Description</i>	<i>Source</i>	<i>Organization/Collaborator</i>	<i>Amount (\$)</i>
Government of Alberta	Northern and Regional Economic Development Program (NRED)	Community Futures	\$ 200,000
Donation	Letter of Support	Fort McMurray Economic Development and Tourism	\$ 99,000
Donation	Letter of Support	Pathways Alliance	\$ 30,000
In-Kind Revenue	Internally and Externally Generated	Keyano College & Community Partners	\$ 925,348

Other Funding Sources		
<i>Description</i>	<i>Organization/Collaborator</i>	<i>Amount (\$)</i>
Grant	Prairies Can	\$ 812,474

Project Details, Estimated Schedules: Project Plan									
RMWB Fiscal (Jan - Dec)									
2024		2025				2026			
Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Project planning		Predesign	Design		Construction			Opening & Implementation	
Keyano Fiscal (Jul - Jun)									
2024-25				2025-26				2026-27	
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Project Planning		Predesign	Design		Construction			Opening & Implementation	



INVESTING IN A TECHNOLOGY HUB FOR WOOD BUFFALO

Strategic partnerships in technology,
innovation and entrepreneurship for community
economic development.

PROJECT DESCRIPTION

The primary objective of this project is to build a technology (tech) hub that fosters the growth and development of technology-related industries, start-ups, entrepreneurs, and innovation. It aims to concentrate various resources such as talent, infrastructure, funding, and supportive services, to create an eco-system that promotes collaboration, networking, and the exchange of ideas among individuals and organizations involved in technology.

Technology, innovation, and entrepreneurship related activities in Fort McMurray Wood Buffalo (FMWB) currently are dispersed within the community. To

that end, this project is intentional in co-locating the various tech-related resources currently being provided by major organizations in the community around e-sports, software development, computer systems, artificial intelligence, business incubation and training, and seed funding. Keyano College, Fort McMurray Wood Buffalo Economic Development and Tourism (FMWBEDT), Community Futures, and the Wood Buffalo Regional Innovation Network (WBRIN) are joining forces to build a tech hub that supports the needs of entrepreneurs, innovators, and businesses, diversify the local economy, and create job opportunities.

VARIOUS ELEMENTS SURROUNDING THE PROPOSED TECH-HUB



PARTNERSHIP

The success of this project relies on strong partnerships between Keyano College, FMWBEDT, Community Futures and WBRIN. These organizations have a strong history of collaboration, including resource and knowledge sharing.

As provided in the table below, each partner will play a specific role in ensuring the success of this project.

NAME OF PARTNER AGENCY	ROLES AND RESPONSIBILITIES
KEYANO COLLEGE	<ul style="list-style-type: none"> • Provide space for a technology hub; first of its kind in FMWB. • Provide technical, research and academic expertise to support technology, innovation, and entrepreneurship. This includes a Researcher and Knowledge Expert in: Innovation and Entrepreneurship and in Science and Technology. • Provide training to support technology, innovation, and entrepreneurship. • Serve as a feeder of entrepreneurs and innovators through its academic programs.
FMWBEDT	<ul style="list-style-type: none"> • Through Start-up YMM, provide a flexible, creative, inspiring space that encourages collisions across the entrepreneurial eco-system. • Provide access to other entrepreneurs and innovators in the community and province. • Provide entrepreneurship support through programming and entrepreneurial supports
COMMUNITY FUTURES	<ul style="list-style-type: none"> • Services to small businesses, including business counselling. • Financial supports. • Entrepreneurship and small business-related training. • Business networking events.
WBRIN	<ul style="list-style-type: none"> • Through the Makers Space located at Start-up YMM, provide the space and use of equipment to support the technology hub; specifically, a 3-D printer, virtual reality headsets, computer with coding software, and laser cutters.

MARKET DEMAND

The market demand for technology hubs has been consistently high in recent years and is expected to continue growing in the foreseeable future. Several factors contribute to the strong market demand for technology hubs: access to talent, start-up eco-system, resources, networking and collaboration, infrastructure and support services, and investment opportunities. These factors are evident in FMWB. For example, Westwood High School is home to the world's top youth performers in technology and innovation, ranking number one in world competitions and placing among the top 5 in provincial competitions. Some youth have created market products valued at over CND 7 million. Despite these youth's regional and international success, FMWB cannot retain them in the community due to a lack of a tech hub with the necessary start-up eco-system, infrastructure, support services and access to resources to help them thrive. As a result, we lose several youth and small businesses to other communities and provinces where they can access these supports more readily. Recent data shows that over Westwood High School alone has lost over 20 students to other regions. For example, aftersell: www.aftersell.com and Beam: www.newventuresbc.com/2022/08/top-25-spotlight-beam-commerce/, created by Dhruv Patel (Founder) and London Fuhr (Senior developer) graduated from Westwood High School. Despite efforts to keep them in the region, they decided to move elsewhere due to the lack of technology and innovation infrastructure to support their entrepreneurial endeavors.

Aside from youth in the region, businesses also suffer from the absence of a tech hub in the community,

as indicated by the letters of support provided by businesses and organizations. The absence of a tech hub in the community can also negatively impact the future economic growth and development of FMWB. According to the 2021 Fort McMurray Wood Buffalo labour study, an overview of the 5-year labour forecast of FMWB shows the employment demand in the region to be between 78,728 and 93,073 people. On average, the broad occupation categories with the largest growth in employment demand are the Trades, transport and equipment operators and related occupations, sales and services occupations, and natural and applied sciences and related occupations (including computer and technology-related fields).

This is evident in the tremendous interest shown toward Keyano College's new Computer Systems Technology Diploma program. Following approval less than a month to the start of classes in September 2023, the program has approximately 30 registered students. Further growth in the program is expected in the coming years, with projections of 50 additional students per intake. With the additional talent attraction to Fort McMurray Wood Buffalo due to these programs, we estimate that over 10 entrepreneurs, jobs and resulting spin-off businesses and start-ups will emerge as a result.

In addition, a recent labour market study commissioned by Keyano College and Hermes (and completed by Wilde & Associates) indicates that technologies that employ Artificial Intelligence will create over \$50 Trillion in economic impact in Alberta by the year 2025 and have the potential to

increase productivity by over 40% (Source: McKinsey & Company). This includes \$9 billion in the Esports industry. In the last year alone, Canadian employment in Information and Communications Technology (ICT) roles grew by 9.7%, and LinkedIn data suggests that looking forward, global employment in digital roles will increase by another 363%—led by jobs in software development, cloud technologies, and data analysis, machine learning (ML), and AI (Source: ICTC report dated March 2021, Building Canada's Future AI Workforce In the Brave New Post Pandemic World). Digital and game design have demonstrated a very rapid growth of 25.7%, with an array of sectors such as military, nuclear engineering, aviation, special warfare, cryptology, and counter-intelligence identifying Esports participants as having desirable technological skills and soft skills (such as detail-oriented and working toward long-term goals, problem solvers under time pressures, perseverance in the face of frustration and roadblocks).

The launch of the new Esports arena, which will be a part of the tech hub, is expected to not only drive professional Esports and grassroots gaming activities but also support entrepreneurial activities such as Esports game development, Esports marketing and promotion, Esports streaming platform creation and Esports recruitment. With significant interest from the high schools to offer dual credit in Esports, high school students are a primary target group with an estimate of at least one start-up per year as a result.

The labour market report also shows a clear demand for computer and technology professionals locally, regionally, and provincially. As stated in the report,

"between 2018 and 2021, the number of Alberta technology companies almost tripled from 1,238 companies to 3,083 with close to 40% of those companies' exceeding revenues of \$1 million – a 66% increase since 2018." Similar trends can be found nationally as well. According to the labour market study, "on a sector basis, the IT services and software categories are projected to account for 82% of job gains in 2021, reflecting the ongoing trends of IT modernization and digital transformation." Fort McMurray Wood Buffalo is also poised for growth in this area. As mentioned earlier, labour market trends show an annual growth of 50 students per year in the Computer Systems Technology program and an additional 40-plus per year in Artificial Intelligence and Machine Learning. With the anticipated growth in talent attraction and the ample room for businesses to grow and flourish in this space, we estimate over 2 new businesses being created and wanting to capitalize on the first-mover advantage. With each new business, we project over 10 additional jobs being created as a result.

As evidenced by the matching funds received for this project, by creating a technology, innovation and entrepreneurship eco-system that constitutes the key elements of access to talent, a start-up eco-system, access to resources, networking and collaboration, infrastructure and support services, and investment opportunities, youth, businesses, innovators and entrepreneurs in FMWB can thrive and benefit from the economic growth projected regionally, provincially and nationally.

KEY PROJECT ACTIVITIES

With its focus on delivering valuable programs, advice, and access to support, the tech hub will promote collaboration among innovators, entrepreneurs, and industry experts. Key activities under this project include:

- 1. Retrofitting:** This involves retrofitting donated space by Keyano College into a community Technology and Innovation Centre. This space will be available to members of the public and businesses. The Technology and Innovation Centre will be equipped with state-of-the-art equipment to meet requirements for computer information technology, Esports innovation, and tech entrepreneurship. The renovation and retrofitting work will result in offering various possible incubation spaces, connection to educational seminars and mentors, and participation in an innovation community.
- 2. Establishing a tech hub:** Keyano College, WBRIN, Community Futures, FMWBEDT, and other community partners will work together to ensure that the project establishes a tech hub that is sustainable and meets the vision for technology, innovation and entrepreneurship. In addition, subject matter experts and researchers in innovation and entrepreneurship, and science and technology and an entrepreneur-in-residence will be brought on board to supplement the existing initiatives of community organizations such as FMWBEDT (through Start-up YMM) and Community Futures. The collaborative efforts between these entities will foster synergy and enable our project to lead start-up competitions, applied research opportunities and offer guidance to emerging professionals. Leveraging the resources within the tech hub, these individuals will have the necessary support to develop thriving and sustainable businesses.
- 3. Training and provision of skilled labour:** Keyano College has the added advantage of offering credit and non-credit programs in computer systems and technology, Esports management, and business. Through this project, community members will have access to a wide range of hands-on training including in software, networking and cybersecurity, entrepreneurship and business management. This will be done in partnership with other institutions with similar programs in Alberta and Community Futures Fort McMurray to not duplicate programming and efforts.
- 4. Expert advice:** the tech hub will be a go-to venue for expert advice and industry experts on technology, innovation and entrepreneurship. This will be further supported by the researchers and knowledge experts, entrepreneur in residence and business counsellor, who will be dedicated to supporting innovators and entrepreneurs and providing access to additional grant funding for applied research initiatives, product testing

and scale-up. The project will facilitate business registration services by liaising with Alberta Registry and the RMWB for on-site in-person supports on a weekly basis.

5. **Providing improved technology access to the public:** the project stakeholders will create a system to allow seamless access to the expertise and services provided through the tech hub. This would allow community members, businesses, and entrepreneurs (including high school students and youth) to avail of the technology and innovation centre, the makerspace, the e-sports arena and services provided by community futures. Furthermore, independent emerging innovators can access the space, in addition to creating an environment for ideas testing, product testing, scale-up, and patenting.
6. **Supporting industry and businesses in the technology, innovation, and tech entrepreneurship space:** a crucial outcome of this project is supporting industry and businesses to help diversify the local economy further. Through education and training, industry and business development, access to infrastructure and, research and development support, the project will enhance intrapreneurship to promote entrepreneurial and innovative behavior. In addition, the project will help businesses adopt new technologies and act on new ideas and initiatives.

Through the alignment of our proposed objectives with strategic industry partnerships, we anticipate remarkable outcomes in terms of trained professionals and the advancement of innovation and tech entrepreneurship. By leveraging our key activities, we project that over 1,000 individuals in the long term will receive comprehensive training, equipping them with the necessary skills to excel in the tech industry. This influx of trained professionals will not only meet the growing demand for skilled talent but also contribute to the overall development and expansion of the technology, innovation, and entrepreneurship eco-system.

The convergence of our proposed objective and industry partnerships holds immense potential for the technology and innovation sector. With our comprehensive training programs and strategic collaborations, we envision a significant upsurge in the number of skilled professionals contributing to tech entrepreneurship. This growth will not only meet the needs of the industry but also position our region as a hub for technological innovation. Through our collective efforts, we aim to create a thriving eco-system that fosters innovation, propels entrepreneurship, and cements our position as a leader in the ever-evolving world of technology.

BENEFITS AND ECONOMIC IMPACT

The proposed technology hub has several benefits, including:

1. **Support SMEs & entrepreneurship:** The investment in space, equipment, and materials opens doors for innovation and entrepreneurship among those who utilize these resources. By providing access to well-equipped spaces, individuals can explore their creative ideas and pursue entrepreneurial ventures. This initiative fosters a culture of innovation and empowers aspiring entrepreneurs to turn their concepts into reality. Moreover, not only college students but also high school students, including those from Westwood High School, would have the opportunity to utilize these spaces and benefit from the resources available.
2. **Community investment and local economic impact:** The establishment of a cutting-edge learning space and tech hub available to local businesses provides a valuable resource for their operations and employee development. Equipped with state-of-the-art technology, this initiative ensures that businesses have access to the tools and infrastructure needed to stay at the forefront of their respective industries. By offering a collaborative environment and advanced resources, the learning space and tech hub support innovation, knowledge sharing, and skill enhancement among local businesses. This, in turn, contributes to the overall growth and competitiveness of the business community in FMWB.

This entrepreneurial eco-system further strengthens the local economy and fosters a vibrant business environment. The presence of such a resource signals the region's commitment to providing a supportive infrastructure for businesses and individuals alike. By investing in the learning space and tech hub, FMWB positions itself as a desirable destination for aspiring professionals, entrepreneurs, and start-ups. This initiative not only enriches the local business landscape but also contributes to the region's long-term economic growth and sustainability.

3. **Training and skills development:** Keyano College will collaborate with community partners like Community Futures and FMWBEDT to deliver tailored entrepreneurship training programs that cater to the specific requirements of local businesses. Keyano College will provide a venue for these training sessions, which may include summer programs and specialized training for aspiring entrepreneurs. By offering a range of educational initiatives to entrepreneurs and businesses, participants can enhance their knowledge and expertise in relevant areas. This focus on training ensures that entrepreneurs are equipped with the necessary skills to thrive in today's rapidly evolving landscape. Through hands-on experiences and practical learning, participants will gain valuable insights and competencies that will empower them in their careers.

4. **Local job creation and talent retention:** A minimum of four jobs will be created to help execute this project. In addition, there will be spin-off jobs created through the technology and innovation centre and overall tech-hub space through student-led projects, entrepreneurial activities and engagement with businesses. Through this project, the partners will help build the capacity of businesses to expand and hire more tech-related positions (using Keyano's tech-related programs as leverage for accessing top talent from across the globe). Lastly, there are no programs or tech-related programming to help attract and retain talent in the region, which is why this program is critical. Having a state-of-the-art tech hub will allow youth, entrepreneurs and start-ups to flourish in a rural/regional community.
5. **Local procurement:** The project would potentially bring indirect benefits through expansion of local businesses in the region. As the project requires equipment and materials,

local businesses will have the opportunity to contribute by supplying these resources. This collaboration not only supports the endeavors of Keyano College but also promotes a symbiotic relationship between the College and the local business community. By actively engaging with local businesses, the project helps diversify the local economy, reducing dependence on the oil and gas sector and fostering a more resilient and dynamic business environment. By sourcing equipment and materials from local businesses, the project creates a positive economic ripple effect within the community. This collaboration provides a boost to local businesses, allowing them to showcase their products and services, generate revenue, and potentially expand their operations. The project's commitment to supporting local businesses aligns with the broader goal of driving economic growth and sustainability in the region.

ECONOMIC OUTCOMES	MEASUREMENT		
	YEAR 1	YEAR 2	YEAR 3
Entrepreneurship Training	Establish a baseline for the number of entrepreneurs and innovators accessing small business services from the tech hub.	Increase the number of entrepreneurs and innovators accessing small business services through the tech hub by 5% over the baseline.	Increase the number of entrepreneurs and innovators accessing small business services through the tech hub by 8% over the baseline.
Technology Start-ups and/or Small and Medium-Scale Enterprises (SMEs)	Foster the creation, scale-up and growth of at least one Esports and computer technology start-up and/or SMEs.	Foster the creation, scale-up and growth of at least two Esports and computer technology start-ups and/or SMEs.	Foster the creation, scale-up and growth of at least three Esports and computer technology start-ups and/or SMEs.
	Provide information and support for at least 100 innovators, entrepreneurs, start-ups and SMEs through the tech hub.	Provide information and support for at least 300 innovators, entrepreneurs, start-ups and SMEs through the tech hub.	Provide information and support for at least 500 innovators, entrepreneurs, start-ups and SMEs through the tech hub.
Highly Qualified Personnel (HQP) and non-HQP (including STEM) Jobs	N/a	Create and fill 3 non-HQP jobs.	Create and fill 5 non-HQP jobs.
Tourism and Events/ Revenue Generation	Leverage the tech hub to drive technology tourism to the region by hosting at least one innovation and tech-related conference, workshop, and/or TED Talk. A conference with approximately 70 participants from out of town will result in a direct economic impact of approximately \$147,000, with 38 jobs created.		
Industry Development and Economic Diversification	Facilitate the delivery of 1 training and/or information session to increase the knowledge and awareness around the usage of technology and innovation to enhance regional economic diversification efforts	Facilitate the delivery of 2 training and/or information sessions to increase the knowledge and awareness around the usage of technology and innovation to enhance regional economic diversification efforts	Facilitate the delivery of 3 training and/or information sessions to increase the knowledge and awareness around the usage of technology and innovation to enhance regional economic diversification efforts

SUSTAINABILITY

Keyano College and the partners involved in this project recognize the importance of the sustainability of this project beyond the three years of funding provided by Prairies Canada. The following will be implemented to ensure the longevity and success of this project beyond 2026:

1. **Additional Funding Sources:** the researchers and knowledge experts in innovation and entrepreneurship and science and technology will be tasked with seeking additional grant funding, including from the tri-council agencies. Keyano College is tri-council approved, which gives access to a larger grant funding pool.
2. **Cultivating Relationships with Stakeholders:** leaders and partners of the tech hub will engage and build relationships with stakeholders interested in the tech-hub initiative. This may include government officials, international tech companies and investors. Establishing strong connections opens doors to additional funding and partnerships.
3. **Revenue generation:** associated elements of the tech hub, such as the Esports arena, will be revenue-generating. Revenue generated will go towards the overall sustainability of the tech hub.
4. **Partnerships:** this project will focus on building partnerships and collaborative opportunities with other organizations or projects that align with this initiative. This can lead to shared resources, joint funding opportunities and increased visibility.

WHY KEYANO COLLEGE IS POSITIONED TO LEAD THIS PROJECT

Post-secondary institutions are vital and well-positioned to lead and deliver innovative programming and services. This is due to the access to talent pool, commitment to research and innovation, collaboration opportunities and access to additional infrastructure and services that complement a tech hub.

As a small community College, Keyano College boasts of having personalized services that integrate students, businesses, and community partners into the academic and social fabric of the institution. This is vital because entrepreneurs need a strong ecosystem to succeed and thrive. Entrepreneurs and start-ups can also tap into the college's vast network of partnerships with other post-secondary institutions. For example, Keyano College has signed an MOU with Northwestern Polytechnic to collaborate and support technology and innovation activities in the north.

The College also has experience successfully implementing and managing large-scale, multi-year projects. This success can be attributed to our commitment to accountability, transparency, and the advancement of Fort McMurray Wood Buffalo. The College holds itself accountable to its commitments within its projects and creates effective and appropriate channels, comprehensive evaluation tools and transparent reporting to the college community and its funders. In addition, the college has faculty and staff with knowledge and hands-on experience leading innovation programming and services, with experienced project managers with the Project Management Professional Designation, and evaluators who can help to provide oversight for this project.

The following individuals at the College will lead key aspects of this project:

Dr. Coert Erasmus – *Dean, Business, University Studies, and Academic Upgrading*

Dr. Nermin Zukic – *Chair, Business Programs*

Dr. Sandra Efu | PMP – *President (interim)/ VP Academic and Student*

Experience **Dr. Jeremiah Iyamabo** – *Faculty, Business Programs*

Dr. Indika Arachchi – *Chair, Trades and Technology Programs*

INVESTMENT OPPORTUNITY

We are currently seeking financial partners to support our project to create a technology hub that fosters the growth and development of technology-related industries, startups, entrepreneurs, and innovation. The goal is to concentrate resources such as talent, infrastructure, funding, and supportive services to create an ecosystem that promotes collaboration,

networking, and exchanging ideas among individuals and organizations involved in technology. **An investment of up to \$1,000,000 is crucial to match the \$1.4 million investment from Prairies Canada** (this investment is reliant on the project's ability to match the fund). All donation stewardship is to be decided jointly with investment partner(s).

CURRENT INVESTMENT	
FMWBEDT	\$100,000.00
COMMUNITY FUTURES	\$45,000.00
WBRIN	\$45,000.00
KEYANO COLLEGE	\$200,000.00
NRED	\$200,000.00
PRAIRIES CANADA	\$1,400,000.00
TOTAL	\$1,990,000.00
FUNDING GAP	\$1,000,000.00

Logic Model Table for Keyano College's Technology Hub Project

Component	Inputs	Activities	Outputs	Short-Term Outcomes	Medium-Term Outcomes	Long-Term Outcomes	Assumptions	External Factors
Description	Financial resources Human resources Material resources (i.e., donated space, equipment) Partnerships with key organizations (e.g., Community Futures and Fort McMurray Wood Buffalo Economic Development and Tourism)	Retrofitting space at Keyano College Offering training programs (e.g., tech, entrepreneurship, eSports) Providing mentorship and support services for start-ups Creating access to technology resources for the public and businesses	Number of training programs delivered Number of participants trained Number of businesses and members of the public provided access to advanced technology (e.g., 3D printers, VR equipment, eSports tools)	Increased knowledge and skills for participants Increased access to business and entrepreneurship services Creation of new start-ups Retention of local talent Skill development among local entrepreneurs	Growth of start-ups and SMEs Job creation in tech sectors Expansion of existing businesses Retention of local youth talent Creation of 3-5 new tech start-ups or businesses Increased demand for business services through the Technology Hub	Fort McMurray becomes a sustainable technology and innovation hub Economic diversification beyond oil and gas Significant increase in the tech industry's contribution to local GDP Continuous creation of tech-related jobs Recognition as a tech-driven community	Funding and partnerships secured for the entire project Successful collaboration among stakeholders Active community participation and engagement Availability of talent to train and mentor others Sufficient local interest in business support services	Economic downturns Changing political landscape Competition from other regions for talent Delays in securing additional funding Community resistance to technology adoption Limited private sector investment in local businesses

Key Indicators	Funding secured from various sources	Number of training programs delivered annually	15 training programs delivered annually	5% increase in the number of entrepreneurs accessing services.	3 new start-ups and SMEs created by Year 3	Fort McMurray recognized as a tech hub by Year 5	Availability of \$1,000,000 in fundraising to meet the gap.	Changes in the economic environment (recession, unemployment)
	Partnerships formed	Number of mentorship sessions and participants	1,000 participants trained by Year 3	At least one new start-up created by Year 1	Job creation: 5 new tech-related jobs by Year 3	Increased external investments and partnerships with the Technology Hub	Community support for the project.	Competition from nearby tech hubs
	Staff hired (experts in tech, entrepreneurship, innovation)	Number of public access bookings for Makers Space equipment	500 entrepreneurs and businesses supported by Year 3	80% of participants report improved skills in entrepreneurship, technology, or business after training	Increase in revenue and market presence for start-ups and SMEs	20% of new economic activity driven by tech-related sectors by Year 5	Active participation from regional partners	Delays in fundraising or external investments
	Equipment installed (e.g., 3D printers, VR headsets, eSports arena, software tools)	Collaboration between stakeholders and project teams maintained	200 public access bookings annually.	Skill improvement and participant satisfaction	Retention of local talent by reducing youth outflow by 10%	Significant contribution of tech to GDP growth in the region	Consistent local demand for business support and mentorship services	Political changes affecting public funding
			Participant feedback and satisfaction with services provided by the Tech Hub				Stakeholder commitment to long-term collaboration	Market demand for technology and innovation solutions fluctuating over time

KEYANO COLLEGE

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

DRAFT COPY

KEYANO COLLEGE
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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KEYANO COLLEGE
STATEMENT OF MANAGEMENT RESPONSIBILITY
YEAR ENDED JUNE 30, 2024

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

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has developed and maintains a system of internal controls designed to provide reasonable assurance that 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.

Sandra Efu, PMP, Ph.D.
Interim President & CEO

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

KEYANO COLLEGE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	2024	2023
Financial assets excluding portfolio investments restricted for endowments		
Cash and cash equivalents (note 4)	\$ 45,669,935	\$ 14,480,416
Portfolio investments - non-endowment (note 5)	6,134,419	5,436,869
Accounts receivable (note 7)	3,149,519	3,399,258
Inventories held for sale	273,122	211,163
Loan receivable (note 8)	209,843	242,357
Investment in and advances to government business enterprises (note 9)	10	22,927,535
	55,436,848	46,697,598
Liabilities		
Accounts payable and accrued liabilities	12,124,434	4,823,301
Debt (note 11)	10,250,499	11,679,781
Deferred revenue (note 12)	39,554,678	27,857,928
Liability for contaminated sites (note 13)	1,174,471	929,611
Asset retirement obligations (note 14)	5,013,989	5,369,765
	68,118,071	50,660,386
Net debt excluding portfolio investments restricted for endowments	(12,681,223)	(3,962,788)
Portfolio investments - restricted for endowments (note 5)	9,266,934	8,213,251
(Net debt)/net financial assets	(3,414,289)	4,250,463
Non-financial assets		
Tangible capital assets (note 15)	107,345,701	92,062,246
Prepaid expenses	932,591	1,208,268
	108,278,292	93,270,514
Net assets before spent deferred capital contributions	104,864,003	97,520,977
Spent deferred capital contributions (note 16)	44,866,259	46,095,762
Net assets (note 17)	\$ 59,997,744	\$ 51,425,215
Net assets is comprised of:		
Accumulated surplus	\$ 59,372,607	\$ 51,212,753
Accumulated remeasurement gains	625,137	212,462
	\$ 59,997,744	\$ 51,425,215
Contractual rights (notes 20)		
Contingent liabilities and contractual obligations (note 19), (note 21)		
Approved by the Board of Governors (note 29)		

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

KEYANO COLLEGE
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED JUNE 30, 2024

	Budget (note 28)	2024	2023
Revenues			
Government of Alberta grants (note 24)	\$ 38,786,412	\$ 37,066,607	\$ 37,288,141
Student tuition and fees	18,690,255	27,059,588	12,409,487
Sales of services and products (note 9)	7,926,326	10,277,026	8,916,126
Federal and other government grants (note 24)	2,128,790	2,265,333	1,938,921
Investment income	400,000	2,028,679	949,809
Donations and other grants	1,581,166	1,065,144	1,143,713
Investment in government business enterprise (note 9), (note 26)	1,290,000	(27,876)	1,139,824
Gain on sale of tangible capital assets	-	-	4,000
	70,802,949	79,734,501	63,790,021
Expenses (note 22)			
Instruction and training	22,118,922	22,169,552	19,228,474
Academic and student support	13,585,140	14,382,141	11,584,680
Facility operations and maintenance	15,069,610	13,400,926	14,794,483
Institutional support	12,898,667	12,260,281	11,856,698
Ancillary services	5,899,602	7,723,639	5,669,219
Special purpose and Trust	1,231,008	1,681,487	1,266,949
	70,802,949	71,618,026	64,400,503
Annual operating surplus (deficit)	-	8,116,475	(610,482)
Endowment contributions and capitalized investment income			
Endowment contributions (note 17)	-	43,379	742,841
Endowment capitalized investment income (note 17)	-	-	107,975
Annual surplus	-	8,159,854	240,334
Accumulated surplus, beginning of year		51,212,753	50,972,419
Accumulated surplus, end of year (note 17)	\$ -	\$ 59,372,607	\$ 51,212,753

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

KEYANO COLLEGE
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
YEAR ENDED JUNE 30, 2024

	Budget (note 29)	2024	2023
Annual surplus	\$ -	\$ 8,159,854	\$ 240,334
Acquisition of tangible capital assets (note 15)	(5,274,000)	(20,426,672)	(5,113,174)
Amortization of tangible capital assets (note 15)	5,677,396	5,125,492	5,254,870
Loss on disposal of tangible capital assets (note 15)		17,725	334,629
Decrease in prepaid expenses		275,677	157,610
(Decrease) in spent deferred capital contributions (note 16)		(1,229,503)	(327,955)
Increase in accumulated remeasurement gains/(losses)		412,675	289,240
(Decrease) Increase in net financial assets		(7,664,752)	835,554
Net financial assets, beginning of year		4,250,463	3,414,909
(Net debt) net financial assets, end of year		\$ (3,414,289)	\$ 4,250,463

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

KEYANO COLLEGE
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
YEAR ENDED JUNE 30, 2024

	2024	2023
Accumulated remeasurement gains/(losses), beginning of year	\$ 212,462	\$ (76,778)
Unrealized gains attributable to:		
Portfolio investments - non-endowment	471,936	292,204
Amounts reclassified to the consolidated statement of operations:		
Portfolio investments - non-endowment	(59,261)	(2,964)
Change in accumulated remeasurement gains/(losses)	\$ 412,675	\$ 289,240
Accumulated remeasurement gains, end of year	\$ 625,137	\$ 212,462

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

KEYANO COLLEGE
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

	2024	2023
Operating transactions		
Annual surplus	\$ 8,159,854	\$ 240,334
Add (deduct) non-cash items:		
Amortization of tangible capital assets (note 15)	5,125,492	5,254,870
Loss on disposal of tangible capital assets	11,956	328,860
Gain on disposal of portfolio investments	(59,261)	(2,964)
Expended capital contributions recognized as revenue (note 16)	(2,294,629)	(2,150,419)
Investment earnings in government business enterprise (note 9)	(27,876)	(1,139,824)
Government business enterprise non-cash interest revenue (note 9)	(18,828)	(310,578)
Change in non-cash items	10,896,708	2,220,279
(Increase) decrease in accounts receivable (note 7)	249,739	(4,358)
Increase in inventories for held for sale	(61,959)	(18,671)
Increase (decrease) in accounts payable and accrued liabilities	7,301,132	(1,808,078)
Increase in deferred revenue (note 12)	10,983,859	9,431,878
Increase in liability for contaminated sites (note 13)	244,860	-
(Decrease) increase in asset retirement obligations (note 14)	(355,776)	194,214
Decrease in prepaid expenses	275,677	157,610
Cash provided by operating transactions	29,534,240	10,172,874
Capital transactions		
Acquisition of tangible capital assets (note 15)	(3,294,903)	(5,113,174)
Proceeds on sale of tangible capital assets	5,769	5,769
Cash applied to capital transactions	(3,289,134)	(5,107,405)
Investing transactions		
Loan receivable repayments (note 8)	32,514	31,589
Repayment of advances to government business enterprise (note 9)	5,842,460	618,184
Purchases of portfolio investments	(2,177,475)	(3,794,559)
Proceeds on sale of portfolio investments	1,611,070	3,272,387
Cash provided by investing transactions	5,308,569	127,601
Financing transactions		
Debt repayment (note 11)	(1,429,282)	(1,375,839)
Increase in spent deferred capital contributions, less expended capital contributions recognized as revenue (note 16)	1,065,126	1,822,464
Cash (applied to) provided by financing transactions	(364,156)	446,625
Increase in cash and cash equivalents	31,189,519	5,639,695
Cash and cash equivalents, beginning of the year	14,480,416	8,840,721
Cash and cash equivalents, end of the year	\$ 45,669,935	\$ 14,480,416

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

KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

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

a) Use of estimates

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, 2024

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, 2024

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

iii) Sales of services and products

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

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

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

iv) Student tuition and fees

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

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

v) 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.

vi) Investment income (loss)

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.

KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

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.

f) Tangible capital assets

Tangible capital assets are recognized at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets, and costs associated with asset retirement obligations. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. Work-in-progress, which includes facilities and improvement projects 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.

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

KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

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 expenses.

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.

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.

KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

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. For the period ending June 30, 2024, 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.

On November 30, 2023 the Land Trust was dissolved and all assets were transferred to the College (note 26).

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.

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. The tangible capital assets include but not limited to assets in productive use, assets no longer in productive use, and leased tangible capital assets. Asset retirement activities include all activities relating to an asset retirement obligation. These may include, but are not limited to;

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

KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

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

- (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.

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.

KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

n) Future changes in accounting standards

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

- Effective April 1, 2026, The Conceptual Framework for Financial Reporting in the Public Sector. The Conceptual Framework is the foundation for public sector financial reporting standards. It replaces the conceptual aspects of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.
- Effective April 1, 2026, PS 1202 Financial Statement Presentation. Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework.

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

3. Adoption of new accounting policies and guidelines

PS 3400: Revenue

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

The College adopted this standard on a prospective basis and as a result, 2023 comparatives are not restated.

PSG-8: Purchased Intangibles

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

4. Cash and cash equivalents

	2024	2023
Cash	\$ 15,969,935	\$ 14,480,416
Guaranteed Investment Certificates	29,700,000	-
Unrestricted	<u>\$ 45,669,935</u>	<u>\$ 14,480,416</u>

On March 1, 2024 the College purchased \$29,700,000 worth of Guaranteed Investment Certificates. Interest accrued at year end is \$530,951 (2023 - \$nil) and is included in accounts receivable (note 7).

Cash equivalents include short term investments that mature within one year of the date of acquisition.

KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

5. Portfolio investments

	2024	2023
Portfolio investments - non-endowment	\$ 6,134,419	\$ 5,436,869
Portfolio investments - restricted for endowments	9,266,934	8,213,251
Total portfolio investments at fair market value	<u>\$ 15,401,353</u>	<u>\$ 13,650,120</u>

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

	2024			
	Level 1	Level 2	Level 3	Total
Bonds				
Canadian bonds	\$ 5,625,957	\$ -	\$ -	\$ 5,625,957
Equities				
Canadian equities	3,639,427	-	-	3,639,427
Foreign equities	5,676,884	-	-	5,676,884
Other				
Cash and money market	459,085	-	-	459,085
Total portfolio investments	<u>\$ 15,401,353</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,401,353</u>
	<u>100.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>100.0%</u>

	2023			
	Level 1	Level 2	Level 3	Total
Bonds				
Canadian bonds	\$ 5,332,041	\$ -	\$ -	\$ 5,332,041
Equities				
Canadian equities	3,333,662	-	-	3,333,662
Foreign equities	4,234,313	-	-	4,234,313
Other				
Cash and money market	750,104	-	-	750,104
Total portfolio investments	<u>\$ 13,650,120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,650,120</u>
	<u>100.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>100.0%</u>

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, 2024

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, 2024, if market prices had a 10% (2023 – 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 \$1,404,573 (2023 - \$1,212,602).

Foreign currency risk

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

Credit risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty to fully honor its financial obligations with the College. The College is exposed to credit risk on investments and has established an investment policy with required minimum credit quality standards and issuer limits to manage this risk. The credit risk from accounts receivable is low as the majority of balances are due from government agencies and corporate sponsors.

The credit risks on investments held are as follows:

	2024	2023
Credit rating		
AAA	23.3%	23.3%
AA	24.9%	24.8%
A	31.9%	32.0%
BBB	19.4%	19.4%
Below BBB	0.5%	0.5%
	100.0%	100.0%

Liquidity risk

Liquidity risk is the risk that the College will encounter difficulty in meeting obligations associated with its financial liabilities. The College maintained a short-term line of credit that was designed to ensure that funds were available to meet current and forecasted financial requirements in the most cost effective manner. As at June 30, 2024 the College has a revolving line of credit of \$nil (2023 - \$1.5 million). Beginning in 2024 the College moved excess cash of \$29,700,000 in guaranteed investment certificates that are redeemable upon demand.

KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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 2.7% of total investments (2023 - 2.8%). 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%	0.55%
Portfolio investments, Canadian government and corporate bonds	7.74%	35.78%	56.48%	3.00%

7. Accounts Receivable

	2024	2023
Trade receivables	\$ 665,121	\$ 1,227,510
Accrued receivables	1,839,761	683,729
Receivable from Guaranteed Investment Certificates (note 4)	530,951	-
Student receivables	393,812	374,525
Canada Revenue Agency (Goods and Services Tax)	125,066	232,878
Receivable from Foundation liquidation (note 27)	-	1,108,422
Less: Allowance for doubtful accounts	(405,192)	(227,806)
	<u>\$ 3,149,519</u>	<u>\$ 3,399,258</u>

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

Accrued receivables balance includes \$1,192,280 (2023 - \$263,628) from Government of Alberta departments and agencies.

Trade receivables balance includes \$150,324 (2023 - \$320,619) from other Government of Alberta departments and agencies. These amounts are also included in government transfers balance.

Included in the accounts receivable balance is \$nil (2023 - \$118,315) 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:

2025	\$ 33,486
2026	34,477
2027	35,497
2028	36,548
2029	37,629
Thereafter	32,206
Total at June 30, 2024	<u>\$ 209,843</u>
 Total at June 30, 2023	 <u><u>\$ 242,357</u></u>

KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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.

The Land Trust was dissolved effective November 30, 2023. Refer to Note 26.

Included in sales of services and products is \$nil (2023 - \$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 receivable includes an amount of \$nil (2023 - \$118,315) 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 was made, the Land Trust covenanted and agreed to accrue compounding interest monthly. The advances bore interest at a rate not to exceed the expected rate of return set by the investment policy of the College. As at June 30, 2024 the interest rate was nil (2023 - 2.41%). The College recorded interest income on the advances to the Land Trust of \$18,828 (2023 - \$310,578). The entire advance was repayed upon dissolution of the Land Trust (2023 - \$618,184).

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

	2024	2023
	\$ 10	\$ 10
100 Class "A" common voting shares⁽¹⁾		
Opening advances (note 26)	\$ 12,900,420	\$ 13,208,026
Interest on advances	18,828	310,578
Repayment on advances	(12,919,248)	(618,184)
Total advances to Keyano College Land Trust	-	12,900,420
Opening accumulated investment earnings	10,027,105	8,887,281
Current investment (loss) earnings (note 26)	(27,876)	1,139,824
Transfer of remaining net assets to Keyano College (note 26)	10,054,981	-
Total accumulated earnings	-	10,027,105
	\$ 10	\$ 22,927,535

⁽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, 2023, the LAPP reported an actuarial surplus of \$15,056,661,000 (December 31, 2022 - \$12,671,000,000). An actuarial valuation of the LAPP was carried out as at December 31, 2022 and was then extrapolated to December 31, 2023. The pension expense recorded in these consolidated financial statements is \$2,471,610 (2023 - \$2,273,508). 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, 2024

11. Debt

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

	Collateral*	Maturity	Interest Rate	2024	2023
Debentures payable to the Department of Treasury Board and Finance (note 23):					
Campus Development Project	1	June 2026	6.5%	\$ 823,141	\$ 1,197,427
Power & Process Lab	2	June 2032	2.9%	9,421,243	10,452,500
				<u>10,244,384</u>	<u>11,649,927</u>
Obligations under capital leases	3	Various	1.21%	6,115	29,854
				<u>\$ 10,250,499</u>	<u>\$ 11,679,781</u>

*Collateral:

- (1) Title to building with a net book value of \$2,935,030 (2023 - \$3,082,983) (note 15).
- (2) Title to the land for the College's Suncor Energy Industrial Campus main building with a net book value of \$45,715 (2023 - \$48,405)
- (3) Title to leased assets with a net book value of \$nil (2023 - \$21,873) (note 15).

Principal and interest repayments are as follows:

	Principal	Interest	Total
2025	\$ 1,477,654	\$ 320,698	\$ 1,798,352
2026	1,514,907	263,575	1,778,482
2027	1,123,656	203,928	1,327,584
2028	1,156,729	170,855	1,327,584
2029	1,190,776	136,809	1,327,585
Thereafter	3,786,777	195,977	3,982,754
Total at June 30, 2024	\$ 10,250,499	\$ 1,291,842	\$ 11,542,341
 Total at June 30, 2023	 \$ 11,679,781	 \$ 1,652,119	 \$ 13,331,900

Interest expense on debt is \$373,956 (2023 - \$427,400) (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:

	2024			2023	
	Unspent externally restricted grants and donations	Student tuition, fees and other revenue	Total	Total	
Balance, beginning of year	\$ 20,817,366	\$ 7,040,562	\$ 27,857,928	\$ 17,978,264	
Grants, tuition, and donations	11,727,810	34,954,377	46,682,187	34,748,438	
Investment income	1,095,573	-	1,095,573	487,452	
Unrealized (losses)/gains on investments	623,282	-	623,282	437,279	
Transfers to spent deferred capital contributions	(1,065,126)	-	(1,065,126)	(1,822,463)	
Other transfers	-	-	-	(3,847)	
Recognized as revenue	(8,254,771)	(27,384,395)	(35,639,166)	(23,967,195)	
Balance, end of year	\$ 24,944,134	\$ 14,610,544	\$ 39,554,678	\$ 27,857,928	

KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

13. Liability for contaminated site

The composition of liabilities is as follows:

	2024	2023
Balance, beginning of year	\$ 929,611	\$ 929,611
Addition to liabilities during the year	208,791	-
Change in estimate related to existing sites	36,069	-
Balance, end of year	<u>\$ 1,174,471</u>	<u>\$ 929,611</u>

As of June 30, 2024, the liability for contaminated sites includes remediation work at the Riedel student housing apartments, which is no longer in productive use, and the land lease site. The building contains asbestos, lead and mould which makes it unsafe for human occupation. The land contains soil contamination. The liability associated with remediation was calculated based on the environmental site assessment work carried out by third party experts. The liability was determined as the estimated future remediation cost discounted by the College's net borrowing rate of 4.90% (2023 - 5.22%) at June 30, 2024.

14. Asset retirement obligations

	2024	2023
Balance, beginning of year	\$ 5,369,765	\$ 5,175,551
Liability incurred	-	-
Liability settled	(100,123)	-
Accretion expense	-	-
Revision in estimates	(255,653)	194,214
(Decrease) increase in asset retirement obligations	<u>\$ (355,776)</u>	<u>\$ 194,214</u>
Asset retirement obligations, end of year	<u>\$ 5,013,989</u>	<u>\$ 5,369,765</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 may be subsequently remeasured at each financial reporting date taking into account any new information and the appropriateness of assumptions used. The estimate of the liability is based on third party quotes, legislation and professional judgement.

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

For the year ended June 30, 2024, a recovery of \$100,123 was recognized.

Included in ARO estimates is \$148,955 measured at its current estimated cost to settle or otherwise extinguish the liability. The College has measured AROs related to abatement of the hazardous asbestos fibre containing materials at its current value due to the uncertainty about when the hazardous materials would be removed.

KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

15. Tangible capital assets

	2024						2023	
	Land	Site Improvements	Buildings & Renovations	Equipment (1)	Computer Hardware & Software	Asset Retirement Obligations	Total	Total
Cost								
Balance, beginning of year	\$ 12,958,536	\$ 2,835,589	\$ 157,154,230	\$ 38,745,635	\$ 8,042,962	\$ 5,369,765	\$ 225,106,717	\$ 220,761,643
Change in estimates						(255,653)	(255,653)	-
Acquisitions ⁽²⁾	15,798,576	698	2,999,097	1,984,077		(100,123)	20,682,325	5,113,174
Disposals, including write-downs	-		(13,383)	(274,812)	(251,618)		(539,813)	(768,100)
	28,757,112	2,836,287	160,139,944	40,454,900	7,791,344	5,013,989	244,993,576	225,106,717
Accumulated Amortization								
Balance, beginning of year	\$ -	\$ 1,277,444	\$ 91,587,355	\$ 30,637,278	\$ 6,385,661	\$ 3,156,733	\$ 133,044,471	\$ 128,223,072
Amortization expense	-	516,699	2,134,702	2,194,487	269,886	9,718	5,125,492	5,254,870
Effects on disposals, including write-downs	-			(274,812)	(247,276)		(522,088)	(433,471)
	-	1,794,143	93,722,057	32,556,953	6,408,271	3,166,451	137,647,875	133,044,471
Net book value at June 30, 2024	\$ 28,757,112	\$ 1,042,144	\$ 66,417,887	\$ 7,897,947	\$ 1,383,073	\$ 1,847,538	\$ 107,345,701	\$ 92,062,246
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	

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

⁽²⁾ Acquisitions of \$20,682,325 include \$17,131,769 representing the net-book-value of investment property transferred from the Land Trust.

Buildings and renovations includes work-in-progress of \$2,335,189 (2023 - \$2,073,290). Computer hardware and software includes work-in-progress of \$87,801 (2023 - \$1,134,083). Equipment includes work-in-progress of \$2,799,814 (2023 - \$2,957,978).

Total cost of capital leases included in equipment is \$109,367 (2023 - \$109,367), accumulated amortization is \$109,367 (2023 - \$87,493) and amortization expense is \$21,873 (2023 - \$21,873).

KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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).

	2024	2023
Spent deferred capital contributions		
Balance, beginning of year	\$ 46,095,762	\$ 46,423,717
Transfers from unspent externally restricted grants and donations	1,065,126	1,822,464
Expended capital contributions recognized as revenue	(2,294,629)	(2,150,419)
Balance, end of year	<u>\$ 44,866,259</u>	<u>\$ 46,095,762</u>

17. Net Assets

	Accumulated surplus from operations	Investment in tangible capital assets	Internally restricted surplus (note 18)	Endowments	Total
Net assets, as at June 30, 2022	\$ 2,597,692	\$ 27,883,712	\$ 14,777,618	\$ 5,636,619	\$ 50,895,641
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	(3,290,710)	3,290,710	-	-	-
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	334,629	(334,629)	-	-	-
Net Board appropriation to internally restricted surplus	2,805,625	-	(2,805,625)	-	-
Change in accumulated remeasurement gains	289,240	-	-	-	289,240
Net assets, beginning of year - July 1, 2023	3,540,146	28,916,967	11,971,993	6,996,109	51,425,215
Annual surplus	8,116,475	-	-	-	8,116,475
Endowments					
New donations	-	-	-	43,379	43,379
Internal appropriation	-	-	-	-	-
Capitalized investment income	-	-	-	-	-
Tangible capital assets					
Acquisition of tangible capital assets	(1,215,851)	2,229,777	(1,013,926)	-	-
Investment property from Land Trust	-	17,131,769	(17,131,769)	-	-
Amortization of tangible capital assets	2,830,863	(2,830,863)	-	-	-
Debt repayment	(1,429,282)	1,429,282	-	-	-
(Decrease) increase in asset retirement obligations (note 14)	(355,776)	355,776	-	-	-
Net book value of tangible capital asset disposals	17,725	(17,725)	-	-	-
Net Board appropriation to internally restricted surplus	(7,557,533)	-	7,557,533	-	-
Change in accumulated remeasurement gains	412,675	-	-	-	412,675
Net assets, end of year as at June 30, 2024	4,359,442	47,214,983	1,383,831	7,039,488	59,997,744
Net assets is comprised of:					
Accumulated surplus	3,734,305	47,214,983	1,383,831	7,039,488	59,372,607
Accumulated remeasurement gains	625,137	-	-	-	625,137
Balance as at June 30, 2024	<u>\$ 4,359,442</u>	<u>\$ 47,214,983</u>	<u>\$ 1,383,831</u>	<u>\$ 7,039,488</u>	<u>\$ 59,997,744</u>

The College's closing net assets invested in tangible capital assets have been reduced by the College's asset retirement obligation of \$5,013,989 (2023 - \$5,369,765). A funding source for this obligation has not been determined.

KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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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, 2024 there was a transfer of \$7,557,533 (2023 - \$2,805,625) from the accumulated surplus from operations to internally restricted surplus (2023 - transfer from internally restricted surplus to accumulated surplus from operations).

19. Contingent liabilities

As of June 30, 2024, the College was named as a defendant in seven (2023: four) specific legal actions. The total claimed in two specific legal cases approximates \$20,000 (2023: \$15,000). For the other five claims, no specified amount has yet been claimed. 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 College becoming responsible for the site is not determinable, the amount of the liability cannot be estimated, or both.

The College's ongoing efforts to assess environmental liabilities may result in additional environmental remediation liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. 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 five years and thereafter are as follows:

	Operating Leases	Other Contracts	Total
2025	\$ 1,072,942	\$ -	\$ 1,072,942
2026	213,884	-	213,884
2027	66,044	-	66,044
2028	66,044	-	66,044
2029	63,529	-	63,529
Thereafter	37,323	-	37,323
Total at June 30, 2024	\$ 1,519,766	\$ -	\$ 1,519,766
Total at June 30, 2023	\$ 1,905,204	\$ -	\$ 1,905,204

KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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
2025	\$ 1,909,847	\$ 7,569,922	\$ 179,113	\$ 9,658,882
2026	1,111,597	-	225,585	1,337,182
2027	278,690	-	84,271	362,961
2028	251,348	-	14,380	265,728
2029	249,953	-	-	249,953
Total at June 30, 2024	<u>\$ 3,801,435</u>	<u>\$ 7,569,922</u>	<u>\$ 503,349</u>	<u>\$ 11,874,706</u>
Total at June 30, 2023	\$ 930,372	\$ 59,168	\$ 1,066,521	\$ 2,056,061

22. Expense by object

The following is a summary of expense by object:

	2024		2023
	Budget (note 28)	Actual	Actual
Salaries and benefits	\$ 42,424,664	\$ 44,238,656	\$ 39,668,417
Materials, supplies and services	14,848,323	14,098,646	12,272,339
Amortization of tangible capital assets	5,677,396	5,125,492	5,254,870
Repairs and maintenance	2,456,006	2,619,597	2,916,222
Utilities	2,697,587	2,475,665	2,406,166
Cost of goods sold	848,000	1,434,313	782,646
Scholarships and bursaries	1,336,700	1,251,701	672,443
Interest on debt (note 11)	514,273	373,956	427,400
	<u>\$ 70,802,949</u>	<u>\$ 71,618,026</u>	<u>\$ 64,400,503</u>

23. Related Parties

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

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, 2024

24. Government transfers

	2024	2023
Grants from Government of Alberta		
Advanced Education:		
Operating	\$ 27,080,606	\$ 27,080,606
Capital	4,099,605	9,699,605
Apprenticeship	1,244,381	248,362
Other	6,162,394	6,176,336
Total Advanced Education	38,586,986	43,204,909
Other Government of Alberta departments and agencies:		
Seniors, Community and Social Services	105,552	104,896
Transportation & Economic Corridors	17,900	
Skilled Trades and Professions	1,225	844,486
Jobs, Economy and Trade	-	(139,321)
Alberta Foundation for the Arts	-	12,093
Total other Government of Alberta departments and agencies	124,677	822,154
Total contributions received	38,711,663	44,027,063
Restricted expended capital contributions recognized as revenue	2,036,563	1,767,247
Add: change in deferred contributions	(3,681,619)	(8,506,169)
	\$ 37,066,607	\$ 37,288,141
Federal and other government grants		
Contributions received	2,327,855	1,914,456
Add: change in deferred revenue	(62,522)	24,465
	\$ 2,265,333	\$ 1,938,921

KEYANO COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

25. Salary and employee benefits

	2024				2023	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-Cash Benefits ⁽³⁾	Total	Total	
Governance						
Chair of the Board of Governors	\$ -	\$ -	\$ -	\$ -	\$ -	
Members of the Board of Governors	-	-	-	-	-	
Executive						
President & CEO	s.17(1)					
Interim President & CEO ⁽⁴⁾						
Vice-President Corporate Services & CFO						
Vice-President Academic & Student Experience ⁽⁵⁾						
Interim Vice-President Academic & Student Experience ⁽⁵⁾						
Vice President, Strategy & Business Transformation ⁽⁶⁾						
Associate Vice President, Strategy & Business Transformation ⁽⁷⁾						
Associate Vice-President People & Culture						
Vice President Infrastructure & Chief Information Officer ⁽⁸⁾						

- (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 2023 or 2024.
- (3) Other non-cash benefits include the College's share of all employee benefits and contributions or payments made on behalf of employees.
- (4) An interim contract was assigned to the President & CEO position, from May 2, 2024 to June 30, 2024 s.17(1)
- (5) On May 2, 2024 the Vice-President Academic & Student Experience signed a temporary contract to backfill the position of the President & CEO. A temporary contract employee held the Interim Vice-President Academic & Student Experience from June 17, 2024 to June 30, 2024.
- (6) One person occupied this position from July 1, 2023 until it was abolished on December 31, 2023.
- (7) Due to the abolishment of the position of VP Strategy & Business Transformation, the position of AVP Strategy & Business Transformation was moved to Executive as of December 19, 2023.
- (8) This position was abolished in F2023

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26. Condensed Supplementary Financial Information of Keyano College Land Trust (note 9)

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

	2024	2023
Assets		
Cash and cash equivalents	\$ -	\$ 6,068,618
Accounts receivable	-	109,362
Prepaid expenses	-	80,332
Advance on land development fees	-	54,400
Investment property	-	17,149,543
	\$ -	\$ 23,462,255
Liabilities		
Accounts payable and accrued liabilities	\$ -	\$ 403,580
Advances from Keyano College	-	12,900,420
Due to Keyano College	-	10
Deferred revenue	-	-
Security deposits	-	131,140
	\$ -	\$ 13,435,150
Equity		
Trust Surplus	\$ -	\$ 10,027,105
	\$ -	\$ 23,462,255
Comprehensive income		
Revenues	\$ 157,351	\$ 2,141,833
Expenses	(185,227)	(1,002,009)
	\$ (27,876)	\$ 1,139,824

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 Land Trust. On October 26, 2022, the Board of Governors of Keyano College approved a motion to accept the distribution of the Trust Property and to take the necessary steps to carry out such distribution.

The distribution of the Trust property has been completed. The effective date of the transfer of the Saline Creek lands on operations was July 1, 2023. The effective date of the distribution of all other assets and liabilities, including the Sparrowhawk Condominium property, was November 30, 2023.

The College used the modified equity method of consolidation for the Trust so the accumulated Trust surplus as at June 30, 2023 is already included in the College consolidated financial statements.

On July 1, 2023 the Saline Creek lands, with a net book value of \$15,798,576 was transferred to the College and the related advances due to the College of \$10,563,788 were settled.

KEYANO COLLEGE
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26. Condensed Supplementary Financial Information of Keyano College Land Trust (note 9) (cont'd)

On November 30, 2023 the remaining assets and liabilities were transferred to the College. These were comprised of the following:

	<u>2024</u>
Cash and cash equivalents	\$ 3,653,586
Investment property	1,333,192
Other assets and liabilities (net)	<u>(222,337)</u>
	<u>\$ 4,764,441</u>
Add back current year deficit:	
KCLT loss on transfer of Saline Creek lands	5,234,788
Other expense and revenue (net)	<u>27,876</u>
	<u>\$ 5,262,664</u>
Accumulated earnings at June 30, 2023 (note 9)	<u>\$ 10,027,105</u>

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.

An amount of nil (2023 - \$1,108,422) representing due from the Foundation liquidation Trustee to the College is included in accounts receivable (note 7).

28. Budget Figures

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

29. Approval of Financial Statements

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

30. Comparative Figures

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