



The King's University

Annual Report

2016/17

For fiscal year ended 31 March 2017
Submitted 20 October 2017

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Accountability Statement

The King's University's Annual Report for the year ended March 31, 2017 was prepared under the Board of Governor's direction in accordance with ministerial guidelines. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.



Bill Lodewyk, Chair
Board of Governors,
The King's University

Management's Responsibility for Reporting

The King's University's management is responsible for the preparation, accuracy, objectivity, and integrity of the information contained in the Annual Report, including the financial statements, performance results and supporting management information. Systems of internal control are designed and maintained by management to produce reliable information and to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized and executed in accordance with all relevant legislation, regulations and policies, reliable financial records are maintained and assets are properly accounted for and safeguarded.

The Finance Committee of the Board of Governors provides oversight in the development of the consolidated financial statements and the accompanying management discussion and analysis. Kingston Ross Pasnak performs an annual independent audit of the consolidated financial statements in accordance with Canadian generally accepted auditing standards.

The Annual Report has been approved by the Board of Governors and is prepared in accordance with Ministerial guidelines.

Signature



Bill Lodewyk

Signature



Melanie Humphreys, PhD

President's Message

The King's University makes an important and distinctive contribution to the post-secondary landscape in Alberta. Our vision is to become widely known as a Christian university serving to build a more humane, just and sustainable world. Our graduates are widely recognized by employers for the **quality** of their preparation and readiness for the job market. From the Privy Council to the northern indigenous classroom, the medical doctor serving in rural Alberta to the Edmonton Land Trust, successful Alberta start-up companies such as the Little Potato Company and Blindman Brewery to leading initiatives at the Mustard Seed or EndPoverty, Lead Teaching Artist at the Youth Orchestra of Northern Alberta (YONA) Sistema to community church pastor, our alumni are making important contributions to Alberta's economy, society, culture and the environment.

Inclusion Alberta awarded The King's University the 2017 Leadership Award in recognition of our unwavering leadership and outstanding commitment to inclusion of students with developmental disabilities. We improved **access** and reduced barriers for indigenous students, established two indigenous student leadership positions and added information and resources for indigenous students to our website. King's also participated in a Readiness Support Grant awarded to the Association of Alberta Deans of Education by Alberta Education designed to help meet new teacher preparation expectations linked to First Nations, Metis, and Inuit perspectives. A significant barrier to access is public transportation to campus. We are hopeful that the city's initiatives to revise the public transportation system might link all post-secondary institutions, meaningfully increasing student interaction and **coordination** across our diverse post-secondary system.

Adopted by The King's Board of Governors this year, a new Campus Master Plan lays out an exciting vision for the current campus, one that would bring life and renewal to King's and to our neighbourhood. Increasingly urban universities are collaborating with and partnering with the communities in which they live. Our desire to engage in public dialogue and serve our neighbours is reflected in the new campus design in everything from traffic flows to the human scale of the buildings to community recreation space. In addition to faculty, staff and students, The King's University has approximately 10,000 visitors to campus each year for reasons spanning from attendance at athletic games, drama productions, and public forums to the rental of external conference space. The Campus Master Plan was developed through a process of extensive feedback and input from faculty, staff and students. It envisions a new campus entrance, protects the interdisciplinary strength of a King's education and adds green space.

A significant proportion of the institutional budget goes towards making a King's education **affordable** for students through bursaries and scholarships. We met and exceeded our projected enrolment goal in terms of headcount. Much of our *Shared Vision 2020* strategic plan is related to increasing enrolment and establishing new revenue streams related to our core business. The funding provided by the Ministry of Advanced Education contributes significantly to our ability to provide post-secondary education to students regardless of their financial circumstances. Advocacy over the upcoming year will

continue to focus on tuition equity for King's students, and our ability as an institution to borrow for capital projects at the same rate as the public institutions. Although eligible for some federal grants, King's does not receive any capital funding from the province to date.

The King's University has the same **accountability** structures as any public institutions, save one. The Board of Governors is independently nominated and affirmed by community members who affirm and contribute financially to the mission of the University. The Board of Governors completed a governance review utilizing an external consultant to ensure the Board is fulfilling their mandate for guiding, maintaining accountability and fulfilling the mission of the University. The King's board chair attends meetings with the Minister of Advanced Education. King's is highly involved and participates in provincial system-wide initiatives and coordinating councils and is an active member of Universities Canada. Membership in Universities Canada, combined with the appropriate provincial legislation, is a mark of higher quality education that is well-recognized in Canada and abroad.

It is said that good jobs begin with a good education. When I engage with our students and alumni, I am hopeful for our future. Our graduates have what it takes to succeed in a changing economy. I am incredibly proud of how King's equips and inspires the next generation for the challenges that face our world.

Melanie Humphreys, PhD

Public Interest Disclosure (Whistleblower Protection) Act

The Alberta Public Interest Disclosure (Whistleblower Protection) Act (PIDA) came into force on June 1, 2013. PIDA facilitates the disclosure and investigation of wrongdoing in the public sector and protects public employees from reprisals for making a disclosure. While not technically part of the public sector, The King's University is one of the twenty-six publically funded post-secondary institutions in Alberta.

The King's University (the "University") is committed to the highest standard of legal, fiscal, and ethical behaviour. The University provides a positive, supportive environment whereby employees can seek advice and make a disclosure of wrongdoing without fear of reprisal. A commitment to preserving the confidentiality of employees and all records or information is of primary importance to the University.

About The King's University

The King's University is one of five independent academic institutions that are part of Campus Alberta. As an independent academic institution it operates within the framework of the 2007 Government's Roles and Mandates Policy Framework for Alberta's Publicly Funded Advanced Education system. With respect to independent academic institutions this Policy Framework states the following:

Independent Academic Institutions will provide primarily liberal arts, science, and education baccalaureate programs. They may offer graduate programming in niche areas where demand warrants, and in areas that do not duplicate existing graduate program offerings. Applied research and scholarly research activity may be conducted as a basis to enhance the instructional mandate of these institutions within degree program disciplines.

Established by Private Act¹, The King's University has the authority to provide instruction and research in the liberal and fine arts, the humanities, theology, the physical, natural and social sciences, professional studies, and any other fields of study the Board of Governors may determine. The University has the authority to confer Baccalaureate, masters and doctoral degrees and awards, diplomas, certificates of merit and proficiency in other areas of learning.

The Mission of The King's University is to provide university education that inspires and equips learners to bring renewal and reconciliation to every walk of life as followers of Jesus Christ, the Servant-King.

The King's University's Vision is to be widely known as a Christian university serving to build a more humane, just and sustainable world.

As a Christian undergraduate university, The King's University offers the following undergraduate programs:

<i>Degree</i>	<i>Duration</i>	<i>Number of Disciplines</i>
Bachelor of Arts	3 year	10
Bachelor of Arts	4-year	6
Bachelor of Science	3-year	2
Bachelor of Science	4-year	4
Bachelor of Commerce	4-year	1
Bachelor of Music	4-year	1
Bachelor of Education (after degree)	2-year	1 – Elementary and Secondary Education

¹ The King's University College Amendment Act, 2015 (assented to December 11, 2015)

With respect to Governance, The King's University has a bi-cameral model of university governance. As a corporation The King's University is controlled by a Board of Governors annually elected from among and by the supporters of the University. The Executive Committee of the Board of Governors meets bi-monthly and acts on behalf of the Board between semi-annual Board meetings. The university's Senate, composed of board members, supporters, faculty, staff, and students oversees the academic programming and advises the Board of Governors on Academic matters.

Operational Overview

The King's University's 2016 Comprehensive Institutional Plan had some well-defined goals as to what should be accomplished in the 2016/17 academic year. This annual report shows that some of these goals were reached beyond expectation while others, due to unforeseen circumstances, did not fully materialize.

The 2016/17 academic year was a year of incremental enrolment growth. Student enrolment increased by 2.5% (based on FLE). In the 2016/17 academic year, we observed an increase in the frosh retention rate from 72.47% in 2015/16 to 74.74%. The overall retention rate decreased marginally, from 78.86% to 78.83%.

The number of applications in the 2016/17 academic year was 641, up from 591 in 2015/16. In 2016/17 the number of new admissions as a percentage of the number of applications was 87.05%, as compared to 82.9% in 2015/16. The actual number of new students attending the university was 308 in 2016/17 (48% of applications). Actual number of new students in 2015/16 was 302 (51.1% of applications). In light of the importance of increasing the enrolment in order to meet the stated goal of 1000 students by 2020, the university has appointed an Associate Vice-President Enrolment Management and Registrar. The person in this position works in close collaboration with the University's Relations department to develop and implement a strategic enrolment management and marketing plan.

On the new academic program development front The King's University is responding to student interest in a Kinesiology degree program. A proposal for a Bachelor of Kinesiology program has been developed and will be submitted for approval. This interest in Kinesiology educations corroborates the data from the Alberta Application Submission Initiative. Of the 2,463 qualified applicants in Parks, Recreation, Leisure and Fitness studies in 2014/15, 714 were turned away. Of these, 245 turn-away applicants did not attend any post-secondary institution in Alberta.

The university has responded to student interest in a 4-year B.A. Sociology degree program. The program proposal for this degree was submitted to the Ministry of Advanced Education and the Campus Alberta Quality Council, and received approval for implementation effective July 1, 2017. One of the options in this proposed program is a Community Engaged Research thematic area.

The King's University faculty continues to be actively engaged in scholarship. Research sabbaticals are routinely granted and scholarly expectations are part of the annual evaluation process. Faculty members are encouraged to apply for research grants. Upon receiving a major research grant a faculty member can apply for a reduction in teaching responsibilities in order to devote more time to research. The involvement of undergraduate students in faculty research projects is steadily increasing. The University was successful in its resubmission of a revised nomination for filling the Tier II Canada Research Chair position it had been awarded. The focus of the Canada Research Chair is on the Continental Philosophy of Religion

The University continues to operate in a very constrained fiscal environment. Although very grateful for the increase in enrollment in 2016/17, the down-turn in the provincial economy presents a significant challenge to reaching the anticipated private donation revenue budget amount. In the 2016/17 budget year we were able to keep expenditures within the budget parameters. However, the decline in donation revenue resulted in an operational deficit of \$312,588.

Goals, Priority Initiatives, Expected Outcomes and Performance Measures

The King's University's 2016/2019 Comprehensive Institutional Plan identified the following goals to pursue over three years:

1. Serve community
2. Strengthen teaching and research
3. Equip student success
4. Empower people
5. Advance sustainability

Each of these five goals has several priority initiatives that are reported on below.

GOAL: Serve Community

Priority Initiative: Cultivate relationships and collaboration with the aboriginal peoples of Alberta.

The King's University participated in a Readiness Support Grant awarded to the Association of Alberta Deans of Education by Alberta Education. This grant is intended to help Alberta education faculties prepare themselves to meet new teacher preparation expectations linked to First Nations, Metis, and Inuit perspectives. Included:

- February 15 – Lewis Cardinal on Indigenous History
- March 16 – Tony Alexis on Treaties
- April 12 – Terry LeBlanc on Religion
- June 14 to 16 – Northern Cultural Days Trip hosted by Northern Lakes College (NLC)
 - Visited historical village and residential school of Grouard – hosted by King's alumni
 - Toured NLC campus and Gift Lake School – met with King's alumni teaching at Gift Lake School
 - Toured Atikameg School
 - Elder presentation, traditional meal

The King's University established two indigenous student leadership positions for encouraging a unique, safe and welcoming environment for all indigenous students and staff. Information and resources for indigenous students were added to The King's University website.

Priority Initiative: Pursue partnerships and collaboration with national and international Christian higher education institutions.

The King's University has Memoranda of Understanding with the following Christian higher education institutions:

- Károli Gáspár University of the Reformed Church in Hungary (KRE), Budapest, Hungary
- LCC International University, Klaipėda, Lithuania

- Handong Global University, Pohang, South Korea
- Christelijke Hogeschool² Ede (CHE), Ede, The Netherlands
- Institute for Christian Studies (ICS), Toronto, Canada

In the 2016/17 academic year the following student exchange experiences took place:

- Four students from the Christelijke Hogeschool in Ede, the Netherlands, spent the Fall term of the 2015/16 academic year at The King's University taking a full load of courses.
- Four students from The King's University took a one-month-long intensive International Business course at the Christelijke Hogeschool in Ede, the Netherlands.
- One student from the Károli Gáspár University in Budapest, Hungary, spent the Winter term of the 2016/17 academic year at The King's University taking a full load of courses.

In the 2016/17 academic year one King's University faculty member spent a week lecturing at the Károli Gáspár University in Budapest, Hungary. This trip was funded by the Erasmus fund.

GOAL: Strengthen teaching & research

Priority Initiative: Develop a fresh articulation of the university's foundations curriculum and its relationship to the various degree programs.

The review of the foundations curriculum is ongoing. In the 2016/17 academic year the Committee conducting the review has placed three different models of a foundations curriculum before the General Faculty Council for their review and feedback. Taking a learning outcome approach, the committee also has received faculty feedback on the question what a King's graduate should learn from the disciplines that constitute the foundations curriculum. The committee has been given a deadline of June 30, 2018 to complete its work.

Priority Initiative: Launch five new academic programs that advance the university's mission and vision

The table below provides a status update of the academic programs that are currently under development or that will be implemented in the 2017/18 academic year.

² Christian University of Applied Sciences

Table 1: Status Update of Academic Program Development

<i>Proposed Degree Program</i>	<i>Stage of development or approval</i>	<i>Comments and/or anticipated start date</i>
4-year B.A. Sociology	This degree program has received approval by the Deputy Minister of Advance Education, effective July 2017.	Program was started July 1, 2017.
4-year Bachelor of Kinesiology	The development of this program is nearly completed. The program proposal (parts A and B) is being finalized and will be submitted to the Ministry of Advanced Education for a Systems Review and review by the Campus Alberta Quality Council this Fall.	Upcoming new Faculty appointments will be in support of this new degree program.
4-year B.Sc. Interdisciplinary Sciences	This is the next program proposal to be submitted to the Ministry of Advance Education of a Systems Review and a review by the Campus Alberta Quality Council. The aim to submit this by December 2017.	Once approved, this degree program will be particularly applicable for those students interested in the Health Sciences, Secondary Education, or in Industry and Entrepreneurship.
3-year Bachelor of General Studies degree.	The general contours of this program is being proposed. The details are currently being discussed.	The flexible structure of the proposed program is such that it could be an ideal gateway into a range of professional programs (i.e. B.E. Elementary Education, and others).

The University is committed to quality academic programs that are critical to the well-being of the University as a whole and to that of its students. As required by the Campus Alberta Quality Council the University has launched an aggressive plan of cyclical reviews of its academic programs. Student feedback is an integral part of the review process. Table 5 summarizes the programs that have been reviewed in the 2015/16 and 2016/17 academic year and those that are being reviewed in the 2017/18 year. The final reports of the completed reviews have been submitted to the Campus Alberta Quality Council.

Table 2: Academic Program Review Schedule – 2015/ 2018

<i>Academic year</i>	<i>Program to be reviewed</i>	<i>Status</i>
2015/16	B.Ed. Elementary Education	Completed
	B.Ed. Secondary Education	Completed
	B.A. Politics, History and Economics	Completed
	B.A. English (3-yr and 4-yr)	Completed
	B.A. Social Sciences Foundations	Completed
		Ongoing
2016/17	B.Sc. Chemistry (3-yr and 4-yr)	Completed
	B. Commerce	Completed
2017/18	Interdisciplinary Studies	Started
	B.A. History (3-yr and 4 yr)	Started
	B.Sc. Computing Science	Started
	B.A. Psychology (3-yr and 4-yr)	Started

Priority Initiative: Establish an interdisciplinary Centre for Christian Thought and Action. The focus of this centre is to sustain, promote, and invite Christian philosophical and theological reflection within, upon, and across all university disciplines.

Canada Research Chair application

As a result of having a three-year running average of \$100,000 or more in federal research funding, the University was allotted a special Tier 2 Canada Research Chair. A nomination for a Canada Research Chair in Continental Philosophy of Religion was submitted to the Canada Research Chair Secretariat in October 2015. However this nomination was not successful. Resubmission of a revised and updated nomination was successful in 2017. As a result the university is assured of \$100,000 annually for a five-year period with the option to apply for renewal for a subsequent five-year period. The Canada Research Chair holder will take a major role in the development of the interdisciplinary Centre for Christian Thought and Action.

Interdisciplinary centre for Christian Thought and Action

The interdisciplinary Centre for Christian Thought and Action is intended to build on the existing strengths of the theology and philosophy faculty, which has been greatly enhanced with the success of our resubmitted Canada Research Chair nomination.

The envisioned interdisciplinary “Thought and Action Centre” will also include the university’s existing Micah Centre. More than 10 years ago, the externally funded Micah Centre was established at The King’s University to play a unique and leading role in providing students with experiential learning opportunities to investigate how justice can come to expression in a variety of social contexts. Hundreds of students have benefited from the Micah Centre’s academic courses, internships, field tours, discovery tours, and service learning projects.

In 2016/17 Significant progress has been made to place the Micah Centre on a stable financial footing. The university’s advancement department has prepared a casebook for fundraising purposes, and at its September 2017 meeting, the University’s Board of Governors approved the fundraising for this Centre. A successful fundraising campaign will include funding for a faculty position in a relevant discipline, most likely Theology.

Research Funding

In order to maintain a quality program of scholarship, it is important to ensure that adequate external research funds are obtained. Table 7 presents the total amount of research funding obtained over the past eight years. The numbers demonstrate that the University has consistently been able to maintain a reasonable level of research funding. The decline from the 2015 amount can be attributed to the end of multi-year federal research grants. Recent success in obtaining SSHRC Insight and Insight Development grants will bring a return to higher amounts in the years to come.

Table 3: Research Funding – 2010/017**The King's University**

<i>Fiscal Year</i>	<i>Source</i>			<i>Total</i>
	<i>External Funding</i>	<i>Internal Research funds and Conference/PD</i>	<i>Net Salary Cost of Sabbaticals</i>	
	\$	\$	\$	\$
2010	274,767	56,234	10,284	341,285
2011	289,213	65,010	14,273	368,496
2012	335,733	60,160	69,875	465,768
2013	316,646	64,552	75,404	456,602
2014	303,128	53,017	52,675	408,820
2015	391,759	70,349	50,751	512,859
2016	336,099	69,485	41,195	446,779
2017	360,792	85,355	41,541	487,688
<i>Total</i>	2,608,137	524,162	355,998	3,488,297

Culture of academic scholarship.

When The King's University was established as a post-secondary institution in 1979, faculty members were expected to be involved in scholarship. A deliberate institutional effort needs to be made in order to maintain this unique feature, and to involve undergraduate students in it. The table below summarizes scholarly productivity between January 2016 and August 2017. Of 367 total scholarly contributions, 115 involved research by undergraduate students, with 94 of them involved in authoring the contribution.

Table 4: Summary of Scholarly Contributions

<i>Type of Scholarly Contribution</i>	<i>Number of contributions</i>
	<i>Jan 2016 – August 2017</i>
Authored/Co-authored academic book	4
Edited/Co-edited academic book	2
Chapter in academic book	20
Peer-reviewed academic article	45
Non-peer reviewed article	11
Creative work	46
Presentation at academic conference	129
Refereed conference presentation	52
Other	58
Total Scholarly Contributions	367

GOAL: Equip student success

Priority Initiative: Establish an Academic Enrichment Centre to support students with a variety of academic needs and academic preparedness.

At its Spring 2017 meeting, the Board of Governors of the university approved in principle the proposed Academic Enrichment Centre for case development by the King's Institutional Advancement team. This team is currently conducting a campaign to raise the funds to cover the estimated \$250,000 capital cost of the centre.

Priority Initiative: Develop campus spaces that foster well-being, learning, and community engagement, both for residential students and commuting students.

This initiative is rooted in long term goals to substantially transform our campus, and in this spirit a new campus master plan has been developed with strategic renovations to our core student infrastructure. Some short-term work has already been accomplished. For instance, in the summer of 2017 we renovated the student lounge in our apartment building to better foster wellbeing and student engagement. We also recently renovated the university's prayer room to create more versatile space for students of differing religious traditions. In September of 2017 the Board of Governors approved in-principle a proposal for an Academic Enrichment Centre that will substantially increase our capacity to serve students. This project will transform two classrooms and a portion of our current library into an academic learning and resource hub. Initial architectural drawings are complete and a funding proposal is being developed to be shared with potential donors over the coming months. The board also approved a proposal for a new Centre of Excellence in Science that will increase lab space and provide substantial capacity for hands-on learning.

A variety of programs serve to enhance student success at The King's University. Our newest program is Academic Peer Support, which is available by drop-in or by appointment. We also offer a co-curricular course, UNIV150, which covers a variety of study skills and personal management themes aimed at helping incoming students thrive in university. Our Writing Centre primarily offers support for students struggling in introductory English courses, but this year it has expanded to serve students across the curriculum. A number of faculties also offer academic supports to students such as ChemHelp and MathHelp sessions. The number of students with disabilities continues to rise annually. So far this year we have provided accommodations for 60 students, up from 48 last year.

GOAL: Empower people

Priority Initiative: Implement an annual Board Governance training workshop

A Board of Governance training workshop is held at every Fall meeting of the Board of Governors. In this workshop the governors are introduced to the governing structure of the university (bicameral model), their responsibilities as members of the Board and as members of the Board Committee they are assigned to, and the expectations vis-a-vis promoting The King's University in the respective communities they represent.

Priority Initiative: Create an effective employee engagement process by developing a new employee orientation and onboarding program. Provide regular training and development opportunities for employees. Participate in a best workplace survey for benchmarking and investing in best practices.

In the reporting year the university's Human Resources Department has completely revamped the orientation and onboarding program for new employees. In consultation with a small committee representing the various segments of the employees regular orientation sessions for new employees are held. In addition a "buddy system" that pairs new employees with existing employees has been implemented and an intranet website with relevant information for new employees has been launched. The university also subscribes to a service that provides positive leadership and organizational resilience training. A Best Christian Workplace survey has been administered. The results of this survey are informing adjustments to the university's employment practices.

GOAL: Advance Sustainability

Priority Initiative: Develop and execute a Strategic Enrollment Strategy that increases the total undergraduate headcount to 1,000 students and 500 adult learners.

In order to achieve a greater level of sustainability the university needs to increase its total undergraduate headcount. To that end the university's Strategic Enrolment Management and marketing plan calls for 1,000 students and 500 adult learners by 2020

The table below summarizes the enrolment over the 2013-2017 period. As noted, we exceeded the projected enrolment of a headcount of 777 students for Fall 2016/17 by ending up with a full year (unduplicated head count) of 799. The 2016/17 FLE was 627.113. This is slightly below the 205/16 629 FLE. In other words, on average in 2016/17 students were enrolled in fewer course credits as compared to 2015/16, down from 0.787 credits/student in 2015/16 to 0.748 credits/student in 2016/17.

Table 5: Enrolment 2013/2017

<i>Academic Year</i>	<i>Projected Fall Enrolment (head count)</i>	<i>Actual Enrolment (Full year)</i>	
		<i>Unduplicated Head Count</i>	<i>FLE</i>
2013/14		732	568.5
2014/15		750	573.2
2015/16		799	629
2016/17	777	838	627.113

In order to achieve the target number of 1,000 students by 2020, the university is rewriting its strategic enrolment management strategy, with the eye on incorporating distinctive advertising and recruitment strategies for the various academic programs the university offers.

The enrolment of international students at The King’s University has remained fairly stable, as can be noted from the table below. Budgetary constraints have hampered our ability to invest in a targeted international recruitment strategy that would result in an increase in international student enrolment.

Table 6: International Student Enrolment 2010/2017

<i>Academic Year</i>	<i>International Student Enrolment</i>
2010/11	43
2011/12	44
2012/13	44
2013/14	48
2014/15	52
2015/16	55
2016/17	56

Priority Initiative: Develop a strategy for cultivating new financial donors including the members of the King’s University Foundation.

The King’s University Foundation has completed a strategic planning process which included better defining their role as a foundation supporting the university and complimenting the work of the University’s Development Office. The Foundation plans to hire a half-time Executive Director who will be tasked with doubling the membership of the foundation over the next five years and increasing the amount of funds raised three fold in that same time period. One of the Foundation’s primary roles moving forward is to serve as a catalyst for others to support the university. Through relationships, the Foundation will act as a multiplier agent, in addition to being a supportive agent.

The university’s Development Office has hosted prospecting events at current donor’s homes to connect and build relationships with new prospective donors. These events are intended to leverage the relationships that current donors have with people in their networks who are not connected to the university. In addition, the fundraising team has contracted with a professional prospect researcher to conduct research on parents of new students and other community members who may align well with the mission and vision of the university. Members of the Development team are using this data to connect and cultivate relationships with newly identified prospects.

Continued investment in an Alumni Relations Office is intended to maintain and build relationships with a new generation of donors. King’s has experienced a 63% increase in the value of charitable gifts from alumni in the past five years.

Priority Initiative: Increase the capacity of departments and units to manage their budgets more effectively.

The implementation of BudgetPak software in August 2016 has greatly increased the capacity to create and manage the university's budget. Department managers and Deans are able to manage their budgets more effectively and track their expenditures readily. The ability to "drill down" from the financial statements to view the items that make up a particular revenue or expense amount has already proven to be useful for prudent financial management.

Priority Initiative: Establish a multi-year plan for debt reduction.

The development of a multi-year plan for debt reduction is intimately connected with the work of the presidential committee on financial sustainability. Hence the establishment of this plan is awaiting the outcome and recommendations of this presidential committee.

Priority Initiative: Develop a Campus Master Plan that is financially viable, ecologically responsible and innovative.

In the reporting year significant effort was devoted to the completion of a Campus Master Plan. This plan received in-principle approval by the university's Board of Governors.

The plan envisions a staged conversion of parts of the existing structure. The key features are the addition of a Centre for the Excellence in the Sciences, renovation of part of the existing structure to create an Academic Enrichment Centre and a cafeteria space, and the addition of a classroom/library/administrative and faculty offices building.

Priority Initiative: Appoint a presidential committee on financial sustainability.

The President has appointed an Institutional Financial Sustainability Taskforce. The taskforce is chaired by Dr. David Atkinson (former president of MacEwan University) and has members from all sectors of the university. The overarching mandate of the taskforce is to develop workable strategies to enhance institutional sustainability without compromising the unique mission, character or broadly liberal arts interdisciplinary focus of King's. Specifically, the taskforce has been asked to:

- Conduct an environmental scan
- Identify revenue development opportunities
- Identify cost drivers and opportunities to minimize waste and reduce both direct and indirect costs
- Conduct a space usage review and make recommendations as to how to use space more effectively
- Develop a financial model that will provide guidance for budget development and long-term sustainability.

The taskforce began its work in September 2017.

Financial and Budget Information

Table I below provides actual vs. budgeted revenues and expenses for the year 2016-2017.

Table 8: Operations 2016-2017 Actual vs Budget (\$ thousands)

	Actual	Budget	
	2016-17	2016-17	Difference
Revenue			
Tuition	\$ 8,228	\$ 8,055	\$ 173
Government funding	4,843	4,845	(2)
Donations	2,690	3,598	(908)
Residence & other	3,347	2,945	401
Total	19,107	19,444	(337)
Expenses			
Salaries and benefits	11,799	11,930	131
Interest	375	426	51
Cost of sales	916	961	45
Other expenses	4,705	4,488	(217)
Amortization	1,626	1,640	14
Total	19,420	19,444	24
Surplus (Deficit)	\$ (313)	\$ (0)	\$ (313)
FLE enrolment	627	639	(12)
Average Headcount	767	730	37

The annual audit of the consolidated financial statements by our external auditors, Kingston Ross Pasnak, was finalized in June 2017. A copy of the audited financial statements is included in Appendix A. Despite our best efforts, the 2016-17 year ended with an operating deficit of \$312,588, primarily resulting from lower than budgeted donations. Some highlights are as follows:

- Student enrolment growth was positive, with a 2% increase in average headcount, exceeding budget targets, and resulting in additional tuition revenue.
- The Alberta government's base operating grant to King's increased by 2%.
- Considerable effort has been made to grow our donor pool and attract higher levels of annual giving for operations, but the Alberta economy has presented a significant challenge in recent years.
- Expenses in 2016-17 included additional student scholarships that were higher than anticipated in the budget. Additional designated research funding meant higher costs related to our research activities.

King's recognizes that operating deficits are not sustainable for the long term future of the University, and we are undertaking measures to improve ongoing monitoring. Budget software (BudgetPak) has been implemented to allow budget managers throughout the institution to monitor expenses more closely at a department and program level. The University has also acquired software to improve the process of issuing purchase orders and tracking purchase commitments made through the accounting system. Our hope is that adding commitment information will give a more accurate and up-to-date picture on budget room used (spent and committed) as the year progresses.

Internationalization

The King's University continued its memberships in the Council of Christian Colleges & Universities (CCCU), Christian Higher Education Canada (CHEC), and the International Association for the Promotion of Christian Higher Education (IAPCHE).

Twenty-one new international students received a comprehensive pre-arrival package this year that included information regarding airport arrival, transportation, accommodations and the City of Edmonton. The International Office also hosted two orientations to accommodate the international students that arrive during the first week of classes.

The King's University, together with five other post-secondary institutions and the City of Edmonton, welcomed more than 2,000 new students through an airport welcome booth and the City Wide Welcome. This event, hosted at Shaw Conference Centre on September 24, 2017, provided a fantastic opportunity to highlight the city's diverse range of services, amenities, activities and local organizations.

The three-day celebration of Globe Awareness Week was filled with fun and interactive activities to showcase the vibrant and diverse backgrounds of our student body. The King's University has 69 international students this year representing 26 countries.

This Fall 2017/18 term, we have 5 students visiting from Christelijke Hogeschool Ede (CHE) in The Netherlands and 3 students visiting from Karoli Gaspar University of the Reformed Church in Hungary. In January at least one King's student will be going to CHE again. In February we have an entrepreneurship study tour to Korea, Hong Kong and China.

Two Environmental Studies students completed their internships in Kenya (Meru County) on Dr. Harry Spaling's SSHRC funded project "How sustainable is conservation agriculture?" Kenya partners included Anglican Development Services – Mt Kenya East, World Renew, and the University of Nairobi.

King's has again offered our Field Course in International Development, in which we took up our longstanding participation in community development projects with 13 students working in Honduras and 6 in Mexico.

Information Technology

The King's University's robust information technology infrastructure is managed and supported by the Information Technology Services department (ITS). Their ongoing management of redundant virtual servers continues to provide a reliable and scalable environment.

During this past year, implementation of a Human Resource Management System (HRMS) continued with further integration with other King's systems, providing for automated on- and off-boarding of employees.

Active Directory account management is being refined to carefully manage our licenses to products such as PaperCut, Self Service Reset Password Management.

Last year, ITS implemented BudgetPak budgeting software that interacts with our existing accounting software and provides budget managers and executive leadership with the tools to manage their budgets more effectively. During the year, ITS enabled a new drill down reporting feature allowing managers access to in-year expense detail.

The University's expanded use of Microsoft SharePoint continues. The university has developed process workflows to assist in interdepartmental processes as well as integration with external databases and services. For instance, the scholarly activity of faculty members, which is reported through a SharePoint-based system, directly feeds into the research section of our public website.

King's values its membership in AAHEIT and uses its services regularly. This past year licenses for Adobe DC licenses and SPSS-AMOS were among the items sourced through AAHEIT.

Our ongoing refresh of computer lab and administrative computing equipment took place as a part of the university's annual capital expenditures. Both open-access student labs had all stations replaced with all-in-one touch screen systems. And a dedicated science computing lab had all workstations replaced with laptops.

Training sessions were held for SharePoint, the Time and Attendance portion of HRMS, and on BudgetPak.

Capital Plan

As a Independent Academic Institution, the University is not eligible for funding via the Infrastructure Maintenance Grant. All capital projects undertaken are therefore funded via internal funds generated by operations or through external sources from our support community, partners and sponsors.

The major capital expenditures in 2016-17 were for building and information technology infrastructure renewal and maintenance, as summarized in Table 9.

Table 9: Summary of Capital Expenditures – Actual vs. Budget

Capital Expenditure	2016-17 Actual	2016-17 Budget	Variance
Main Building Air Conditioning	\$225,633	\$275,000	
Boiler replacements	21,861	18,000	
Building systems	247,494	293,000	45,506
Computer equipment renewal	96,839	151,700	
Servers	24,269	20,000	
Wireless controller replacement	28,605	38,000	
HRMS module implementation	5,187	-	
Information technology	154,900	209,700	54,800
Equipment and furniture (various)	103,281	105,500	2,219
Library	124,164	145,000	20,836
Building improvements	173,187	196,800	23,613
Land improvements	45,233	50,000	4,767
	\$848,259	\$1,000,000	\$151,741
Special projects – funded	47,188	-	(47,188)
Campus Master Plan – design costs	199,453	-	(199,453)
	\$1,094,900	\$1,000,000	\$(94,900)

During 2016-17, the capital budget was underspent by \$152,000; designated funds of \$247,000 were received for additional projects. No major building expansion or renovation occurred during the year.

Aging facilities continue to require capital expenditures to remain functional. For example, in 2017-18 the University will spend about a third of the annual capital budget on extensive roof replacement, partly in partnership with the federal Post-Secondary Institutions Strategic Investment Fund.

In light of our aging facilities, the development of a Campus Master Plan continues as part of the implementation of the *Shared Vision 2020* strategic plan. As part of the plan, we are now further assessing the feasibility of high-priority renovations and expansion plans. The funding for the development of the Campus Master Plan was provided by The King's University Foundation.

Appendix A: Audited Financial Statements