



The King's University
2020-21
Annual Report

For fiscal year ended 31 March 2021
Submitted 04 October 2021

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Accountability Statement

The King's University's Annual Report for the year ended March 31, 2021 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.

A handwritten signature in black ink, appearing to read 'R. Huizinga', is centered on a light gray grid background.

Robert Huizinga, PhD
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 LLP 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



Roberta Huizinga, PhD
Chair, Board of Governors

Signature



Melanie Humphreys, PhD
President, The King’s University

President's Message

On behalf of The King's University, I am pleased to present the University's annual report to the Minister of Advanced Education for the year ending March 31, 2021.

As President of King's, I would like to acknowledge the land and peoples who are our hosts. Amiskwaciya-waskahikan, Edmonton, is located where the prairie and boreal forest meet, a gathering place and home for many Indigenous peoples since time immemorial - including the Nehiyawak, Niitsitapi, Tsuu T'ina, and Michif Piyii peoples. King's was founded by newcomers and settlers in this land who immigrated from the Netherlands and has since grown to welcome students and staff from many places and cultures. We acknowledge also that this is Treaty Six territory and part of the Metis homeland, and that we, by our presence here have become Treaty people too. We look forward to continuing to learn how we can be good neighbours with the original peoples of this land and with Creation.

I am intensely proud of what we accomplished together as a University. It was a year of unprecedented challenge as we responded to a global pandemic, pivoted to a hybrid approach to classes which allowed every student the opportunity for some in-person contact with faculty and each other. We followed Alberta Health Services guidelines closely and had no transmission of the COVID-19 virus on campus.

With the onset of COVID-19, we developed an interim strategic plan that would guide our activities and at the same time enable us to remain nimble and responsive to change. We implemented new technologies, adjusted to changing health guidelines, adjusted expectations for teaching and research, and responded to significantly elevated mental health concerns. The provincial mental health provided critically needed resources for meeting mental health concerns that were amplified by the pandemic.

King's is an active member and contributor to Alberta's adult learning system. We were fully engaged in the province's post-secondary systems review. It is said that good jobs begin with a good education. Students receive an excellent liberal arts and science education at King's. In addition to their specific programs of study, students are challenged to develop ways of thinking well, to be able to articulate how ideas shape our world and to act in ways that bring about flourishing and reconciliation within their communities and within society.

We are committed to a high standard of quality teaching and research as a University. This commitment is evidenced by the excellent employment rates of our graduates, their admission to graduate and professional schools and student satisfaction in national survey data. We believe that students are best served by faculty who are contributing to the advancement of knowledge and engaging students in that pursuit as well. Students learn, research and explore their areas of interest with faculty who are current, engaged and dedicated to seeing their students succeed.

Our King's students and alumni give me great hope for tomorrow.

A handwritten signature in black ink, appearing to read 'M. Humphreys', written in a cursive style.

Melanie Humphreys, PhD
President, The King's University

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. A Whistleblowers policy was approved by the Strategic Leadership Team on November 13, 2018.

About The King's University

The King's University is one of five Independent Academic Institutions that are part of Campus Alberta. As such, King's operates within the framework of the 2007 Government's Roles and Mandates Policy Framework for Alberta's Publicly Funded Advanced Education system. Regarding 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 Act (The King's University College Amendment Act, SA 2015 c26), 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:

Table 1 Degrees Offered

<i>Degree</i>	<i>Duration</i>	<i>Number of Disciplines</i>
Bachelor of Arts	3 year	11
Bachelor of Arts	4-year	7
Bachelor of Science	3-year	3
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	2

The King's University has a bicameral model of university governance. As a non-profit charitable corporation, The King's University is controlled by a Board of Governors elected annually from among and by the supporters of the University. The Executive Committee of the Board of Governors meets four times per year and acts on behalf of the Board of Governors during the time between the full Board's three meetings per year. The University's Senate, composed of Board members, external academics, faculty, staff, and students oversees the academic and co-curricular programming and it advises the Board of Governors on these matters.

Operational Overview

The King's University has been operating under an interim strategic plan as we navigate the pandemic. This plan has well-defined goals that fall under the categories of flexible learning, flexible workplace, flexible student experiences, and financial organizational sustainability. This annual report shows that we made significant progress in these areas.

During the pandemic, The King's University determined that we would offer some level of in-person learning to all students during the pandemic, within Alberta Health Services guidelines. We created a hybrid delivery model in which students could access at least one in-person class each week (respecting social distancing and masking requirements) in all courses except for our very largest classes. We made this commitment because we acknowledged the importance of in-person contact for student mental health and academic growth. We successfully delivered on this commitment, while also experiencing no COVID-19 transmission on our campus throughout the academic year.

The 2020/21 academic year was a year of incremental enrolment growth. Student enrolment was effectively unchanged at 689.172 FLE compared to 688.761 in 2019/20. The overall retention rate increased from 77.6% in 2019/20 to 79.2% in 2020/21.

The total number of applications in the 2020/21 fall term was 669, down slightly from 673 in 2019/20. The number of new students attending the university was 286 in 2020/21 (42.8% of applications) compared to 322 (47.9% of applications) in 2019/20. This decline in new students can be directly attributed to the pandemic.

On our development of new academic programs, the government approved our interdisciplinary science degree proposal which will be offered to students starting September 2021. This program is designed to allow flexibility for students who want to seek employment outside traditional disciplinary fields of science. Students can select to take two concentrations in psychology, biology, chemistry, kinesiology, computing science, math, or math/physics. We have also created a concentration in our Bachelor of Commerce degree allowing students to focus on accounting. This is the first concentration in this degree and will help students focus their degree and better represent their learning to potential employers.

The King's University faculty continues to be actively engaged in scholarship even though the pandemic has made this extremely challenging. Some programs of scholarship have had to shift focus due to restrictions, while others have slowed down due to decreased time available to faculty. King's needed all of its full-time faculty present to deliver our hybrid teaching during the first year of the pandemic; therefore the decision was made to postpone research sabbaticals. This was a one-time emergency measure, and we will return to our regular sabbatical policy next year. Faculty members continued to apply for external research grants. Recipients of major research grants can apply for a reduced teaching load to devote more time to research. The involvement of undergraduate students in faculty research projects continued in 2020/21 despite the pandemic and students were able to present their research at multiple online conferences.

The university was successful in its application for a Tier II Canada Research Chair in Transitions to Sustainability. The focus of this Canada Research Chair is on helping our current society imagine what a more sustainable future will look like and how we can take steps to achieve this goal. The interdisciplinary Chair will be housed in our sociology department but will have connections with business, economics, politics, history, and environmental studies.

King's did see a reduction from four Tier II Canada Research Chairs to two as a result of decreased Tri-Council funding. This has caused some hardship as we will be losing our Chair in Continental Philosophy in the summer of 2022.

The University conducted a full-year review of our culture focusing on issues of equity, diversity, and inclusion. The process involved hundreds of people in our community and will set the stage for the creation of an EDI action plan. Prompted by the pandemic, the institution also implemented significant work from home policies and practices. We can now realize a more flexible and accommodating work environment for employees.

During the 2020-21 academic year, King's created a Centre for Career and Calling. This centre helps students discover different ways their education can lead to career outcomes. It also will become the central office for managing Work Integrated Learning opportunities in the coming years.

The University continues to rely on charitable donations from its supporting constituency to balance its annual operating budget. In the 2020-21 fiscal year, \$2,485,003 in charitable donations were recognized as revenue, a 2.8% increase from the previous year. The University's supporting community responded significantly to the institution's financial strain precipitated by the pandemic which resulted in the ability to maintain giving levels despite the current economic recession.

For the period of April 1, 2020 to March 31, 2021, The King's University ran its largest ever operating surplus. While the majority of this was a result of the generous support from the federal government during COVID, approximately \$1 million of this occurred as a result of TKU's own operational efforts. This is reflected in the cash flow statement where our operating cash generation went from \$1.3 million in 2020 to \$5.5 million in 2021. It is also reflected in TKU's cash balances improving by \$3.4 million over course of the fiscal year.

Goals, Priority Initiatives, Expected Outcomes and Performance Measures

The King’s University is operating on an interim strategic plan focused on helping the institution deliver high-quality education in a time of pandemic and beyond. The plan identified the following goals to pursue over two years:

1. Flexible Learning
2. Flexible Workplace
3. Flexible Student Experience
4. Financial & Organizational Sustainability

Each of these four goals has several priority initiatives that are reported below. We have also listed expected outcomes alongside completed performance measures that demonstrate success in achieving the outcomes. All of the goals are directly focused on allowing The King’s University to fulfill its legislated roles and mandates as outlined in the Post-secondary Learning Act and elaborated in the Roles and Mandates Policy Framework for Alberta’s Adult Learning System.

Notably absent from the plan is a focus on faculty scholarship. King’s continued to support scholarship as described in section 9, but given the limitation COVID-19 placed on researchers and projects, we are in a period of maintenance and support.

The coloured boxes indicate the item fits into:

- programming and student supports to meet the needs of both students and employers (green)
- collaborations with other learning providers, such as work with Community Adult Learning providers, other publicly-funded post-secondary institutions, First Nations Colleges, or Private Career Colleges (orange)

Type	Description	Expected Completion Date and Status	Performance Measures Achieved	Revised Expected Completion Date
Goal 1	Flexible Learning			
Priority Initiatives				
P1.1	Complement student learning through creative, accessible, immersive, collaborative, personalized, and online	Complete	<ul style="list-style-type: none"> • Delivered hybrid and online classes in the 2020/21 academic year. 	Ongoing

Type	Description	Expected Completion Date and Status	Performance Measures Achieved	Revised Expected Completion Date
	enriched educational experiences.			
P1.2	Expand access to diverse student groups not currently served.	In progress	<ul style="list-style-type: none"> Created new programming for students. 	Ongoing
Expected Outcomes				
EO1.1.1	Upgraded and new technology for teaching & the classroom.	Complete	<ul style="list-style-type: none"> Installed video streaming equipment in classrooms. 	
EO1.1.2	Upgrade to Moodle (online classroom platform).	Complete	<ul style="list-style-type: none"> Upgraded to Moodle 3.10. 	
EO1.1.3	Invest in training for faculty in flexible learning, technology-enabled & accessible pedagogies, & strategies for developing community online.	In progress	<ul style="list-style-type: none"> Summer resourcing workshop for faculty. Hired a Faculty Teaching Coordinator. 	Ongoing
EO1.1.4	Collaborate with institutions to deliver online learning.	In Progress	<ul style="list-style-type: none"> Signed an MOU with Canadian Mennonite University to pilot a course-sharing project. 	Ongoing
EO1.2	Prioritize new program development.	In progress	<ul style="list-style-type: none"> Received government approval for B.Sc. Interdisciplinary Science degree. Created an accounting concentration in our B.Com. Business degree. 	Ongoing
Goal 2	Flexible Workplace			
Priority Initiatives				
P2.1	Provide workplace flexibility for employees as needed and as possible for health or personal reasons.	Complete	<ul style="list-style-type: none"> Enabled employees to work from home during pandemic lockdowns. 	

Type	Description	Expected Completion Date and Status	Performance Measures Achieved	Revised Expected Completion Date
P2.2	Cultivate a safe, inclusive environment of mutual respect.	In progress	<ul style="list-style-type: none"> Implemented safety protocols that resulted in no transmission of COVID-19 on campus. 	September 2022
P2.3	Invest in training and development for faculty & staff.	In progress		
Expected Outcomes				
EO2.1	Implement Return to Work Guidelines, working with individual health and safety concerns.	In progress	<ul style="list-style-type: none"> Created a work from home policy. 	August 2021
EO2.2.1	Conduct an equity, diversity and inclusion (EDI) review of institutional policies and practices.	In progress	<ul style="list-style-type: none"> Taskforce work completed. 	Fall 2021
EO2.2.2	Invest in unconscious bias and anti-racism training for faculty and staff.	In progress	<ul style="list-style-type: none"> EDI taskforce training complete. 	2021
EO2.3.1	Update the academic handbook & policies.	In progress		2021
EO2.3.2	Restructure academic administration	In progress	<ul style="list-style-type: none"> Hired a Faculty Teaching Coordinator 	2021
EO2.3.3	Provide missional training & development for faculty & staff.	Not started		2021
Goal 3	Flexible Student Experiences			
Priority Initiatives				

Type	Description	Expected Completion Date and Status	Performance Measures Achieved	Revised Expected Completion Date
P3.1	Create opportunities for connection, belonging, experience, and access for all students.	In progress		Ongoing
Expected Outcomes				
EO3.1.1	Create a sustainable & effective online platform for orienting & welcoming all students.	Complete	<ul style="list-style-type: none"> Online orientation occurred for both the fall and winter terms. 	
EO3.1.2	Create a new way of holding chapel.	In progress	<ul style="list-style-type: none"> Online chapel occurred during the 2020/21 academic year. 	Ongoing
EO3.1.3	Launch a new Centre for Vocation & Calling.	Complete	<ul style="list-style-type: none"> Centre for Career and Calling opened in September 2020. 	
EO3.1.4	Establish a Mental Health Taskforce.	In progress	<ul style="list-style-type: none"> A task force has completed its campus audit. 	Ongoing
EO3.1.5	Hold ceremony for FNM flag-raising alongside national & provincial flags.	Not started		2021
EO3.1.6	Revitalization of student spaces on campus.	Ongoing	<ul style="list-style-type: none"> Cafeteria phase one renovation complete. 	
EO3.1.7	Create a technology help desk for students.	Not started		2021
Goal 4	Financial & Organizational Sustainability			
Priority Initiatives				
P4.1	Net credit hours of 10,826 in Fall 20-21; 11,162 in Fall 21-22.	In Progress	<ul style="list-style-type: none"> Actual credit hours 20-21 Fall 10,968.5. Actual credit hours 20-21 Winter 10,728.75. 	

Type	Description	Expected Completion Date and Status	Performance Measures Achieved	Revised Expected Completion Date
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P4.2	Update administrative software infrastructure.	In Progress		
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P4.3	Renewal of strategic planning.	Not Started		
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Expected Outcomes

EO4.1	10,826 in Fall 20-21.	Complete	<ul style="list-style-type: none"> Actual credit hours 20-21 Fall 10,968.5. Actual credit hours 20-21 Winter 10,728.75. 	Ongoing
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EO4.2.1	Upgrade to internet bandwidth/resources.	In Progress		2022
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EO4.2.2	Increase Human Resources staffing.	Complete	<ul style="list-style-type: none"> Half-time HR employee added. 	
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EO4.2.3	Complete review of administrative information technology needs and tender project.	Complete	<ul style="list-style-type: none"> Review completed. 	
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EO4.2.4	Public lecture series.	Ongoing	<ul style="list-style-type: none"> Held 19 lectures. 	
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EO4.2.5	Secure funds for the Centre for Excellence in the Sciences.	Ongoing	<ul style="list-style-type: none"> Received Board approval to begin fundraising. 	
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EO4.3.1	Establish a Center for Excellence in Sciences Planning Group.	Ongoing		
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EO4.3.2	Define process & timeline for re-engaging strategic planning.	Not started		2021
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Financial and Budget Information

Table 2 Operations 2020-2021 Actual vs. Budget below provides actual vs. budgeted revenues and expenses for the year 2020-2021.

Table 2 Operations 2020-2021 Actual vs. Budget

	Actual 2020-2021	Budget 2020-2021	Difference
REVENUE			
Government Grants	\$5,542,390	\$5,419,026	\$123,364
Government of Alberta	5,106,104	4,987,854	118,251
Government of Canada	436,285	431,172	5,113
Other Governments	-	-	-
Student Tuition and Fees	10,462,962	10,071,964	391,000
Sales, Rentals and Services	816,519	878,175	(61,656)
Donations and Other Contributions	2,485,003	2,261,926	223,077
Investment Income	225,596	204,068	21,528
Extraordinary Revenue	2,480,082	416,205	2,063,877
Other Revenue	180,540	115,925	64,615
Total Revenue	22,193,094	19,391,200	2,801,894
EXPENSE			
Salaries and Benefits	12,587,621	12,221,305	366,316
Materials, Supplies and Services	3,273,822	4,070,078	(796,256)
Scholarships, Bursaries and Awards	915,203	908,850	6,353
Amortization of Capital Assets	1,662,650	1,840,967	(178,317)
Debt Servicing Cost	326,452	350,000	(23,548)
Extraordinary Expense	-	-	-
Total Expense	20,473,933	19,391,200	(625,452)
Gain (Loss) on Disposal and Write Down of Capital Assets	1,810	-	1,810
ANNUAL OPERATING RESULT	\$3,425,536	-	\$3,425,536

The 2020-21 summarized operating results include:

- Salary grids were increased 2% for employees;
- Provincial government funding decreased 1.1%;
- An overall fee increase of 2.0%, with no change tuition rates;
- A surplus of \$3,425,536; and
- Capital purchases of \$926,771, funded through Advancement and fundraising efforts.

2020-21 was a year of tremendous challenge for all organizations with the effects of COVID-19. King's weathered the challenge by planning early measures to reduce costs through temporary staff and faculty reductions notwithstanding the negotiated 2% increases, before the Federal Government's

CEWS program was announced. Some CEWS money was used for staff wages later in the year to the approximate equivalent amounts. King's was fortunate to receive some estate gifts and implemented a COVID campaign early in the year which improved donation revenues in 2020-21. Despite the lower than initially forecast student numbers, student retention was higher which eased the impact on tuition and fee revenue. The University also changed its mortgage program to a typical bank mortgage from its supporter loan and RRSP programs.

The additional \$2.4 million CEWS grant had a significant impact on the operating results as did the over \$700K reduction in travel expenditures. This surplus will enable improvement of the out of date IT infrastructure: provide more functional hybrid classrooms and continuation for the \$4 million ERP which is scheduled to occur over the next 2-3 years in addition to other operational needs.

Capital Plan

The King's University remains ineligible to access the Alberta Infrastructure Maintenance Grant. Thus external donors, supporters, partners, the Federal Government and internal funds generated by operations are our only means to generate funding for capital expenditures.

The University finished the 2020-21 fiscal year with capital spending of \$926,771. The Administration wing roof retrofit was almost \$275K. Other equipment not budgeted included hybrid classroom set up to improve instruction delivery during the COVID-19 challenges and cost \$85K. Future plans include continuing upgrades to the technology infrastructure with costs around \$495K and ERP/SIS implementation at approximately \$4M over 2-3 years.

Table 3 Summary of Capital Expenditures – Actual vs. Budget

Capital Expenditure	2020-2021 Actual	2020-2021 Budget	Variance
Main Building Improvements	287,098	277,250	
Residence Improvements	21,035		
Cafeteria Improvements	6,012	7,000	
Building and Site improvements	315,044	284,250	30,794
Furniture	4,495		
Other various equipment	14,450	23,000	
Equipment and furniture	18,945	23,000	4,055
Laptop equipment purchases	57,864	65,000	
Infrastructure Ever-greening	165,322	202,000	
ERP/SIS Replacement	42,536	44,000	
Software Upgrades	42,458	65,000	
Other Equipment	85,393	95,000	
Computer and telephone equipment	393,573	471,000	77,427
Library	61,503	81,000	19,497
Construction in Progress	104,970	110,000	5,030
Building systems	32,735	10,000	(22,735)
	\$926,771	\$979,250	\$52,476

The University is winding up its capital campaign feasibility study as it begins to pursue a major funding drive, as part of its *Shared Vision 2020* strategic plan to address the changing landscape of predicting donor and government funding dollars.

Research, Applied Research, and Scholarly Activities

When The King's University was established as a post-secondary institution in 1979, the university intentionally made faculty scholarship a high priority. This deliberate institutional effort continues to be a central part of our identity. There is an active culture of scholarship in all areas and a specific focus on involving undergraduate students in faculty scholarship. As can be noted from the table below, this institutional culture and faculty commitment result in a significant number of scholarly publications for a primarily undergraduate university. The table also demonstrates the active participation of undergraduate students in this work.

We saw a significant but expected drop in scholarly contributions this past year. The changes caused by COVID disrupted some research programs, led to cancelled conferences, and interfered with some student research on campus. Despite this, the 45 faculty made 131 contributions, 22 of which included undergraduate student researchers.

Table 4 Summary of Scholarly Contributions – 2016-2020

Type of Scholarly Contribution	Number of contributions				
	2016	2017	2018	2019	2020
Book – authored/co-authored		2		5	2
Book – edited/co-edited	1	1		3	1
Book chapter	8	6	6	9	9
Article – refereed journal	16	28	21	40	24
Article – non-refereed journal	9	3	4	3	3
Creative work, publication, or performance	15	33	14	13	8
Conference/scholarly meeting presentation	65	60	76	67	19
Refereed conference presentation	33	29	19	36	28
Other scholarly work	18	45	27	41	37
Total Scholarly Contributions	166	207	167	217	131
Undergraduate Student Involvement					
Research assistance and authorship	39	50	42	36	17
Research assistance only	9	12	6	25	5
Grand total	48	62	48	61	22

As documented in Table 2, funding for scholarly activity comes from three sources:

- Federal Tri-Council agencies (SSHRC, NSERC), external sources such as Alberta Environment and Parks and the Alberta Conservation Association, and other provincial, national, and international granting agencies.
- Internal Research and Conference and Professional Development funds.
- Internal support for sabbaticals.

External funding for research declined this past year as some Tri-Council grants finished and no new grants were awarded. Internal research funding, both through direct funding and sabbatical funding, dropped significantly as faculty did not travel to conferences. We were forced to cancel sabbaticals because we needed all our experienced faculty present to deliver hybrid courses in the 2020/21 academic year.

Table 5 Sources of Research Funding – 2011-2020

<i>Fiscal Year</i>	<i>External Funding</i>	<i>Internal Research Funds and Conference/PD Funding</i>	<i>Net Salary Cost of Sabbaticals</i>	<i>Total</i>
	\$	\$	\$	\$
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
2018	452,925	62,394	38,649	553,968
2019	468,889	76,020	38,716	583,625
2020	593,775	64,043	53,048	710,866
2021	469,398	15,934	8,795	494,127
<i>Total</i>	4,123,726	726,619	486,411	5,336,756

This past year we developed a new Strategic Research Plan for the next five years. The plan focuses on our current strengths and establishes ways we can focus our resources to improve our impact. We have identified five research themes for the next five years:

1. Religion, Culture and Society

The encompassing theme of Religion, Culture, and Society is a reflection of the liberal arts foundations/general education curriculum of The King’s University. As a Christian university, investigating the role that belief plays in shaping both our perception of the world and our theorizing about it is fundamental to our identity; it provides us with a unique lens for doing scholarship as well as a distinct position from which to investigate the interplay of religion, culture and society. Research currently being done includes:

- The Kings University is home to two Tier 2 Canada Research Chairs in this area, one in Christian Continental Philosophy and the second in Modernist Literature and Print Culture.
- Historiography that focuses on marginalized voices.
- Performance and research projects in visual arts, drama, and music wherein faculty members connect these disciplines to the rich history of deep belief structures that underlie them and to a Christian understanding of truth and beauty.

- Psychology of religion and the cognitive and moral dimensions of belief.
- Commerce and ethics: how belief structures affect the practice and theories of business.
- Political theology and theology of justice (e.g. public policy that seeks justice).
- Philosophy of science and its connection to faith and religion.

2. Community Engaged Research

CER is an approach to research that works towards positive social change through collaborative relationships between universities and community partners. It focuses on bringing the tools of modern scholarship to the problems in our communities. With the appointment of a Community Engaged Research Program Manager, The King's University is committed to developing this research theme and to involving undergraduate students in it. Currently, community-engaged research is occurring in psychology, sociology, theology, and environmental studies. Research projects with community agencies and organizations have been completed in topical areas such as environmental sustainability, social justice, health, food security, poverty, and community well-being.

3. Pedagogy

As a teaching and research institution, The King's University offers unique opportunities for scholars to engage in advancing pedagogical understanding in a wide range of disciplines through scholarship. The pedagogy theme of scholarship focuses on improving the ways we teach in the classroom and the ways we communicate to the broader society. Research in this area includes:

- SSHRC-funded research on how religion is taught in the public school social studies classrooms.
- How mathematics can be taught in a social justice context.
- How an equal voice approach can be used in classroom management.
- Research focused on pedagogy in the natural sciences, most of it done in conjunction with The King's Centre for Visualization in the Sciences (www.kcvs.ca). The Centre is committed to improving the public understanding of science through the development of innovative ways to visualize science.
- The university's collaboration in the Modernist Archives Publishing Project (MAPP; www.modernistarchives.com) has yielded numerous open access pedagogical resources and materials.

4. Human Health and Wellness

Human health and wellness research touches on all areas of our university. The King's University believes that human health and wellness have physiological, psychological, social, and spiritual components. Our advantage, as a small liberal arts and science institution, is that our researchers can tackle our societal health and wellness challenges from multiple disciplines. Current research in this area includes:

- Research in the natural sciences that contributes to health from the molecular to the physiological.
- Health and wellness research in the social sciences and education places personal health and wellness within the context of community, whether that be in the classroom, the family unit, city, province, country, or global community.
- Leder School of Business faculty members' research emphasizes the important role institutions and businesses play in both hurting and helping humans live healthier lives.
- Research that exposes the unhealthy ideologies and assumptions in our society.
- Developing better ways of living that place value on wisdom and the joy brought by literature, art, and music.

5. Environment and Transitions to Sustainability

The broad theme of Environment and Transitions to Sustainability includes a wide range of research projects that examine our current environmental situation and how we as humans might change to live in more sustainable ways. Currently, research in this area includes:

- Conservation biology of limber pine.
- Studying the transmission of zoonotic parasites along a rural to urban gradient.
- Development of historical resources of the Edmonton river valley and Environmental Impact Assessment; developing new materials that contribute to more sustainable resource use.
- Educating citizens to better understand their impact on the planet.
- Laying out the strengths and limits of technological solutions to the problem of sustainability.
- Social sciences research focusing on identifying the current economic and political structures that hamper the transition to sustainability.
- Developing language and modes of thought that may contribute to more sustainable ways of living.
- Exposing deep assumptions made about our culture and challenging modes of thinking that lead to unsustainable lifestyles, choices, and practices.

With faculty members in over 16 academic disciplines, there is a large breadth of research topics being studied at the University. The table below summarizes, by theme, examples of research that were published in the reporting year.

Research Theme	Examples of types of presented and published research
Religion, Culture, and Society	<ul style="list-style-type: none"> • Disability History Association Podcast, Episode 18: Disability and Design (Interview with Bess Williamson). • What is a "Good Life"? Looking at worldviews, dialogue, and integration. • When we disagree: How the distance between us is undermining democracy.

- Resurrecting Justice: Reading Romans for the Life of the World.
 - Truth, Logic and Metaphysics in Frege and Heidegger.
- Community Engaged Research
- Planting the Seeds of Reconciliation: organizational initiatives, services and resources. Edmonton: Creating Hope Society.
 - Student perspectives on barriers to postsecondary support services.
 - The effect of forest schools on special needs children and their communication.
 - Animal-assisted therapy: A scoping review of outcome research and clinical standards.
- Pedagogy
- Chemistry as if students matter: From student to student's learning outcomes.
 - Investigating how people (learners and experts) engage in Systems Thinking in Chemistry Education.
 - Cultivating Hope in the Christian University Classroom.
- Human Health and Wellness
- Self-efficacy and dyadic efficacy predict perceived stress among couples coping with cancer.
 - Lying in the lab: A Critical Look at the Practice of Deception in Psychology Research.
- Environment and Transitions to Sustainability
- Design our Climate Interactive Simulation (DOCs).
 - Farming God's Way: conservation agriculture and faith contested in Kenya.
 - Learning for Sustainability: Considering Pathways to Transformation.
 - Post-fire regeneration of endangered limber pine (*Pinus flexilis*) at the northern extent of its range.
 - Bacteriophage Therapy for American Foulbrood in Alberta Honeybees.

Regional Stewardship, Foundational Learning, Underrepresented Learners

The King's University does not have Regional Stewardship and Foundational Learning needs in our roles and mandates as defined by the government; nevertheless, King's is committed to supporting foundational learning pathways.

Foundational Learning Pathways

The King's University supports our foundational learners in at least three ways academically.

1. King's offers "How to Succeed at University" to all interested students,
2. "Post-secondary English at King's", an English Academic Language course that is for students whose Academic English is marginal and need better reading comprehension and writing in preparation for success in university, and
3. "Educational Strategies" is a course that is for students admitted on probation or placed on probation.

All of these courses provide stronger foundational skills so that our students have a stronger chance of succeeding in University.

King's is committed to creating opportunities for underrepresented learners. To that end, we have some initiatives that seek to extend access to our courses and programs to diversify our student population.

Indigenous Learners and First Nations Initiatives

During the 2020-21 fiscal year, The King's University had 36 self-identified indigenous students (3.8% of our student body). Our community is aware of its colonial roots and is working toward its missional value of reconciliation as was demonstrated when it was the only post-secondary institution in Alberta to cancel classes and request that all students and faculty attend the Truth and Reconciliation Commission meetings in Edmonton in 2014. An Indigenous Student Group is active at King's supported by the Student Association and Student Life. The group's website includes comprehensive funding packages for Metis, First Nations, and Inuit students available through the Student Finance office. We also have an email distribution list and regularly disseminate valuable information about student wellness, funding, scholarships, work opportunities, notices about important dates, and meetings to our indigenous students.

In terms of First Nations initiatives, King's continues to fulfill its commitments under the Truth and Reconciliation process. Prominent among these is the Reconciliation Bench and Garden which is the site of annual chapel services to which members of the Indigenous communities are invited to take a leading role. Educating for reconciliation and acknowledgement is in our mission statement, and our engagement toward Truth and Reconciliation is an important part of that.

Our practice is to recognize aboriginal lands as part of our major academic events throughout the year. Last spring King's had our first special acknowledgement of First Nations graduands at our Spring

Convocation with guidance and oversight from a Treaty Six Knowledge Keeper and former Board member. We plan to do this again once convocation can safely proceed again in a face-to-face manner.

Learners with disabilities

King's continues to be committed to serving students with disabilities through our accessibility services and counselling and wellness. This past year we supported 80 students with confirmed disabilities, another 7 without confirmed disabilities, and one visiting student for a total of 88 students with disabilities, 9.5% of our total students.

King's also works with Inclusive Post-Secondary Education and had four students in our Inclusive Post-Secondary Education initiative, one of whom completed their program this year.

Learners from low-income and rural backgrounds

This past academic year, we were able to secure the commitment of \$100,000 additional dollars to our Financial Aid portfolio specifically targeted for students with financial need including those that come from rural and urban communities outside of Edmonton, who have extra expenses associated with living away from home. This funding was and is highly needed with our rising tuition costs as an Independent Academic Institution and we will continue to work toward addressing this.

Transfer Agreements with First Nations Colleges

We continue to maintain transfer credit agreements with First Nations institutions. We have extensive transfer credit arrangements with Blue Quills First Nations College, Maskwacis Cultural College, and Yellowhead Tribal College. We hope to continue to expand these, as well as engage the other First Nations institutions in the province over the next year, post-COVID-19.

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).

In 2020/21 we had 95 international students, making up 10.1% of our unduplicated headcount. This is down 1% from 2019/20 when 11.3% of our students were international. 50 countries (including Canada) were represented in our student body in 2020/2021. This decline is very likely due to COVID-19 visa and travel restrictions, and is expected to reverse when the pandemic is over.

The Coordinator of Intercultural Student Programs works with the International Recruitment and Advising Coordinator to be prepared for incoming international students each semester. With the help of four International Student Assistants (ISAs), we host a specific orientation to acclimate international students not only to King's but to the wider Edmonton community as well as through 2 workshops that focused on tax information, study permits and post-grad work permits. The International Students' Buddy Program pairs student leaders with a new international student for facilitating cross-cultural adjustment.

We are currently working with 3 international recruitment agents. As a general rule, our agents trained through ICEF, an international organization connecting educators and recruitment agents, and then vetted a second time through our hiring process with a minimum of two reference checks. We are slowly seeing the fruit of these connections.

The celebration of Global Awareness Week at King's was filled with enjoyable, interactive virtual activities to showcase the vibrant and diverse backgrounds of our student body. Although the food tasting event from many international cuisines were cancelled, flags from various countries were still hung in the hallways of King's.

Given the limitations of the COVID-19 pandemic, King's was not able to offer our Field Course in International Development in Honduras in which we participate in a clean water project in rural Honduras with local Honduran partners. Nevertheless, we were able to partner with Edmonton-area donors to fund \$32,000 in grassroots community development projects in Choluteca, Honduras, including COVID-19 mitigation, drought relief, and a clean water system.

35 King's students and 40 community learners participated in our online learning experience titled 'Justice and Global Relationships'. With our partner WorldRenew, we invited international development and justice practitioners from Honduras, Bangladesh, and Kenya as well as local refugee support practitioners, federal politicians, and international disaster relief workers teach our community about the particular challenges of pursuing justice in our global setting.

Although the pandemic stopped us from sending students on global internships or to Cuernavaca, Mexico on our globalization annual learning tour, the Micah Centre hosted several speakers from the

international community through Zoom workshops and sent students to participate in online global learning workshops with Mennonite Central Committee, WorldRenew, and the Office for Social Justice.

Finally, the Micah Centre continues to contribute as members of the Alberta Council for Global Cooperation.

Appendix A – Audited Financial Statements

THE KING'S UNIVERSITY
Consolidated Financial Statements
Year Ended March 31, 2021

THE KING'S UNIVERSITY
Index to Consolidated Financial Statements
Year Ended March 31, 2021

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KINGSTON
ROSS
PASNAK^{LLP}

CHARTERED PROFESSIONAL ACCOUNTANTS

Suite 1500, 9888 Jasper Avenue NW
Edmonton, Alberta T5J 5C6
T. 780.424.3000 | F. 780.429.4817 | W. krpgroup.com

October 1, 2021
Edmonton, Alberta

INDEPENDENT AUDITOR'S REPORT

To the Members of The King's University

Opinion

We have audited the consolidated financial statements of The King's University (the University), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of changes in net assets, operations and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University as at March 31, 2021, and the consolidated results of its operations and consolidated cash flow 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 Consolidated Financial Statements* section of our report. We are independent of the University in accordance with ethical requirements that are relevant to our audit of the consolidated 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.

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

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

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

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

(continues)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 University'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 University'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 consolidated 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 University to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

THE KING'S UNIVERSITY
Consolidated Statement of Financial Position
March 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 2,731,501	\$ 152,359
Accounts receivable (Note 3)	327,769	277,990
Goods and Services Tax receivable	20,524	12,787
Bookstore inventory	35,234	46,775
Prepaid expenses and deposits	413,521	291,663
Short term investments (Note 4)	4,321,632	1,159,789
	7,850,181	1,941,363
INVESTMENTS (Note 4)	9,251,403	8,678,128
PROPERTY AND EQUIPMENT (Note 5)	18,553,801	19,291,489
	\$ 35,655,385	\$ 29,910,980
LIABILITIES AND NET ASSETS		
CURRENT		
Bank indebtedness (Note 6)	\$ -	\$ 650,000
Accounts payable and accrued liabilities	1,200,056	1,107,614
Source deductions payable	506,702	256,604
Deferred revenue	2,042,117	1,910,902
Deferred contributions (Note 7)	8,398,911	6,663,359
Mortgage payable (Note 8)	-	9,698,029
Debenture payable (Note 8)	-	1,609,230
Current portion of long term debt (Note 8)	-	1,120,115
Commercial mortgage due in one year (Note 8)	511,466	-
	12,659,252	23,015,853
Commercial mortgage due thereafter (Note 8)	13,288,534	-
	25,947,786	23,015,853
LONG TERM DEBT (Note 8)	-	916,850
DEFERRED CAPITAL CONTRIBUTIONS (Note 9)	2,648,627	2,883,519
	28,596,413	26,816,222
NET ASSETS		
Investment in property and equipment	2,385,151	3,381,139
Endowments (Note 10)	4,290,726	3,752,048
Internally Restricted (Note 11)	282,459	282,459
Accumulated Operating Deficit	100,636	(4,320,888)
	7,058,972	3,094,758
	\$ 35,655,385	\$ 29,910,980

ON BEHALF OF THE BOARD

Signed - "Stephanie Boldt" Treasurer _____
Signed - "Gerald Jansen" Director

THE KING'S UNIVERSITY
Consolidated Statement of Changes in Net Assets
Year Ended March 31, 2021

	Investment in Property and Equipment	Endowments	Internally Restricted	Accumulated Operating Deficit	2021	2020
NET ASSETS - BEGINNING OF YEAR	3,381,139	3,752,048	282,459	(4,320,888)	3,094,758	2,734,065
Excess of revenue over expenditure	-	-	-	3,425,536	3,425,536	201,538
Endowment contributions <i>(Note 10)</i>	-	538,678	-	-	538,678	159,155
Transfer for:						
Acquisition of internally funded property and equipment	926,771	-	-	(926,771)	-	-
Amortization of internally funded property and equipment	(1,427,758)	-	-	1,427,758	-	-
Net book value of property and equipment disposals	(1,810)	-	-	1,810	-	-
Change in mortgage, debenture and long term and callable debt payable	(493,191)	-	-	493,191	-	-
NET ASSETS - END OF YEAR	2,385,151	4,290,726	282,459	100,636	7,058,972	3,094,758

THE KING'S UNIVERSITY
Consolidated Statement of Operations
Year Ended March 31, 2021

	Budget (Note 14)	2021	2020
REVENUE			
Tuition fees (Note 3)	\$ 10,071,968	\$ 10,462,964	\$ 10,096,301
Government grants (Note 3)	4,987,851	5,162,985	5,254,578
Donations	2,261,926	2,485,003	2,416,447
Canadian Emergency Wage Subsidy	416,205	2,480,082	-
Residence and other sales (Note 12)	878,175	816,519	2,079,948
Research grants	455,086	463,220	579,495
Investment income (Note 13)	204,064	225,596	70,195
Other income	115,925	96,725	184,417
	19,391,200	22,193,094	20,681,381
EXPENSES			
Salaries and benefits	12,221,305	12,587,621	12,754,388
Operating supplies and services	2,087,108	1,955,034	2,127,411
Amortization	1,840,967	1,662,650	1,658,632
Scholarships and awards	908,850	915,203	936,733
Utilities	479,521	458,425	449,082
Maintenance and equipment rent	488,130	366,748	353,808
Cost of goods sold	327,090	182,762	830,843
Interest on mortgage payable	230,000	146,546	245,375
Insurance and taxes	155,400	138,066	139,937
Travel, hospitality and conferences	478,329	98,513	689,243
Interest on debenture payable	40,000	92,330	105,633
Interest on long term debt	80,000	87,560	60,269
Professional fees	54,500	74,274	122,556
Loss on disposal of equipment	-	1,810	5,910
Interest on line of credit	-	16	23
	19,391,200	18,767,558	20,479,843
EXCESS OF REVENUE OVER EXPENDITURES	\$ -	\$ 3,425,536	\$ 201,538

THE KING'S UNIVERSITY
Consolidated Statement of Cash Flow
Year Ended March 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Cash received from students for tuition and fees	\$ 10,753,481	\$ 10,246,030
Cash received from government	8,136,519	5,686,752
Cash received from donors	2,613,560	1,839,050
Cash received from sale of goods and services	607,437	2,055,331
Cash received from other sources	93,925	180,217
Cash paid to employees for salaries and benefits	(12,299,121)	(12,698,704)
Cash paid to suppliers for materials and services	(4,253,046)	(5,889,782)
Cash paid to creditors for interest	(179,907)	(165,928)
Cash flow from operating activities	5,472,848	1,252,966
INVESTING ACTIVITIES		
Cash received from donors restricted for property and equipment	-	510,692
Cash received from income on investments	765,792	397,792
Cash received on disposal of property and equipment	2,000	-
Cash applied to purchase of property and equipment	(926,771)	(2,013,162)
Cash invested in investments	(2,319,546)	(553,067)
Cash flow used by investing activities	(2,478,525)	(1,657,745)
FINANCING ACTIVITIES		
Cash (paid) received from line of credit	(650,000)	650,000
Cash received from endowments	382,359	140,016
Cash paid for long term debt repayments	(13,490,769)	(1,709,066)
Cash received for commercial mortgage	13,800,000	-
Cash flow from (used by) financing activities	41,590	(919,050)
INCREASE (DECREASE) IN CASH	3,035,913	(1,323,829)
CASH - BEGINNING OF YEAR	315,062	1,638,891
CASH - END OF YEAR	\$ 3,350,975	\$ 315,062
CASH CONSISTS OF:		
Cash	\$ 2,731,501	\$ 152,359
Cash included in short term investments (Note 4)	619,474	162,703
	\$ 3,350,975	\$ 315,062

THE KING'S UNIVERSITY
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

1. AUTHORITY AND PURPOSE

The King's University (the "University"), formerly The King's University College, operates under the authority of The King's College Act, Statutes of Alberta 1979, as amended. Its mission is to provide university education that inspires and equips learners to bring renewal and reconciliation to all walks of life as followers of Jesus Christ, the Servant King.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements include the accounts of The King's University Foundation (the "Foundation"). The Foundation, which operates under the Companies Act of Alberta, solicits and receives gifts and donations and provides grants and property to the University to support and promote the educational and research activities of the University. The King's University and the Foundation are registered charitable organizations for purposes of the Income Tax Act (Canada) and, as such, are not liable for the payment of income taxes. The Leder School of Business Consulting (the "Company"), which operated under the Business Corporations Act of Alberta, had been a wholly owned subsidiary that provided consulting services on a fee for service basis and was voluntarily dissolved October 31, 2018.

The accounts of the two organizations have been consolidated to reflect the financial position and results of operations as though they were a single economic entity. Inter-entity balances and transactions have been eliminated on consolidation. Subsequent to the year-end, The King's University Foundation was amalgamated into The King's University (Note 16).

Investments

The University's investments are recorded at fair value and consist of money market, fixed income, and equity based instruments. The investment portfolio is managed by a third party investment manager and is subject to an investment policy set by the Board of Governors. The main objective of the investment policy is the growth and preservation of capital. The fixed income investments which consist of federal, provincial and corporate bonds are capable of prompt liquidation. The equity based investments are widely held and diversified and are traded on a regular basis on the recommendation of the investment manager and approval of the University.

Property and equipment

Purchased property and equipment are recorded at cost less accumulated amortization. Contributed property and equipment are recorded at fair value at the date of contribution.

Property and equipment are amortized on a straight-line basis over the assets' estimated useful lives as follows:

	<u>Years</u>
Buildings and site improvements	10 - 40
Furniture and equipment	5 - 20
Library materials	5 - 10

Property and equipment is not amortized until available for use. Construction on the building amounts to \$769,057 as at March 31, 2021 (2020 - \$664,087) and has not been amortized during the year.

(continues)

THE KING'S UNIVERSITY
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

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

Endowments

Endowments represent externally restricted contributions of which the principal is to be held intact. Investment earnings on endowments are included in deferred contributions and must be used in accordance with the conditions imposed by the donor's terms of reference. Investment earnings to be added to endowment principal are recorded as direct increases in net assets.

Inventory

Inventory of merchandise held for resale is recorded at the lower of purchased cost and net realizable value, with cost being determined on an average cost basis. Total inventory expensed to cost of goods sold in the year is \$171,062 (2020 - \$208,966).

Revenue recognition

The University follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable. Contributions restricted for purposes other than endowments or the acquisition of property and equipment (including research grants) are deferred and recognized as revenue in the year in which the related expenses are incurred. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable. Contributions restricted for the acquisition of property and equipment having limited lives are recorded as deferred capital contributions in the period in which they are received and are amortized to revenue over the useful lives of the related assets. Contributions restricted for the acquisition of property and equipment that will not be amortized are recognized as direct increases to net assets in the period in which they are expended.

Donated materials and services are recognized as revenue at fair value when a fair value can be reasonably determined and when they would otherwise have been purchased. Pledges are recognized when collection is reasonably assured.

Investment income includes dividend and interest income, and realized and unrealized investment gains and losses. Unrealized gains and losses on investments are either included in investment income and recognized as revenue in the statement of operations, deferred or reported directly in net assets, depending on the nature of any external restrictions imposed on the investment income. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Investment earnings on internally designated funds are recognized as revenue when received or receivable. Other unrestricted investment income is recognized as revenue when earned.

Tuition fees are recognized as revenue when the instruction is delivered and the tuition fees have been received or are considered receivable. Residence, food, conference, bookstore, other and consulting service sales are recognized as revenue when the product or service has been provided and the agreed upon amount is received or considered receivable.

Government grants and subsidies are recognized as revenue in the year to which they relate.

Deferred revenue consists of tuition, residence fees, government grants and facility rental income received in advance.

(continues)

THE KING'S UNIVERSITY
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

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

Employee future benefits

The University participates with other employers in the Canadian Christian School Pension Plan and Trust Fund (the "Plan"). The Plan is a contributory, defined benefit pension plan that provides pensions for the University's eligible employees based on their years of service and earnings.

Pension cost is disclosed as a part of salaries and benefits and is comprised of the amount of employer contributions required for the University's employees during the year, based on rates that are expected to provide benefits payable under the Plan. The University's portion of the pension plan's deficit or surplus is not recorded by the University as this portion is not readily determinable, therefore the pension is being accounted for as a defined contribution plan.

Measurement uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The significant estimates pertain to the physical and economic lives of property and equipment, the collectability of accounts receivable, the allocation of costs for the purpose of recognizing deferred contributions and the amortization of deferred capital contributions.

Financial instruments

All financial instruments are initially measured at fair value, and, unless otherwise noted, the University subsequently measures its financial instruments at amortized cost.

3. ACCOUNTS RECEIVABLE

	2021	2020
Accounts receivable	\$ 500,213	\$ 465,363
Allowance for doubtful accounts	(172,444)	(187,373)
	\$ 327,769	\$ 277,990
Bad debt (recovery) expense, included in tuition fees	\$ (14,928)	\$ 41,914

Included within accounts receivable is \$132,287 of Canada Emergency Wage Subsidy (2020 - \$nil). During the year, the University received \$25,000 in Temporary Wage Subsidy and \$2,480,082 of Canada Emergency Wage Subsidy included within government grants.

THE KING'S UNIVERSITY
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

4. INVESTMENTS

	2021	2020
Short term investments		
Corporate notes	\$ 3,702,158	\$ 997,086
Cash	619,474	162,703
	\$ 4,321,632	\$ 1,159,789
Long term investments		
Equity funds - Canada	\$ 3,801,945	\$ 3,360,255
Corporate notes	2,770,689	3,099,375
Equity linked notes - Canada	1,024,993	715,503
Equity funds - U.S.	653,532	873,084
Deposit agreement	354,127	338,011
Equity funds - Emerging markets	342,233	44,838
Equity funds - Overseas	222,912	169,729
Cash surrender value of life insurance policies	80,972	77,333
	\$ 9,251,403	\$ 8,678,128
	\$ 13,573,035	\$ 9,837,917

Investments include corporate notes that mature at various dates to May 1, 2025. The remaining investments include publicly traded equities and are held by investment managers in equity fund portfolios. The University's fixed income investments bear interest at rates of 0.55% to 3.78% (2020 - 1.35% to 3.78%). The rate of return on the remainder of the portfolio is dependent on the performance of the funds.

A portion of the investments are held in equity linked notes. Equity linked notes provide investments in a notional portfolio of shares selected using a quantitative model with the ability to allocate to fixed income investments based on the trend of the S&P/TSX Composite Index for Canada and S&P 500 Index for US. The goal of this strategy is to be exposed to the shares selected by the model when the trend is positive for the equity markets and to reduce or eliminate equity exposure as the trend for the equity markets becomes negative. At March 31, 2021 equity linked notes were 54% invested in equity and 46% invested in fixed income (2020 - 45% invested in equity and 55% invested in fixed income).

THE KING'S UNIVERSITY
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Buildings and site improvements	\$ 32,241,770	\$ 17,743,699	\$ 14,498,071	\$ 15,213,542
Land	1,852,592	-	1,852,592	1,852,592
Furniture and equipment	10,213,081	8,563,627	1,649,454	1,610,718
Library materials	3,915,540	3,361,856	553,684	614,637
	\$ 48,222,983	\$ 29,669,182	\$ 18,553,801	\$ 19,291,489

6. BANK INDEBTEDNESS

During the year, the University acquired a new line of credit with Christian Credit Union authorized limit of \$3,500,000. The line of credit bears interest at bank prime plus 0.88%, is payable monthly and is secured by the same terms as the commercial mortgage in Note 8, plus a Loan and Security Agreement in the amount \$3,500,000. At March 31, 2021, the line of credit was not drawn upon, and the effective interest rate was 2.45%.

With the acquisition of the new line of credit noted above, the University no longer holds a line of credit with ATB Financial.

THE KING'S UNIVERSITY
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

7. DEFERRED CONTRIBUTIONS

Deferred contributions represent restricted investment income and unspent resources externally restricted for research grants, scholarships and designated donations. Changes in the deferred contributions balance are as follows:

	2021	2020
Beginning balance, related to operating fund	\$ 5,588,089	\$ 6,039,885
Add:		
Restricted donations	919,379	729,230
Restricted government grants	165,000	189,370
Restricted research grants	449,024	679,788
	1,533,403	1,598,388
Less:		
Donations recognized as revenue	(574,796)	(964,332)
Research grants recognized as revenue	(343,724)	(430,851)
Amounts transferred to deferred capital contributions	-	(508,692)
Government grants recognized as revenue	(164,316)	(120,259)
Amounts returned to grantor	-	(917)
Amounts transferred to endowments	(60,000)	(25,133)
	(1,142,836)	(2,050,184)
Ending balance, related to operating fund	5,978,656	5,588,089
Beginning balance, related to investment income	1,075,270	1,581,941
Add:		
Dividend and interest income earned	745,155	388,512
Changes in unrealized gains (losses)	842,787	(828,270)
	1,587,942	(439,758)
Less:		
Amount recognized as investment income in the period	(87,613)	(47,772)
Amount added directly to endowments	(155,344)	(19,141)
	(242,957)	(66,913)
Ending balance, related to investment income	2,417,194	1,075,270
	\$ 8,398,911	\$ 6,663,359

THE KING'S UNIVERSITY
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

8. COMMERCIAL MORTGAGE

The University's supporter-based financing has historically consisted of supporter loans and RRSP, RRIF, and TFSA programs.

On September 26, 2020, the King's Board of Governors approved the decision to move the institution's supporter-based financing to a traditional commercial mortgage with the Christian Credit Union. This decision was made largely because of the significant supporter loan and RRSP redemptions that have occurred in the past year, due to factors including the aging of our supporters and the difficult economic times in Alberta that were exacerbated by the COVID-19 pandemic. With the transition to a traditional bank mortgage arrangement, the University anticipates a more effective management of financial risk, as well as greater certainty of cash flow through the amortization period of the loan.

Deposits associated with the RRSP, RRIF, and TFSA programs were previously held by Concentra Trust on behalf of the University. As of March 19, 2021, these programs were closed by the University, and the portfolio balance was transferred in full to Concentra and no longer has association with the University.

The commercial mortgage acquired with Christian Credit Union bears interest at bank prime plus 0.55%, is due on demand, but until demanded, is repayable in monthly blended payments of principal and interest in the amount of \$76,554 and is secured by a Loan and Security Agreement in the amount of \$13,800,000, a General Security Agreement covering all present and after acquired personal property, a continuing Collateral Mortgage for Corporations in the amount of \$17,300,000 against specific properties of the University, assignment of all rents and leases of said properties and an Environmental Indemnity Agreement on said properties. As of March 31, 2021, the effective interest rate was 2.45%.

	2021
2022	\$ 511,466
2023	527,126
2024	542,151
2025	559,649
2026	576,671
Subsequent years	11,082,937
	\$ 13,800,000

THE KING'S UNIVERSITY
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

9. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the net book value of contributed property and equipment, and property and equipment purchased with restricted contributions. The changes in the deferred capital contributions balance are as follows:

	2021	2020
Balance, beginning of year	\$ 2,883,519	\$ 2,640,372
Capital contributions from donors	-	502,000
Capital Contributions from government	-	8,692
Amounts amortized to revenue, included in government grants, donations and research grants	(234,892)	(267,545)
Balance, end of period	\$ 2,648,627	\$ 2,883,519

Amounts amortized to revenue, and included in government grants and donations are \$47,655 (2020 - \$79,795) and \$187,237 (2020 - \$187,750), respectively.

10. ENDOWMENTS

	2021	2020
Balance, beginning of period	\$ 3,752,048	\$ 3,592,893
Net contributions and earnings on restricted donations	538,678	159,155
Balance, end of period	\$ 4,290,726	\$ 3,752,048

Balance consists of the following:

Designated for scholarships, bursaries or awards in:

Commerce	\$ 726,865	\$ 575,630
Various disciplines	637,585	621,512
Christian ministry or service	489,051	461,625
Education	409,950	393,723
Music	387,489	351,904
Arts	317,468	268,801
Natural Sciences	277,841	276,637
Political Science, History, Economics	199,947	190,225
Environmental Sciences	154,017	149,277
Social Sciences	132,878	131,954
Centre for Excellence in the Sciences	210,748	-
Mephibosheth Scholarship	107,554	107,554
Alumni Student Assistance Program	101,341	100,021
Other	71,954	71,695
Micah Centre	66,038	51,490
	\$ 4,290,726	\$ 3,752,048

The increase in endowments relates to \$459,940 for new endowment donations, \$14,698 for CPI indexing and \$64,040 for non-cash donations of investments.

THE KING'S UNIVERSITY
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

11. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets represent funds designated by the Board of Governors. The principal is to be held intact and investment earnings on the principal are to be used for scholarships, bursaries and awards.

12. RESIDENCE AND OTHER SALES

	2021	2020
Residence	\$ 467,985	\$ 831,962
Bookstore	212,381	232,921
Conference services	81,523	344,222
Other	46,568	73,171
Food services	8,062	597,672
	\$ 816,519	\$ 2,079,948

13. INVESTMENT INCOME

	2021	2020
Amounts (deferred) recognized	\$ (1,207,532)	\$ 519,818
Dividend and interest income earned in the period	745,155	388,513
Interest income earned on general bank account	530	9,275
Amounts added directly to endowments	(155,344)	(19,141)
Changes in unrealized (losses) gains	842,787	(828,270)
	\$ 225,596	\$ 70,195

14. BUDGET

The initial budget for the 2021 fiscal year had originally been presented for approval on March 21, 2020, however, it was soon realized by the Finance Committee that changes resulting from COVID-19 needed to be addressed in the 2021 budget. The original budget was then amended and reapproved by the Board of Governors on September 26, 2020. The budgeted amounts have been provided for information purposes only and are unaudited.

THE KING'S UNIVERSITY
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

15. PENSION PLAN

The pension expense recorded in these financial statements represents the University's annual contributions payable of \$692,226 for the year ended March 31, 2021 (2020 - \$720,594).

An actuarial valuation of the Canadian Christian School Pension Plan and Trust Fund (the Plan) was performed as of August 31, 2019 and signed on June 11, 2020 by consulting actuary Mercer.

On June 25, 2019, the Board of Directors of Christian Schools International adopted an amendment to the Plan that, effective September 1, 2019, extends the period for the calculation of final average earnings to August 31, 2020. In accordance with pension benefits legislation, the next actuarial valuation of the Plan will be required as at a date not later than August 31, 2022, or as the date of an earlier amendment to the plan.

The major assumption changes in the actuarial estimate issued in June 2020 include reducing the discount rate from 6.05% to 5.65%; an increase in explicit expenses from \$1,425,000 to \$1,500,000 per year for non-investment expenses plus 56 bps deduction from discount rate for investment expenses; and reducing the discount rate for actuarial basis for benefits assumed to be settled through a lump sum from 3.48% to 2.76%.

As of August 31, 2019, the Plan reported a deficit of approximately \$44 million in a fund with net assets available for benefits of approximately \$397 million and pension obligations of \$689 million.

16. SUBSEQUENT EVENTS

A Board of Directors meeting was held on April 29, 2021, and the Board approved the Executive recommendation of amalgamating the The King's University Foundation into The King's University. A full members meeting was held on May 27, 2021 to hold the dissolution vote, which was carried. The Foundation will have an anticipated dissolution date of June 30, 2021.

17. COVID-19

The Coronavirus Disease 2019, or COVID-19, has spread across the globe and continues to impact worldwide economic activity. This global pandemic poses the risk that the University or its students, employees, donors, suppliers, and other partners may experience periodic interruptions to their regular business activities. While it is not possible at this time to estimate the impact that COVID-19 will have on the University's business in the coming fiscal year, the continued spread of the virus and the measures taken by the federal, provincial and municipal governments to contain its impact could adversely impact the University's business activities, financial condition and/or the results of its operations. The extent to which the COVID-19 outbreak will continue to impact the University's results will depend on future developments that are highly uncertain and cannot be predicted at this time.

THE KING'S UNIVERSITY
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

18. FINANCIAL INSTRUMENTS

The University is exposed to various risks through its financial instruments. The following analysis provides information about the University's risk exposure and concentration as of March 31, 2021. Unless otherwise noted, the University's risk exposure has not changed from the prior year.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The University is exposed to credit risk from students and customers, and the maximum exposure to this risk is the carrying value of accounts receivable on the balance sheet. The University has a significant number of students and customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The University is exposed to this risk mainly in respect of its receipt of funds from its students, donors and other related sources, callable debt, contributions to the pension plan, and accounts payable and accrued liabilities. Shortfalls are met with the use of the available credit facilities.

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 University is mainly exposed to market risk through its exposure to potential fluctuations in investment values.

Currency risk

Currency risk is the risk to the University's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The University is exposed to foreign currency exchange risk on cash of \$12,320USD (2020 - \$20,878USD) and accounts receivable of \$nil (2020 - \$8,100) held in U.S. dollars. These amounts are of short duration, which minimizes the University's exposure to foreign currency fluctuations.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the University manages exposure through its normal operating and financing activities. The University is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

THE KING'S UNIVERSITY

Consolidated Statement of Operations by Function

(Schedule 1)

Year Ended March 31, 2021

	Budget (Note 14)	2021	2020
REVENUE			
Tuition fees	\$ 10,071,968	\$ 10,462,964	\$ 10,096,301
Government grants	4,987,851	5,162,985	5,254,578
Donations	2,261,926	2,485,003	2,416,447
Canadian Emergency Wage Subsidy	416,205	2,480,082	-
Residence and other sales (Note 12)	878,175	816,519	2,079,948
Research grants	455,086	463,220	579,495
Investment income (Note 13)	204,064	225,596	70,195
Other income	115,925	96,725	184,417
	19,391,200	22,193,094	20,681,381
EXPENDITURES			
Instruction	6,913,806	6,445,345	7,040,532
Student services	3,409,224	3,227,265	3,951,851
Physical plant	2,434,857	2,307,904	2,409,929
Institutional support	1,461,944	2,038,609	1,670,736
Institutional advancement	1,336,946	1,322,256	1,394,754
Computer services	1,056,119	1,068,580	753,865
Ancillary services	1,087,659	969,336	1,692,696
Academic support and library	1,153,401	892,173	953,706
Interest on long term and other liabilities	269,000	266,746	243,610
Research	268,244	229,344	368,164
	19,391,200	18,767,558	20,479,843
EXCESS OF REVENUE OVER EXPENDITURES	\$ -	\$ 3,425,536	\$ 201,538