



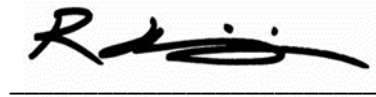
The King's University  
2022-23 Annual  
Report

For fiscal year ended 31 March 2023  
Submitted 29 September 2023

Accountability Statement .....	1
Management’s Responsibility for Reporting .....	2
President’s Message .....	3
Public Interest Disclosure (Whistleblower Protection) Act .....	4
About The King’s University .....	5
Operational Overview .....	7
Goals, Priority Initiatives, Expected Outcomes and Performance Measures .....	10
Financial and Budget Information .....	15
Capital Plan .....	16
Research, Applied Research, and Scholarly Activities .....	18
Regional Stewardship, Foundational Learning, Underrepresented Learners.....	25
Internationalization.....	27
Appendix A – Audited Financial Statements.....	29

## Accountability Statement

The King's University's Annual Report for the year ended March 31, 2023 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 positioned above a solid horizontal line.

Robert Huizinga, PhD, RN, CNeph(C)  
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



Robert Huizinga, PhD, RN, CNeph(C)  
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, 2023.

As President of King's, I acknowledge the land and peoples who are our hosts. Amiskwaciŷ-wâskahikan, Edmonton, is located where the prairie and boreal forest meet, a gathering place and home for many Indigenous peoples since time immemorial. We acknowledge that this is Treaty Six territory and part of the Metis homeland. We look forward to continuing to learn how we can be good neighbours with the original peoples of this land and with Creation.

The King's University's Board of Governors approved our new strategic plan this past spring.

**Handcrafted - King's 2023-2028 Strategic Plan** builds on a legacy of delivering exceptional Christian university education at an individual scale. Our strategic plan has four areas of focus:

**Undeniably King's** - Serving, inspiring, and empowering learners through excellence in transformative instruction, mentorship, and student experiences.

**Strong and Focused** – Learning, research, faith, and resources in service of King's mission and community.

**People as Priority** – Fostering a working and learning culture of inclusion, belonging, talent, and leadership development that opens faculty, staff, and students to flourishing.

**Learning Excellence** – Renewing and developing distinctive programs that meet the needs of new and diverse learners for the purpose of advancing God's kingdom.

By launching programs, developing capital projects, expanding our reach and resourcing our faculty and staff, this plan opens the University to good growth and new ways of bringing hope to our world.



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 universities in the Independent Academic Institution sector 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:

### *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 was operating under an interim strategic plan until March 2023 when our new strategic plan was approved by the Board of Governors. This new strategic plan is composed of four areas of focus:

- **Undeniably King's:** Serving, inspiring, and empowering learners through excellence in transformative instruction, mentorship, and student experiences.
- **Strong and Focused:** Learning, research, faith, and resources in service of mission and community.
- **People as Priority:** Fostering a working and learning culture of inclusion, belonging, talent, and leadership development that opens faculty, staff, and students to flourishing.
- **Learning Excellence:** Renewing and developing distinctive programs that meet the needs of new and diverse learners for the purpose of advancing God's kingdom.

Within each area, King's has identified well-defined initiatives that will guide us for the next five years. Many of these initiatives have already been started in the 2022/23 academic year and therefore are reported on in this annual report.

The total number of applications in the 2022/23 fall term was 751, down from 775 in 2021/22. The number of new students attending the University was 258 in 2022/23 (34.4% of applications) compared to 314 (40.5% of applications) in 2021/22.

Student enrollment fell to 675.516 FLE compared to 724.607 in 2021/22. The overall retention rate decreased from 78.5% in 2021/22 to 77.7% in 2022/23.

Our enrollment challenges can be linked to the pandemic. Specifically, our drop-in first-year enrollment is a result of our inability to connect with high school students in person at recruiting events both on the King's campus and at high schools. For an institution whose value proposition is focused on personal connections with other students and with faculty, our inability to personally connect with students led to drops in applications and registered students. In response to these admissions and enrollment challenges, we made significant changes to our admissions department throughout the year. We now have a structure that we believe will better meet the expectations of applicants, allowing us to serve them more quickly and in targeted ways while maintaining our personal touch. As we look forward to the 2023/24 academic year, we can already see a return to more normal application and enrollment numbers now that we can make personal connections with prospective students.

We continued to see respectable enrollment in our new program, Bachelor of Science in Interdisciplinary Science, adding 16 more students in the 2022/23 academic year. We submitted two proposals for new programs to the government: a 4-year B.Sc. degree in Psychology and a 4-year program in Kinesiology. We also have taken significant steps forward in developing a 4-year B.A. in Theology and Philosophy, which we expect to submit in the fall of 2023. We created a Leadership Qualification Standard Certificate offering that was approved by the Ministry of Education. This program is a required qualification for principals and other school administrators. We have created a credential that is grounded in King's Christian educational perspective and meets the expectations of the Ministry.

To diversify our offerings within the B.Com. program, we have undertaken an extensive renewal project, beginning by adding a series of concentrations to the program to allow students to specialize in their degree:

- Accounting
- Business Information Systems
- Non-profit and Social Entrepreneurship
- Small Business and Entrepreneurship
- Sports and Recreation Management

As part of our commitment to Truth and Reconciliation with Indigenous peoples, the University has entered a collaboration with the North American Institute for Indigenous Theological Studies to offer Indigenous Studies courses taught from an Indigenous perspective. This academic year we offered two courses and are working to expand these offerings so that we can create a minor in Indigenous Studies.

2022/23 was year one of a 2 ½ year implementation project for a new student information system and enterprise resource planning system. When implemented, this new system will give us better control of institutional data, allow departments to share information more readily, give us one centralized set of databases, and integrate processes more efficiently across the institution.

We completed the initial internal processes required to move forward on a \$20+ facility expansion. The Centre for Excellence in the Sciences will provide us with space for student and program growth. With the internal work done, we will move forward with creating the IPD team that will build the facility. Funding for the building has been secured, and the additional program funding is currently being fundraised.

The King's University faculty members continue to be actively engaged in scholarship even though the pandemic continued to impact productivity, particularly conference presentations. Despite the challenges, faculty continue to advance their research programs and include undergraduate students. Scholarly output dropped this year, primarily in the area of conference presentations. External research funding increased by 37% as two faculty secured substantial tri-council grants.

During the 2022/23 academic year, King's continued its restructuring of Student Services under the banner of Co-curricular Education. This restructuring is allowing us to better meet students' needs by collaborating more smoothly when delivering supports.

The level of charitable giving to support the annual operations of the University is not keeping pace with rapidly rising operational costs. In the 2022/23 fiscal year, charitable donations of \$2,212,489 represented 10.6% of our annual operating revenue, a notable change from the 16.4% of revenue that was represented by donations in 2012/13. This reality, coupled with stagnating government operating grants, has forced the University to increase the financial burden on students through increasing tuition costs.

From April 1, 2022, to March 31, 2023, The King's University experienced a decrease in its cash position. The main drivers included a larger drop in enrollment in students which affected tuition, residence, and associated revenue items. In addition, severances, travel, and increasing costs affected by inflation, such as utilities, also drove operating cash flows down by \$554K. The additional committed expenses for the

ERP project further decreased the cash flow by \$1.4M. Overall, the decrease in cash for the year was \$1.5M, which left an end-of-year position of \$788K.

We had no complaints related to freedom of speech or academic freedom.

## Goals, Priority Initiatives, Expected Outcomes and Performance Measures

During this reporting period, The King’s University approved a new strategic plan. The plan identified the following goals to pursue over the next five years:

1. **Undeniably King’s:** Serving, inspiring, and empowering learners through excellence in transformative instruction, mentorship, and student experiences.
2. **Strong and Focused:** Learning, research, faith, and resources in service of mission and community.
3. **People as Priority:** Fostering a working and learning culture of inclusion, belonging, talent, and leadership development that opens faculty, staff, and students to flourishing.
4. **Learning Excellence:** Renewing and developing distinctive programs that meet the needs of new and diverse learners for the purpose of advancing God’s kingdom.

Each of these four goals has several priority initiatives that are reported below. The plan is designed to be flexible and allow us to add more initiatives as we complete tasks or as new needs become apparent. The initiatives listed below focus on items we worked on in 2023/24 and will continue in 2023/24. All 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.

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	Learning Excellence			
Priority Initiatives				
P1.1	Distinctive Programming		Create additional degree programs to meet student and employer demand	
P1.2	Careers with Impact		Enhance the WIL offerings throughout the institution. Expand the Centre for Career and Calling	

P1.3	Design for Learning		Add novel educational offerings such as micro-credentials and certificates.	
Expected Outcomes				
EO1.1.1	Create a B.A. Theology/Philosophy Degree	Sept 2025	Program in development	
EO1.1.2	Implement a B.Sc. Psychology Degree	Sept 2025	Program submitted to Ministry	
EO1.1.3	Implement a Kinesiology Degree	Sept 2025	Program submitted to the Ministry	
EO1.1.4 a	Create a proposal for a professional degree in Health & Wellness	Sept 2024		
EO1.1.4b	Create a proposal for a professional degree in Health & Wellness	Sept 2024		
1.2.1	Incorporate work-integrated learning (WIL) in all programs	Sept 2023	Course developed	
1.3.1a	Diversify portfolio – micro-credentials	Sept 2024		
1.3.1b	Diversify portfolio – LQS certificate	Dec 2023	Certificate developed	
1.3.2	Collaborative programming	Ongoing	2 courses offered in Collaboration with NAIITS	
<b>Goal 2</b>	Undeniably King's			
Priority Initiatives				
P2.1	Targeted Recruitment Strategy		Increased applications and enrollment	
P2.2	Word of Mouth		Increased awareness scores on surveys	
P2.3	Engaging the future of post-secondary		Increased donor pool, community participation in events, and enrollment	
Expected Outcomes				
EO2.1	Develop new markets for recruitment and broadly engage our community in	April 2029	Restructured admissions	

	connecting with prospective students)			
EO2.2.1	Improve student yield rates from inquiry to enrolment	April 2029		
EO2.2.2	Activate Alumni and community in personally sharing King's with others	ongoing		
EO2.3.1	Develop new markets for Christian university education through promotional efforts that provide value to the public	ongoing	Created and piloted the "Everything series".	
EO2.3.2	Extend the values and advantages of Christian learning and scholarship into the broader field of post-secondary education through committee work, policy development, and liaising at municipal, provincial, and federal levels of government.	ongoing	Participate in Edmonton's Learning Cities committee. Chaired University Canada's education committee Member of CAQC Participation in discipline-specific provincial academic committees Participated in provincial and national executive-level associations	
EO2.3.3	Partner with churches to engage and represent the rich diversity of Christian witness at King's.	ongoing	Established a chapel series with local churches	
<b>Goal 3</b>	People as Priority			
Priority Initiatives				
P3.1	<i>Engaging our values</i>		A renewed commitment to Christian University Education	
P3.2	Equity, diversity, and inclusion		A culture of belonging is growing at King's	
P3.3	First-Year Connect Groups		Increase retention by developing Connect program for first-year students	
Expected Outcomes				

EO3.1.1	Create regular opportunities for employees to engage together around mission, vision, values and strategy	June 2024	Developed an employee engagement strategy to renew our commitment to Christian University Education	
EO3.1.2	Create a research officer position to support research.	June 2024	Executive Assistant to VPAR taking courses	
EO3.2.1	Develop an EDI action plan	June 2024	Policies reviewed	
EO3.3.1	Implement and refine the first-year Connect program	Complete April 2023	Pilot a first-year connect program.	ongoing
<b>Goal 4</b>	Strong and Focused			
Priority Initiatives				
P4.1	<i>Giving for impact</i>		Increase commitment from the supporting community	
P4.2	<i>Building Capacity &amp; Margin</i>		Increased physical and financial capacity for future growth	
P4.3	<i>Infrastructure revitalization</i>		Renovate and build facilities to improve long-term sustainability	
Expected Outcomes				
EO4.1.1	Secure pledges for the Centre for Excellence in Sciences	June 2024	\$22M total raised for CES.	
EO4.2.1	Construction of Centre for Excellence in Sciences	Sept 2026	IPD consultant hired. Contractor and architect RFPs to be posted shortly.	
EO4.2.2	Develop strategies to deepen stakeholder and alumni engagement with King's.	Sept 2024		
EO4.3.1	Implement user-focused solutions to remedying aging or inadequate infrastructure	ongoing	Updated security cameras Future activities depend on the capital	

			budget; may be put on hold for a year	
EO4.3.2	Invest in King's Campus renewal program	ongoing	Fundraised for Gymnasium renovation. Future activities depend on the capital budget; may be put on hold for a year	



## Financial and Budget Information

The Table below provides actual vs. budgeted revenues and expenses for the year 2022-2023.

Table 1 Operations 2022-2023 Actual vs. Budget

	Actual 2022-2023	Budget 2022-2023	Difference
<b>REVENUE</b>			
Government Grants	\$5,752,252	5,448,141	\$304,111
Government of Alberta	5,186,284	4,950,301	235,983
Government of Canada	565,968	497,840	68,128
Other Governments	-	-	
Student Tuition and Fees	10,850,026	11,161,728	(311,702)
Sales, Rentals and Services	1,410,740	1,960,598	(549,858)
Donations and Other Contributions	2,212,489	2,150,143	62,346
Investment Income	205,657	83,864	121,793
Other Revenue	365,074	172,312	192,762
<b>Total Revenue</b>	<b>20,796,238</b>	<b>20,976,786</b>	<b>(180,548)</b>
<b>EXPENSE</b>			
Salaries and Benefits	13,608,826	13,439,581	(169,245)
Materials, Supplies and Services	5,207,070	4,349,620	(857,450)
Scholarships, Bursaries and Awards	1,063,760	1,093,500	29,740
Amortization of Capital Assets	1,581,107	2,054,237	473,130
Debt Servicing Cost	396,435	396,432	(3)
<b>Total Expense</b>	<b>21,857,198</b>	<b>21,333,370</b>	<b>(523,828)</b>
Gain (Loss) on Disposal and Write Down of Capital Assets	(1,090)	-	(1,090)
<b>ANNUAL OPERATING RESULT</b>	<b>\$(1,062,050)</b>	<b>(\$356,584)</b>	<b>(\$705,466)</b>

The 2022-23 highlights of operations include:

- 6.77% drop in students with related revenue decrease in tuition, fees, residence, and meals
- There was a 1% increase to the salary grids during the past year;
- Provincial government base funding grant decreased 1.1%;
- Some permanent layoffs;
- Overall tuition and fee increase of 5.5%;
- A loss of \$1,062,050 due to a drop in student revenue, related student income streams, increased utilities, travel, and maintenance; and
- \$2.6M was spent on capital during the year.

The King’s University experienced a large drop in student enrolment (6.77%) for 2022-23. This was quite unexpected. It was the largest contributor to the deficit which was approximately \$700,000 larger than budgeted. King’s experienced falling revenues for tuition, fees and associated related sales against budget.

Severance payments and travel resulted in overages against budget for the year. The travel was pent-up demand for faculty conferences truncated during the COVID crisis. Utility costs were higher than anticipated. Maintenance costs increased as several building systems went down unexpectedly during the year.

Moving forward, King's University implemented a 5.5% tuition increase for 2023-24 in addition to some further personnel cuts. There is no salary grid increase for the next 2 years due to a negotiated settlement. Student enrolment numbers seem to have rebounded back to budgeted levels for the 2023-24 academic year.

The Anthology ERP/SIS (\$4M) has an implementation date of October 2024. Fundraising for the Centre for the Excellence in the Sciences (CES) for the \$9M endowment continues with groundbreaking anticipated for 2025. The \$20M donation for the building has been pledged and close to \$5M has been received for the initiative.

## Capital Plan

Alberta Infrastructure Maintenance Grant funding is not available to The King's University. Therefore, external donors, supporters, the Federal Government, and internally generated operational funds are critical sources of funds for our capital expenditures. The University spent \$2.6M on capital in 22-23.

*Table 2 Summary of Capital Expenditures – Actual vs. Budget*

Capital Expenditure	2022-2023	2022-2023	Variance
	Actual	Budget	
Main Building Improvements	22,275	5,000	
Land	39,924		
Athletics Trailer	3,835	20,000	
Cafe Improvements	372,738	300,000	
<b>Building and Site improvements</b>	<b>438,772</b>	<b>325,000</b>	<b>(113,772)</b>

Athletics Equipment	81,902	17,500	
Furniture	12,081		
Other various equipment	85,162	45,000	
<b>Equipment and furniture</b>	<b>179,145</b>	<b>62,500</b>	<b>(116,645)</b>
Laptop Evergreening	36,925	150,000	
Technology Upgrades	96,218	110,000	
Infrastructure Ever-greening	297,157	85,000	
ERP/SIS Replacement	1,459,358	1,700,000	
Security Systems	38,790	65,774	
Other	-	50,000	
<b>Computer and telephone equipment</b>	<b>1,929,448</b>	<b>2,160,774</b>	<b>231,326</b>
<b>Library</b>	<b>90,988</b>	<b>114,000</b>	<b>23,012</b>
<b>Building systems</b>	<b>21,981</b>	<b>7,300</b>	<b>(14,681)</b>
	<b>\$2,660,334</b>	<b>\$2,669,574</b>	<b>\$9,240</b>

During the year, major expenditures included a full café renovation (\$372K) and continued work on the University-wide Anthology ERP system (\$1.46M) which has an anticipated implementation date of October 31, 2024. Modernizing the classrooms with Smartboards was also undertaken during the year.

The Centre for Excellence in Science has now received close to \$5M in funding as of March 31, 2023. As well as continuing fundraising, a Kinesiology program is currently working through the Advanced Education system. A further new program is still being determined for this flagship Centre. Other next steps include bridge financing and initial design details that will support the planned groundbreaking for 2025.

## 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. The table below demonstrates that the combination of our institutional culture and our faculty commitment produces a substantial number of scholarly publications for a primarily undergraduate university. The table also demonstrates the active participation of undergraduate students in this work.

Despite the challenges posed by the pandemic, our faculty continued to pursue their scholarship. The institution supported five research sabbaticals (10% of our faculty complement). This provided critical time for these faculty members to advance their scholarship programs and produce high-quality research.

Scholarly output decreased during this year with 129 scholarly publications. The King's University research culture takes pride in having undergraduate students involved in research. This past year there were 27 examples of undergraduate student participation in scholarly output. The number of conference presentations remains below pre-pandemic levels and is expected to increase this year as the number of academic conferences continues to return to pre-pandemic levels.

Table 3: Summary of Scholarly Contributions – 2018-2022

<b>Type of Scholarly Contribution</b>	<b>Number of contributions</b>				
	<i>2018/19</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>	<i>2022/23</i>
Book – authored/co-authored		5	2	1	3
Book – edited/co-edited		3	1	1	2
Book chapter	6	9	9	6	12
Article – refereed journal	20	41	19	30	30
Article – non-refereed journal	4	3	4	5	3
Creative work, publication, or performance	14	13	8	11	12
Conference/scholarly meeting presentation	76	67	20	25	23
Refereed conference presentation	19	36	24	31	21
Other scholarly work	27	41	39	40	23
<b>Total Scholarly Contributions</b>	<b>106</b>	<b>218</b>	<b>126</b>	<b>150</b>	<b>129</b>
<b>Undergraduate Student Involvement</b>					
Research assistance and authorship	42	36	16	24	20
Research assistance only	6	25	4	14	7
<b>Total Undergraduate Student Involvement</b>	<b>48</b>	<b>61</b>	<b>20</b>	<b>38</b>	<b>27</b>

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, conference, and professional development funds.
- Internal support for sabbaticals.

External funding for research increased substantially this past year as Tri-Council funding increased. Internal research funding, both through direct funding and sabbatical funding, rose from last year as faculty were able to engage in more research and attend more conferences.

Table 4: Sources of Research Funding – 2014-2023

<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>
	\$	\$	\$	\$
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
2022	446,926	21,686	40,032	508,643
<b>2023</b>	<b>615,951</b>	<b>63,833</b>	<b>36,733</b>	<b>716,517</b>
<b>Total</b>	<b>4,439,642</b>	<b>582,116</b>	<b>402,135</b>	<b>5,423,892</b>

This past year we made some progress on our Strategic Research Plan. The plan focuses on our strengths and establishes ways we can target our resources to improve our impact. As we emerge from the pandemic, we will have to re-evaluate how to continue the support of scholarship and how to identify new resources to dedicate to this important task. We have established five research themes:

**1. Religion, Culture, and Society**

The encompassing theme of Religion, Culture, and Society reflects 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 King’s University was home to one Tier 2 Canada Research Chair in this area: 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.
- Role of gender on the farm
- Psychology of religion and the cognitive and moral dimensions of belief.
- Business as Mission: how faith and business intersect.
- Political theology and theology of justice (e.g. public policy that seeks justice).
- Literary interpretation in cultural and historic contexts.

## **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. This year we had seven community-engaged research projects involving 22 students. The projects resulted in nine presentations, six agency reports, and five other forms of output. As we look to grow the CER program in the coming years, a goal is to expand beyond the social sciences into the arts, natural sciences, and business.

## **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:

- Literacy and linguistics in the classroom.
- How mathematics can be taught in for hope.
- Understanding authority in the diverse classroom.
- 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](http://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 with the Modernist Archives Publishing Project (MAPP; [www.modernistarchives.com](http://www.modernistarchives.com)) has yielded numerous open-access pedagogical resources and materials.

## **4. Human Health and Wellness**

Human health and wellness research touches all areas of our institution. The King’s University believes that there are physiological, psychological, social, and spiritual components to human health and wellness. 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.
- Cardiovascular health.
- Health and wellness research in the social sciences and education that places personal health and wellness within the context of community, whether that be in the classroom, family unit, city, province, country, or global community.
- Leder School of Business faculty members’ research that emphasizes the important role institutions and businesses play in both hurting and helping humans live healthier lives.
- Understanding of faith in the workplace.
- Developing better ways of living that place value on wisdom and the joy brought by literature, art, and music.
- Wellness of leaders in post-secondary institutions in times of crisis.

**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:

- The King’s University was home to one Tier 2 Canada Research Chair in this area: Transitions to Sustainability.
- Conservation biology of limber pine.
- The transmission of zoonotic parasites along a rural-to-urban gradient.
- Educating citizens to better understand their impact on the planet.
- Laying out the strengths and limits of technological solutions in addressing the issue of sustainability.
- Social sciences research focused 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, the University has a large breadth of research topics being studied. The table below summarizes, by theme, examples of research that were published in the reporting year.

<b>Research Theme</b>	<b>Examples of types of presented and published research</b>
Religion, Culture, and Society	<ul style="list-style-type: none"> <li>• Negotiating Respectable Farm Femininity in Agricultural Leadership</li> <li>• Introduction to the Edinburgh Companion to Women in Publishing</li> <li>• Disability in U.S. History</li> </ul>



- Grateful (for) Life: Philosophical Takes on Gratitude and Existence
  - Digital Critical Archives, Copyright, and Feminist Praxis
  - Evaluating the presence of religious literacy in Education, Nursing, and Social Work professional programs
  - What is the Value of a Person When Artificial Intelligence Can Do All the Work?
  - Christian nationalism and the project of Christian political theory
  - Humanity and Inhumanity in WW2
  - Philosophical Perspectives on Existential Gratitude
  - Cinematic Representations of Women on Noah’s Ark
  - Reading Virginia Woolf in Paris
  - Reading Madness in Margaret Atwood’s *Alias Grace*
  - Bunyan’s Prison Imaginary and the Christian Tradition
  - Ukrainian Art Song Project
- Community Engaged Research
- What does it mean to “work with families in a good way?”
  - Exploring Mid-Life Career Transitions
- Pedagogy
- Investigating Educators’ Perspectives toward Systems Thinking in Chemistry Education from International Contexts
  - The complexities of authority in the classroom: Fostering democracy for student learning
  - Stories Alberta social studies teachers tell: Influences of Christianity, liberalism, and secularism
  - Classroom management: The history of a conversation
  - A sense of place theory and student consent
  - Embodying climate change education: Stories from the secondary science classroom
- Human Health and Wellness
- The Effects of Sex Steroid Hormones on Cardiovascular Physiology in Females
  - Impact of secondary amenorrhea on cardiovascular disease risk in physically active women
  - Fostering posttraumatic growth using group interventions
  - The Effects of Acute Energy Drink Consumption on the Cardiovascular System of University Students
  - Campus belonging predicts post-secondary students’ perceived stress

Environment and Transitions  
to Sustainability

- Semi-peripheral ecological modernization and environmental governance in Chile
- The Catholic church in times of the ecological crisis: From laggard to an engine of societal change?
- From NIMBY to transformation? Lessons from four case studies in the Maule Region in Chile
- Assessing the potential for infections of *Echinococcus multilocularis* in dogs
- Relative contributions of parasite consumptive and non-consumptive effects to host population suppression in simulated fly mite populations
- Wildlife-friendly fence designs and elk fence crossing behaviour
- Moving to next-generation community-based environmental assessment
- Human impact on deer is greater than predators and competitors in a multi-use recreation area
- Mammal responses to pandemic-related changes in human activity are shaped by landscape and diet
- Impact of wildfire on winter distribution and relative abundance of snowshoe hare
- Bacteriophages for the identification and biocontrol of carnobacteria

## 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 **UNIV 150 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 who need better reading comprehension and writing in preparation for success in university, and
3. **EDUC 211 - Educational Strategies for Learning and Life** 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 2022/23 fiscal year, The King's University had 39 self-identified indigenous students (4.4% of our unduplicated headcount). 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.

Academically, our commitment to creating opportunity for indigenous students is expressed by the following efforts.

- In 2022/23 we launched our first Indigenous Studies courses, which immediately attracted interest across our student body. Notably, we allow these courses to be used as a part of our King's Common Curriculum, ensuring that these courses are at the core of what we do. Building on this success, we are working towards offering an Indigenous Studies minor.
- We 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.

King's further fulfills its commitments under the Truth and Reconciliation process in a variety of co-curricular ways.

- 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.
- Our Reconciliation Bench and Garden is the site of annual chapel services to which members of the Indigenous communities are invited to take a leading role.
- Our practice is to recognize aboriginal lands as part of our major academic events throughout the year.
- Special acknowledgement of First Nations graduands is made at our Spring Convocation with guidance and oversight from a Treaty Six Knowledge Keeper and former Board member.

Educating for reconciliation and acknowledgement is in our mission statement, and our engagement toward Truth and Reconciliation is an important part of that.

### 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 108 students with confirmed disabilities, and another 28 in the process of diagnosis, or with temporary issues, or who eventually withdrew from classes for a total of 136 students, 14.42% of our total student body. This is a significant increase from previous years.

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.

## 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 2022/23 we had 103 international students, making up 11.8% of our unduplicated headcount. This represents some growth from 2021/22 when we had 97 international students. 60 countries (including Canada) were represented in our student body in 2022/23.

The Coordinator of Intercultural Student Programs works with the International Recruitment and Advising Coordinator to prepare to facilitate incoming international students each semester. With the help of three 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 workshops that focused on tax information, study permits and post-grad work permits. The International Students' Buddy Program pairs student leaders with new international students to facilitate cross-cultural adjustment.

We have signed international recruiting agents from India, China, West Africa, and South America. Most West African students have been affected by the slow immigration process. The majority who were set to come this fall have been forced to defer to Winter 2024. We have begun establishing relationships with 15 international high schools in Ontario. We are hoping to see more international students join King's and have an institutional goal of being 15% international.

The celebration of Global Awareness Week at King's was filled with enjoyable, interactive activities to showcase the vibrant and diverse backgrounds of our student body. Our Food Services provided a special dish highlighting a different country each day, flags from various countries were hung in the hallways of King's and many prizes were handed out based on participation in various activities.

After several years of pandemic-related restrictions, the Micah Centre at The King's University was able to offer two global learning opportunities for King's students: the Quest Mexico course in global justice and the Honduras Water Project course in sustainable community development. 10 students participated in the Quest Mexico course, and 9 participated in the Honduras Water Project course. The programs draw significantly on global partnerships with Quest Mexico in Cuernavaca, MX, WorldRenew-Honduras, Association for a More Just Society-Honduras, Diaconia Nacional, and the municipality of El Triunfo, southern Honduras. Local partners include WorldRenew-Canada and the Flaman Foundation, who supported the initiative in Honduras with a \$16,000 grant.

The Micah Centre also facilitated a global internship opportunity in Morelos, MX with Quest Mexico during the Winter term.

On campus, the Micah Centre welcomed speakers from the Global Community to engage students on issues of international interest, including Dr. Ruth Padila-Deborst (Costa Rica) and Cameron Janzen (Dubai/Saudi Arabia). The centre also facilitates The King's University's participation in the World

University Service of Canada's Student Refugee Program. We welcomed our first student participant to campus in late August 2023. Finally, the Micah Centre continues to contribute as a member of the Alberta Council for Global Cooperation.

# Appendix A – Audited Financial Statements

**THE KING'S UNIVERSITY**  
**Financial Statements**  
**Year Ended March 31, 2023**



**THE KING'S UNIVERSITY**  
**Index to Financial Statements**  
**Year Ended March 31, 2023**

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	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flow	6
Notes to Financial Statements	7 - 18



KINGSTON  
ROSS  
PASNAK<sup>LLP</sup>

CHARTERED PROFESSIONAL ACCOUNTANTS

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August 28, 2023  
Edmonton, Alberta

## **INDEPENDENT AUDITOR'S REPORT**

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To the Members of The King's University

### **Opinion**

We have audited the financial statements of The King's University (the University), which comprise the statement of financial position as at March 31, 2023, and the statements of changes in net assets, operations and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University as at March 31, 2023, and the results of its operations and 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 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 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 Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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**Kingston Ross Pasnak LLP**  
Chartered Professional Accountants

**THE KING'S UNIVERSITY**  
**Statement of Financial Position**  
**March 31, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 640,717	\$ 2,175,601
Accounts receivable (Note 3)	140,297	82,027
Goods and Services Tax receivable	19,398	33,560
Inventory	35,232	39,637
Prepaid expenses and deposits	471,082	940,465
Short term investments (Note 4)	6,419,181	8,742,876
	<b>7,725,907</b>	12,014,166
INVESTMENTS (Note 4)	<b>13,494,221</b>	10,438,034
PROPERTY AND EQUIPMENT (Note 5)	<b>19,125,597</b>	18,045,279
	<b>\$ 40,345,725</b>	<b>\$ 40,497,479</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 1,616,887	\$ 2,086,276
Source deductions payable	526,995	375,762
Deferred revenue (Note 7)	2,114,546	2,147,396
Deferred contributions (Note 8)	9,106,781	9,694,772
Commercial mortgage (Note 9)	12,310,234	12,310,234
	<b>25,675,443</b>	26,614,440
Commercial mortgage due thereafter (Note 9)	-	500,460
	<b>25,675,443</b>	27,114,900
DEFERRED CAPITAL CONTRIBUTIONS (Note 10)	<b>7,286,621</b>	4,939,356
	<b>32,962,064</b>	32,054,256
CONTINGENT LIABILITY (Note 11)		
<b>NET ASSETS</b>		
Endowments (Note 12)	4,762,786	4,760,298
Internally restricted (Note 14)	282,459	282,459
Accumulated operating surplus	2,338,416	3,400,466
	<b>7,383,661</b>	8,443,223
	<b>\$ 40,345,725</b>	<b>\$ 40,497,479</b>

**ON BEHALF OF THE BOARD**

Signed - "Stephanie Boldt"  
Treasurer

Signed - "Gerald Jansen"  
Director

**THE KING'S UNIVERSITY**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2023**

	Endowments	Internally Restricted	Accumulated Operating Surplus	2023	2022
<b>NET ASSETS - BEGINNING OF YEAR</b> <i>(Note 2)</i>	\$ 4,760,298	\$ 282,459	\$ 3,400,466	\$ <b>8,443,223</b>	\$ 7,058,972
(Deficiency ) excess of revenue over expenditure	-	-	(1,062,050)	<b>(1,062,050)</b>	1,307,608
Endowment contributions <i>(Note 12)</i>	178,768	-	-	<b>178,768</b>	469,572
Transfer for:					
Foundations net assets to deferred contributions	-	-	-	-	(392,929)
Funds to deferred capital contributions <i>(Note 21)</i>	(176,280)	-	-	<b>(176,280)</b>	-
<b>NET ASSETS - END OF YEAR</b>	\$ 4,762,786	\$ 282,459	\$ 2,338,416	\$ <b>7,383,661</b>	\$ 8,443,223

**THE KING'S UNIVERSITY**  
**Statement of Operations**  
**Year Ended March 31, 2023**

	Budget (Note 18)	Total 2023	Total 2022
<b>REVENUES</b>			
Tuition fees	\$ 11,161,728	\$ 10,850,026	\$ 10,973,875
Government grants (Note 10)	5,031,861	5,171,073	5,075,736
Donations (Note 10)	2,098,698	2,212,489	2,061,039
Residence and other sales (Note 15)	1,855,417	1,601,230	1,314,114
Research grants	448,780	615,951	458,964
Investment income (Note 16)	50,000	205,657	249,238
Other income	330,302	139,812	138,108
Canadian Emergency Wage Subsidy	-	-	1,705,232
	20,976,786	20,796,238	21,976,306
<b>EXPENSES</b>			
Salaries and benefits (Note 19)	13,439,581	13,608,826	13,213,004
Operating supplies and services	2,175,338	2,552,095	2,265,266
Amortization	2,054,237	1,581,107	1,671,181
Scholarships and awards	1,093,500	1,063,760	1,022,813
Maintenance and equipment rent	507,875	613,861	517,544
Utilities	467,480	585,504	477,168
Travel, hospitality and conferences (Note 13)	417,387	572,162	345,847
Cost of goods sold	544,295	566,832	521,500
Interest on debenture payable	396,432	396,435	410,323
Insurance and taxes	187,245	198,177	160,463
Professional fees	50,000	108,918	48,421
Loss on foreign exchange	-	11,701	8,704
Interest on line of credit	-	-	264
(Gain) loss on disposal of equipment	-	(1,090)	6,200
	21,333,370	21,858,288	20,668,698
<b>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES</b>	\$ (356,584)	\$ (1,062,050)	\$ 1,307,608

**THE KING'S UNIVERSITY**  
**Statement of Cash Flow**  
**Year Ended March 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Cash received from students for tuition and fees	\$ 10,718,489	\$ 11,081,695
Cash received from government	5,857,459	7,340,628
Cash received from donors	1,204,642	-
Cash received from sale of goods and services	1,637,601	1,557,376
Cash received from other sources	135,112	133,908
Cash paid to employees for salaries and benefits	(13,666,609)	(13,222,983)
Cash paid to suppliers for materials and services	(6,045,189)	(5,146,600)
Cash paid to creditors for interest	(396,435)	(410,588)
Cash flow from (used by) operating activities	(554,930)	1,333,436
<b>INVESTING ACTIVITIES</b>		
Cash received from income on investments	219,375	22,877
Cash applied to purchase of property and equipment	(2,514,420)	(1,168,860)
Cash invested in investments	(1,019,100)	(3,233,915)
Cash flow used by investing activities	(3,314,145)	(4,379,898)
<b>FINANCING ACTIVITIES</b>		
Cash received restricted for capital purposes	2,626,025	2,568,682
Cash received from endowments	178,768	469,572
Cash paid for long term debt repayments	(500,460)	(989,306)
Cash flow from financing activities	2,304,333	2,048,948
<b>DECREASE IN CASH</b>	<b>(1,564,742)</b>	<b>(997,514)</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>2,353,461</b>	<b>3,350,975</b>
<b>CASH - END OF YEAR</b>	<b>\$ 788,719</b>	<b>\$ 2,353,461</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 640,717	\$ 2,175,601
Cash included in short term investments (Note 4)	148,002	177,860
	<b>\$ 788,719</b>	<b>\$ 2,353,461</b>

**THE KING'S UNIVERSITY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

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

Change in accounting policy

During the year, the University changed its accounting policy for the presentation and disclosure of amounts invested in net assets, specifically those invested into property and equipment. As a result, Statement of Changes in Net Assets show an adjusted opening balance of accumulated surplus which encompasses the previous balance of amounts invested in property and equipment. The change has been applied retrospectively and comparatives have been updated accordingly.

Changes in accounting estimates

During the year, the University completed a change in its accounting estimate. The University increased the estimated useful life of its buildings and site improvements from 40 years to 50 years. The change arose from an internal assessment conducted by management. The change in the accounting estimate will be applied prospectively. As a result, the impact to the accounting estimate reduced the amortization expense by \$189,967 during the year.

Cash

Cash consist of cash on deposit plus highly liquid short term investments, less cheques issued and outstanding. As well as, cash held inside investment accounts.

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 \$83,630 (2022- \$119,109).

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.

*(continues)*



**THE KING'S UNIVERSITY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

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

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 - 50
Furniture and equipment	5 - 20
Library materials	5 - 10

Property and equipment is not amortized until available for use.

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.

*(continues)*

**THE KING'S UNIVERSITY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

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

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. Investment income from sources other than endowments is either 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, and in accordance with criteria set out in the respective agreements.

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

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.

*(continues)*

**THE KING'S UNIVERSITY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

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

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 estimated useful lives of property and equipment, the collectability of accounts receivable, the allocation of costs for the purpose of recognizing deferred contributions, accrual of accounts payable and contingencies, and the amortization of deferred capital contributions.

Financial instruments

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

The measurement basis for related party financial instruments is disclosed in Note 13.

3. ACCOUNTS RECEIVABLE

	2023	2022
Accounts receivable	\$ 402,688	\$ 283,036
Allowance for doubtful accounts	(262,391)	(201,009)
	<b>\$ 140,297</b>	<b>\$ 82,027</b>
Bad debt expense, included in tuition fees	<b>\$ 58,064</b>	<b>\$ 31,589</b>

**THE KING'S UNIVERSITY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

4. INVESTMENTS

	2023	2022
<b>Short term investments</b>		
Corporate notes	\$ 6,271,179	\$ 8,565,016
Cash	148,002	177,860
	<b>\$ 6,419,181</b>	<b>\$ 8,742,876</b>
<b>Long term investments</b>		
Equity funds - Canada	\$ 6,977,217	\$ 6,892,811
Corporate notes	5,725,356	2,758,104
Equity funds - Emerging markets	256,610	272,476
Equity funds - Overseas	224,126	212,116
Deposit agreement	223,919	217,812
Cash surrender value of life insurance policies	86,993	84,715
	<b>\$ 13,494,221</b>	<b>\$ 10,438,034</b>
	<b>\$ 19,913,402</b>	<b>\$ 19,180,910</b>

Investments include corporate notes that mature at various dates from April 17, 2023 to September 16, 2027. 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 0.75% to 5.00% (2022 - 0.40% 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.

**THE KING'S UNIVERSITY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Buildings and site improvements	\$ 32,851,543	\$ 19,740,383	\$ 13,111,160	\$ 13,585,506
Furniture and equipment	13,145,753	9,498,247	3,647,506	2,074,700
Land	1,852,592	-	1,852,592	1,852,592
Library materials	4,053,388	3,539,049	514,339	532,481
	<b>\$ 51,903,276</b>	<b>\$ 32,777,679</b>	<b>\$ 19,125,597</b>	<b>\$ 18,045,279</b>

Included within building and site improvements is construction on the building which amounts to \$1,501,894 as at March 31, 2023 (2022 - \$839,602) and has not been amortized during the year.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Vacation payable	\$ 661,338	\$ 710,970
Accounts payable	536,454	990,887
Accrued liabilities	337,354	208,866
Other	62,450	71,447
Wages payable	19,291	104,106
	<b>\$ 1,616,887</b>	<b>\$ 2,086,276</b>

Refer to note 11 for additional contingent liabilities recorded within accounts payable and accrued liabilities.

7. DEFERRED REVENUE

	2023	2022
Tuition deposits	\$ 1,944,799	\$ 2,033,215
Athletics contribution	78,909	50,516
Meal plan deposits	43,294	50,955
Deferred education grants	11,289	11,289
Other deferred revenue	36,255	1,421
	<b>\$ 2,114,546</b>	<b>\$ 2,147,396</b>

**THE KING'S UNIVERSITY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

8. 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:

	2023	2022
<b>Beginning balance, related to operating fund</b>	<b>\$ 6,887,258</b>	<b>\$ 5,978,656</b>
<u>Add:</u>		
Restricted donations	1,064,676	2,361,736
Restricted government grants	215,473	165,000
Restricted research grants	563,947	453,738
	<b>1,844,096</b>	<b>2,980,474</b>
<u>Less:</u>		
Donations recognized as revenue	(1,709,872)	(1,622,343)
Government grants recognized as revenue	(513,447)	(401,969)
Research grants recognized as revenue	(178,571)	(47,560)
	<b>(2,401,890)</b>	<b>(2,071,872)</b>
<b>Ending balance, related to operating fund</b>	<b>6,329,464</b>	<b>6,887,258</b>
<b>Beginning balance, related to investment income</b>	<b>2,807,514</b>	<b>2,417,194</b>
<u>Add:</u>		
Changes in unrealized gains	1,774,718	1,466,656
Dividend and interest income earned	260,446	490,608
Amounts transferred to investments	(32,994)	(84,625)
	<b>2,002,170</b>	<b>1,872,639</b>
<u>Less:</u>		
Amount recognized as investment income in the period	(1,960,923)	(1,202,869)
Amount added directly to endowments	(71,444)	(279,450)
	<b>(2,032,367)</b>	<b>(1,482,319)</b>
<b>Ending balance, related to investment income</b>	<b>2,777,317</b>	<b>2,807,514</b>
	<b>\$ 9,106,781</b>	<b>\$ 9,694,772</b>

**THE KING'S UNIVERSITY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

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9. COMMERCIAL MORTGAGE

The commercial mortgage with Christian Credit Union bears interest at bank prime plus 0.55%; is payable on demand, but until demand, in monthly blended payments of principal and interest in the amount of \$74,741 per month. The mortgage is set to renew on January 22, 2026; and is secured by a General Security Agreement covering all present and after acquired personal property and a continuing collateral mortgage for corporations in the amount of \$17,300,000 against specific properties of the University. As of March 31, 2023, the effective interest rate was 7.25% (2022 - 3.25%).

As at year end, the University was in violation of one of its financial covenants. As a result, the full balance is shown as a current liability.

10. 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:

	<b>2023</b>	<b>2022</b>
Balance, beginning of year	\$ 4,939,357	\$ 2,648,626
Capital contributions from donors	2,540,699	2,485,418
Capital contributions from government	-	10,559
Amounts amortized to revenue, included in government grants, donations and research grants	(193,435)	(205,247)
Balance, end of period	<b>\$ 7,286,621</b>	<b>\$ 4,939,356</b>

Amounts amortized to revenue, and included in government grants and donations are \$25,286 (2022 - \$25,286) and \$168,148 (2022 - \$179,961) respectively.

**THE KING'S UNIVERSITY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

11. CONTINGENT LIABILITY

There are two ongoing wrongful dismissal civil actions that were filed against the University in the year by employees who no longer work for the University. As of March 31, 2023, Management and their legal counsel are of the opinion that it is not possible to determine the likelihood and amount of claim for one of these matters. With respect to the second matter, Management is of the opinion that it is not possible to determine the outcome, but according to their legal counsel, the maximum liability to the University is expected to be less than \$20,000. As it is not possible to predict the final outcomes of any of the civil actions, no accruals have been recorded in the financial statements.

12. ENDOWMENTS

	2023	2022
Balance, beginning of period	\$ 4,760,298	\$ 4,290,726
Total contributions and earnings on restricted donations	178,768	469,572
Adjustment of endowed funds to deferred capital contributions	(176,280)	-
<b>Balance, end of period</b>	<b>\$ 4,762,786</b>	<b>\$ 4,760,298</b>

Balance consists of the following:

Designated for scholarships, bursaries or awards in:

Commerce	\$ 977,079	\$ 951,568
Various disciplines	793,268	722,775
Christian ministry or service	530,012	510,980
Education	425,383	423,146
Music	398,390	394,899
Arts	334,615	327,320
Natural Sciences	283,229	283,229
Political Science, History, Economics	214,378	205,378
Environmental Sciences	161,581	161,581
Social Sciences	148,725	139,256
Centre for Excellence in the Sciences	100,000	276,280
Mephibosheth Scholarship	107,554	107,554
Alumni Student Assistance Program	102,776	102,296
Other	74,954	74,953
Micah Centre	110,842	79,083
	<b>\$ 4,762,786</b>	<b>\$ 4,760,298</b>

The increase in endowments relates to \$107,324 (2022 - \$306,968) for new endowment donations, \$71,444 (2022 - \$97,657) for CPI indexing, and \$nil (2022 - \$64,947) for non-cash donations of investments.



**THE KING'S UNIVERSITY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

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13. RELATED PARTIES TRANSACTIONS

During the fiscal year, the University expensed \$10,595 (2022 - \$7,538) on board travels and meetings cost.

The transactions with related parties are measured at cost, which is equal to the undiscounted cash flows received, or expected to be received, not including expected interest and dividends, less any previously recognized impairment losses.

14. 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.

15. RESIDENCE AND OTHER SALES

	<b>2023</b>	<b>2022</b>
Residence	\$ 689,121	\$ 597,810
Food services	443,120	282,440
Other	282,447	168,618
Bookstore	110,276	141,687
Conference services	76,266	123,559
	<b>\$ 1,601,230</b>	<b>\$ 1,314,114</b>

16. INVESTMENT INCOME

	<b>2023</b>	<b>2022</b>
Changes in unrealized (losses) gains	\$ 1,774,718	\$ 1,466,656
Dividend and interest income earned in the period	260,446	490,608
Interest income earned on general bank account	676	11,639
Amounts added directly to endowments	(71,444)	(279,450)
Amounts (deferred) recognized	(1,758,739)	(1,440,215)
	<b>\$ 205,657</b>	<b>\$ 249,238</b>

**THE KING'S UNIVERSITY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

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17. BANK INDEBTEDNESS

The available line of credit with Christian Credit Union bears interest at bank prime plus 0.88%, payable monthly, has an authorized limit of \$3,500,000 and is secured by the same terms as the mortgage payable (Note 9). At March 31, 2023 and 2022, the line of credit was not drawn upon and the effective interest rate was 7.58% (2022 - 3.58%).

18. BUDGET

The 2023 fiscal year budget was approved by the Board of Governors in March 2022. The budgeted amounts have been provided for information purposes only and are unaudited.

19. PENSION PLAN

The pension expense (recorded in salary and benefits) in these financial statements represents the University's annual contributions expense of \$771,938 for the year ended March 31, 2023 (2022 - \$745,974).

An actuarial valuation of the Canadian Christian School Pension Plan and Trust Fund (the Plan) was performed as of August 31, 2021 and signed by consulting actuary Mercer.

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, 2023, or as the date of an earlier amendment to the plan.

The major assumption changes in the actuarial estimate issued in August 2022 include increasing the discount rate from 5.40% to 5.65%, and increasing the discount rate for actuarial basis for benefits assumed to be settled through a lump sum from 2.81% to 3.30%.

As of August 31, 2022, the Plan reported a deficit of approximately \$88 million in a fund with net assets available for benefits of approximately \$431 million and pension obligations of \$524 million.

**THE KING'S UNIVERSITY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

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20. 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, 2023. 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 \$32,762 USD (2022 - \$7,933 USD). 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.

21. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation. Including, correction to a classification of funding that was presented as an endowment instead of deferred capital contribution.