

Financial Statements of

**KING'S UNIVERSITY COLLEGE AT
THE UNIVERSITY OF WESTERN
ONTARIO**

Year ended April 30, 2017



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors

We have audited the accompanying financial statements of King's University College at The University of Western Ontario, which comprise the statement of financial position as at April 30, 2017, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of King's University College at The University of Western Ontario as at April 30, 2017, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

September 27, 2017

London, Canada

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Statement of Financial Position

April 30, 2017, with comparative information for 2016

	2017	2016
Assets		
Current assets:		
Cash	\$ 2,296,075	\$ 2,681,227
Accounts receivable (note 2)	1,693,187	259,444
Investments (note 3)	12,615,731	11,503,808
Prepaid expenses	193,454	581,892
Due from King's University College Foundation (note 7)	358,834	507,922
	<u>17,157,281</u>	<u>15,534,293</u>
Capital assets (note 4)	43,876,491	44,117,351
	<u>\$ 61,033,772</u>	<u>\$ 59,651,644</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 3,260,017	\$ 2,737,976
Deferred revenue	1,192,766	739,398
Research funds held in trust	433,172	433,172
	<u>4,885,955</u>	<u>3,910,546</u>
Employee future benefits liability (note 6)	12,822,000	19,217,300
Deferred capital contributions (note 8)	11,085,566	10,941,895
	<u>28,793,521</u>	<u>34,069,741</u>
Net assets (note 9)	32,240,251	25,581,903
Commitments (note 10)		
	<u>\$ 61,033,772</u>	<u>\$ 59,651,644</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director _____ Director

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Statement of Operations

Year ended April 30, 2017, with comparative information for 2016

	2017	2016
Revenue:		
Tuition	\$ 30,281,636	\$ 29,217,735
Government grants	14,720,285	14,505,063
Ancillary operations	3,832,497	4,087,540
Gifts from King's University College Foundation	623,196	537,446
Sundry	454,833	427,569
Amortization of deferred capital contributions (note 8)	360,029	346,415
Investment income	120,135	129,777
	50,392,611	49,251,545
Expenses:		
Instructional	22,797,263	22,447,384
Employee benefits	7,696,363	7,518,810
Shared services	7,064,913	6,558,361
Service fee to UWO	4,912,122	4,941,790
Operation and maintenance of properties	3,312,303	3,259,501
Ancillary operations (note 13)	3,224,347	3,475,085
Amortization of capital assets	2,062,552	2,116,188
	51,069,863	50,317,119
Deficiency of revenue over expenses	\$ (677,252)	\$ (1,065,574)

See accompanying notes to financial statements.

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Statement of Changes in Net Assets

Year ended April 30, 2017, with comparative information for 2016

	2017	2016
Net assets, beginning of year	\$ 25,581,903	\$ 28,910,877
Deficiency of revenue over expenses	(677,252)	(1,065,574)
Employee future benefits remeasurements (note 6)	7,335,600	(2,263,400)
Net assets, end of year	\$ 32,240,251	\$ 25,581,903

See accompanying notes to financial statements.

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Statement of Cash Flows

Year ended April 30, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Deficiency of revenue over expenses	\$ (677,252)	\$ (1,065,574)
Adjustments for:		
Amortization of capital assets	2,062,552	2,116,188
Amortization of deferred capital contributions	(360,029)	(346,415)
Change in employee future benefits liability	940,300	921,300
Changes in non-cash working capital (note 12)	79,192	(580,387)
	<u>2,044,763</u>	<u>1,045,112</u>
Investing activities:		
Net change in investments	(1,111,923)	(1,403,492)
Purchase of capital assets	(1,821,692)	(1,208,535)
	<u>(2,933,615)</u>	<u>(2,612,027)</u>
Financing activities:		
Contributions received for capital purposes	503,700	697,728
Decrease in cash	(385,152)	(869,187)
Cash, beginning of year	2,681,227	3,550,414
Cash, end of year	<u>\$ 2,296,075</u>	<u>\$ 2,681,227</u>

See accompanying notes to financial statements.

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Notes to Financial Statements

Year ended April 30, 2017

King's University College at The University of Western Ontario ("King's" or "the College") is a Liberal Arts college providing post-secondary education programs in Arts, Social Sciences, and Social Work for over 3,000 students.

1. Significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared in accordance with Canadian standards for not-for-profit organizations in Part III of the CPA Canada Handbook - Accounting.

(b) Revenue recognition:

King's follows the deferral method of accounting for contributions, which include donations and government grants.

Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of the year are accrued. Where a portion of a grant relates to a future year, it is deferred and recognized in the subsequent year.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred, and when expended, are amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Gifts of capital assets are recorded at their fair market value on the date of receipt and related contributions are amortized into revenue at a rate corresponding with the amortization rate of the related capital assets.

Student fees are recognized as tuition revenue when courses and seminars are held. Activity fees are included in student fees. Sales of product and services included in ancillary operations and sundry revenues are recognized at point of sale or when the service has been provided. Funds received for courses, seminars and other sales and services not yet held or provided are recorded as deferred revenue.

Investment income is recognized on an accrual basis and consists of interest, dividends, realized gains (losses) on sales of investments and the net change in unrealized gains (losses).

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Notes to Financial Statements (continued)

Year ended April 30, 2017

1. Significant accounting policies (continued):

(c) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is provided on a straight-line basis over the estimated useful life of buildings and on a declining balance basis for all other capital assets. Amortization rates are as follows:

Asset	Basis	Rate
Buildings	Straight-line	40 years
Parking lots	Declining balance	10%
Equipment and furnishings	Declining balance	20%
Computer equipment	Declining balance	30%
Library books	Straight-line	100%

Works of art are recorded at cost and are not amortized.

(d) Employee future benefits:

The King's pension plan, covering full-time faculty, eligible part-time faculty and grandfathered non-teaching employees, is a defined benefit pension plan. The cost of pension benefits earned by employees is determined using the projected benefit method prorated on service and is expensed as services are rendered. This cost reflects management's best estimates of the pension plan's expected yields, salary escalations, mortality of members, termination and the ages at which members will retire. Remeasurement differences arising from plan amendments, changes in assumptions and actuarial gains and losses are recognized in net assets. The pension plan agreement requires that King's use surpluses to improve benefits.

Other employees participate in a group registered retirement savings plan.

The non-pension post retirement benefit plan includes medical and dental benefits provided to retirees and their eligible dependents. The post employment benefit plan includes the continuation of medical and dental benefits for employees on long-term disability and their eligible dependents. The non-pension post retirement and post employment benefit plans are defined benefit plans funded on a cash basis by contributions from King's.

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Notes to Financial Statements (continued)

Year ended April 30, 2017

1. Significant accounting policies (continued):

(d) Employee future benefits (continued):

King's accrues its obligations for funded employee future benefit plans as the employees render the services necessary to earn them based on the latest valuation for going-concern funding purposes. The actuarial valuation is performed at least every three years. In the years between valuations, plan results are prepared based on extrapolations of the latest available valuation results. King's has elected to accrue its obligations for unfunded plans on a basis consistent with funded plans. Assets of the employee future benefit plans are valued using fair values at the date of the statement of financial position.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. Investments are carried at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Fund determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the College expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Notes to Financial Statements (continued)

Year ended April 30, 2017

1. Significant accounting policies (continued):

(f) Use of estimates:

The preparation of financial statements in accordance with Canadian accountings standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the valuation of pension and other employee future benefits, carrying value of capital assets and valuation of accounts receivable. Actual results could differ from those estimates.

(g) Contributed services:

King's benefits from services provided by volunteers in assisting the College in carrying out its activities. Because of the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Notes to Financial Statements (continued)

Year ended April 30, 2017

2. Accounts receivable:

	2017	2016
Students	\$ 65,141	\$ 101,872
Other	1,683,806	190,100
	1,748,947	291,972
Allowance for doubtful accounts	(55,760)	(32,528)
	\$ 1,693,187	\$ 259,444

3. Investments:

All of the invested funds are held in a high-interest savings account and have an effective interest rate of 1.00 % (2016 - 1.00 %).

4. Capital assets:

	2017		2016	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 4,779,843	\$ -	\$ 4,779,843	\$ 4,779,843
Buildings	54,846,078	17,641,203	37,204,875	37,420,750
Parking lots	1,074,896	756,095	318,801	255,824
Equipment and furnishings	6,205,960	5,407,068	798,892	844,938
Computer equipment	4,852,287	4,227,098	625,189	668,705
Library books	9,510,817	9,510,817	-	-
Works of art	148,891	-	148,891	147,291
	\$ 81,418,772	\$ 37,542,281	\$ 43,876,491	\$ 44,117,351

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$653,095 (2016 - \$663,850), which includes amount payable for HST and payroll related taxes.

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Notes to Financial Statements (continued)

Year ended April 30, 2017

6. Employee future benefits:

The College has a defined benefit pension plan that provides a minimum level of pension benefits to eligible employees. The assets of the pension plan are managed by an external investment manager and are held by an independent custodian, separate and apart from the assets of the College. The College measures its accrued pension benefit obligation and fair value of pension plan assets at April 30 each year. The most recent actuarial valuation for going-concern funding purposes of the pension benefit plan was performed as of December 31, 2016 and results have been extrapolated to April 30, 2017.

The College also provides other post-retirement and post-employment benefits, such as medical and dental, to eligible employees. Post-employment benefits are benefits provided to disabled employees. The College measures its accrued benefit obligation for other post-retirement and post-employment benefits at April 30 each year. For the other post-retirement and post-employment benefit plans, the most recent actuarial valuation was performed as of April 30, 2017.

Information about King's benefit plans as at April 30 is as follows:

2017	Pension benefit plan	Other benefit plans	Total
Accrued benefit obligation	\$ (52,767,200)	\$ (14,640,000)	\$ (67,407,200)
Fair value of plan assets	54,585,200	-	54,585,200
Asset (liability)	\$ 1,818,000	\$ (14,640,000)	\$ (12,822,000)

2016	Pension benefit plan	Other benefit plans	Total
Accrued benefit obligation	\$ (50,030,200)	\$ (17,339,000)	\$ (67,369,200)
Fair value of plan assets	48,151,900	-	48,151,900
Asset (liability)	\$ (1,878,300)	\$ (17,339,000)	\$ (19,217,300)

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Notes to Financial Statements (continued)

Year ended April 30, 2017

6. Employee future benefits (continued):

Accrued benefit obligation and fair value of plan assets includes \$269,600 (2016 - \$241,500) in optional flexible contributions made by members of the Plan. Information on the contributions and benefits paid for each plan are as follows:

2017	Pension benefit plan	Other benefit plans	Total
Employee contributions	\$ 1,058,000	\$ -	\$ 1,058,000
Employer contributions	2,254,700	-	2,254,700
Benefits paid	2,420,300	375,000	2,795,300

2016	Pension benefit plan	Other benefit plans	Total
Employee contributions	\$ 862,000	\$ -	\$ 862,000
Employer contributions	2,029,500	-	2,029,500
Benefits paid	2,493,500	351,000	2,844,500

The net expense for King's benefit plans, which is included in employee benefits on the statement of operations, is as follows:

2017	Pension benefit plan	Other benefit plans	Total
Current service cost	\$ 1,733,100	\$ 886,000	\$ 2,619,100
Net finance cost	274,900	858,000	1,132,900
Benefit plan expense	\$ 2,008,000	\$ 1,744,000	\$ 3,752,000

2016	Pension benefit plan	Other benefit plans	Total
Current service cost	\$ 1,635,300	\$ 873,000	\$ 2,508,300
Net finance cost (income)	(1,500)	795,000	793,500
Benefit plan expense	\$ 1,633,800	\$ 1,668,000	\$ 3,301,800

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Notes to Financial Statements (continued)

Year ended April 30, 2017

6. Employee future benefits (continued):

The remeasurements for King's benefit plans, which are included on the statement of changes in net assets, are as follows:

2017	Pension benefit plan	Other benefit plans	Total
Investment gains (losses)	\$ 3,141,200	\$ -	\$ 3,141,200
Actuarial gain (loss)	126,400	4,068,000	4,194,400
Remeasurements	\$ 3,267,600	\$ 4,068,000	\$ 7,335,600

2016	Pension benefit plan	Other benefit plans	Total
Investment gains (losses)	\$ (2,360,600)	\$ -	\$ (2,360,600)
Actuarial gain (loss)	57,200	40,000	97,200
Remeasurements	\$ (2,303,400)	\$ 40,000	\$ (2,263,400)

The discount rate used in the actuarial measurement of the employee future benefits obligation was 4.95% (2016 - 4.95%).

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Notes to Financial Statements (continued)

Year ended April 30, 2017

7. Related party transactions:

Revenues of King's University College Foundation at The University of Western Ontario (the "Foundation") are received by and expenditures are paid by King's on behalf of the Foundation, giving rise to an on-going amount receivable from or payable to the Foundation. The amount due from the Foundation at April 30, 2017 is \$358,834 (2016 - \$507,922) and is unsecured, non-interest bearing and has no specific repayment terms.

King's provides a maximum subsidy of \$120,000 (2016 - \$120,000) annually to assist in the operation of the Foundation.

The Foundation holds funds of \$9,688,152 (2016 - \$8,851,651), the benefit of which is to be used for King's.

8. Deferred capital contributions:

Deferred capital contributions represent the unamortized amounts of grants already spent on the purchase of capital assets.

The change in deferred capital contributions consist of the following:

	2017	2016
Balance, beginning of year	\$ 10,941,895	\$ 10,590,582
Receipt of deferred capital contributions	503,700	697,728
Amortization of deferred capital contributions	(360,029)	(346,415)
Balance, end of year	\$ 11,085,566	\$ 10,941,895

King's University College Foundation has committed to provide approximately \$9,000,000 to King's University College to assist with construction costs related to the Darryl J. King Student Life Centre, of which \$8,597,812 has been received as of April 30, 2017 and reflected above. Management expects that the remaining commitment will be transferred to King's University College and recorded as funds are received in accordance with the donor agreements.

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Notes to Financial Statements (continued)

Year ended April 30, 2017

9. Net assets:

The components of net assets as reflected in the Statement of Financial Position are as follows:

	2017	2016
Invested in capital assets	\$ 32,790,925	\$ 33,175,456
Unrestricted deficit	(550,674)	(7,593,553)
	<u>\$ 32,240,251</u>	<u>\$ 25,581,903</u>

10. Commitments:

(a) Operating leases:

At April 30, 2017, King's has lease commitments for photocopiers and automobiles. Minimum annual lease payments, not including operating expenses, due over the next five years are expected to be as follows:

2018	\$	49,104
2019		46,256
2020		46,256
2021		36,195
2022		27,444

(b) Legal matters:

King's is involved from time to time in litigation that arises in the normal course of operations. In respect to these claims, King's believes it has valid defences, funded provision and/or appropriate insurance coverage in place. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable. It is possible the final resolution of some of these matters may require King's to make expenditures in excess of estimated reserves, over an extended period of time and in a range that cannot be reasonably estimated at this time. King's policy is to recognize the losses on litigation when the outcome becomes reasonably determinable. In management's judgment, no material exposure exists on the eventual settlement of litigation.

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Notes to Financial Statements (continued)

Year ended April 30, 2017

11. Financial instruments:

(a) Fair values:

Fair value estimates are made at a specific point in time, using available information about the financial instrument.

The carrying value of cash, accounts receivable, investments, due from King's University College Foundation, and accounts payable and accrued liabilities approximates their fair values based on the short-term maturity of those instruments.

(b) Risk management:

The College, through its financial assets and liabilities is exposed to various risks, which have not changed from the prior year. The following analysis will provide a summary of risks at the statement of financial position date, April 30, 2017. There is no change to King's risk exposures from the prior year.

(i) Liquidity risk:

Liquidity risk is the risk that the College will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The College manages its liquidity risk by monitoring its operating requirements. The College prepares budgets and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations. The College also has available unused credit facilities at April 30, 2017 to meet fluctuations in working capital requirements.

(ii) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The College is exposed to credit risk with respect to accounts receivable and investments. The College assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The actual credit risk from receivables from students and employees is minimal as the College has various methods or recourse for collection such as withholding transcripts, certificates or degrees and payroll deduction. The actual credit risk from grants receivables, from provincial and federal governments, included in accounts receivable is minimal. Provided employees carry out the required reporting, the College continues to receive grants as awarded by the provincial and federal governments. Investments are invested in accordance with the College investment policy.

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Notes to Financial Statements (continued)

Year ended April 30, 2017

11. Financial instruments (continued):

(b) Risk management (continued):

(iii) Market price risk:

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issue or all other factors affecting all instruments traded in the market. The College's financial instruments are carried at fair value with fair value changes recognized in the statement of operations. Market price risk is managed by the investment managers.

(iv) Foreign currency risk:

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The College invests in financial instruments and enters into transactions denominated in non-Canadian dollars. Consequently, the College is exposed to risks that the exchange rate of the foreign currency may change in a manner that has an adverse affect on the value of the portion of the College's assets or liabilities denominated in currencies other than Canadian dollars. The College's overall currency positions and exposures are monitored on a regular basis.

(v) Interest rate risk:

A portion of the College's financial assets and liabilities are interest bearing and as a result, the College is subject to certain level of interest rate risk. In general, bond returns are sensitive to changes in the level of interest rates, with longer bond prices being more sensitive to interest rate changes than shorter term bonds. Fixed rate instruments subject the College to a fair value risk while the floating rate instruments subject the College to a cash flow risk.

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Notes to Financial Statements (continued)

Year ended April 30, 2017

12. Changes in non-cash working capital:

	2017	2016
Changes in non-cash working capital:		
Accounts receivable	\$ (1,433,743)	\$ (61,746)
Prepaid expenses	388,438	(328,318)
Accounts payable and accrued liabilities	522,041	615,343
Due from King's College Foundation	149,088	(107,739)
Deferred revenue	453,368	(798,459)
Research funds held in trust	-	100,532
	<hr/>	<hr/>
	\$ 79,192	\$ (580,387)

13. Allocated expenses:

In an effort to ensure that core grants are not used to offset costs within the ancillary functions, King's allocates the cost of administrative duties which are not directly charged to ancillary programs based on an estimate of the time required to facilitate ancillary processes. Shared services expenses of \$280,694 (2016 - \$276,034) and employee benefits of \$59,562 (2016 - \$41,828) were allocated to ancillary operations during the year.

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Schedule - Operating Fund Expenditures (Unaudited)

Year ended April 30, 2017, with comparative information for 2016

	2017	2016
Instructional:		
Salaries	\$ 18,348,422	\$ 18,072,930
Scholarships and bursaries	2,650,503	2,588,075
Research grants, learned society and guest lectures	373,061	393,567
Transportation and travel	500,054	493,242
Marking	500	-
Teaching program assistance	386,059	406,253
Office expenses	95,982	101,829
Telephone	11,622	11,593
Teaching aids	104,154	94,839
Small furnishings, equipment rentals and maintenance	10,696	13,337
Library supplies and binding	4,615	5,445
Memberships and dues	19,907	16,339
Interview and moving expenses	36,838	12,833
Sundry	254,850	237,102
	\$ 22,797,263	\$ 22,447,384
Shared services:		
Office salaries	\$ 5,303,649	\$ 5,001,226
Telephone	37,032	40,423
Office supplies	214,361	183,095
Promotional material	133,572	121,220
Student counselling	9,189	8,915
Special events	60,075	56,907
Small furnishings, equipment rental and maintenance	171,016	194,838
Liaison	282,453	262,549
Travel	88,479	99,961
Postage	41,152	58,943
Audit	90,531	84,906
Pine channel and refugee sponsorship	170,731	-
Chapel	158,520	179,288
Chapel social action fund	14,295	29,421
Membership fees	67,279	64,515
Legal fees	47,986	31,443
Bad debts	36,532	(11,897)
Sundry	271,441	284,315
King's University College Foundation subsidy	120,000	120,000
Less internal cost recovery, ancillary operations	(253,380)	(251,707)
	\$ 7,064,913	\$ 6,558,361
Operation and maintenance of properties:		
Wages	\$ 1,786,440	\$ 1,692,030
Property taxes	213,543	242,761
Utilities	647,069	557,239
Repairs and maintenance	429,997	517,007
Insurance	74,190	117,684
Supplies	78,356	71,267
Small furnishings, equipment rentals and maintenance	26,139	25,086
Sundry	83,883	60,754
Less internal cost recovery, ancillary operations	(27,314)	(24,327)
	\$ 3,312,303	\$ 3,259,501

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Schedule - Revenue and Expenditures of Ancillary Operations (Unaudited)

Year ended April 30, 2017, with comparative information for 2016

	Residence and dining hall	Other	2017 Total	2016 Total
Revenue:				
Residence and cafeteria fees	\$ 3,233,428	\$ -	\$ 3,233,428	\$ 3,488,409
Licensed operations	-	6,917	6,917	14,594
Parking	-	248,393	248,393	229,617
Conferences	-	226,436	226,436	222,771
Sundry	18,670	98,653	117,323	132,149
	<u>3,252,098</u>	<u>580,399</u>	<u>3,832,497</u>	<u>4,087,540</u>
Expenditures:				
Food services	1,158,995	73,768	1,232,763	1,408,569
Salaries and wages	1,057,012	76,381	1,133,393	1,283,126
Utilities	206,337	10,260	216,597	233,803
Repairs and maintenance	143,392	10,454	153,846	80,845
Liquor, beer, wine and supplies	-	3,751	3,751	5,994
Laundry	-	3,663	3,663	3,623
Cleaning supplies	46,056	-	46,056	39,613
Small furnishings and supplies	15,991	-	15,991	18,214
Sundry	76,683	1,348	78,031	83,436
Internal cost allocation:				
Shared services	250,071	30,623	280,694	276,034
Employee benefits	59,562	-	59,562	41,828
	<u>3,014,099</u>	<u>210,248</u>	<u>3,224,347</u>	<u>3,475,085</u>
Excess of revenue over expenditures	\$ 237,999	\$ 370,151	\$ 608,150	\$ 612,455