Financial Statements of

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

And Independent Auditor's Report thereon

Year ended April 30, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of King's University College at The University of Western Ontario

Opinion

We have audited the financial statements of King's University College at The University of Western Ontario (the Entity), which comprise:

- the statement of financial position as at April 30, 2026
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at April 30, 2026 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.

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 auditor's report.

We are independent of the Entity in accordance with the 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 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

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

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

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 the 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 Entity'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 Entity'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 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

London, Canada

October 9, 2026

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Statement of Financial Position

April 30, 2026, with comparative information for 2025

	2026	2025
Assets		
Current assets:		
Cash	$ 16,366,305	$ 17,016,777
Accounts receivable (note 2)	173,602	309,573
Investments (note 3)	5,062,933	7,241,226
Prepaid expenses	607,254	463,678
Due from King's College Foundation (note 11)	1,352,580	879,752
	23,562,674	25,911,006
Capital assets (note 4)	60,788,538	61,065,245
Pension asset (note 7)	23,941,800	17,262,800
	$ 108,293,012	$ 104,239,051
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	$ 6,931,792	$ 5,968,572
Deferred revenue	1,529,439	1,885,112
Research funds held in trust	849,873	904,860
	9,311,104	8,758,544
Long-term salary obligations (note 8)	2,315,701	1,607,908
Deferred capital contributions (note 6)	8,104,735	8,462,150
Other post-employment benefit liability (note 7)	17,652,000	18,074,000
	37,383,540	36,902,602
Net assets (note 13)	70,909,472	67,336,449
Commitments and contingencies (note 14)		
	$ 108,293,012	$ 104,239,051

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, 2026, with comparative information for 2025

	2026	2025
Revenue:		
Tuition	$ 45,369,046	$ 46,695,921
Government grants	15,920,906	15,480,106
Ancillary operations (schedule 2)	6,105,214	5,114,386
Gifts from King's University College Foundation	927,378	556,641
Sundry	795,753	740,358
Investment income	700,756	1,107,009
Amortization of deferred capital contributions (note 6)	357,415	357,415
	70,176,468	70,051,836
Expenses:		
Instructional (schedule 1)	35,590,028	33,191,958
Shared services (schedule 1)	12,713,729	15,097,885
Employee benefits	9,898,173	12,142,471
Service fee to UWO (note 12)	6,418,904	7,115,863
Operation and maintenance of properties (schedule 1)	4,511,901	5,353,574
Ancillary operations (note 16) (schedule 2)	4,668,325	4,803,850
Amortization of capital assets	2,535,785	2,637,253
	76,336,845	80,342,854
Excess of expenses over revenue	$ (6,160,377)	$ (10,291,018)

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, 2026, with comparative information for 2025

	2026	2025
Net assets, beginning of year	$ 67,336,449	$ 56,923,567
Excess of expenses over revenue	(6,160,377)	(10,291,018)
Employee future benefits remeasurements (note 7)	9,733,400	20,703,900
Net assets, end of year	$ 70,909,472	$ 67,336,449

See accompanying notes to financial statements.

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Statement of Cash Flows

Year ended April 30, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in):		
Operating activities:		
Excess of expenses over revenue	$ (6,160,377)	$ (10,291,018)
Items not involving cash:		
Amortization of capital assets	2,535,785	2,637,253
Changes in pension benefit plan	1,403,400	2,213,100
Amortization of deferred capital contributions	(357,415)	(357,415)
Change in other benefit plan	1,229,000	1,277,000
Changes in non-cash operating working capital (note 10)	779,920	2,927,696
	(569,687)	(1,593,384)
Investing activities:		
Net change in investments	2,178,293	5,555,940
Purchase of capital assets	(2,259,078)	(2,295,065)
	(80,785)	3,260,875
Increase (decrease) in cash	(650,472)	1,667,491
Cash, beginning of year	17,016,777	15,349,286
Cash, end of year	$ 16,366,305	$ 17,016,777

See accompanying notes to financial statements.

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 3,500 students.

1. Significant accounting policies:

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.

(a) 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 delivered to students.

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).

1. Significant accounting policies (continued):

(b) 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 library books, and on a declining balance basis for all other capital assets. Amortization rates are as follows:

Asset	Method	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	1 year

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

(c) 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.

1. Significant accounting policies (continued):

(c) 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 accrues its obligations for unfunded plans using an actuarial valuation for accounting purposes. Assets of the employee future benefit plans are valued using fair values at the date of the statement of financial position.

(d) 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 College 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.

1. Significant accounting policies (continued):

(e) Use of estimates:

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 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.

(f) Contributed services:

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

(g) Cloud computing arrangements:

The College has elected to apply the simplification approach in accounting for its expenditures in cloud computing arrangements. The College recognizes expenditures in cloud computing arrangements as a supply of services. As such, the College recognizes the costs related to the elements in the arrangement as an expense as incurred.

2. Accounts receivable:

	2026	2025
Students	$ 359,470	$ 364,298
Other	76,850	176,421
	436,320	540,719
Allowance for doubtful accounts	(262,718)	(231,146)
	$ 173,602	$ 309,573

3. Investments:

Investments are comprised of guaranteed investment certificates ("GIC's"). The GIC's have an average effective yield of 11.39% (2025 - 11.19%) and maturity dates from November 2026 to November 2028.

4. Capital assets:

			2026	2025
	Cost	Accumulated amortization	Net book value	Net book value
Land	$ 17,342,050	$ -	$ 17,342,050	$ 17,342,050
Buildings	69,427,951	29,359,041	40,068,910	40,344,004
Parking lots	2,794,224	1,750,633	1,043,591	1,159,545
Equipment and furnishings	8,882,103	7,593,869	1,288,234	1,039,308
Computer equipment	7,538,380	6,641,518	896,862	1,031,447
Library books	13,471,299	13,471,299	-	-
Works of art	148,891	-	148,891	148,891
	$ 119,604,898	$ 58,816,360	$ 60,788,538	$ 61,065,245

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $8,030 (2025 - $52,706), which includes amounts payable for HST and payroll related taxes.

6. 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:

	2026	2025
Balance, beginning of year	$ 8,462,150	$ 8,819,565
Amortization of deferred capital contributions	(357,415)	(357,415)
Balance, end of year	$ 8,104,735	$ 8,462,150

King's University College Foundation has committed to provide approximately $9,000,000 to King's to assist with construction costs related to the Darryl J. King Student Life Centre, of which $8,862,622 (2025 - $8,862,622) has been received as of April 30, 2026 and reflected above. Management expects that the remaining commitment will be transferred to King's and recorded as funds are received in accordance with the donor agreements.

7. 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, 2023 and results have been extrapolated to April 30, 2026.

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 other post-retirement and post-employment benefit plans, the most recent actuarial valuation was performed as of April 30, 2026.

7. Employee future benefits (continued):

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

2026	Pension benefit plan	Other post-employment benefit plans
Accrued benefit obligation	$ (85,134,200)	$ (17,652,000)
Fair value of plan assets	109,076,000	-
Asset (liability)	$ 23,941,800	$ (17,652,000)

2025	Pension benefit plan	Other post-employment benefit plans
Accrued benefit obligation	$ (80,190,400)	$ (18,074,000)
Fair value of plan assets	97,453,200	-
Asset (liability)	$ 17,262,800	$ (18,074,000)

Accrued benefit obligation and fair value of plan assets includes $111,100 (2025 - $109,300) in optional flexible contributions made by members of the Plan. Information on the contributions and benefits paid for each plan are as follows:

2026	Pension benefit plan	Other post-employment benefit plans	Total
Employee contributions	$ 1,810,200	$ -	$ 1,810,200
Employer contributions	27,000	-	27,000
Benefits paid	(3,662,300)	(613,000)	(4,275,300)

2025	Pension benefit plan	Other post-employment benefit plans	Total
Employee contributions	$ 1,729,100	$ -	$ 1,729,100
Employer contributions	1,077,100	-	1,077,100
Benefits paid	(2,886,900)	(537,000)	(3,423,900)

7. Employee future benefits (continued):

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

2026	Pension benefit plan	Other post-employment benefit plans	Total
Current service cost	$ 2,353,900	$ 933,000	$ 3,286,900
Net finance cost (income)	(923,500)	909,000	(14,500)
Benefit plan expense	$ 1,430,400	$ 1,842,000	$ 3,272,400

2025	Pension benefit plan	Other post-employment benefit plans	Total
Current service cost	$ 3,232,000	$ 948,000	$ 4,180,000
Net finance cost	58,200	867,000	925,200
Benefit plan expense	$ 3,290,200	$ 1,815,000	$ 5,105,200

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

2026	Pension benefit plan	Other post-employment benefit plans	Total
Investment gain	$ 8,221,100	$ -	$ 8,221,100
Past service cost	(558,200)	-	(558,200)
Actuarial gain	419,500	1,651,000	2,070,500
Remeasurements	$ 8,082,400	$ 1,651,000	$ 9,733,400

7. Employee future benefits (continued):

2025	Pension benefit plan	Other post-employment benefit plans	Total
Investment gain	$ 6,517,500	$ -	$ 6,517,500
Actuarial gain (loss)	14,198,400	(12,000)	14,186,400
Remeasurements	$ 20,715,900	$ (12,000)	$ 20,703,900

The discount rate used in the actuarial measurement of the employee future benefits obligation was 5.22% for the non-pension plan (2025 - 5.03%) and 5.35% for the pension plan (2025 - 5.35%).

8. Salary obligations:

The College has a liability for salary obligations, including early retirement, severance pay and other benefits, that arose from contractual agreements established with employees. The obligation will be drawn down over the term of each agreement as amounts are paid out.

	2026	2025
Total salary obligations	$ 4,847,764	$ 3,629,534
Less current portion	(2,532,063)	(2,021,626)
Long-term salary obligations	$ 2,315,701	$ 1,607,908

Salary obligations will be paid out as seen below, with the current portion included in accounts payable and accrued liabilities.

2027	$ 2,532,063
2028	542,610
2029	524,374
2030	309,920
2031	261,500
Thereafter	677,297
	$ 4,847,764

9. Credit facilities:

A $15,000,000 overdraft facility is available of which $nil (2025 - $nil) has been drawn at year end. Amounts drawn on this facility are due on demand and bear interest at bank prime rate less 0.50% or banker's acceptance plus 0.45%.

10. Changes in non-cash operating working capital:

	2026	2025
Accounts receivable	$ 135,971	$ 271,535
Prepaid expenses	(143,576)	(4,211)
Accounts payable and accrued liabilities	963,220	1,911,482
Research funds held in trust	(54,987)	(121,076)
Deferred revenue	(355,673)	(627,960)
Due from King's College Foundation	(472,828)	(109,982)
Salary long-term obligations	707,793	1,607,908
	$ 779,920	$ 2,927,696

11. 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 the College 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, 2026 is $1,352,580 (2025 - $879,752) and is unsecured, non-interest bearing and has no specific repayment terms.

The College provides an annual subsidy of $124,848 (2025 - $124,848) to support the Foundation's operations, which is included as shared services in the statement of operations. During the year, the Foundation transferred gifts of $927,378 (2025 - $556,641) to the College.

The Foundation holds funds of $15,333,631 (2025 - $14,430,834), the benefit of which is to be used for the College.

12. Service fee to UWO:

In accordance with the Affiliation Agreement with The University of Western Ontario ("UWO"), the College pays fees on an annual basis for administrative, technology and policing services provided to the College by UWO.

13. Net assets:

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

	2026	2025
Invested in capital assets	$ 52,683,802	$ 52,603,095
Unrestricted	18,180,670	14,628,354
Internally restricted	45,000	105,000
	$ 70,909,472	$ 67,336,449

14. Commitments and contingencies:

(a) Operating leases:

At April 30, 2026, King's has lease commitments for buildings and photocopiers. Minimum annual lease payments, not including operating expenses, due over the next five years are expected to be as follows:

2027	$ 879,476
2028	793,946
2029	849,494
2030	908,875
2031	76,210
	$ 3,508,001

(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.

15. 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 to/from King's University College Foundation, research funds held in trust, 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 April 30, 2026.

(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 and maintains investments that may be converted to cash if unexpected cash flows arise. The College also has available unused credit facility (note 9) at April 30, 2026 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 cash, 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 College measures its exposure to credit risk based on how long the amounts have been outstanding. The maximum exposure to credit risk of the College at April 30, 2026 is carrying value of these assets. Cash and investments are held with major financial institutions and investments are invested in accordance with the College investment policy.

15. Financial instruments (continued):

(b) Risk management (continued):

(iii) Other risk:

On January 22, 2024, the Government of Canada (the “Government”) announced an intake cap on international student permit applications for a period of two years, resulting in a 35% reduction of approved study permits from 2023.

On September 18, 2024, the Government announced a further reduction to the intake cap on international student study permits for 2025 of 10% from the approved 2024 target. The 2025 cap will be maintained at the same level for 2026. Also included in this announcement was a change to Post-Graduation Work Permits (“PGWPs”), aligning work permit eligibility to labour market needs. Further details on the implementation of this change were released throughout the fall of 2024, resulting in a significant reduction of the programs eligible for PGWPs. As a result of these policy changes, students at the College will no longer be eligible for post-graduate work permits.

A significant portion of the College’s tuition revenues is derived from international students and the College has assessed the impact of this announcement on its ability to earn revenue from international students and its approved capital and operating budget for the year ending April 30, 2026.

16. 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 $441,528 (2025 - $450,768) and employee benefits of $103,572 (2025 - $104,532) were allocated to ancillary operations during the year.

17. Comparative information:

Certain comparative information have been reclassified from those previously presented to conform to the presentation of the 2026 financial statements.

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Schedule 1 - Operating Fund Expenditures

Year ended April 30, 2026, with comparative information for 2025

		2026		2025
Instructional:				
Salaries	$	27,740,820	$	26,544,337
Outside services		97,221		190,321
Scholarships and bursaries		5,425,168		3,964,954
Teaching program assistance		524,778		555,785
Sundry		257,550		227,165
Research grants, learned society and guest lectures		570,184		572,684
Transportation and travel		475,751		519,409
Teaching and learning support		346,564		441,357
Telephone		17,894		34,694
Interview and moving expenses		6,181		14,263
Memberships and dues		20,368		26,468
Office expenses		59,060		56,223
Small furnishings, equipment rentals and maintenance		2,213		6,361
Course support		46,276		37,937
	$	35,590,028	$	33,191,958
Shared services:				
Office salaries	$	8,326,504	$	10,702,819
Liaison		994,025		1,436,656
Sundry		319,626		344,311
Office supplies		508,739		406,225
Outside services		580,295		448,828
Small furnishings, equipment rental and maintenance		240,568		197,183
King's University College Foundation subsidy		124,848		124,848
Promotional material		866,493		577,095
International ESL program		-		165,200
Legal fees		266,171		80,306
Membership fees		135,490		85,308
Audit		122,415		125,149
Bad debts		176,216		209,093
Telephone		27,486		43,309
Chapel and social action fund		92,676		145,574
Special events		92,908		148,232
Travel		64,513		61,961
Board expenses		146,844		181,181
Student counselling		2,000		1,475
Less internal cost recovery, ancillary operations		(374,088)		(386,868)
	$	12,713,729	$	15,097,885
Operation and maintenance of properties:				
Wages	$	2,461,211	$	2,976,893
Utilities		686,576		790,908
Repairs and maintenance		482,762		600,347
Outside services		451,620		509,542
Property taxes		233,787		224,713
Insurance		160,730		162,400
Sundry		19,684		36,773
Supplies		73,209		102,622
Small furnishings, equipment rentals and maintenance		9,762		13,276
Less internal cost recovery, ancillary operations		(67,440)		(63,900)
	$	4,511,901	$	5,353,574

KING'S UNIVERSITY COLLEGE AT THE UNIVERSITY OF WESTERN ONTARIO

Schedule 2 - Revenue and Expenses of Ancillary Operations

Year ended April 30, 2026, with comparative information for 2025

	Residence and dining hall	Other	2026 Total	2025 Total
Revenue:				
Residence and cafeteria fees	$ 5,244,122	$ -	$ 5,244,122	$ 4,274,399
Sundry	22,080	268,712	290,792	291,915
Parking	-	382,345	382,345	348,440
Conferences	-	186,081	186,081	197,267
Licensed operations	-	1,874	1,874	2,365
	5,266,202	839,012	6,105,214	5,114,386
Expenses:				
Salaries and wages	959,962	84,149	1,044,111	1,371,956
Food services	1,549,260	95,698	1,644,958	1,309,542
Rental expense	663,868	-	663,868	573,940
Shared services	392,472	49,056	441,528	450,768
Utilities	218,129	10,627	228,756	223,894
Outside services	290,978	27,158	318,136	409,710
Repairs and maintenance	101,487	10,176	111,663	196,955
Sundry	76,520	1,239	77,759	104,342
Employee benefits	103,572	-	103,572	104,532
Cleaning supplies	30,292	-	30,292	47,552
Small furnishings and supplies	2,644	-	2,644	5,221
Laundry	-	-	-	3,066
Liquor, beer, wine and supplies	-	1,038	1,038	2,372
	4,389,184	279,141	4,668,325	4,803,850
Excess of revenue over expenses	$ 877,018	$ 559,871	$ 1,436,889	$ 310,536