



AMBROSE
UNIVERSITY

Annual Report Academic Year 2021-2022

For Alberta Advanced Education
November 2022



AMBROSE

Ambrose University
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For Alberta Advanced Education

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1 ACCOUNTABILITY STATEMENT

Ambrose University's Annual Report for the year ended April 30, 2022 was prepared under the Board'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.

Debi Mills
Chair, Board of Governors

2 MANAGEMENT'S RESPONSIBILITY FOR REPORTING

Ambrose 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 to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, are executed in accordance with all relevant legislation, regulations and policies, reliable financial records are maintained and assets are properly accounted for and safeguarded.

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

Gordon T. Smith, PhD
President

3 MESSAGE FROM THE PRESIDENT

Ambrose University is an active participant in Campus Alberta as one of the Independent Academic Institutions. We appreciate our partnership with the Ministry and with the other 25 post-secondary institutions in the province. As an Independent Academic Institution, Ambrose University does not receive a mandate statement from the Minister of Advanced Education. This report speaks to the institution's steady progress towards its goals that continued during another year of a global pandemic.

The 2021-2022 academic year was again characterized by our institutional responses to the COVID-19 pandemic. Students, faculty and staff demonstrated resiliency and persistence throughout the year to provide learning experiences for as many students as possible. Course delivery switched as was necessitated by the pandemic, beginning and ending with in person classes. In between was a period of only online delivery.

Overall, there was a 10% drop in new and returning students. Arts and Science programs along with Business saw a significant drop in enrolment. The greatest decline was in new students (-35%) for the Fall of 2021. While this was a disappointing occurrence, it was for Ambrose a reflection of the unsettled pandemic environment. A Targeted Enrolment Expansion Grant was awarded to increase seats in the Business program beginning the Fall of 2022. In July, the collaborative effort of the seven Calgary PSI's and Calgary Economic Development was awarded \$5.4 million to support Work Integrated Learning (WIL) opportunities. The \$2.5M from the Ministry of Advanced Education and \$2.9M from the Future Skills Centre will be used to develop an online portal that allows students in Calgary to connect with industry placements.

Initiatives funded by the Post-Secondary Mental Health grant and the Students with Disabilities grant continue to provide students with critical services that support their academic success and their experience of thriving on our campus.

In the Winter of 2021, the institution appointed a new Vice President of Finance after a short period with temporary support.

Ambrose's 2022 financial situation weakened from fiscal year 2021 as a result of decreased market performance in our investments, reduction in COVID-19 government relief funding, and less tuition revenue than budgeted. This resulted in Ambrose not being in compliance with their debt covenant and KPMG's issuance of the Going Concern note on the Audited Financial Statement for the year ended April 30, 2022. The anticipated land sale in 2023 will further recover and strengthen the balance sheet. However, equitable provincial educational funding to Ambrose would significantly alleviate financial constraints upon the institution and students.

We value our inclusion in Campus Alberta and the government's commitment to providing Albertans options for post-secondary education. Approximately 88% of our undergraduate student body is from Alberta. We are pleased to provide additional access and capacity for the province.

4 PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT

As a private, independent Academic Institution, Ambrose University is not subject to this legislation.

5 OPERATIONAL OVERVIEW

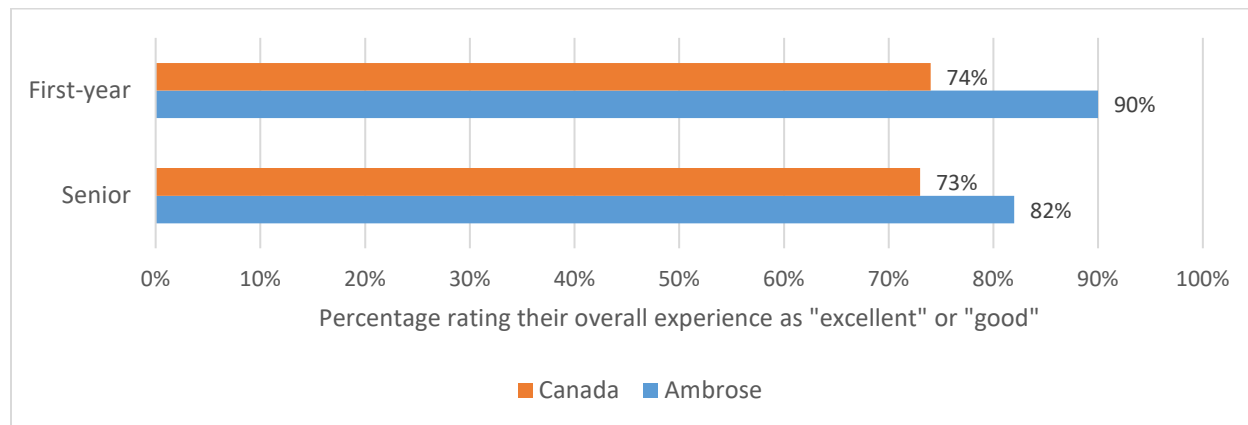
This annual report highlights areas of institutional success and challenge during a year that continued to be marked by a global pandemic. Ambrose continued to make progress towards the goals articulated in the Master Academic Plan (MAP), even during a time of limitations related to the pandemic.

We began the year enthusiastically expecting a return to what we recalled as “normal”, but within a week of the fall semester commencement we flipped to emergency online delivery of all our courses and working from home – the turnaround was quite quick and created an unsettled environment that lasted throughout the year. We had hopes for a return to normal in January, but then the Omicron variant altered those plans. In February we began a phased schedule to gradually return to full face-to-face delivery by month’s end. Despite the uncertainty, students, faculty and staff demonstrated resiliency and persistence throughout the year to create a community of learning. The year culminated in three in-person graduation ceremonies to which students could invite family and friends. It was an important and carefully executed celebration for those living in a pandemic.

Faculty were actively engaged in institutional governance during the 2021-2022 academic year. The General Faculties Council (GFC) oversaw the completion of quality assurance measures in two degree programs by approving the program cyclical reviews for degrees in Biology and Music. The reviews were submitted to CAQC. The subsequent action plans provided direction for future programmatic development. GFC also implemented policy work in the areas of experiential learning, submission of final grades, scheduling of assessment and examinations, program definitions, cyclical program reviews, and education principles. Through GFC initiatives, Ambrose introduced a new mandatory course to prepare incoming students for university to be initiated in the Fall of 2022. No new degree programs were introduced at Ambrose during this period.

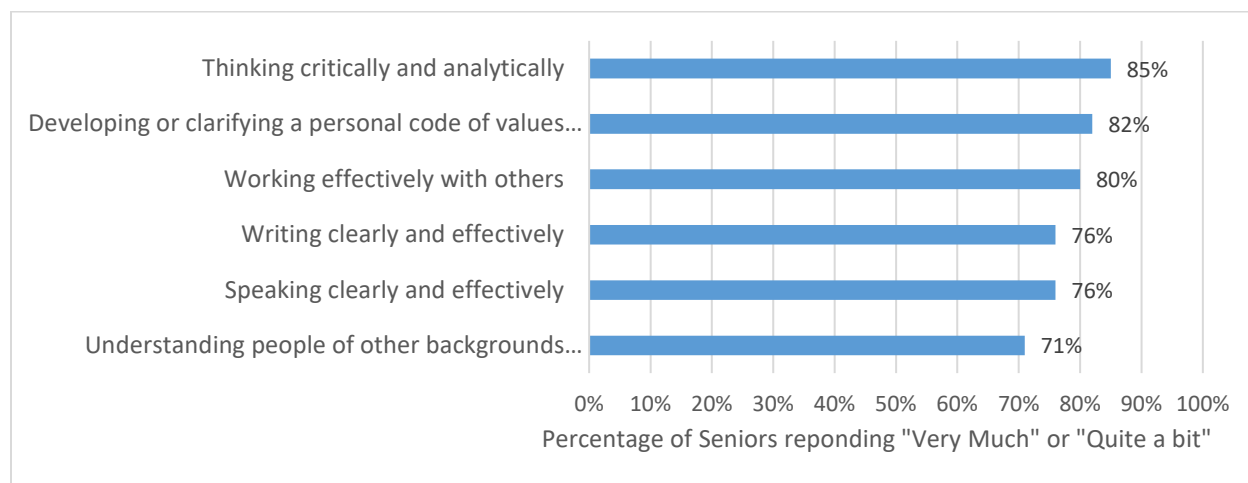
Ambrose looks to the results of institutional surveys for markers of achievement. The metrics provided in the 2022 National Survey of Student Engagement (NSSE) is one source of data.

The majority (90%) of first year students rated their overall Ambrose experience as “excellent” or “good”, compared to 74% of first-year students in other Canadian universities. Senior students (82%) felt similarly, compared to 73% of their Canadian peers. Both first year (86%) and senior students (81%) indicated they would “definitely” or “probably” attend Ambrose again, compared to Canadian first-year peers (74%) and seniors (73%).



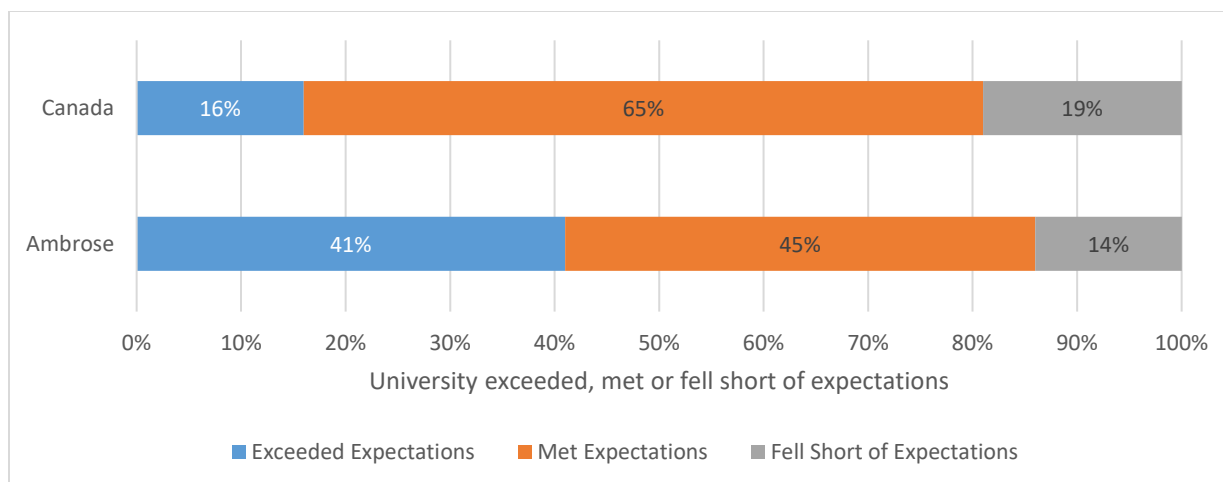
Ambrose continues to perform strongly in terms of the quality of interactions between students and faculty and academic advisors.

The majority of senior students (>70%) reported the following as contributing “very much” or “quite a bit” to their knowledge, skills and personal development: thinking critically and analytically, developing or clarifying a personal code of values and ethics, working effectively with others, writing clearly and effectively, speaking clearly and effectively, and understanding people of other backgrounds.

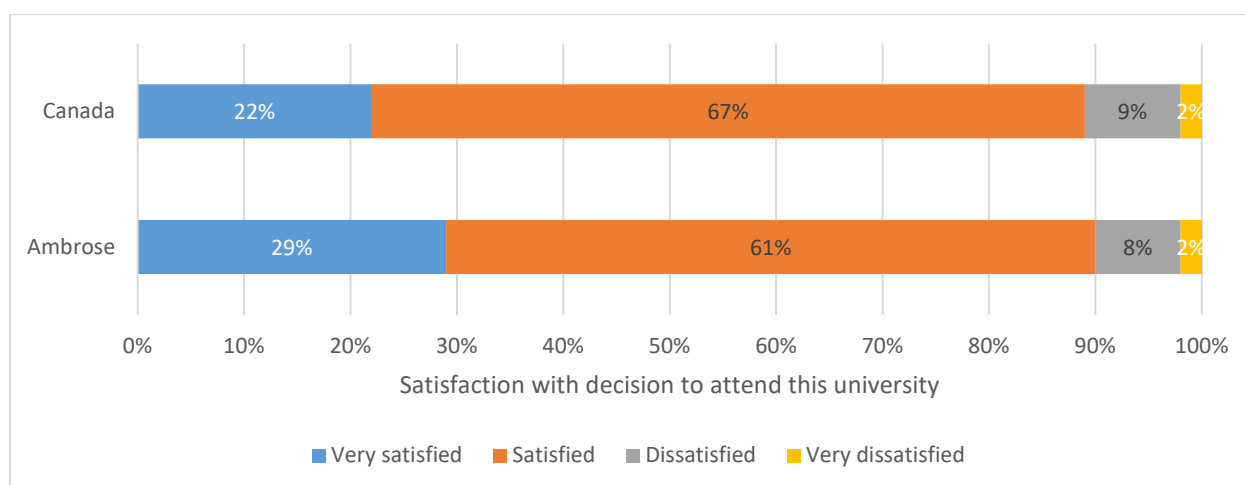


According to the NSSE survey, Ambrose has a strong record of providing students with high-impact learning opportunities. In this year’s survey, the majority (87%) of Ambrose senior students have participated in high-impact learning opportunities, which is comparable to the national average of 80%. Last year, the numbers were 86% and 81% respectively. The distinction, however, is that 66% of senior students indicated they had two or more high impact learning opportunities as compared to 55% of senior Canadian students. High-impact learning opportunities are included in the institution’s definition of experiential learning. Also, included in the same definition are Work-Integrated Learning (WIL) experiences. The consortium of Calgary post-secondary institutions continued its collaborative effort to establish metrics for WIL opportunities. The Consortium received significant support to move this work forward. On July 7, 2022, Ambrose along with the University of Calgary, Mount Royal University, Bow Valley College, SAIT, St. Mary’s University, and the University Arts collaborated with Calgary Economic Development on a proposal that was awarded \$5.4 million for work-integrated learning opportunities (\$2.5M from the Ministry of Advanced Education and \$2.9M from the Future Skills Centre). The funds will be used to develop an online portal for WIL opportunities that allow students in Calgary to connect with industry placements.

Another source of data is the 2022 Canadian University Survey Consortium (CUSC) survey of first year students. The institutional results on average were comparable to national results, but the distinction was in the number of students who felt strongly about their experiences. For example, 86% of Ambrose students indicated the university experience exceeded or met their expectations, compared to the national average of 81%. However, 41% of Ambrose students indicated the university was exceeding their expectations compared to 16% of the national respondents. The measure of satisfaction with quality of education is similar.



Overall, 61% of Ambrose first-year students are satisfied with their decision to attend Ambrose and 67% of the nation's students surveyed are satisfied. But, 29% of Ambrose students are very satisfied with their decision compared to the 22% national average for this measure. Taken together, Ambrose appears to be delivering education programs that meet the needs of our students at a level they value.



During the 2021-2022 academic year the delivery of credit programming was primarily through a hybrid model of classroom and online delivery. This delivery method was in response to the pandemic and in some cases it was not necessarily the best model for learning nor was their sufficient preparation time given the sudden lock down measures. While the majority of faculty and students prefer onsite classes, others prefer online delivery. A future resource challenge will be meeting the increasing demand for optional delivery formats for each course.

Recruitment and enrolment of students was a challenge in 2021-2022. On-line efforts were less effective in recruiting new students. Arts and Science programs along with Business saw a significant drop in enrolment. Overall, there was a 10% drop in new and returning students. The greatest decline was in new students (-35%) for the Fall of 2021. While this was a disappointing occurrence, it was for Ambrose a reflection of the unsettled pandemic environment. Opportunities for recruitment at Career

Fairs were significantly impacted due to pandemic restrictions on gatherings. Applications were down which led to a smaller number in the enrolment funnel. There was a notable drop in applications from the 18-19 age group. The decreasing numbers of “traditional from high school” students is a trend across post-secondary institutions. There was a small uptick in the number of mature students who were looking to further their education. Our online courses were attractive to this demographic. While admission rates were relatively high, those numbers did not convert to registrants. Ambrose had a required mask and vaccination policy which was received differently by various constituents that support funding and student enrolment. The decrease was primarily in General Studies, Humanities, Biology and Behavioral Sciences. The Education program, however, was at capacity. The Education admission cycle locates Fall 2021 as a year for a double cohort, as compared to the previous year when they admitted an additional third cohort. Their admission cycle provides for an additional cohort every other year.

There were increasing numbers of students choosing to take a semester or year off from studies. The primary reasons were to recover from the mental stresses of Covid and to find employment to pay for tuition and rising costs of living. In response, Ambrose offers students access to a variety of mental health supports, emergency funding and scholarship/bursaries.

During the 2021-2022 academic year, faculty researchers found ways to work within the limitations of the COVID-19 pandemic restrictions. While travel restrictions continued to impact data collection, there was a shift in dissemination strategies at scholarly conferences from in-person to online presentations. Across the undergraduate programs there was an increase in the number of scholarly artifacts compared to the past year. There were also 2 successful SSHRC grants awarded to faculty (one as the primary award holder and one as a co-investigator). Two other previously awarded SSHRC grants were mid-way through the proposed activities. These are markers of increased scholarly capacity among the faculty and signs that the institution is supporting and promoting growth in scholarly activity. We celebrated these accomplishments at our annual event: Scholars’ Corner. Our three research institutes continue to engage faculty in collaborative research agendas particularly in the areas of poverty, cultural awareness, and flourishing Canadian congregations. By collaborating with a network of scholars and disseminating their knowledge, Ambrose faculty are contributing to the prosperity and health of Albertans and their communities.

Ambrose’s financial situation was less positive than in previous years. Overall, the financial results for 2022 compared less favorably with budget. Surplus for 2022, before financing expenses and non-cash items was below budget, as a result of both lower than budget tuition revenue and higher than budget operating expenses. The surplus after financing expenses was similarly under budget. Operating expenses were above budget primarily because of higher costs associated with employee compensation and benefits. The institution is aware that the current financial picture (both revenues and expenses) relates to the impacts of Covid-19 on operations and attention will need to be paid on how the “new normal” will affect future results.

6 GOALS AND PERFORMANCE MEASURES

6.1 AMBROSE UNIVERSITY MASTER ACADEMIC PLAN (2019-2024)

This Master Academic Plan (MAP) provides the roadmap that will guide us as we strive to achieve the vision and mission of Ambrose University.

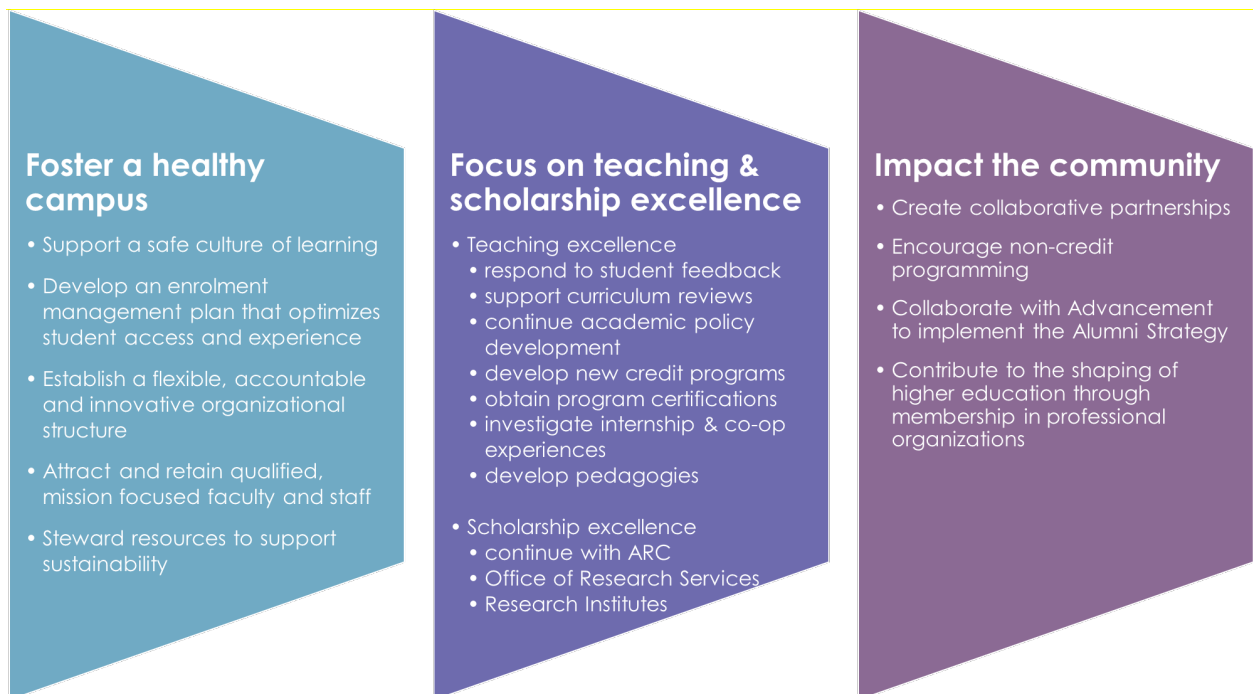
The Master Academic Plan contains three priorities:

- Foster a healthy campus
- Focus on teaching and scholarship excellence
- Impact the community.

The strategies and goals in this plan are supported by an implementation scheme that identifies relevant timelines and appropriate metrics so that we can gauge our progress.

Together these priorities will drive human, capital and financial resource allocations for the next 5 years. The goals and objectives are ambitious and will be implemented systematically through our collective action.

This report represents progress on this plan to Winter Semester 2022.



6.2 PRIORITIES, STRATEGIES AND GOALS

A: FOSTER A HEALTHY CAMPUS

Strategy 1: Support a safe culture of learning

Goals	Progress toward Goals
1.1. Continue to implement the Sexual Violence Prevention Policies	1.1 Ongoing implementation, VP Student Life appointed to province wide committee to review Gender Based Violence policies and processes with expectation for internal review in 2022-2023
1.2. Implement the Mental Health Strategy	1.2 Ongoing implementation See Thriving Quotient scores
1.3. Implement the recommendations of the President's committee on the Response to the Truth and Reconciliation Committee	1.3 GFC standing sub-committee reports progressive actions on recommendations from President's Commission
1.4. Monitor the student access to learning strategies and support services	1.4 See NSSE scores below
1.5. Promote engagement of students, faculty and staff in co-curricular activities that are missional, intentionally build community and enrich the learning experience	1.5 See NSSE scores below
1.6. Review current internship and field trip and international study excursions for safe practices in the context of risk management	1.6 Internship, field trip and international study excursions follow institution approved standard safe practices for orienting, conducting, monitoring and debriefing experiences

Outcomes & Performance Measures:

Enhanced levels of psychological thriving for Ambrose students as measured by the Thriving Quotient survey

	2017	2018	2020
<i>Thriving Quotient (Mean)</i>	4.59	4.69	4.56

Increased student use of support services as indicated by NSSE results

Measured by questions 14b, 14c and "Supportive Environment" EI for first year and senior students

Ambrose emphasis on the following:

% responding "Quite a bit" or "Very much"		2019	2020	2021	2022
14b Providing support to help students succeed academically	FY	82%	82%	76%	82%
	SR	87%	72%	79%	69%

% responding "Quite a bit" or "Very much"		2019	2020	2021	2022
14c Using learning support services (tutoring services, writing center, etc.)	FY	75%	77%	62%	73%
	SR	75%	78%	75%	60%

Supportive Environment		2019	2020	2021	2022
Engagement Indicator	FY	33.8	34.1	30.5	36.2
	SR	30.6	31.5	32.2	30.9

Consistent participation in High Impact Practices

	2019	2020	2021	2022
Seniors participating in at least 2 HIPs	50%	70%	62%	66%

Strategy 2: Develop an enrolment management plan that optimizes student access and experience

Goals	Progress toward Goals
2.1 Annual admission target of 300 new students for Fall 2019 & 360 for Fall 2020	2.1 see enrolment results below
2.2 Review recruitment processes to attract and retain talented students	2.2 Challenged by pandemic restrictions related to recruitment venues. Focused on online recruitment strategies of "mission fit" students targeting faith-based communities and connecting with denominations
2.3 All co-curricular activities focused on recruitment	2.3 Co-curricular activities were largely suspended for the year due to the pandemic, however all communications for the few events that occurred included a recruitment focus
2.4 Identify which programs will have open admissions or selective admissions	2.4 All programs except the BEd (after degree) have open admission
2.5 Identify target caps on seats for each program	2.5 Education has an enrolment cap at 25/ cohort
2.6 Implement retention strategies that include advising and mechanisms to track early exits	2.6 Increased attention to connections with students during advising weeks – Ambrose Aware implement to identify students at risk and connection with Student Success for those withdrawing
2.7 Enhance scholarship support for students	
2.7.1 Continue the Finish Free program in the MDiv program	2.7.1 Finish Free program funded
2.7.2 Apply for ministerial approval of Theater Diploma to allow student loan access	2.7.2 Application process suspended pending redesign of diploma curriculum.

Outcomes & Performance Measures:

2.1 Admission targets will be achieved

<i>Total New Students</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
<i>Arts & Science</i>	131	130	171	111
<i>School of Ministry</i>	27	9	10	7
<i>Seminary</i>	49	56	57	56
<i>Total New Students Enroled</i>	286	276	327	233
<i>Difference from previous year</i>	-10%	-3%	18%	-29%

2.2 Retention rates will exceed 75% in all programs

The overall retention rate for first year to second year was 74% in Fall 2021.

Strategy 3: Establish a flexible, accountable and innovative organizational structure

Goals	Progress toward Goals
3.1 Finalize the integration of Enrolment Management into Academic Affairs	3.1 Integration is complete
3.2 Articulate the relationship of the School of Ministry with Arts and Science more clearly	3.2 School of Ministry faculty integration with the Humanities department as increased cooperation in areas of shared interest and responsibility
3.3 Develop and adhere to a comprehensive records management plan for paper and electronic documents and artifacts	3.3 SharePoint has been developed as the official repository for Ambrose policy and procedures documents

Outcomes & Performance Measures:

The goals supporting this strategy were accomplished last year and their success is seen in continued stability and effectiveness over the past year.

3.1 Clarity of organizational relationships and roles has facilitated increased operational effectiveness.

3.2 95% of all documents sought for the purposes of research into the history or operations of Ambrose can now be found on SharePoint (current files and documents) or in institutional archive.

Strategy 4: Attract and retain qualified, mission focused faculty and staff

Goals	Progress toward Goals
4.1 Create a staffing plan that includes upcoming retirements, succession planning and program growth	4.1 The faculty in each department collaborate to ensure coverage for sabbaticals and Chair duties
4.2 Implement maximum number of faculty on sabbatical and scholarship support each semester	4.2 Ongoing monitoring and negotiation to facilitate continuing scholarship
4.3 Conduct a review of the PT pay grid and make changes where warranted	4.3 All salary and wage grids have been reviewed, and improvements to visibility, structure, and implementation have been made. The sessional

	grid was reviewed and adjusted in the spring to better meet the local market.
4.4 Review policies that impact workload (e.g., overload policy, consider policy on notification of secondary employment)	4.4 Policy review will begin in winter 2023
4.5 Review policy on intellectual property	4.5 Policy review underway led by Provost

Outcomes & Performance Measures:

4.1 Employee Wellness Survey will reflect increasing levels of engagement

The implementation of an Employee Wellness Survey will begin in early 2023.

4.2 New Dean of the Faculty of Theology began in March 2022 following the retirement of the previous long-standing Dean.

Strategy 5: Steward resources to support sustainability

Goals	Progress toward Goals
5.1. Work with local, provincial and federal governments to leverage and optimize resources and advocate for the university	5.1 Ongoing; VPA represents institution on the government relations committee of the Alberta Post- Secondary Network
5.2. Collaborate with Information Technology to develop and implement a plan with sufficient resources for the renewal of key institutional software systems/programs (e.g., library/science/music resources, scheduling, academic reporting, enrolment management, faculty annual reports, etc.)	5.2 Installation of new Student Information System (SIS) – Jenzebar- to be completed in 2023 All classrooms have technology installed to facilitate online and hybrid teaching and learning
5.3. Obtain required science lab certifications (WHMIS, animal care, etc.)	5.3 completed in 2019-20
5.4. Analyze current spaces to create environments that ensure space for thinking, interacting and learning	5.4 Community spaces have been closed since March 2020 and energy has been focused on creating virtual environments

Outcomes & Performance Measures:

During the year, attention was focused on faculty and staff working at-home and in virtual environments. COVID-19 accelerated developments in the roll out of classroom technology.

A new financial software system was purchased in winter 2022 with installation planned for early 2023.

In late spring of 2022, the Business program was awarded a Work, Targeted Enrolment Expansion Grant to increase seats over the next three years. Implementation of the first year of the program will be 2022 - 2023.

B: FOCUS ON TEACHING AND SCHOLARSHIP EXCELLENCE

Strategy 6: Teaching Excellence

Goals	Progress toward Goals
<p>6.1 Monitor the teaching and learning environment by responding to student feedback)</p> <p>6.1.1 Reconcile the number of annual student surveys conducted</p> <p>6.2 Continue to support curriculum review processes (cyclical reviews, accreditations, etc.) to support continuous improvement/Quality Assurance</p> <p>6.3 Continue academic policy development related to learning outcomes and core curriculum</p> <p>6.3.1 Scope and sequence document for the Bachelor of Education</p> <p>6.4 Continue to develop innovative new credit programs (e.g., stackable certificates)</p> <p>6.5 Where appropriate and within available resources obtain program certifications that indicate excellence</p> <p>6.5.1 Business – Chartered Professionals in Human Resources Canada (CPHR)</p> <p>6.6 Continue to implement experiential learning activities for all students with an emphasis on <i>Work Integrated Learning</i> opportunities</p> <p>6.6.1 Investigate internship and co-op experiences to support access within existing resources</p> <p>6.7 Develop pedagogies that enhance learning environments</p> <p>6.7.1 Arts & Science online hybrid instruction</p>	<p>6.1 CUSC and NSSE are used to monitor annually, NSSE National project provides comparative data for program reviews in 3-year cycles</p> <p>6.2 Processes are being refined, two program reviews complete, one underway. Accreditation reviews with ATS and ABHE were completed in 2022.</p> <p>6.3 Work continues on policy development</p> <p>6.3.1 Bachelor of Education scope and sequence completed</p> <p>6.4 Chaplaincy certification has been completed and a Theatre diploma is being redeveloped</p> <p>6.5 The BBA curriculum was approved to meet requirements for certification with CPHR AB – Chartered Professionals in Human Resources Alberta and CPA Alberta – Chartered Professional Accountants Alberta</p> <p>6.6 All but one program has WIL components. Two more program to be added in 2021-22.</p> <p>6.6.1 COVID-19 has sidelined this work as efforts went into preparing for hybrid and online learning</p> <p>6.7 COVID-19 accelerated this and professional development has been provided for teaching and learning in hybrid environments</p>

Outcomes & Performance Measures:

NSSE Engagement Indicators Comparison of Means for Ambrose and Canada (Seniors)

	2020		2021		2022	
	Ambrose	Canada	Ambrose	Canada	Ambrose	Canada
<i>Higher-Order Learning</i>	35.7	37.1	38.8	37.1	41.08	38.1
<i>Reflective & Integrative Learning</i>	39.2	36.1	39.9	36.0	42.9	36.7

Participation in High Impact Practices (Seniors)

	2020		2021		2022	
<i>High Impact Practices (Seniors)</i>	Ambrose	Canada	Ambrose	Canada	Ambrose	Canada
<i>% of students participating in at least one HIP</i>	87%	81%	86%	81%	87%	80%

NSSE Engagement Indicators Comparison of Means for Ambrose and Canada (Seniors)

	2020		2021		2022	
	Ambrose	Canada	Ambrose	Canada	Ambrose	Canada
<i>Student-Faculty Interaction</i>	23.5	17.7	22.4	17.6	22.9	17.7
<i>Effective Teaching Practices</i>	38.5	35.0	38.0	35.0	40.9	34.2

Strategy 7: Scholarship Excellence

Goals	Progress toward Goals
7.1 Continue the ARC program as a means to showcase undergraduate research	7.1 ARC was held online in 2021 due to COVID-19. It also ran as a virtual conference in 2022.
7.2 Establish an Office of Research Services	7.2 Plans continue to develop. Consultant hired for the Winter 2022 semester with federal research support funds.
7.2.1 Aim for resourced office by 2024	7.3 Work on this to begin in 2023
7.3 Clarify accountability parameters for Research Institutes	
7.4 Continue to provide strong financial support for the library's collections and services	7.4 Demand for e-books and online resources were significantly higher due to pandemic. Funding invested to improve access

Outcomes & Performance Measures:

Faculty Scholarship as presented at Scholar's Corner

	2020		2021		2022	
	Peer-Rev	Not P-R	Peer-Rev	Not P-R	Peer-Rev	Not P-R
<i>Book</i>	7	4	4	2	2	6
<i>Article/book chapter</i>	14	7	20	4	23	16
<i>Book Review</i>		2	1	1	0	3
<i>Conference Paper</i>	21	4	1	0	4	0
<i>Total</i>	42	17			29	25

C: IMPACT THE COMMUNITY

Strategy 8: Create collaborative partnerships to optimize resources and increase accessibility for students

Goals	Progress toward Goals
8.1 Explore and develop new learning pathways in partnership with regional school boards	8.1 Progress on dual credit has been stalled with COVID-19. New initiatives are planned once the campus opens
8.2 Through collaboration with partners implement the next phase of CCSTAS	8.2 A new model for Chinese language seminary programming was completed in 2020-2021

Outcomes and Performance Measures:

Expectations for dual credits enrolments were not realized. It is expected that new initiatives in Business and Music will begin when we are able to invite high schools to campus again.

The Theological Studies in Chinese at Ambrose Seminary has a growing enrolment primarily from international students.

Community focused and athletic events were suspended because of campus closures due to the pandemic.

Strategy 9: Encourage non-credit programming that anticipates and responds to our communities

Goals	Progress toward Goals
9.1 Develop programs/courses/initiatives that map onto denominational and professional needs and opportunities	9.1 Many workshops and focused programming were canceled over the last year although some have effectively moved online
9.2 Develop a framework for non-credit programming, including certificates, micro-credentials	9.2 "Front Porch" framework has been adopted and is being implemented as restrictions ease
9.3 Chaplaincy Education	9.3 MOA for Chaplaincy completed
9.4 Develop tuition model for Continuing Education courses	9.4 Tuition model under development

Outcomes & Performance Measures:

Continuing education offerings were to be an area of growth in 2021-2022. Many initiatives to engage with external communities were wound down during COVID-19. It is anticipated that these will restart, when the pandemic restrictions are lifted.

Strategy 10: Contribute to the shaping of faith based higher education

Goals	Progress toward Goals
10.1 Pursue and maintain membership in professional organizations relevant to our program base	10.1 Ongoing, awarded increased membership status with the Council for Christian Colleges and Universities
10.2 Collaborate with denominational constituencies to advance liberal arts based education	10.2 New relationships with faith communities continue to be developed
10.3 Participate in Campus Alberta initiatives	10.3 Ambrose is active the Calgary consortium to facilitate Work Integrated Learning – Ambrose has negotiated a MOA with the Mount Royal Conservatory to move students into a BMus degree

Outcomes & Performance Measures:

A consortium of Calgary post-secondary institutions continued its collaborative effort to establish metrics for WIL opportunities and to secure funding to develop a portal that allows students access to WIL learning opportunities offered by Calgary business, non-profits and government agencies. The Consortium received significant support to move this work forward. On July 7, 2022, Ambrose along with the University of Calgary, Mount Royal University, Bow Valley College, SAIT, St. Mary's University, and the University Arts collaborated with Calgary Economic Development on a proposal that was awarded \$5.4 million for work-integrated learning opportunities (\$2.5M from the Ministry of Advanced Education and \$2.9M from the Future Skills Centre). The funds will be used to develop an online portal for WIL opportunities that allow students in Calgary to connect with industry placements.

Strategy 11: Collaborate with Advancement to implement the Alumni Strategy

Goals	Progress toward Goals
11.1 Alumni are invited to participate in surveys and Advisory Committees	11.1 Alumni are invited to participate in survey about both alumni programing and their student experiences

Outcomes & Performance Measures:

Alumni surveys have been completed for two more programs over the past year.

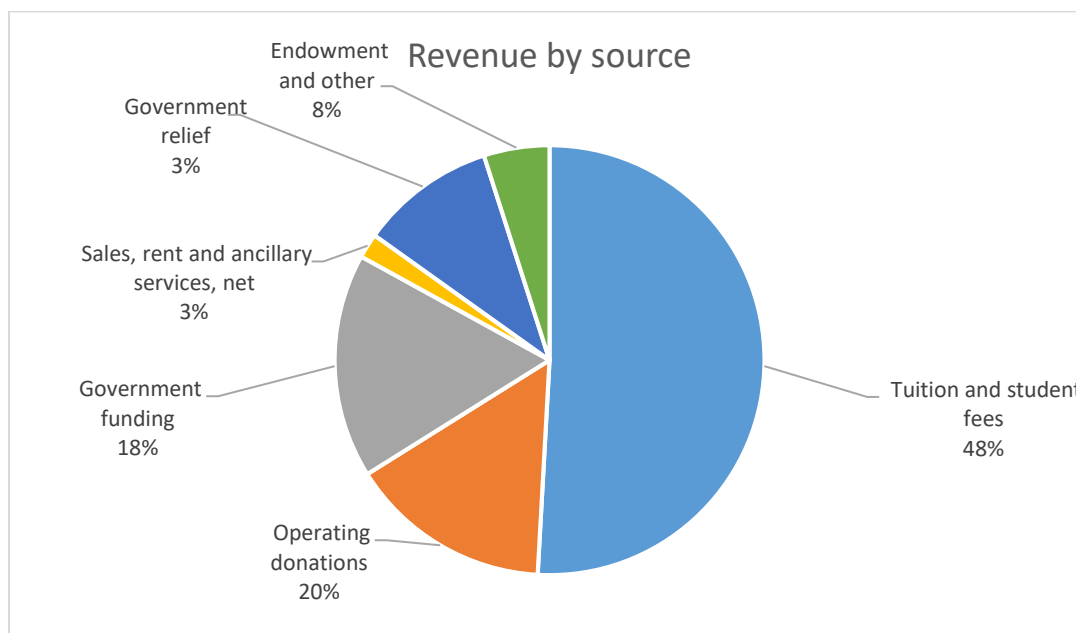
7 FINANCIAL INFORMATION

The following table compares actual and budgeted operating results for Ambrose's fiscal year ended April 30, 2022. Additional information, including Ambrose's financial position at April 30, 2022, revenue, and expenses compared to the previous fiscal year, and cash flows, is included in the Ambrose audited financial statements (see Appendix A).

	Year ended April 30, 2022			
	Actual	Budget	Variance <i>favourable (unfavourable)</i>	
Revenue				
Tuition and student fees	\$ 8,483,740	\$ 9,568,860	\$ (1,085,120)	-11.34%
Operating donations	3,495,776	3,031,428	464,348	15.32%
Government funding	3,104,208	2,848,487	255,721	8.98%
Sales, rent and ancillary services, net	505,448	859,703	(354,255)	-41.21%
Government Relief	513,437	-	513,437	
Endowment and other	1,405,241	886,904	518,337	58.44%
Total revenue	17,507,851	17,195,382	312,469	1.82%
Operating expenses				
Employee compensation and benefits	11,540,299	11,194,866	(345,433)	-3.09%
Operating supplies	1,833,370	2,204,028	364,398	16.82%
Scholarships and bursaries	1,255,110	431,050	(824,060)	-191.17%
Facilities	937,684	953,886	16,202	1.7%
Communications, advertising and events	381,622	636,619	254,997	40.05%
Total operating expenses	15,948,083	15,420,449	(527,634)	-3.42%
Surplus before financing expenses and non-cash items	1,559,767	1,774,933	(215,166)	-12.12%
Financing expenses				
Interest	918,303	906,410	(11,893)	-1.31%
Annuity payments	148,211	155,000	6,789	4.38%
Total financing expenses	1,066,514	1,061,410	(5,104)	-0.48%
Surplus (deficit) before non-cash items	493,253	713,523	(220,270)	-30.87%
Non-cash revenue (expenses)				
Amortization of deferred capital contributions	630,177	600,000	30,177	5.03%
Amortization expense	(1,579,887)	(1,550,000)	(29,887)	-1.93%
Gain on annuity contract maturities	15,000	-	15,000	
Change in fair value of interest rate swap	1,518,171	-	1,518,171	
	583,462	(950,000)	1,533,462	161.42%
Net surplus (deficit)	\$1,076,715	(236,477)	1,313,192	555.31%

REVENUE

The share of revenue by source is as follows:



Total revenue for the year ended April 30, 2022 was lower than budget. Variances to budget include:

Tuition and Student Fees:

Tuition rates were increased in the 2021-22 as budgeted:

Tuition rate per credit hour	<u>2020-21</u>	<u>2021-22</u>	<u>Increase</u>	
Arts & Science and School of Ministry	\$ 405	\$420	\$15	3.7%
School of Education	\$410	\$425	\$15	3.7%
Seminary	\$445	\$465	\$20	4.5%

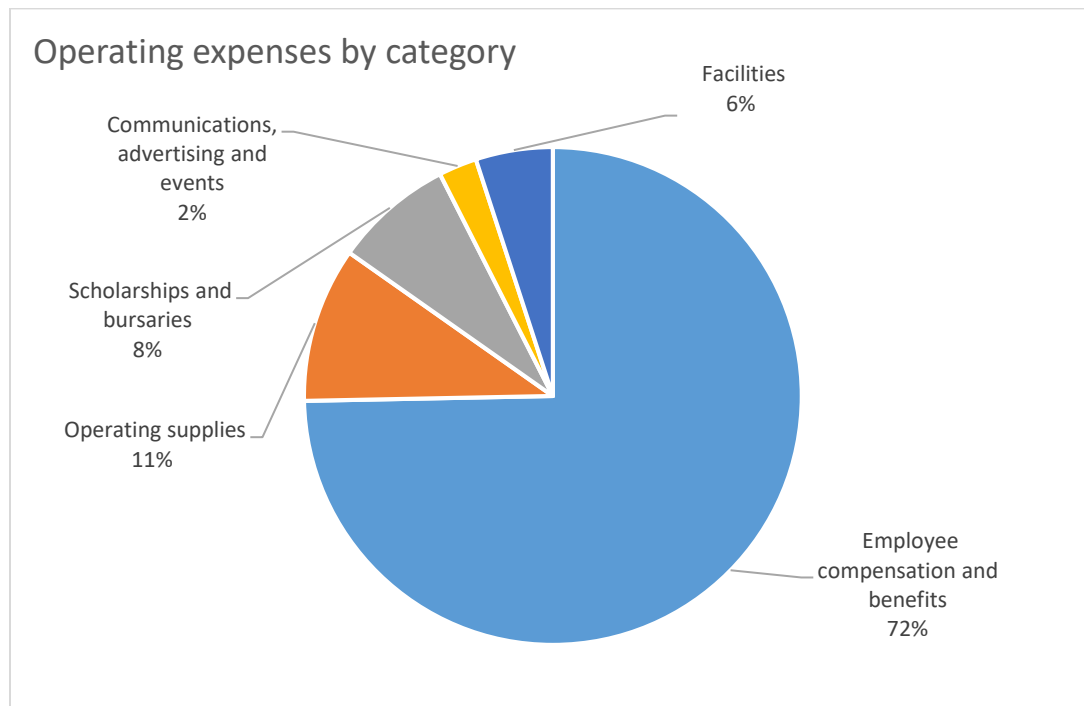
Enrolment, as measured in net paid credit hours, decreased 4.4% from 2020-2021 and was 13.3% below budget for 2021-2022. Net paid credit hours compared to budget are as follows:

<u>Net paid credit hours</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	
			<i>Favourable (Unfavourable)</i>	
Arts & Science and School of Ministry	11,946	14,791	(2,845)	(19.3)%
School of Education	3,210	3,210	-	-
Seminary	2,525	2,384	141	5.9%
Total	17,681	20,385	(2,707)	-13.3%

- The decrease in net paid credit hours resulted in a negative \$1,085,120 budget variance in tuition and a 4.5% decrease from the 2020-2021 fiscal year due to decrease net paid credit hours.
- Sales, Rent, and Ancillary Services Revenue:
 - Covid-19 closures negatively impacted both residence and food services income. Catering and meal plan revenue was \$180,000 under budget due to COVID-19 limitations. Total sales revenue was \$675,418 (29.74%) below budget.
 - Overall, the total revenue for sales, rent, and ancillary services was \$366,844 less than budget, driven primarily by COVID-19 limitations. The overall negative impact to budget from lower third party use and sales was offset by the Canada Emergency Wage Subsidy in the amount of \$513,437. We expect an increase in revenue for sales, rent, and ancillary services in future years and a corresponding removal of the wage subsidy program, once the impact of COVID-19 has normalized.
- Endowment and Other:
 - During the year, we met the eligibility requirements for the Canada Emergency Wage Subsidy program. We received \$505,448 for the CEWS program, which is a decrease of \$1,576,355 over the amount received in the prior year of \$2,089,792
 - During the year ended April 30, 2022, Ambrose received contributions of \$1,089,839 from district and national offices within the denominations of the Christian and Missionary Alliance in Canada and the Church of the Nazarene in Canada and in the United States. This is a decrease of \$54,324 from prior year.

OPERATING EXPENSES

Operating expenses for 2021-22, excluding both financing expenses and non-cash expenses, by category are as follows:



Total operating expenses for 2021-2022 were 3.4% above budget. Variances to budget include:

- Increase costs in employee compensation and benefits of 3.09%
- Operating supplies were lower than budget as the campus was closed or operating at reduced levels for parts of the year, due to Covid-19.
- Total scholarships were 14.8% higher than the 2021-2022 academic year. Of the \$1,255,110 in total 2021-2022 scholarships and bursaries, \$437,970 was unfunded and provided by Ambrose through operations.

SURPLUS (DEFICIT) — BEFORE AND AFTER FINANCING EXPENSES

Surplus for 2021-2022, before financing expenses and non-cash items was below budget, as a result of both lower than budget tuition revenue and higher than budget operating expenses. The surplus after financing expenses was similarly below budget.

NON-CASH REVENUE (EXPENSES)

Net non-cash revenue (expenses) was \$1.53 million above budget. Included in this is the change in fair market value of interest rate swap of \$1.52 million gain from the previous year. This amount interest rate swap secures a term bank loan and the change in value is an unbudgeted accounting gain and arises as a result of long-term market interest rates. Unless the interest rate swap agreement is settled prior to its maturity in 2028, it will have no current or future cash flow impact on Ambrose during the term of the mortgage. The fair value of the interest rate swap at the end of the 2020-2021 fiscal year was \$421 thousand, which may reverse in future years. Additional information is provided in the Audited Financial Statement (see Appendix A).

NET SURPLUS (DEFICIT) AND CASH FLOWS

Overall, Ambrose's financial results for 2021-2022 compare favorably with budget. It must be noted that included in this surplus are the impacts of Covid-19 on operations and attention will need to be paid on how the "new normal" will affect results. For example, the wage subsidy will end and sales revenue and expenses will begin to increase. Ambrose's net cash position decreased by \$1.3 million in 2021-2022, and this will need to be monitored closely over the near term as the long term impacts of Covid-19 are realized.

Ambrose's accumulated operating deficit at April 30, 2022 is \$2.1 million, representing 11.9 % of annual revenue. This is a decline in performance over the fiscal year ending April 2021, where Ambrose's accumulated deficit represented 6.8% of annual revenue.

GOING CONCERN

Ambrose's Audited Financial Statement for the year ended April 30, 2022 included a Going Concern note due to Ambrose's non-compliance with a debt covenant requiring a minimum debt service coverage ratio. Non-compliance with the covenant gives the lender the right to demand immediate repayment of the outstanding term loan balance. Therefore, Ambrose's ability to continue as a going concern requires the continued support of its lender. The anticipated land sale in 2023 will significantly reduce the level of debt, strengthen the Balance Sheet and ease pressure on cash flow and operating constraints.

8 CAPITAL REPORT

Ambrose tracks self-generated revenue by the following categories. Self-generated revenue increased by 27.0% from the prior year, largely due to on campus resulting from reducing COVID 19 restrictions.

Direct, attributable costs of \$892 thousand are associated with the applicable revenue. Direct costs for the other categories are not tracked, but would mostly comprise amortization of Capital Assets.

Self-Generated Revenue for Year ended April 30, 2022:

<u>Revenue Type</u>	<u>Description</u>	<u>Revenue – Fiscal 2022</u>	<u>Revenue – Fiscal 2021</u>
Auxiliary Services:			
Meal Plans	Meals plans for students in residence	376,027	336,000
Catering	Food for non-students and 3rd parties	99,936	49,331
Bookstore	Textbooks, books, and apparel	198,517	173,875
Student Services	Misc. such as printing, laundry	936	(5,501)
Residence	Dorm fees for students in residence	364,871	342,235
Facilities	Facility & AV equipment rentals	48,096	(2,909)
Accommodation	Dorm fees for non-students	14,000	14,550
Parking	Parking for students, employees, and visitors	115,971	122,966
Events	On campus events for students and community groups	121,434	10,385
		1,339,788	1,040,932
Commercial Enterprises:			
Cell Tower	Rental fee for cell tower on Ambrose land	35,600	35,600
Security	Security services provided to neighboring businesses	22,393	24,527
		57,993	60,127
Total Self-Generated Revenue		\$1,397,781	\$1,101,059

Type of Project and Funding Source					
Type: Proposed New Expansion Maintenance	Project Description	Total Project Cost	Funding Sources: % GoA % GoC % PSI Funds % Donations % Foundation % Industry	Funding Received to Date and Source	Revised Funding Sources
Priority Projects (Top 3 Capital Priorities)					
IT	Student Information System Replacement	\$0.65 million implementation \$0.40 million annual licensing	100% Donation	Donation funding received for implementation costs. Annual licensing costs of \$0.4 million a year funded through operating revenue	No change
Expansion	Breezeway addition to main campus building	\$1 million	100% Donation	Funds to be raised at a future date	No change
Maintenance	Maintenance shop and storage build	\$0.3 million	100% Donation	Funds to be raised at a future date	No change
Project Timelines and Status					
Project Descriptions	Project Timelines	Expected Project Status	Expected Project Completion	Project Status	Progress Made in Last 12 months
Student Information System Replacement	Estimated July 2021 – August 2023	On time	Estimated August 2023	Funded and in implementation process	Implementation initiated
Breezeway	TBD	TBD	TBD	Preliminary design initiated	Preliminary design initiated
Maintenance Shop and Storage Build	TBD	TBD	TBD	Preliminary design initiated	Preliminary design initiated

9 APPENDIX A: AUDITED FINANCIAL STATEMENTS



AMBROSE

UNIVERSITY

Financial Statements

April 30, 2022

And Independent Auditors' Report therein



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INDEPENDENT AUDITORS' REPORT

To the Board of Governors of Ambrose University

Opinion

We have audited the financial statements of Ambrose University (the Entity), which comprise:

- the statement of financial position as at April 30, 2022;
- the statement of operations for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of changes in net assets 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, 2022, 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 "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' 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.

Emphasis of Matter – Significant Judgments related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that Ambrose University's ability to continue as a going concern is dependent on the continued support of its lender.

As stated in Note 2 in the financial statements, these events or conditions, along with other matters as set forth in the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance 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.

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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

September 22, 2022

Ambrose University
Statement of Financial Position
As at April 30, 2022 with comparative information for 2021

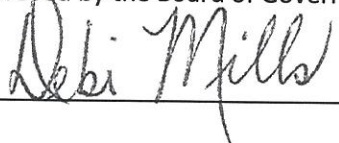
	2022	2021 (Adjusted - note 20)
Assets		
Current assets		
Cash	\$ 2,581,471	\$ 3,890,657
Accounts receivable (note 4, 17)	525,732	1,191,221
Inventory	105,832	49,362
Prepaid expenses	158,695	302,959
Total current assets	3,371,730	5,434,199
Non-current assets		
Investments (note 5)	12,600,101	12,298,674
Capital assets (note 6)	32,714,799	33,464,384
	\$ 48,686,630	\$ 51,197,257
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	1,384,359	1,146,251
Deferred contributions and deposits (note 8)	2,714,037	2,773,510
Deposit received on land sale (note 16(a))	1,300,000	-
Current portion of loans and borrowings (note 9)	15,082,361	3,205,984
Total current liabilities	20,480,757	7,125,745
Non-current liabilities		
Loans and borrowings (note 9)	614,717	15,866,612
Deferred contributions		
Annuity contracts (note 9, 10)	2,204,933	2,229,933
Deferred capital contributions (note 11)	14,997,491	15,548,669
	17,202,424	17,778,602
Net Assets		
Accumulated operating deficit	(2,090,297)	(1,212,148)
Endowments (note 12)	10,258,056	11,320,414
Invested in capital assets (note 13)	2,220,973	318,032
	10,388,732	10,426,298
	\$ 48,686,630	\$ 51,197,257

Going Concern (note 2)

Commitments (note 18)

The accompanying notes are an integral part of these financial statements

Approved by the Board of Governors





Ambrose University
Statement of Operations
As at April 30, 2022 with comparative information for 2021

	2022	2021 <i>(Adjusted - note 20)</i>
Revenue		
Tuition and student fees	\$ 8,483,740	\$ 8,880,888
Donations and constituent support <i>(note 14)</i>	3,495,776	2,657,236
Government grants	3,104,208	2,949,922
Sales, rent and ancillary, net <i>(note 15)</i>	505,448	324,559
Government relief <i>(note 17)</i>	513,437	2,089,792
Endowment and other	1,405,244	861,987
	17,507,853	17,764,384
Expenses		
Employee compensation, benefits and other	11,540,299	10,537,992
Operating supplies	1,189,251	1,046,747
Scholarships and bursaries	1,255,110	1,092,909
Interest <i>(note 9)</i>	918,303	940,866
Communications, advertising and events	381,622	350,526
Facilities	937,684	706,502
Travel and hospitality	247,059	90,575
Professional fees	382,914	228,123
Annuity payments <i>(notes 9 and 10)</i>	148,211	148,629
Other expenses	14,146	56,314
	17,014,599	15,199,183
Excess of revenue over expenses before the following	493,254	2,565,201
Amortization of capital assets	(1,579,887)	(1,538,837)
Amortization of deferred capital contributions <i>(note 11)</i>	630,177	653,501
Gain on annuity contract maturities <i>(note 10)</i>	15,000	-
Change in fair value of interest rate swap <i>(note 9)</i>	1,518,171	1,206,147
Excess of revenue over expenses	\$ 1,076,715	\$ 2,886,012

The accompanying notes are an integral part of these financial statements

Ambrose University

Statement of Cash Flows

As at April 30, 2022 with comparative information for 2021

	2022	2021
Cash flow from operating activities:		
Cash received for tuition and student fees	\$ 8,045,276	\$ 8,786,542
Cash received from donors and constituents	3,582,609	2,635,664
Government funding received	3,117,935	3,016,072
Cash received from customers, tenants and others	2,444,200	3,816,435
Cash paid to and on behalf of employees, suppliers and annuitants	(15,210,068)	(13,874,485)
Interest received	2,696	1,909
Interest paid	(831,152)	(857,316)
Net cash flow from operating activities	1,151,496	3,524,821
Cash flow from financing activities:		
Capital contributions received	69,000	1,225,304
Restricted contributions received	85,800	653,501
Repayment of loans and borrowings	(2,031,393)	(617,818)
Net cash flow from financing activities	(1,876,593)	1,260,987
Cash flow from investing activities:		
Capital expenditures	(830,302)	(540,962)
Deposit on sale of land	1,300,000	-
Net change in investments	(1,053,787)	(2,600,193)
Net cash flow from investing activities	(584,089)	(3,141,155)
Increase (decrease) in cash	(1,309,186)	1,644,653
Cash, beginning of year	3,890,657	2,246,004
Cash, end of year	\$ 2,581,471	\$ 3,890,657

The accompanying notes are an integral part of these financial statements

Ambrose University**Statement of Changes in Net Assets****As at April 30, 2022 with comparative information for 2021**

	Year ended April 30, 2022			
	Accumulated operating deficit	Endowments	Invested in capital assets	Total
Balance, May 1, 2021	\$(1,212,148)	\$ 11,320,414	\$ 318,032	\$ 10,426,298
Excess of revenue over expenses	1,076,715	-		1,076,715
Direct changes in net assets:				
Restricted contributions received	-	420,452	-	420,452
Net investment income	-	988,577	-	988,577
Change in fair market value of investments	(51,923)	(1,555,079)	-	(1,607,002)
Endowment distributions	-	(916,308)	-	(916,308)
Transfers of net assets:				
Net assets invested in capital assets <i>(note 13)</i>	(1,902,941)	-	1,902,941	-
Balance, April 30, 2022	\$(2,090,297)	\$ 10,258,056	\$2,220,973	\$ 10,388,732

	Year ended April 30, 2021 <i>(Adjusted - note 20)</i>			
	Accumulated operating deficit	Endowments	Invested in capital assets	Total
Balance, May 1, 2020	\$(3,827,914)	\$ 10,134,167	\$47,786	\$ 6,354,039
Excess of revenue over expenses	2,886,012	-		2,886,012
Direct changes in net assets:				
Restricted contributions received	-	142,946	-	142,946
Net investment income	-	671,395	-	671,395
Change in fair market value of investments	-	920,678	-	920,678
Endowment distributions	-	(548,772)	-	(548,772)
Transfers of net assets:				
Net assets invested in capital assets <i>(note 13)</i>	(270,246)	-	270,246	-
Balance, April 30, 2021	\$(1,212,148)	\$ 11,320,414	\$318,032	\$ 10,426,298

The accompanying notes are an integral part of these financial statements

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2022 with comparative information for 2021

1. Purpose of the organization

Ambrose University ("Ambrose") is a Christian university offering provincially accredited undergraduate arts and science degrees, and undergraduate and post-graduate degrees in ministry and theology. Ambrose was incorporated in Alberta on September 12, 2003 as Canadian Bible College/Canadian Theological Seminary Ltd. On March 24, 2004, after receiving accreditation by the Province of Alberta, the name was changed to Alliance University College Ltd. On May 2, 2007, the name was changed to Ambrose University College Ltd. after Canadian Nazarene University College Ltd., a separately accredited institution, transferred all of its net assets, operations and degree granting authority to Ambrose. On November 26, 2014 the name was changed to Ambrose University.

The financial statements of Ambrose include 1282185 Alberta Ltd., a wholly-owned bare trustee corporation that holds title to certain real property. There are no operations in 1282185 Alberta Ltd.

Ambrose is a registered charity under the Income Tax Act, Canada. Ambrose is not subject to income taxes under the Income Tax Act and, as such, no provision for income taxes is included in these financial statements.

2. Basis of presentation and going concern basis of accounting

The financial statements of Ambrose have been prepared by management on a going concern basis which assumes Ambrose will realize its assets and discharge its liabilities in the normal course of operations for at least 12 months from the date of issuance of the financial statements.

As at April 30, 2022, Ambrose is not in compliance with a debt covenant requiring a minimum debt service coverage ratio (note 9(f)). Non-compliance with the covenant gives the lender the right to demand immediate repayment of the outstanding term loan balance. As a result, the term loan has been presented on the statement of financial position as a current liability. Repayment of the term loan would also require settlement of the interest rate swap agreement at potentially unfavourable terms (note 9). Should Ambrose be required to repay the term loan and settle the interest rate swap agreement as a result of demand by the lender, Ambrose would need to secure alternative financing. Accordingly, Ambrose's ability to continue as a going concern requires the continued support of its current lender.

As a result of the foregoing there is a material uncertainty that may cast significant doubt upon Ambrose's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the going concern assumption were not appropriate, including adjustments to the carrying amounts of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used.

3. Significant accounting policies

The financial statements of Ambrose have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Handbook (the "Standards"). The following is a summary of significant accounting policies followed in preparation of the financial statements.

a. Use of estimates and judgement

The preparation of financial statements in accordance with the Standards requires management to

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2022 with comparative information for 2021

make judgments, estimates and assumptions that affect the application of accounting policies and the recorded amounts of assets and liabilities and disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In preparing the financial statements, the significant judgments made by management in applying Ambrose's accounting policies and the key sources of estimation were the valuation of accounts receivable, amortization rates, useful lives of capital assets, and impairment of long-lived assets.

On March 11, 2020, the World Health Organization declared a global pandemic for the COVID-19 virus. Ambrose is following health advisories and mandatory requirements from local, provincial and national health and government organizations. Market conditions had improved over the course of 2021 as nations began re-opening their economies, but the recent resurgence of COVID-19 cases (including cases related to variants or mutations of the COVID-19 virus) in certain geographic areas, and the possibilities that a resurgence may occur in other areas, has resulted in the re-imposition of certain restrictions by local authorities. In addition, while vaccines are being distributed, there is uncertainty as to the timing, level of adoption, duration of efficacy and overall effectiveness of the vaccine against variants or mutations. Management has been closely monitoring its financial results.

The ultimate duration and magnitude of the impact on the economy and the financial effect on Ambrose's future revenues, operating results and overall financial performance is not certain at this time.

For the year ended April 30, 2022, Ambrose has determined that COVID-19 has had no impact on its contracts or lease agreements, the assessment of provisions and contingent liabilities, or the timing of revenue recognition. Management has assessed the financial impacts of the COVID-19 pandemic and did not identify any impacts on its financial statements as at April 30, 2022.

Ambrose continues to use its tangible capital assets and management has not assessed any impairment that needs to be recognized on these assets at April 30, 2022. Ambrose also continues to manage liquidity risk by forecasting and assessing cash flow requirements on an ongoing basis (note 16(a)). As at April 30, 2022, Ambrose continues to meet its contractual obligations within normal payment terms.

b. Revenue recognition

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

- i. Unrestricted contributions are recognized when received or receivable if the amount receivable can be reasonably estimated and collection is reasonably assured.
- ii. Contributions externally restricted for purposes other than scholarships, endowments and capital assets are deferred and recognized as revenue in the year in which related expenses are recognized.
- iii. Endowment contributions are recognized as direct increases in net assets in the year in which they are received. Investment income on endowment net assets is recognized as revenue in the year in which related expenses are recognized.
- iv. Contributions restricted for the acquisition of capital assets are recognized as revenue in amounts that match the amortization expense of the related capital assets purchased with the contributions.

Tuition and student fees are recognized as revenue in the academic year to which they relate. Registration deposits and tuition payments for future academic terms are deferred.

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2022 with comparative information for 2021

Sales and ancillary revenue is recognized when goods are sold or services are performed.

Rent revenue is recognized in the period during which occupancy took place.

Gains resulting from the maturity of annuity contracts designated for operating purposes is recognized on the date of maturity of the annuity contract. Annuity contracts designated for capital purposes are recognized as deferred capital contributions on the date of maturity of the annuity contract.

c. Cash and bank overdraft

Cash and bank overdrafts include chequing accounts and bank overdrafts with Canadian financial institutions, with original term to maturity of three months or less.

d. Inventory

Inventory of bookstore merchandise is recorded at the lower of cost and net realizable value, determined on a first-in, first-out basis. Cost of goods sold is comprised of inventory expensed in the year.

e. Investments

Investments are recorded at market value, which is determined from published price quotations, and corresponding unrealized gains or losses that occur due to changes in market values are reported on the statement of operations for unrestricted funds and as direct changes in net assets for restricted funds.

f. Capital assets

Capital assets, except land and mineral rights, are measured at cost less accumulated amortization. Land and mineral rights are carried at cost and are not amortized. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Amortization is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Asset category	Term
Buildings	30 - 40 years
Library materials	10 - 12 years
Equipment and computers	3 - 10 years
Land improvements	7 years
Furnishings	3 - 10 years

Estimated useful lives of capital assets are reviewed annually and adjusted if appropriate. Any changes are accounted for prospectively. Capital assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be fully recoverable. An impairment loss is recognized in the period it is determined impairment exists and is calculated as the excess of the carrying value of the asset over its fair value.

g. Annuity contracts

Annuity contracts are recorded at the amount received at the inception of the annuity contract. Until the annuity matures, the difference between the face value of the contracts and the estimated actuarial liability is treated as deferred revenue. Annuity contracts wherein Ambrose is not the beneficiary upon maturity are recorded as loans and borrowings. Periodic annuity payments are recorded as expenses on the statement of operations.

h. 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

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2022 with comparative information for 2021

subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. Ambrose has not elected to carry any such financial instruments 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, Ambrose 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 Ambrose 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.

i. Government assistance

Government assistance related to current expenses and revenue is included in the determination of excess of revenue over expenses for the period (note 17).

4. Accounts receivable

	2022	2021 (Adjusted - note 20)
Student accounts receivable	\$ 296,078	\$ 152,496
Trade and other receivables	207,052	1,028,895
Goods and Services Tax recoverable	22,602	9,830
	\$ 525,732	\$1,191,221

5. Investments

Investments comprise pooled mutual funds professionally managed in accordance with the Investment Policy adopted by the Ambrose Board of Governors. Fair values of investments are based on quoted market prices on the date of the statement of financial position.

	2022	2021
Investments at cost	\$12,943,657	\$ 10,878,547
Unrealized (loss) gain	(343,556)	1,420,127
	\$12,600,101	\$ 12,298,674

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2022 with comparative information for 2021

6. Capital assets

	2022			2021
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 3,602,942	\$ -	\$ 3,602,942	\$ 3,602,942
Buildings	43,546,271	15,874,703	27,671,568	29,004,608
Library materials	3,752,974	3,301,191	451,783	495,494
Equipment and computers	2,756,505	1,805,495	951,010	296,189
Land improvements	1,236,515	1,236,515	-	1,251
Furnishings	1,085,199	1,065,703	19,496	45,900
Mineral rights	18,000	-	18,000	18,000
	\$ 55,998,406	\$ 23,283,607	\$ 32,714,799	\$ 33,464,384

7. Accounts payable and accrued liabilities

	2022	2021
Trade accounts payable	\$ 1,194,124	\$ 966,914
Government payroll remittances payable	148,414	137,349
Accrued annuity payments	41,821	41,988
	\$ 1,384,359	\$ 1,146,251

8. Deferred contributions and deposits

	2022	2021 (Adjusted - note 20)
Student deposits and other prepayments	\$ 1,050,757	\$ 1,174,918
Deferred scholarships	882,702	713,278
Deferred donations	647,497	496,114
Deferred non-government grant funding	53,081	322,927
Deferred government grant funding	80,000	66,273
	\$ 2,714,037	\$ 2,773,510

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2022 with comparative information for 2021

9. Loans and borrowings

	Note	2022	2021
Current liabilities			
Bank financing	a,e)	\$13,820,619	\$ 644,496
Loan with Canadian Baptist Foundation	b)	1,200,000	2,500,000
Constituent loans	c)	61,742	61,488
		15,082,361	3,205,984
Non-current liabilities			
Bank financing	a)	\$ -	15,251,894
Third party annuity contracts	d)	614,717	614,718
		614,717	15,866,612
		\$ 15,697,078	\$ 19,072,596

a) Bank financing

	2022	2021
Current portion ¹ of Bank Term Loan	672,327	644,496
Bank term loan, with monthly payments of \$109,600 to August 2038, bearing interest at 4.24% per annum until August 2028	\$ 14,815,004	\$ 15,487,330
Deferred financing costs, net of accumulated amortization	(2,088,126)	(2,175,022)
Fair value of interest rate swap	421,414	1,939,585
Non-current portion of Bank Term Loan ¹	\$ 13,148,292	\$ 15,251,894

Deferred financing costs are amortized over the repayment term of the bank term loan and \$86,896 (2021 - \$83,299) is included in interest expense on the statement of operations.

The bank term loan bears interest at the bank's prime rate. Ambrose has entered into an interest rate swap arrangement that secures an interest rate of 4.24% on the bank term loan until August 2028. The change in the fair market value of the interest rate swap is included on the statement of operations.

The bank term loan is secured by a mortgage providing a first charge on land and buildings and a General Security Agreement over net assets.

¹ Notwithstanding the demand right of the lender as a result of covenant non-compliance

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2022 with comparative information for 2021

9. Loans and borrowings (continued)

a) Bank financing (continued)

Notwithstanding the demand right of the lender as a result of covenant non-compliance, scheduled annual repayments of the bank term loan is as follows:

Years ending April 30	Amount
2023	\$ 672,327
2024	701,359
2025	731,645
2026	763,239
2027	796,197
Thereafter	11,822,564
	<u>\$ 15,487,331</u>

b) Canadian Baptist Foundation financing

Financing was obtained through Canadian Baptist Foundation to provide cash for operating purposes. The loan is repayable upon demand and bears interest at the Bank of Canada's prime rate plus 2% per annum. The loan is secured by a \$4.5 million first charge on land.

c) Constituent loans

Various constituents have advanced funds to Ambrose to provide cash for capital and operating purposes. The loans are repayable upon demand, unsecured and bear interest at the rate of 1.5% per annum. The effective annual interest rate at April 30, 2022 is 1.5% (2021 – 1.5%).

d) Third party annuity contracts

Ambrose has entered into annuity contracts which pay the annuitants a periodic fixed amount for the lifetime of the annuitant, in exchange for an amount received from the annuitant upon inception of the contract. In accordance with the terms of the annuity contracts, any residual amount upon maturity of the annuity must be paid to third parties stipulated in the annuity contracts. Annuity payment rates vary depending on the anticipated time to maturity at the inception of the contract, and range from 2.6% to 12.0% per annum. The effective annual rate on the contracts at April 30, 2022 is 5.19% (2021 – 5.19%). Scheduled annual annuity payments to third parties at April 30, 2022, assuming no annuity contracts mature, total \$31,875 (2021 – \$31,875).

e) Bank Overdraft

Ambrose has a \$0.5 million demand bank line of credit that may be used to fund short term cash deficiencies. Advances on this facility bear interest at the bank's prime rate plus 3.5% per annum April 30, 2022 – 6.7% (2021 – 5.95%). No amount is outstanding at year end.

f) Financial covenant

Ambrose is required to comply with certain covenants under its bank financing. Ambrose was not in compliance with a financial covenant that requires a minimum debt service coverage ratio of 110% for the year ended April 30, 2022. It is not known at this time what action, if any, the bank will take as a result of this breach.

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2022 with comparative information for 2021

10. Annuity contracts

Ambrose has entered into annuity contracts which pay the annuitants a periodic fixed amount for the lifetime of the annuitant, in exchange for an amount received from the annuitant upon inception of the contract. Annuity payment rates vary depending on the anticipated time to maturity at inception of the contract and range from 2.6% to 12% per annum. The weighted-average annuity payment rate at April 30, 2022 is 5.19% (2021 – 5.19%). Scheduled annual annuity payments at April 30, 2022, assuming no annuity contracts mature, total \$116,502.

a) Changes in annuity contracts for the years ended April 30:

	2022	2021
Balance, beginning of year	\$ 2,229,933	\$ 2,229,933
Matured annuity contracts recognized as:		
Gain on annuity contract maturities	(15,000)	-
Deferred capital contributions	(10,000)	-
Balance, end of year	\$ 2,204,933	\$ 2,229,933

b) Annuity contract maturity

Annuity contracts at April 30 will be derecognized upon maturity based on the terms of the annuity contracts as follows:

	2022	2021
Gain on annuity contract maturities	\$ 1,055,650	\$ 1,070,650
Deferred capital contributions	1,045,833	1,055,833
Externally restricted net assets - scholarships	103,450	103,450
	\$ 2,204,933	\$ 2,229,933

11. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of restricted funds received for capital purposes.

	2022	2021
Balance, beginning of year	\$ 15,548,669	\$ 15,076,866
Capital contributions received	78,999	1,125,304
Amortization of deferred capital contributions recognized	(630,177)	(653,501)
Balance, end of year	\$ 14,997,491	\$ 15,548,669

12. Endowments

	2022	2021 (Adjusted - note 20)
Endowed scholarships	\$ 7,648,179	\$ 8,319,790
Other endowments	2,609,877	3,000,624
	\$ 10,258,056	\$ 11,320,414

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2022 with comparative information for 2021

13. Investment in capital assets

	2022	2021
Capital assets	\$ 32,714,799	\$ 33,464,384
Amounts financed by:		
Loans and borrowings	(14,450,502)	(16,541,850)
Annuity contracts	(1,045,833)	(1,055,833)
Deferred capital contributions	(14,997,491)	(15,548,669)
	\$ 2,220,973	\$ 318,032

14. Related party transactions

During the year ended April 30, 2022, Ambrose received contributions of \$1,089,839 (2021 – \$1,144,163) from district and national offices within the denominations of the Christian and Missionary Alliance in Canada and the Church of the Nazarene in Canada and in the United States. Each of these parties is affiliated with Ambrose. These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

15. Sales, rent and ancillary revenue, net

	2022	2021
Revenue		
Sales	\$ 675,418	\$ 554,114
Rent	600,933	536,968
Events	121,434	10,385
	1,397,785	1,101,467
Expenses		
Cost of goods sold	352,418	299,832
Contract services	355,050	300,849
Other	184,869	176,227
	892,337	776,908
Sales, rent and ancillary revenue, net	\$ 505,448	\$ 324,559

16. Financial risks and concentration of credit risk

a) Liquidity risk:

Liquidity risk is the risk that Ambrose will be unable to fulfill its financial obligations on a timely basis or at a reasonable cost. Ambrose manages its liquidity risk by monitoring its operating cash flow requirements, and by preparing budgets and cash flow forecasts to ensure it has sufficient funds to meet its obligations.

Management has entered into a conditional sale agreement for vacant land and a deposit of \$1,300,000 has been obtained. The sale of land is subject only to clearance through land titles and registration. The transaction is expected to close in February 2023 for total proceeds of \$15,296,693 with \$8,000,000 of such to be utilized in the reduction of Ambrose's existing debt.

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2022 with comparative information for 2021

Ambrose has secured borrowing to meet its anticipated cash flow needs until the conditional land sale is completed (note 9).

b) Credit risk:

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to Ambrose. Credit risk arises principally from Ambrose's cash deposits, and receivable accounts. Ambrose holds its cash deposits in a large Canadian financial institution. Management monitors its accounts receivable regularly and makes a provision for any amounts that are not collectible.

c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. Ambrose is exposed to interest rate risk on interest bearing investments and cash deposits, and certain loans and borrowings that bear interest at rates that fluctuate with market interest rates including exposure relating to interest rate swap contracts. There has been no change to interest rate risk exposure during the year.

d) Currency risk:

Currency risk is the risk associated with transacting in and holding balances that are denominated in foreign currencies. In the normal course of operations, Ambrose purchases goods and services and receives revenue denominated in foreign currencies and at times a portion of investments may be denominated in a foreign currency. There has been no change to currency risk exposure during the year.

e) Market risk:

Market risk is the risk that the value of financial assets will change resulting in a financial loss. Ambrose is exposed to market risk on its investments. Ambrose manages its investment portfolio to earn investment income and invests according to guidelines established by the Board of Governors. Ambrose is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes. There has been no change to market risk exposure during the year.

There have been no changes to Ambrose's risk exposure from 2021 other than the potential ongoing impact of COVID-19 as described in note 3.

17. Government assistance

The Government of Canada created the Canada Emergency Wage Subsidy ("CEWS") to provide financial assistance to entities who experienced a certain drop in revenues resulting from the COVID-19 outbreak. During the year, Ambrose met the eligibility requirements for this program.

Ambrose received \$513,437 (2021 – \$2,089,792) for the CEWS program. Of this, \$127,466 is included in accounts receivable at April 30, 2022 (2021 – \$980,126). The entire amount is non-repayable and has been recognized as government relief on the statement of operations for the year ended April 30, 2022.

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2022 with comparative information for 2021

18. Commitments

Ambrose has entered into various equipment operating leases that require the following annual payments:

Years ending April 30	Amount
2023	\$ 374,000
2024	396,000
2025	403,000
2026	411,000
2027	29,000

19. Financial Information Return for purposes of the Charitable Fund-raising Act of Alberta

In accordance with Section 8 of the *Charitable Fund-raising Act* of Alberta, the following amounts are disclosed in addition to those disclosures reflected elsewhere in these financial statements which together comprise the Financial Information Return of Ambrose:

	2022	2021
Donations	\$ 1,819,248	\$ 2,372,388
Total direct expenses incurred for soliciting contributions	162,809	66,812
Remuneration to employees whose principal duties involved fundraising	488,647	395,892

20. Adjustments to comparative information for 2021

During the completion of the financial statements for the year ended April 30, 2022, certain adjustments to the previously reported financial statements were identified:

Financial statement item	As previously reported	Change	As adjusted
Accounts receivable (a)	\$ 881,012	\$ 310,209	\$ 1,191,221
Government relief (a)	1,779,583	310,209	2,089,792
Deferred contributions and deposits (b)	2,060,232	713,278	2,773,510
Endowments (b)	11,927,536	607,122	11,320,414
Accumulated operating deficit (a,b)	1,416,201	204,053	1,212,148

(a) Period 14 and partly period 15 CEWS (government relief) was incorrectly omitted from the fiscal year ended April 30, 2021.

(b) Historically, amounts identified to be paid out of endowment as scholarships have been presented within net assets. These scholarships payable amounting to \$713,278 at April 30, 2021 have been reclassified from net assets (endowments) to current liabilities (deferred contributions).

Secondly, Ambrose has not regularly adjusted its endowment portion of net assets to reflect contributions received for scholarships nor actual scholarships paid, resulting in a reclassification of \$106,156 within net assets between accumulated operating deficit and endowments.





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