



AMBROSE
UNIVERSITY

Annual Report Academic Year 2022-2023

For Alberta Advanced Education
November 2023



AMBROSE

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Annual Report Academic Year 2022-2023

For Alberta Advanced Education

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1 ACCOUNTABILITY STATEMENT

Ambrose University's Annual Report for the year ended April 30, 2023 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.

The 2022-2023 academic year could be characterized as a pandemic recovery year. While COVID-19 was still present in the community, we were able to provide a consistent pattern of face-to-face classes and services. Generally, students and employees welcomed the return to in person community engagement without the closure of facilities and dramatic shifts between course delivery modalities. Students, faculty, and staff continued to demonstrate resiliency and persistence during the continued time of uncertainty.

Overall, there was a 5% increase in new and returning students for the Fall 2022 semester. Natural Science and Social Science programs saw significant drops in enrolment. The Bachelor of Education admitted an additional cohort and the Seminary admitted a substantial number of international students. The Business programs saw an increase in seats overall (new and continuing students) in part because of the Targeted Enrolment Expansion (TEE) Grant that was awarded for the Fall 2022 semester. Ambrose was awarded a second grant from the TEE program, which will support seat expansion in the Social Science programs beginning in Fall 2023.

We continue to participate with other Calgary PSI's, Calgary Economic Development, and industry partners to develop a strong network of Work Integrated Learning (WIL) opportunities. Ambrose is collaborating with NAIITS: An Indigenous Learning Community Partnership and other Canadian post-secondary institutions to offer courses that are designed, developed, delivered, and governed by Indigenous people. Faculty embarked on the development of a new Master Academic Plan (MAP) to guide academic initiatives for the next five years. This signals the last year of reporting on the current MAP. Ambrose successfully responded to the Tri-Agency Funding Program's (i.e., NSERC-SSHRC-CIHR research grants) requirement to develop a research data management policy.

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. There was a focus on gender-based violence prevention training in concert with related provincial initiatives.

Ambrose donors supported three Ukrainian students who were locating to Calgary by underwriting their tuition for the year as well as their expenses for room and board.

In the spring of 2023, the President submitted his resignation effective summer of 2024 and the Board of Governors announced that a presidential search would begin later in the summer of 2023. At the end of the academic year, the Associate Dean of Education retired. Due to financial considerations the position was not replaced for the Fall 2023 term. Over the summer of 2023, two long-term tenured faculty members resigned leaving significant gaps. One position was filled for Fall 2023.

Ambrose met its Institutional Management Agreement obligations by achieving the established KPI targets. Ambrose's 2023 financial situation improved from fiscal year 2022 as a result of returning students and campus activities and most importantly the sale of unused land and a new lending partner. This resulted in the lifting of the auditor's Going Concern note on the Audited Financial Statement for the year ended April 30, 2023. 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. Over 80% 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

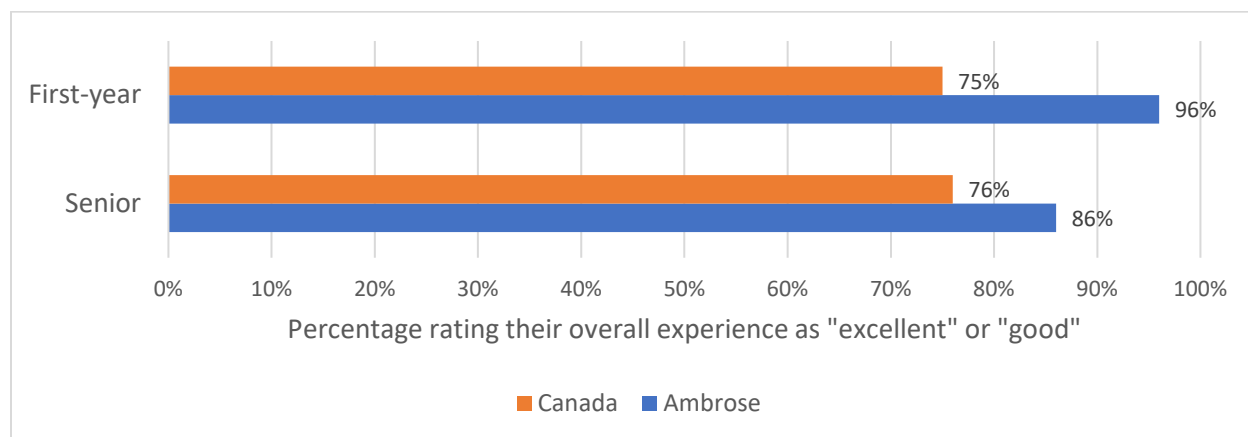
This annual report highlights areas of institutional success and challenge during a year of recovery from a global pandemic. Ambrose continued to make progress towards the goals articulated in the Master Academic Plan (MAP), even during a time of limitations related to the pandemic.

While COVID-19 was still present in the community, we were able to provide a consistent pattern of face-to-face classes and services.

Faculty were actively engaged in institutional governance during the 2022-2023 academic year. The General Faculties Council (GFC) attended to their role of overseeing quality assurance measures in degree programs by approving the program cyclical reviews for the Bachelor of Education and Bachelor of Arts: History. The reviews were submitted to CAQC. The subsequent action plans provided direction for future programmatic development. GFC also implemented policy work in areas such as the recognition of learning, student accessibility, education travel, undergraduate admissions, credit curriculum approval and the definition of plagiarism, experiential learning, submission of final grades, scheduling of assessment and examinations, program definitions, cyclical program reviews, and education principles. A new mandatory non-credit course (Uni101) was introduced for first year students to support the development of skills for learning success at the university level. 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 2023 National Survey of Student Engagement (NSSE) is one source of data.

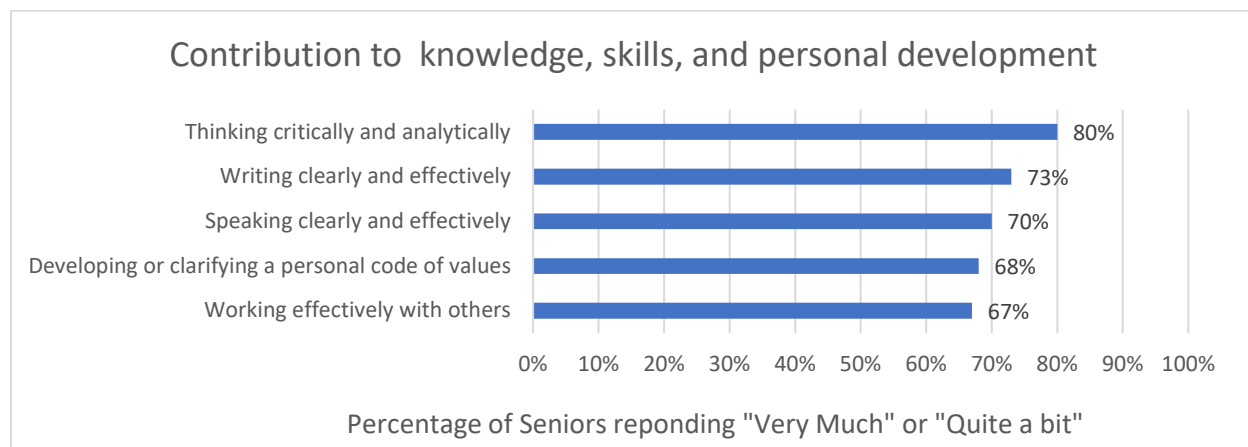
More than nine in ten of first year students rated their overall Ambrose experience as “excellent” or “good”, compared to 75% of first-year students in other Canadian universities. Senior students (86%) felt similarly, compared to 76% of their Canadian peers. Both first year (94%) and senior students (80%) indicated they would “definitely” or “probably” attend Ambrose again, compared to Canadian first-year peers (83%) and seniors (79%).



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

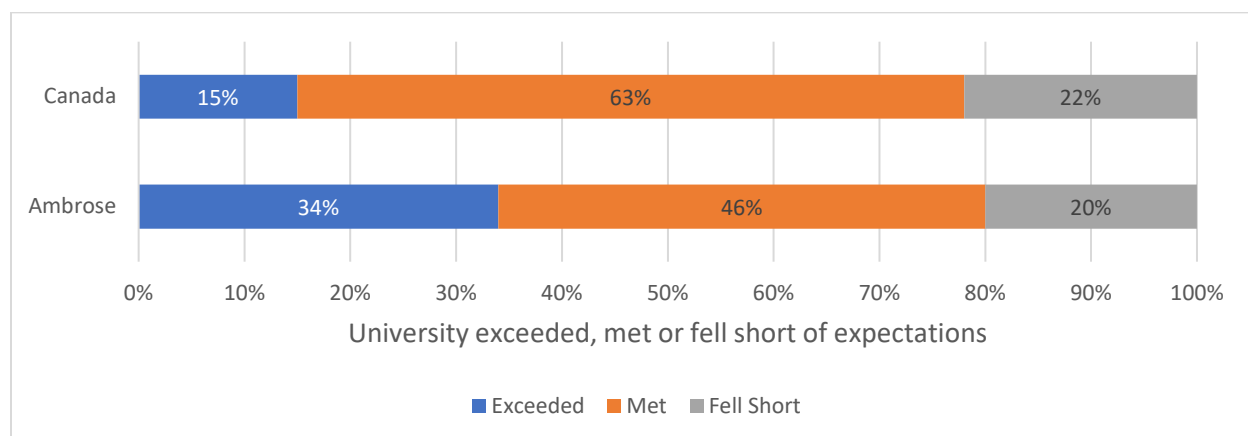
The majority of senior students (>70%) reported the following as contributing “very much” or “quite a bit” to their knowledge, skills, and personal development: thinking critically and analytically, writing

clearly and effectively, developing or acquiring job- or work-related knowledge and skills, and speaking clearly and effectively.

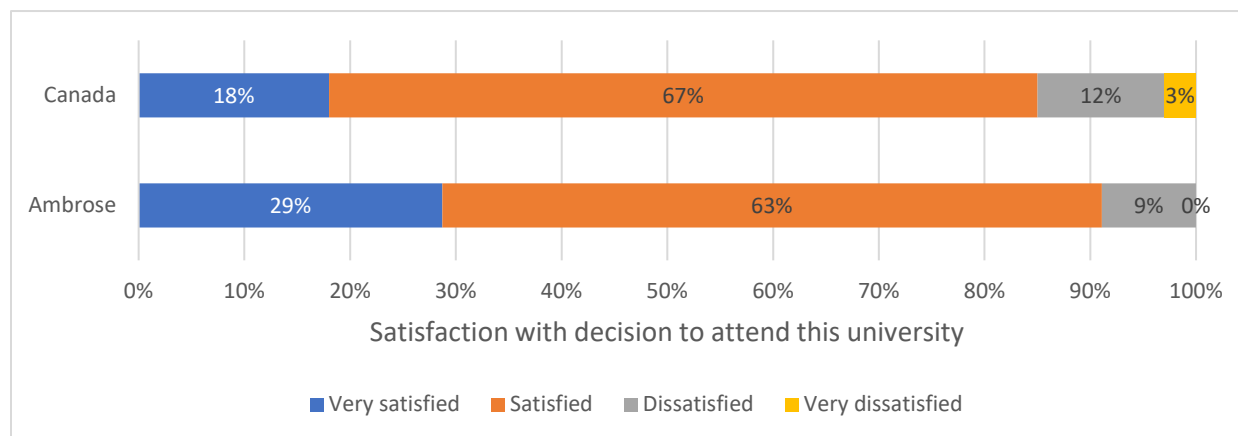


According to the NSSE survey, Ambrose has a strong record of providing students with high-impact learning opportunities. In this year's survey, the majority (97%) of Ambrose senior students have participated in high-impact learning opportunities, which is comparable to the national average of 80%. Last year, 87% of Ambrose senior students participated in these opportunities. The distinction, however, is that 70% of senior students indicated they had two or more high impact learning opportunities as compared to 50% 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 WIL experiences. The consortium of Calgary post-secondary institutions continued its collaborative effort to establish metrics for WIL opportunities with the support of Calgary Economic Development and provincial and federal funders.

Another source of data is the 2023 Canadian University Survey Consortium (CUSC) survey of middle 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, 80% of Ambrose students indicated the university experience exceeded or met their expectations, compared to the national average of 78%. However, 34% of Ambrose students indicated the university was exceeding their expectations compared to 15% of the national respondents. The measure of satisfaction with quality of education is similar.



Overall, 92% of Ambrose middle-year students are satisfied with their decision to attend Ambrose and 85% of the nation's students surveyed are satisfied. But 29% of Ambrose students are very satisfied with their decision compared to the 18% 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 2022-2023 academic year the delivery of credit programming returned to primarily in-person classroom delivery. This delivery method followed two years of rapid changes to online and hybrid delivery due to sudden lockdown measures during the global pandemic. The majority of faculty and students prefer onsite classes, however the increased capacity to move to online learning and expectations to study by one's preferred method of delivery has introduced new challenges related to demand for optional delivery formats for each course.

Recruitment and enrolment of students was a challenge in 2022-2023. Most recruitment events were not fully operational, so we continued to rely on online initiatives which were less effective in recruiting new students. Overall, there was a 5% increase in new and returning students. The most significant increase was in new admissions. There was a 41% increase in new students over the previous year. Arts and Science enrolments experienced the largest drop particularly in Science and Social Science programs (traditionally strong programs at Ambrose). Business saw an increase likely related to the initiatives supported by the TEE grant. Education saw a significant increase as this was the alternate year when three cohorts were admitted rather than two. There was an increase in the 22-29 year age group, which may be explained in part by the additional students in the Education degree.

During the 2022-2023 academic year, faculty researchers found ways to work within the limitations of the COVID-19 pandemic restrictions. Travel restrictions continued to impact data collection and the shift to online scholarly conferences impacted dissemination strategies. There was a slight decline in the number of scholarly artifacts compared to previous years. Ambrose continues to celebrate the growing capacity in scholarly activity through 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, faculty are contributing to the prosperity and health of Albertans and their communities.

The requirement to develop a research data management policy in response to the Tri-Agency Funding Program's mandate (i.e., NSERC-SSHRC-CIHR research grants) required significant investments of time and talent. We benefited from collaborative efforts among the other independent PSIs and mentoring from the University of Calgary's Research Office, however this was a demanding initiative for our already limited resources.

Ambrose's financial situation improved during the 2023 fiscal year compared to the previous year. Following a land sale and change in lending partner, the institution had the auditor's Going Concern note lifted. Overall, Ambrose's net surplus for 2022-2023 compares favorably with budget. However, revenue from tuition, donations and denominational support, and sales, rent, and ancillary were below budget. The institution responded by reducing expenses primarily through unfilled vacant faculty positions. The institution is aware that the current financial picture (both revenues and expenses) relates in part to the impacts of COVID-19 on operations and attention will need to be paid to how the "new normal" will affect future results.

6 GOALS AND PERFORMANCE MEASURES

6.1 AMBROSE UNIVERSITY MASTER ACADEMIC PLAN (2019-2024)

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

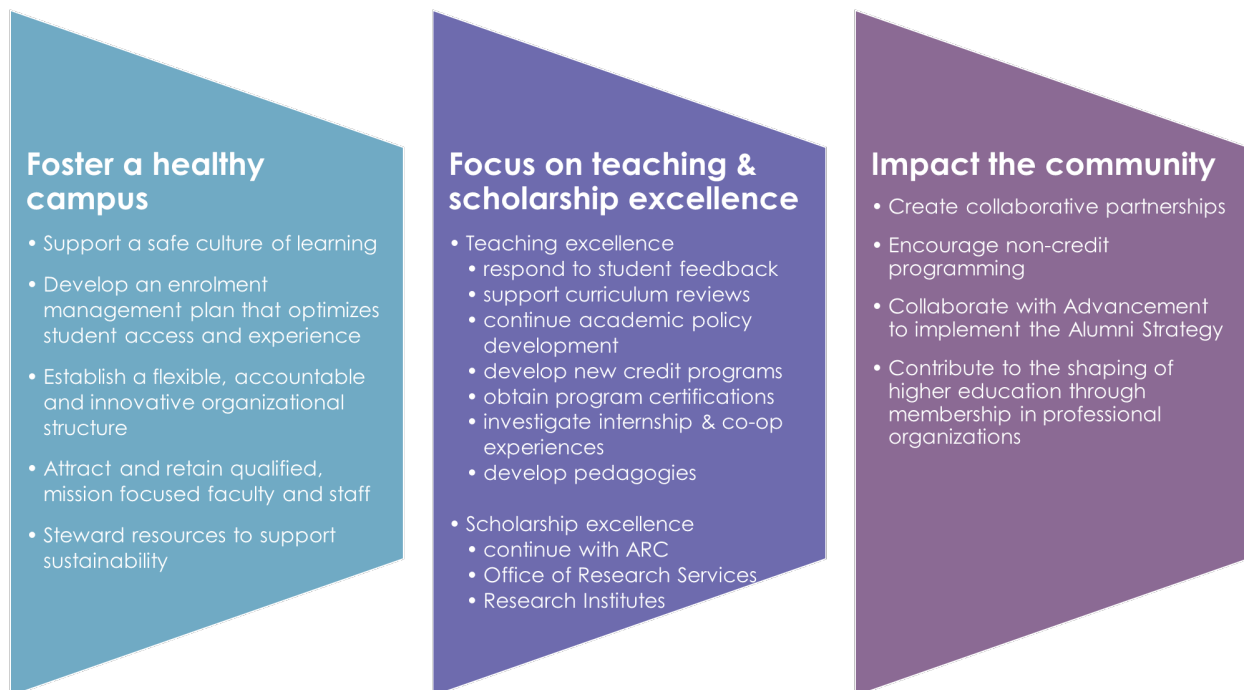
The Master Academic Plan contains three priorities:

- 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 drove human, capital, and financial resource allocations for the 5-year period of the plan. The goals and objectives were ambitious and were implemented systematically through our collective action.

This report represents progress on the plan to Winter Semester 2023.



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, Vice President of Student Life appointed to province-wide committee to review Gender-Based Violence, which includes Sexual Violence), policies and procedures. The internal review occurred in 2022-2023.
1.2. Implement the Mental Health Strategy.	1.2 Ongoing implementation. <i>See Thriving Quotient scores.</i>
1.3. Implement the recommendations of the President's committee on the Response to the Truth and Reconciliation Committee (TRC).	1.3 TRC relocated to President's Office rather than General Faculties Council as most initiatives remaining from President's Commission are beyond Academic Affairs.
1.4. Monitor the student access to learning strategies and support services.	1.4 <i>See NSSE scores below.</i>
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 <i>See NSSE scores below.</i>
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.

	2018	2020	2022
<i>Thriving Quotient (Mean)</i>	4.69	4.56	4.57

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"		2020	2021	2022	2023
14b Providing support to help students succeed academically	FY	82%	76%	82%	76%
	SR	72%	79%	69%	77%
14c Using learning support services (tutoring services, writing center, etc.)	FY	77%	62%	73%	69%
	SR	78%	75%	60%	59%
Supportive Environment		2020	2021	2022	2023
Engagement Indicator	FY	34.1	30.5	36.2	36.3
	SR	31.5	32.2	30.9	30.6

Consistent participation in High Impact Practices

	2020	2021	2022	2023
Seniors participating in at least 2 HIPs	70%	62%	66%	70%

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 and 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. New students were up over previous year.
2.3 All co-curricular activities focused on recruitment.	2.3 Co-curricular activities began to increase over previous years due to the pandemic. Communications 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 per 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, particularly with those at risk for 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. Program redesign completed at end of year.

Outcomes & Performance Measures

2.1 Admission targets will be achieved.

<i>Fall New Students</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
<i>Arts & Science</i>	130	171	111	178
<i>School of Ministry</i>	9	10	7	5
<i>Seminary</i>	56	57	56	77
<i>Total New Students Enroled</i>	276	327	233	260
<i>Difference from previous year</i>	-3%	18%	-29%	+12%

2.2 Retention rates will exceed 75% in all programs.

The overall retention rate for first year to second year was 76% in Fall 2022

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 has 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 in previous years 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, etc.).	4.4 Policy review began in winter 2023. An Employee Thriving survey was completed.
4.5 Review policy on intellectual property.	4.5 Policy review underway led by Provost and Executive Vice President of Operations.

Outcomes & Performance Measures

Most of these initiatives were accomplished in the previous year and their implementation have improved communications and efficiencies.

4.1 Employee Wellness Survey will reflect increasing levels of engagement.

An Employee Thriving Survey was completed. The results reflect general satisfaction with the workplace. The results have yet to be carefully analyzed to identify areas for action to ensure ongoing wellness among faculty and staff.

4.2 The Associate Dean of Education retired after a five-year appointment. The position was not immediately filled pending the Board of Governor's approval of budget decisions. The Provost is filling the role interim. Two long-time tenured faculty resigned late in the summer months, with only one being replaced with a tenure track position. There are ongoing vacancies in music, business, and Christian studies.

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; Vice President, Academic Affairs 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) – Jenzabar – is underway with completion in early 2024. 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 2019-2020.
5.4. Analyze current spaces to create environments that ensure space for thinking, interacting, and learning.	5.4 Plans completed by Facilities in collaboration with academics and Student Life.

Outcomes & Performance Measures New furnishings were provided over the summer resulting in more informal learning spaces.

The City approved plans for a new building that includes three classrooms, five offices, and a student lounge. The facility will primarily accommodate the Business program. The opening is anticipated for Fall 2024.

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.

The new financial software system was installed during 2023 about the same time as the installation of the student information system. These were large projects that required substantial energy of employees from across the institution. The outcomes are improved capacity for reporting and more efficient functioning in each area.

In late spring of 2022, the Business program was awarded a TEE grant to increase seats over three years. Implementation of the first year of the program was Fall 2022.

In late spring of 2023, the Social Science programs were awarded a TEE grant to increase seats over the next four years. Implementation of the first year of the program was Fall 2023. This grant is anticipated to help with increasing student numbers and required faculty.

B: FOCUS ON TEACHING AND SCHOLARSHIP EXCELLENCE

Strategy 6: Teaching Excellence

Goals	Progress toward Goals
6.1 Monitor the teaching and learning environment by responding to student feedback). 6.1.1 Reconcile the number of annual student surveys conducted.	6.1 CUSC and NSSE are used to monitor annually. NSSE National project provides comparative data for program reviews in 3-year cycles.

<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. 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. etc.).</p> <p>6.5 Where appropriate and within available resources obtain program certifications that indicate excellence. 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. 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. 6.7.1 Arts & Science online hybrid instruction.</p>	<p>6.2 One program review was completed.</p> <p>6.3 Policy development work continues. 6.3.1 Bachelor of Education scope and sequence completed.</p> <p>6.4 Chaplaincy certification was completed, and a Theatre diploma was 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 programs have WIL components. 6.6.1 The TEE grants have provided resources to expand WIL initiatives.</p> <p>6.7 Online learning is available for all courses in the Seminary. However, undergraduate programs are less likely to adopt this style of learning.</p>
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Outcomes & Performance Measures

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

	2021		2022		2023	
	Ambrose	Canada	Ambrose	Canada	Ambrose	Canada
<i>Higher-Order Learning</i>	38.8	37.1	41.08	38.1	41.4	38.4
<i>Reflective & Integrative Learning</i>	39.9	36.0	42.9	36.7	42.5	36.6

Participation in High Impact Practices (Seniors)

	2021		2022		2023	
<i>High Impact Practices (Seniors)</i>	Ambrose	Canada	Ambrose	Canada	Ambrose	Canada
<i>% of students participating in at least one HIP</i>	86%	81%	87%	80%	97%	80%

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

	2021		2022		2023	
	Ambrose	Canada	Ambrose	Canada	Ambrose	Canada
<i>Student-Faculty Interaction</i>	22.4	17.6	22.9	17.7	27.4	17.2
<i>Effective Teaching Practices</i>	38.0	35.0	40.9	34.2	36.2	35.4

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 in person in 2022 after being online for two years due to COVID-19.
7.2 Establish an Office of Research Services. 7.2.1 Aim for resourced office by 2024.	7.2 Plans continue to develop. Part time consultant hired with federal research support funds to develop policy.
7.3 Clarify accountability parameters for Research Institutes.	7.3 Work started in 2023.
7.4 Continue to provide strong financial support for the library's collections and services.	7.4 Demand for e-books and online resources continue to be higher than prior to the pandemic.

Outcomes & Performance Measures

Faculty Scholarship as presented at Scholar's Corner

	2021		2022		2023	
	Peer-Rev	Not P-R	Peer-Rev	Not P-R	Peer-Rev	Not P-R
<i>Book</i>	4	2	2	6	3	2
<i>Article/book chapter</i>	20	4	23	16	21	10
<i>Book Review</i>	1	1	0	3	0	0
<i>Conference Paper</i>	1	0	4	0	1	2
<i>Total</i>	26	7	29	25	25	14

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 Dual credit courses began again as institutions began to remove pandemic precautions.
8.2 Through collaboration with partners implement the next phase of CCSTAS.	8.2 A new model for Chinese language seminary programing was implemented in 2021.

Outcomes and Performance Measures

Expectations for dual-credits enrolments were not realized due to pandemic restrictions. It is expected that new initiatives in Business and Music will see more high school students on campus in Fall 2023.

The Theological Studies in Chinese at Ambrose Seminary grew significantly in 2023. The growth was primarily through international students, however, the visa situation caused last minute changes because of the slowdown in immigration processing.

Community focused and athletic events slowly began to be reinstated as pandemic restrictions were lifted.

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

Most initiatives to engage with external communities were postponed or cancelled during the pandemic. These were slowly reinstated as public health restrictions were lifted. There were few initiatives in this area during 2022-2023.

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, maintaining full 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.

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 continue to be completed for program cyclical reviews.

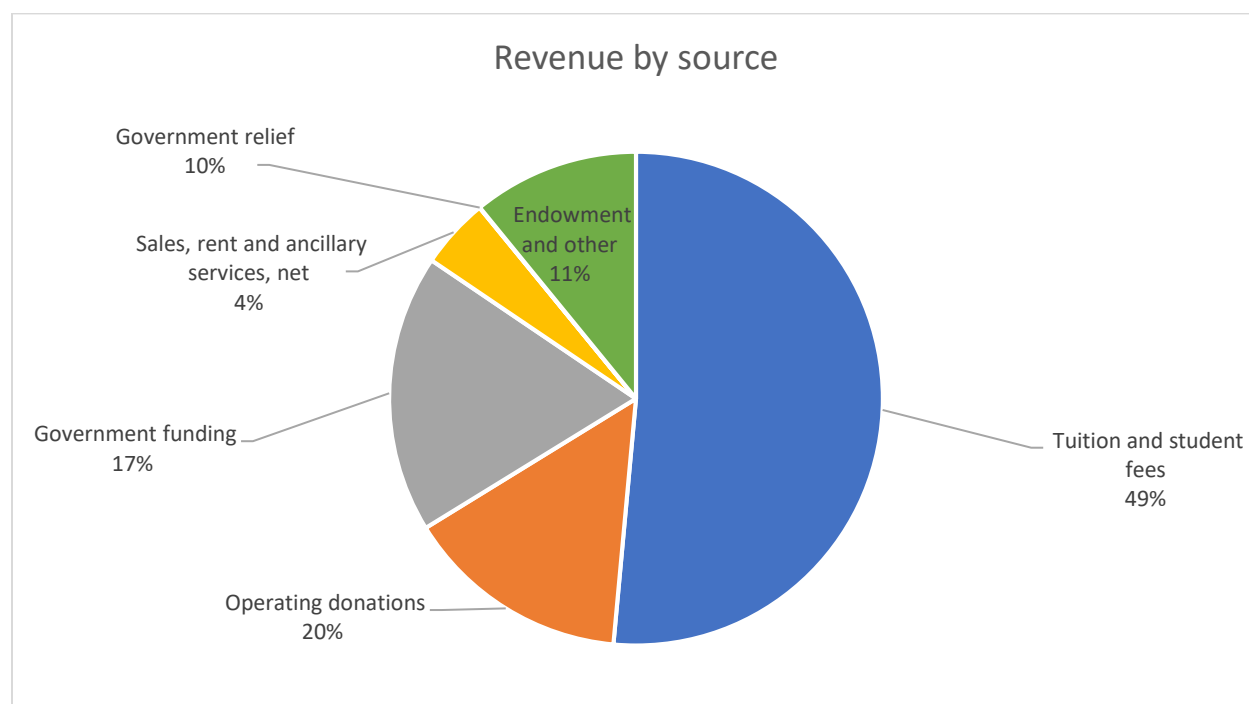
7 FINANCIAL INFORMATION

The following table compares actual and budgeted operating results for Ambrose's fiscal year ended April 30, 2023. Additional information, including Ambrose's financial position at April 30, 2023, 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, 2023			
	Actual	Budget	Variance	
			favourable (unfavourable)	
Revenue				
Tuition and student fees	\$ 8,849,611	\$ 9,479,667	\$ (630,056)	-6.6%
Operating donations	2,539,352	3,530,643	\$ (991,291)	-28.1%
Government funding	3,136,687	2,901,687	\$ 235,000	8.1%
Sales, rent and ancillary services, net	792,088	963,668	\$ (171,580)	-17.8%
Government relief	4,483	-	\$ 4,483	
Endowment and other	1,874,638	1,469,508	405,130	27.6%
Total revenue	17,196,859	18,345,173	(1,148,314)	-6.3%
Operating expenses				
Employee compensation and benefits	12,088,638	11,889,721	(198,917)	-1.7%
Operating supplies	1,819,868	1,561,902	(257,966)	-16.5%
Scholarships and bursaries	1,303,416	1,110,000	(193,416)	-17.4%
Facilities	1,016,726	932,212	(84,514)	-9.1%
Communications, advertising, and events	396,668	624,050	227,382	36.4%
Total operating expenses	16,625,316	16,117,885	(507,431)	-3.1%
Surplus before financing expenses and non-cash items	571,543	2,227,288	(1,655,745)	-74.3%
Financing expenses				
Interest	855,318	504,274	(351,044)	-69.6%
Annuity payments	72,811	150,000	77,189	51.5%
Total financing expenses	928,129	654,274	(273,855)	-41.9%
Deficit before non-cash items	(356,586)	1,573,014	(1,929,600)	122.7%
Non-cash revenue (expenses)				
Amortization of deferred capital contributions	633,207	-	633,207	
Amortization expense	(1,611,077)	-	(1,611,077)	
Gain on annuity contract maturities	1,180,000	-	1,180,000	100.0%
Change in fair value of interest rate swap	192,172	-	192,172	-100.0%
	394,302	-	394,302	
Net surplus (deficit)	\$ 37,716	\$ 1,573,014	\$ (1,535,298)	97.6%

REVENUE

The share of revenue by source is as follows:



Total revenue for the year ended April 30, 2023 was lower than budget (6.3%). Variances to budget include:

- Tuition and Student Fees:

- Tuition rates were increased in the 2022-23 as budgeted:

	<u>2022-23</u>	<u>2021-22</u>	<u>Increase</u>	
Tuition rate per credit hour				
Arts & Science and School of Ministry	\$ 441	\$420	\$21	5.0%
School of Education	\$446	\$425	\$21	4.9%
Seminary	\$488	\$465	\$23	5.0%

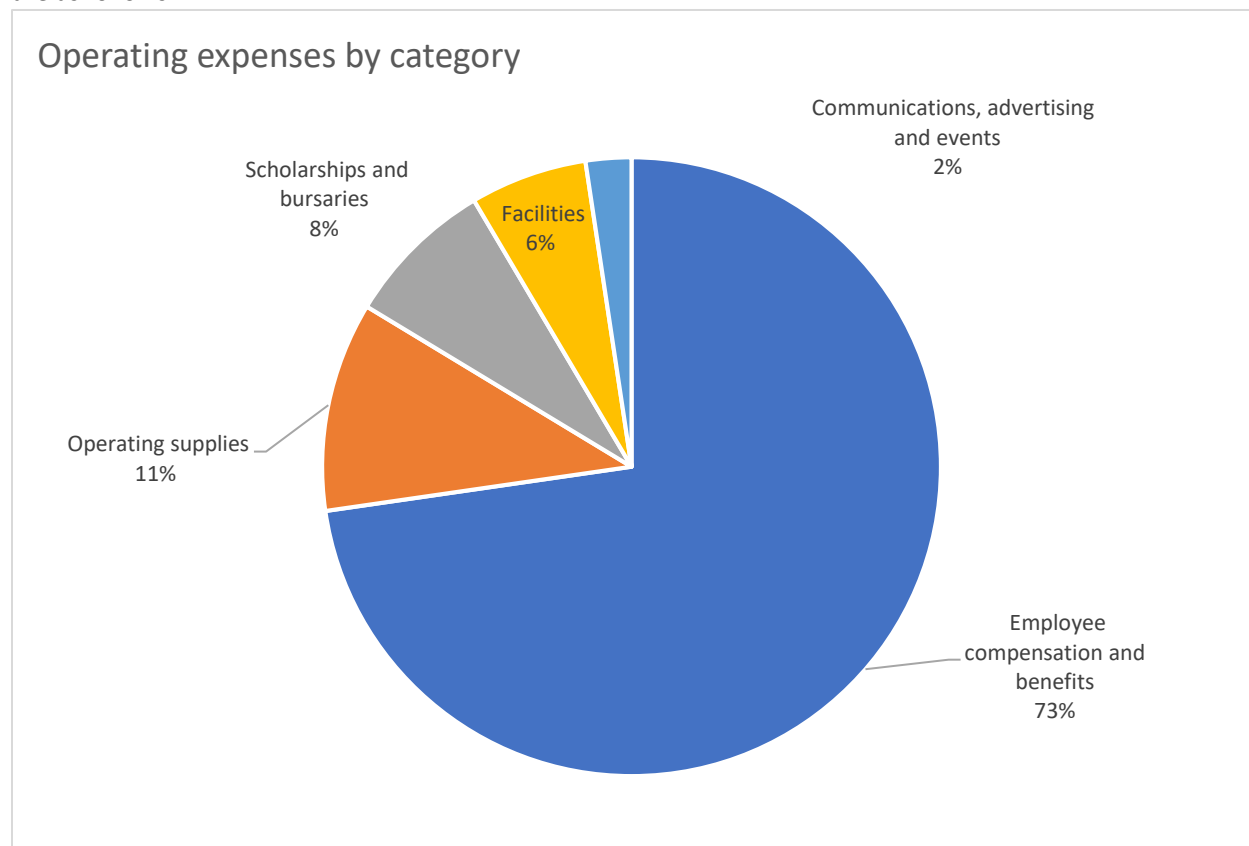
- Enrolment, as measured in net paid credit hours, increased 0.79% from 2021-2022 but was 4.9% below budget for 2022-2023. Net paid credit hours compared to budget are as follows:

Net paid credit hours	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	
				<i>Favourable (Unfavourable)</i>
Arts & Science and School of Ministry	10,770	12,663	(1,893)	(15.0)%
School of Education	3,687	3,403	284	8.4%
Seminary	3,364	2,677	688	25.7%
Total	17,821	18,742	(2,707)	(4.9)%

- The actual net paid credit hours were \$643 thousand lower than budget, but a 4.3% increase from the 2021-2022 fiscal year.
- Sales, Rent, and Ancillary Services Revenue:
 - Overall, the total revenue for sales, rent, and ancillary services was \$794 thousand (50%) less than budget, driven primarily by fewer on campus events. However, it was a 57% increase over the 2021-2022 fiscal year.
- Endowment and Other:
 - Grants from the Canada Emergency Wage Subsidy program were diminishing. We received \$4,483 for the CEWS program, which is a decrease of \$508,954 over the amount received in the prior year.
 - During the year ended April 30, 2023, Ambrose received contributions of \$907,193 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 \$182,646 from the prior year.

OPERATING EXPENSES

Operating expenses for 2022-2023, excluding both financing expenses and non-cash expenses, by category are as follows:



Total operating expenses for 2022-2023 were 3.1% below budget. Variances to budget include:

- Decreased costs of employee compensation and benefits (1.7%) were related to vacant positions.
- Operating supplies were lower than budget as some services had not achieved full capacity following COVID-19.
- Total scholarships were 17.4% higher than budget and 3.7% higher than the previous academic year. Of the \$1,303,416 in total 2022-2023 scholarships and bursaries, \$558,998 was unfunded and provided by Ambrose through operations.
- Communications, advertising, and events were 35% lower than budget due to fewer events following COVID-19.

SURPLUS (DEFICIT) – BEFORE AND AFTER FINANCING EXPENSES

Surplus for 2022-2023, before financing expenses and non-cash items was below budget (74.3%), as a result of both lower than budgeted tuition revenue, donations, and self-generated revenue. The deficit after financing expenses was \$356,586 which was less than budget (122.7%).

NON-CASH REVENUE (EXPENSES)

Net non-cash revenue (expenses) was \$394,000 above budget. The fair value of the interest rate swap at the end of the 2022-2023 fiscal year was \$192,000. Additional information is provided in the Audited Financial Statement (see Appendix A).

NET SURPLUS (DEFICIT) AND CASH FLOWS

Overall, Ambrose's net surplus for 2022-2023 compares favorably with budget. However, revenue from tuition was 6.6% (\$630 thousand) below budget, donations and denominational support were 27.8% (\$979 thousand) below budget, and sales, rent and ancillary were 17.8% (\$172 thousand) below budget. Expenses were \$507 thousand less than budget. Ambrose's net cash position increased by \$513,771 in 2022-2023, which reversed the decrease of the previous year, 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, 2023 is \$2.9 million, representing 16.7% of annual revenue. This is a decline in performance over the fiscal year ending April 2022, where Ambrose's accumulated deficit represented 11.9% of annual revenue.

GOING CONCERN

Ambrose's Audited Financial Statement for the year ended April 30, 2023 no longer includes a Going Concern note. Ambrose finalized the sale of vacant land in June 2023 for proceeds of approximately \$15.3 million resulting in an estimated gain of \$13.0 million. On August 1, 2023, Ambrose executed an agreement with a new lender. Using funds received on the sale of vacant land and amounts available through its' new lending facility, Ambrose settled its' existing debt financing in full.

8 CAPITAL REPORT

Ambrose tracks self-generated revenue by the following categories. Self-generated revenue increased by 38.9% from the prior year, largely due to more students living on campus and increased activities on campus resulting from reduced COVID-19 restrictions.

Direct, attributable costs of \$1,123,823 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, 2023:

<u>Revenue Type</u>	<u>Description</u>	<u>Revenue – Fiscal 2022</u>	<u>Revenue – Fiscal 2023</u>
Auxiliary Services:			
Meal Plans	Meals plans for students in residence	376,027	547,271
Catering	Food for non-students and 3rd parties	99,936	131,745
Bookstore	Textbooks, books, and apparel	198,517	218,653
Student Services	Misc. such as printing, laundry	936	23,102
Residence	Dorm fees for students in residence	364,871	473,707
Facilities	Facility & AV equipment rentals	48,096	80,646
Accommodation	Dorm fees for non-students	14,000	74,333
Parking	Parking for students, employees, and visitors	115,971	167,016
Events	On campus events for students and community groups	121,434	167,247
		1,339,788	1,883,720
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	22,640
		57,993	58,240
Total Self-Generated Revenue			
		\$1,397,781	\$1,941,960

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	New building to expand classrooms and offices	\$2.2 million (\$2 million for building, \$0.2 furnishings)	100% Donation	Donation funding received for construction. Funds to be raised to outfit classrooms.	No change



AMBROSE

UNIVERSITY

Financial Statements

April 30, 2023

And Independent Auditor's Report therein



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INDEPENDENT AUDITOR'S 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, 2023;
- 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, 2023, 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 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.

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.



- 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 19, 2023

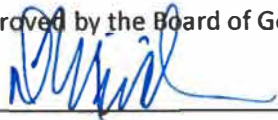
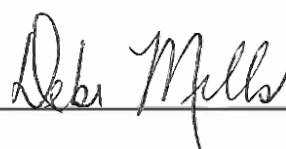
Ambrose University
Statement of Financial Position
As at April 30, 2023 with comparative information for 2022

	2023	2022
Assets		
Current assets		
Cash	\$ 3,095,242	\$ 2,581,471
Accounts receivable (notes 3 and 16)	289,916	525,732
Inventory	97,874	105,832
Prepaid expenses	217,512	158,695
Total current assets	3,700,544	3,371,730
Non-current assets		
Investments (note 4)	10,271,832	12,600,101
Capital assets (note 5)	32,547,457	32,714,799
	\$ 46,519,833	\$ 48,686,630
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	1,063,122	1,384,359
Deferred contributions and deposits (note 7)	2,669,880	2,714,037
Deposit received on land sale (note 15(a))	1,300,000	1,300,000
Current portion of loans and borrowings (note 8)	14,062,449	15,082,361
Total current liabilities	19,095,451	20,480,757
Non-current liabilities		
Loans and borrowings (note 8)	747,356	614,717
Deferred contributions		
Annuity contracts (note 9)	1,024,933	2,204,933
Deferred capital contributions (note 10)	15,960,597	14,997,491
	16,985,530	17,202,424
Net Assets		
Accumulated operating deficit	(2,877,736)	(2,090,297)
Reserve for institutes (note 20)	356,333	
Endowments (note 11)	9,333,357	10,258,056
Invested in capital assets (note 12)	2,879,542	2,220,973
	9,691,496	10,388,732
	\$ 46,519,833	\$ 48,686,630

Commitments (note 17)
Subsequent events (notes 8, 15 and 21)

The accompanying notes are an integral part of these financial statements

Approved by the Board of Governors

Ambrose University
Statement of Operations
For the year ended April 30, 2023 with comparative information for 2022

	2023	2022
Revenue		
Tuition and student fees	\$ 8,849,611	\$ 8,483,740
Donations and constituent support (note 13)	2,539,352	3,495,776
Government grants	3,136,687	3,104,208
Sales, rent and ancillary, net (note 14)	792,088	505,448
Government relief (note 16)	4,483	513,437
Endowment and other	1,874,638	1,405,244
	17,196,859	17,507,853
Expenses		
Employee compensation, benefits and other	12,088,638	11,540,299
Operating supplies	1,143,491	1,189,251
Scholarships and bursaries	1,303,416	1,255,110
Interest (note 8)	855,318	918,303
Communications, advertising and events	396,668	381,622
Facilities	1,016,726	937,684
Travel and hospitality	297,834	247,059
Professional fees	271,407	382,914
Annuity payments (notes 8 and 9)	72,811	148,211
Other expenses	107,136	14,146
	17,553,445	17,014,599
(Deficiency) excess of revenue over expenses before the following	(356,586)	493,254
Amortization of capital assets	(1,611,077)	(1,579,887)
Amortization of deferred capital contributions (note 10)	633,207	630,177
Gain on annuity contract maturities (note 9)	1,180,000	15,000
Change in fair value of interest rate swap (note 8)	192,172	1,518,171
Excess of revenue over expenses	\$ 37,716	\$ 1,076,715

The accompanying notes are an integral part of these financial statements

Ambrose University
Statement of Cash Flows
For the year ended April 30, 2023 with comparative information for 2022

	2023	2022
Cash flow from operating activities:		
Cash received for tuition and student fees	\$ 8,708,028	\$ 8,045,276
Cash received from donors and constituents	2,227,721	3,582,609
Government funding received	3,258,750	3,117,935
Cash received from customers, tenants and others	2,725,911	2,444,200
Cash paid to and on behalf of employees, suppliers and annuitants	(16,812,581)	(15,210,068)
Interest received	62,004	2,696
Interest paid	(764,316)	(831,152)
Net cash flow from operating activities	(594,483)	1,151,496
Cash flow from financing activities:		
Capital contributions received	1,610,000	69,000
Restricted contributions received	-	85,800
Advances of loans and borrowings	215,795	-
Repayment of loans and borrowings	(1,092,805)	(2,031,393)
Net cash flow from financing activities	732,990	(1,876,593)
Cash flow from investing activities:		
Capital expenditures	(1,443,732)	(830,302)
Deposit on sale of land	-	1,300,000
Proceeds on sale of investments	3,220,605	-
Purchases of investments	(1,401,609)	(1,053,787)
Net cash flow from investing activities	375,264	(584,089)
Increase (decrease) in cash	513,771	(1,309,186)
Cash, beginning of year	2,581,471	3,890,657
Cash, end of year	\$ 3,095,242	\$ 2,581,471

The accompanying notes are an integral part of these financial statements

Ambrose University
Statement of Changes in Net Assets
For the year ended April 30, 2023 with comparative information for 2022

	Year ended April 30, 2023				
	Accumulated operating deficit	Reserve for Institutes	Endowments	Invested in capital assets	Total
Balance, May 1, 2022	\$ (2,090,297)		\$ 10,258,056	\$ 2,220,973	\$ 10,388,732
Excess of revenue over expenses	37,716	-	-		37,716
Direct changes in net assets:					
Restricted contributions received	-		77,375	-	77,375
Net investment income	189,747		665,996	-	855,743
Change in fair market value of investments			(173,305)	-	(173,305)
Endowment distributions	-		(1,494,765)	-	(1,494,765)
Transfers of net assets:					
Reserve for Institutes (<i>note 20</i>)	(356,333)	356,333	-		
Net assets invested in capital assets (<i>note 12</i>)	(658,569)	-	-	658,569	-
Balance, April 30, 2023	\$ (2,877,736)	356,333	\$ 9,333,357	\$ 2,879,542	\$ 9,691,496

	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 12</i>)	(1,902,941)	-	1,902,941	-
Balance, April 30, 2022	\$ (2,090,297)	\$ 10,258,056	\$ 2,220,973	\$ 10,388,732

The accompanying notes are an integral part of these financial statements

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2023 with comparative information for 2022

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. 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 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.

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 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.

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2023 with comparative information for 2022

2. Significant accounting policies (continued)

b. Revenue recognition (continued)

- 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.

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

Cash includes chequing accounts with Canadian financial institutions.

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 sold through in the year.

e. Investments

Investments are recorded at market value, which is determined from published price quotations. 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.

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2023 with comparative information for 2022

2. Significant accounting policies (continued)

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 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.

3. Accounts receivable

	2023	2022
Student accounts receivable	\$ 221,913	\$ 296,078
Trade and other receivables	45,667	207,052
Goods and Services Tax recoverable	22,336	22,602
	\$ 289,916	\$ 525,732

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2023 with comparative information for 2022

4. 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.

	2023	2022
Investments at cost	\$10,698,705	\$12,943,657
Unrealized (loss) gain	(426,873)	(343,556)
	\$10,271,832	\$12,600,101

5. Capital assets

	2023			2022
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 3,796,769	\$ -	\$ 3,796,769	\$ 3,602,942
Buildings	43,650,386	17,172,226	26,478,160	27,671,568
Library materials	3,840,304	3,400,783	439,521	451,783
Equipment and computers	3,795,971	1,998,059	1,797,912	951,010
Land improvements	1,236,515	1,236,515	-	-
Furnishings	1,104,193	1,087,098	17,095	19,496
Mineral rights	18,000	-	18,000	18,000
	\$ 57,442,138	\$ 24,894,681	\$ 32,547,457	\$ 32,714,799

6. Accounts payable and accrued liabilities

	2023	2022
Trade accounts payable	\$ 893,613	\$ 1,194,124
Government payroll remittances payable	142,455	148,414
Accrued annuity payments	27,054	41,821
	\$ 1,063,122	\$ 1,384,359

7. Deferred contributions and deposits

	2023	2022
Student deposits and other prepayments	\$ 1,053,368	\$ 1,050,757
Deferred scholarships	1,080,745	882,702
Deferred donations	341,738	647,497
Deferred non-government grant funding	115,183	53,081
Deferred government grant funding	78,846	80,000
	\$ 2,669,880	\$ 2,714,037

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2023 with comparative information for 2022

8. Loans and borrowings

	Note	2023	2022
Current liabilities			
Bank financing	a,e)	\$13,046,768	\$13,820,619
Loan with Canadian Baptist Foundation	b)	902,248	1,200,000
Capital lease obligations (note 19)		51,431	
Constituent loans	c)	62,002	61,742
		14,062,449	15,082,361
Non-current liabilities			
Bank financing	a)	\$ -	\$ -
Capital lease obligations (note 19)		132,639	
Third party annuity contracts	d)	614,717	614,717
		747,356	614,717
		\$ 14,809,805	\$ 15,697,078

a) Bank financing

	2023	2022
Current portion ¹ of bank term loan	\$ 701,359	\$ 672,327
Bank term loan, with monthly payments of \$109,600 to August 2038, bearing interest at 4.24% per annum until August 2028	14,113,646	14,815,004
Deferred financing costs, net of accumulated amortization	(1,997,477)	(2,088,126)
Fair value of interest rate swap	229,242	421,414
Non-current portion of bank term loan ¹	\$ 12,345,411	\$ 13,148,292

Deferred financing costs are amortized over the repayment term of the bank term loan, \$90,649 (2022 - \$86,896) 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 2023 with an option to renew 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.

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
2024	\$ 701,359
2025	731,645
2026	763,239
2027	796,197
2028	830,578
Thereafter	10,991,987
	\$ 14,815,005

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, 2023 with comparative information for 2022

8. Loans and borrowings (continued)

a) *Bank financing (continued)*

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, 2023. Subsequent to year end, this bank financing was settled in full (note 21).

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. Subsequent to year end, this financing was settled in full (note 21).

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, 2023 is 1.5% (2022 – 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, 2023 is 5.25% (2022 – 5.19%). Scheduled annual annuity payments to third parties at April 30, 2023, assuming no annuity contracts mature, total \$31,254 (2022 – \$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, 2023 – 10.2% (2022 – 6.7%). No amount is outstanding at year end (2022 - \$nil).

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2023 with comparative information for 2022

9. 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, 2023 is 5.17% (2022 – 5.19%). Scheduled annual annuity payments at April 30, 2023, assuming no annuity contracts mature, total \$54,381.

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

	2023	2022
Balance, beginning of year	\$ 2,204,933	\$ 2,229,933
Matured annuity contracts recognized as:		
Gain on annuity contract maturities	(1,180,000)	(15,000)
Deferred capital contributions		(10,000)
Balance, end of year	\$ 1,024,933	\$ 2,204,933

b) Annuity contract maturity

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

	2023	2022
Gain on annuity contract maturities	\$ 875,650	\$ 1,055,650
Deferred capital contributions	45,833	1,045,833
Externally restricted net assets - scholarships	103,450	103,450
	\$ 1,024,933	\$ 2,204,933

10. Deferred capital contributions

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

	2023	2022
Balance, beginning of year	\$ 14,997,491	\$ 15,548,669
Capital contributions received	1,596,313	78,999
Amortization of deferred capital contributions	(633,207)	(630,177)
Balance, end of year	\$ 15,960,597	\$ 14,997,491

11. Endowments

	2023	2022
Endowed scholarships	\$ 7,130,405	\$ 7,648,179
Other endowments	2,202,952	2,609,877
	\$ 9,333,357	\$ 10,258,056

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2023 with comparative information for 2022

12. Investment in capital assets

	2023	2022
Capital assets	\$ 32,547,457	\$ 32,714,799
Amounts financed by:		
Loans and borrowings	(13,661,485)	(14,450,502)
Annuity contracts	(45,833)	(1,045,833)
Deferred capital contributions	(15,960,597)	(14,997,491)
	\$ 2,879,542	\$ 2,220,973

13. Related party transactions

During the year ended April 30, 2023, Ambrose received contributions of \$907,193 (2022 – \$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. 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.

14. Sales, rent and ancillary revenue, net

	2023	2022
Revenue		
Sales	\$ 899,522	\$ 675,418
Rent	849,142	600,933
Events	167,247	121,434
	1,915,911	1,397,785
Expenses		
Cost of goods sold	486,476	352,418
Contract services	452,117	355,050
Other	185,230	184,869
	1,123,823	892,337
Sales, rent and ancillary revenue, net	\$ 792,088	\$ 505,448

15. 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 had been obtained. At April 30, 2023, the sale of land was subject only to clearance through land titles and registration.

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2023 with comparative information for 2022

15. Financial risks and concentration of credit risk (continued)

a) *Liquidity risk (continued):*

Subsequent to year end, the transaction closed for total proceeds of \$15,296,693 with \$8,900,000 of such utilized in the reduction of Ambrose's existing debt (note 21). In addition, Ambrose has entered into a new debt facility agreement with a new lender (note 21).

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 2022, other than as outlined above with respect to liquidity risk.

16. 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 \$4,483 (2022 – \$513,437) for the CEWS program. The entire amount is non-repayable and has been recognized as government relief on the statement of operations for the year ended April 30, 2023.

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2023 with comparative information for 2022

17. Commitments

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

Years ending April 30	Amount
2024	\$ 416,000
2025	423,000
2026	431,000
2027	29,000
2028	190

18. 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:

	2023	2022
Donations	\$ 2,969,247	\$ 1,819,248
Total direct expenses incurred for soliciting contributions	132,739	162,809
Remuneration to employees whose principal duties involved fundraising	531,943	488,647

19. Capital lease obligations

During the current year, Ambrose entered into lease agreements on computer equipment. The following is a schedule of future minimum lease payments over the life of the leases. Interest expense related to the capital lease obligations amounted to \$11,262 for the year ended 2023.

	2023
2024	64,869
2025	64,869
2026	64,869
2027	16,217
	210,824
Interest rate at 8.35%	26,754
Balance of obligation	184,070
Current portion	51,431
	\$132,639

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2023 with comparative information for 2022

20. Reserve for Ambrose Institutes

Ambrose has established internally restricted net assets for Ambrose Institutes effective for fiscal year ended April 30, 2023. Ambrose Institutes are dedicated to research that simultaneously contributes to current academic discussions and directly benefits external stakeholders, organizations, industries and communities that intersect with Ambrose's scholarly work.

	2023	2022
Canadian Poverty Institute	\$ (13,286)	-
Flourishing Congregations Institute	(3,997)	-
Jaffray Centre For Global Initiatives	373,616	-
	<u>\$ 356,333</u>	-

21. Subsequent events

- (a) Ambrose finalized the sale of vacant land in June of 2023 for proceeds of approximately \$15.3 million resulting in an estimated gain of \$13.0 million.
- (b) On August 1, 2023, Ambrose executed a facility agreement for \$3 million with a new lender. The new bank loan bears interest at the bank's prime rate plus 1% per annum. Ambrose is required to pay interest only during first 6 months. Thereafter, any principal amount remaining at the expiry of the 6 months will be repaid by way of monthly blended principal and interest payments based on a 20 year amortization. Under the new bank loan, Ambrose is required to comply with certain covenants. Financial covenant requires a debt service coverage ratio to be not less than 1.15 to 1.00. Utilizing funds received on the sale of vacant land and amounts available through its new lending facility, Ambrose settled its existing debt financing in full, both bank financing and Canadian Baptist Foundation financing (note 8(a) and (b)).

22. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.





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