



AMBROSE

UNIVERSITY

Financial Statements

April 30, 2025

And Independent Auditor's Report therein



KPMG LLP
205 5th Avenue SW
Suite 3100
Calgary AB T2P 4B9
Tel 403 691 8000
Fax 403 691 8008

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, 2025;
- 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, 2025, 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

September 26, 2025

Ambrose University

Statement of Financial Position

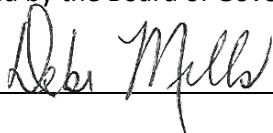
As at April 30, 2025 with comparative information for 2024

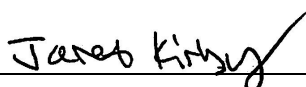
	2025	2024
Assets		
Current assets		
Cash	\$ 1,038,627	\$ 2,967,769
Accounts receivable (note 3)	379,326	564,927
Inventory	76,752	71,956
Prepaid expenses	232,447	206,083
Total current assets	1,727,152	3,810,735
Non-current assets		
Investments (note 4)	11,139,669	10,859,969
Capital and intangible assets (note 5)	30,419,655	30,558,256
	\$ 43,286,476	\$ 45,228,960
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	\$ 1,399,986	\$ 1,479,949
Deferred contributions and deposits (note 7)	3,279,143	3,023,024
Current portion of loans and borrowings (note 8)	3,021,349	3,105,431
Total current liabilities	7,700,478	7,608,404
Non-current liabilities		
Loans and borrowings (note 8)	414,160	672,460
Deferred contributions		
Annuity contracts (note 9)	687,833	989,433
Deferred capital contributions (note 10)	14,638,758	15,381,441
	15,326,591	16,370,874
Net Assets		
Accumulated operating deficit	(3,164,012)	(1,624,119)
Reserve for institutes (note 19)	147,713	261,738
Endowments (note 11 and 20)	10,107,277	9,929,368
Invested in capital and intangible assets (note 12)	12,754,269	12,010,235
	19,845,247	20,577,222
	\$ 43,286,476	\$ 45,228,960

Commitments (note 16)

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, 2025 with comparative information for 2024

	2025	2024
Revenue		
Tuition and student fees	\$ 10,513,889	\$ 9,806,373
Donations and constituent support (note 13)	2,070,998	2,667,168
Government grants	3,467,574	3,342,562
Sales, rent and ancillary, net (note 14)	1,159,244	999,140
Endowment and other	1,181,363	1,512,712
	18,393,068	18,327,955
Expenses		
Employee compensation, benefits and other	12,770,457	12,420,672
Operating supplies	1,685,038	1,648,337
Scholarships and bursaries	1,689,860	1,556,076
Interest (note 8)	202,976	2,389,395
Communications, advertising and events	479,511	413,948
Facilities	1,022,001	1,035,601
Travel and hospitality	380,682	346,485
Professional fees	336,841	430,873
Annuity payments (notes 8 and 9)	62,447	84,043
Other expenses	164,408	40,464
	18,794,221	20,365,894
Deficiency of revenue over expenses before the following	(401,153)	(2,037,939)
Amortization of capital and intangible assets	(1,918,175)	(1,732,745)
Amortization of deferred capital contributions (note 10)	1,173,139	776,475
Gain on annuity contract maturities (note 9)	216,650	35,500
Admin fee on third-party annuity contract maturities	19,655	–
Change in fair value of interest rate swap (note 8)	–	229,242
Gain on interest rate swap (note 8)	–	342,357
Gain on sale of land	–	12,926,825
(Deficiency) excess of revenue over expenses	\$ (909,884)	\$ 10,539,715

The accompanying notes are an integral part of these financial statements

Ambrose University

Statement of Cash Flows

For the year ended April 30, 2025 with comparative information for 2024

	2025	2024
Cash flow from operating activities:		
Cash received for tuition and student fees	\$ 9,629,571	\$ 9,789,818
Cash received from donors and constituents	2,104,498	2,544,336
Government funding received	3,538,756	3,345,921
Cash received from customers, tenants and others	1,757,254	2,065,798
Cash paid to and on behalf of employees, suppliers and annuitants	(18,060,588)	(17,304,785)
Interest received	4,870	191,755
Interest paid	(203,493)	(396,002)
Net cash flow from operating activities	(1,229,132)	236,841
Cash flow from financing activities:		
Capital contributions received (note 10)	430,456	197,319
Restricted contributions received	188,326	602,704
Advances of loans and borrowings	–	3,000,000
Repayment of loans and borrowings	(343,382)	(17,788,110)
Interest rate swap proceeds	–	342,357
Net cash flow from financing activities	275,400	(13,645,730)
Cash flow from investing activities:		
Capital and intangible assets expenditures	(1,779,574)	(2,113,412)
Proceeds from sale of land	–	15,296,694
Proceeds on sale of investments, net	804,164	155,671
Purchases of investments	–	(57,537)
Net cash flow from investing activities	(975,410)	13,281,416
Decrease in cash	(1,929,142)	(127,473)
Cash, beginning of year	2,967,769	3,095,242
Cash, end of year	\$ 1,038,627	\$ 2,967,769

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, 2025 with comparative information for 2024

	Year ended April 30, 2025				
	Accumulated operating deficit	Reserve for Institutes	Endowments	Invested in capital and intangible assets	Total
Balance, May 1, 2024	\$(1,624,119)	\$261,738	\$9,929,368	\$12,010,235	\$20,577,222
Deficiency of revenue over expenses	(909,884)	—	—	—	(909,884)
Direct changes in net assets:					
Restricted contributions received	—	—	188,326	—	188,326
Net investment income	—	—	972,817	—	972,817
Change in fair market value of investments	—	—	177,389	—	177,389
Endowment distributions			(1,160,623)		(1,160,623)
Transfers of net assets:					
Reserve for Institutes (note 19)	114,025	(114,025)	—	—	—
Net assets invested in capital and intangible assets (note 12)	(744,034)	—	—	744,034	—
Balance, April 30, 2025	\$(3,164,012)	\$147,713	\$10,107,277	\$12,754,269	\$19,845,247

	Year ended April 30, 2024				
	Accumulated operating deficit	Reserve for Institutes	Endowments	Invested in capital and intangible assets	Total
Balance, May 1, 2023	\$ (2,877,736)	356,333	\$ 9,333,357	\$ 2,879,542	\$ 9,691,496
Excess of revenue over expenses	10,539,715	—	—	—	10,539,715
Direct changes in net assets:					
Restricted contributions received	—	—	602,704	—	602,704
Net investment income	—	—	497,228	—	497,228
Change in fair market value of investments	—	—	111,984	—	111,984
Endowment distributions	—	—	(865,905)	—	(865,905)
Transfers of net assets:					
Reserve for Institutes (note 19)	94,595	(94,595)	—	—	—
Endowments (note 20)	(250,000)	—	250,000	—	—
Net assets invested in capital and intangible assets (note 12)	(9,130,693)	—	—	9,130,693	—
Balance, April 30, 2024	\$(1,624,119)	261,738	\$ 9,929 368	\$12,010,235	\$ 20,577,222

The accompanying notes are an integral part of these financial statements

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2025 with comparative information for 2024

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 section 149 of 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 or intangible 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 a direct increase in net assets.

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2025 with comparative information for 2024

2. Significant accounting policies (continued)

b. Revenue recognition (continued)

- iv. Contributions restricted for the acquisition of capital assets or intangible assets are recognized as deferred capital contributions and recognized as revenue in amounts that match the amortization expense of the related capital assets or intangible 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 are recognized on the date of maturity of the annuity contract. Gains resulting from the maturity of 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 and savings 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 endowments.

f. Capital and intangible assets

Capital and intangible 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. Assets not available for use 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 available for use as follows:

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

Estimated useful lives of capital and intangible assets are reviewed annually and adjusted if appropriate. Any changes are accounted for prospectively. Capital and intangible 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, 2025 with comparative information for 2024

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. Contributed services

Contributed services are not recognized in the financial statements due to the difficulty in determining their fair value.

3. Accounts receivable

	2025	2024
Student accounts receivable	\$ 270,666	\$ 394,450
Trade and other receivables	93,655	106,481
Goods and Services Tax recoverable	15,005	63,996
	\$ 379,326	\$ 564,927

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2025 with comparative information for 2024

4. Investments

Investments are comprised primarily of pooled mutual funds professionally managed in accordance with the Investment Policy adopted by the Ambrose Board of Governors, and include a life insurance policy recorded as its cash surrender value of \$1,624 (2024 – nil) Fair values of investments are based on quoted market prices on the date of the statement of financial position.

	2025	2024
Investments at cost	\$11,250,856	\$11,163,145
Unrealized loss	(112,811)	(303,176)
Pooled funds at fair value	\$11,138,045	\$10,859,969
Life insurance policy at cash surrender value	1,624	–
	\$11,139,669	\$10,859,969

5. Capital and intangible assets

	2025			2024
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 1,742,298	\$ –	\$1,742,298	\$ 1,703,845
Buildings	46,033,658	19,823,759	26,209,899	25,093,597
Building under construction	–	–	–	1,258,540
Library materials	3,968,567	3,575,379	393,188	441,386
Equipment and computers	3,209,017	2,332,755	876,262	793,917
Computer software	1,465,234	454,557	1,010,677	1,194,436
Land improvements	1,236,515	1,236,515	–	–
Furnishings	1,291,969	1,122,638	169,331	54,535
Mineral rights	18,000	–	18,000	18,000
	\$58,965,258	\$28,545,603	\$30,419,655	\$ 30,558,256

The following assets included above are held under capital lease (*note 18*):

	2025			2024
	Cost	Accumulated amortization	Net book value	Net book value
Equipment	\$216,054	\$118,829	\$97,225	\$ 140,435

6. Accounts payable and accrued liabilities

	2025	2024
Trade accounts payable	\$ 746,023	\$ 726,274
Employee wages and benefits payable	485,921	569,270
Government payroll remittances payable	160,695	158,293
Accrued annuity payments	7,347	26,112
	\$ 1,399,986	\$ 1,479,949

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2025 with comparative information for 2024

7. Deferred contributions and deposits

	2025	2024
Student deposits and other prepayments	\$907,052	\$ 1,298,973
Deferred contributions for scholarships	1,404,478	1,084,480
Deferred contributions	443,125	408,692
Deferred non-government grant funding	370,504	148,674
Deferred government grant funding	153,984	82,205
	\$3,279,143	\$ 3,023,024

8. Loans and borrowings

	Note	2025	2024
Current liabilities			
Bank financing	a,d)	\$2,904,053	\$2,992,879
Capital lease obligations (note 18)		61,266	56,789
Constituent loans	b)	56,030	55,763
		3,021,349	3,105,431
Non-current liabilities			
Capital lease obligations (note 18)		15,993	76,743
Third party annuity contracts	c)	398,167	595,717
		414,160	672,460
		\$3,435,509	\$ 3,777,891

a) Bank financing

	2025	2024
CIBC demand loan, with blended monthly payments of \$22,546 to February 2044, bearing interest at 6.60% per annum until February 2025	2,904,053	2,992,879
Current portion of bank term loan	\$2,904,053	\$ 2,992,879

CIBC demand loan:

The CIBC demand loan for \$3,000,000 was advanced in August 2023 and monthly payments of interest only at bank prime plus 1.00% per annum, which resulted in effective rate of 6.60% per annum, were required until February 2024 after which time monthly blended payments of principal and interest were required. In February 2025, the loan principal amount was converted into an open-term variable rate at prime rate plus 1%.

Interest paid in the year was \$191,239 (2024 - \$164,122).

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2025 with comparative information for 2024

8. Loans and borrowings (continued)

a) Bank financing (continued)

The CIBC demand loan is secured with a General Security Agreement and with a collateral mortgage in the amount of \$5,750,000, and a general assignment of leases and rents against the real property located at 40 Springborough Boulevard SW, Calgary, Alberta. The carrying value of the real property is \$26,209,899. As a condition of the demand loan, Ambrose is required to ensure that its Debt Service Coverage Ratio, as defined in the bank agreement, is not less than 1.15 to 1.00 at any time. As at April 30, 2025, Ambrose was in compliance with this covenant. The loan agreement also contains a reporting covenant requiring Ambrose to deliver its annual audited financial statements to the lender within 150 days of fiscal year-end.

The \$2,904,053 CIBC demand loan balance as at April 30, 2025, includes accrued interest payable of \$4,254.

Notwithstanding the demand right of CIBC, scheduled annual repayments of the loan is as follows:

Years ending April 30	Amount
2026	\$ 153,972
2027	153,972
2028	153,972
2029	153,972
2030	153,972
Thereafter	2,134,193
	\$2,904,053

b) 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, 2025, is 1.5% (2024 - 1.5%). Aggregate interest paid on these loans in the year was \$836 (2024 - \$850).

c) 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 13.0% per annum. The effective annual rate on the contracts at April 30, 2025, is 5.04% (2024 - 5.00%). Scheduled annual annuity payments to third parties at April 30, 2025, assuming no annuity contracts mature, total \$20,061 (2024 - \$30,366).

d) Bank demand line of credit

During the 2024 fiscal, Ambrose secured a new bank demand line of credit with the CIBC for \$2.5 million that may be used to fund short-term cash deficiencies. Advances on this facility bear interest at the bank's prime rate plus 1.00% per annum (April 30, 2024 - 6%). This demand line of credit is secured with General Security Agreement over net assets. The amount outstanding at April 30, 2025 was \$nil.

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2025 with comparative information for 2024

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 13% per annum. The weighted-average annuity payment rate at April 30, 2025 is 5.17% (2024 - 5.24%). Scheduled annual annuity payments at April 30, 2025, assuming no annuity contracts mature, total \$36,994 (2024 - \$51,181).

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

	2025	2024
Balance, beginning of year	\$989,433	\$ 1,024,933
Matured annuity contracts recognized as:		
Gain on annuity contract maturities	(216,650)	(35,500)
Transfer with third-party annuity contract	(6,500)	—
Restricted contribution for scholarships on annuity contract maturities	(78,450)	—
Balance, end of year	\$687,833	\$ 989,433

b) *Annuity contract maturity*

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

	2025	2024
Gain on annuity contract maturities	622,000	\$ 845,150
Deferred capital contributions	45,833	45,833
Externally restricted - scholarships	20,000	98,450
	\$687,833	\$ 989,433

10. Deferred capital contributions

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

	2025	2024
Balance, beginning of year	\$15,381,441	\$ 15,960,597
Capital contributions received	430,456	197,319
Amortization of deferred capital contributions	(1,173,139)	(776,475)
Balance, end of year	\$14,638,758	\$ 15,381,441

11. Endowments

	2025	2024
Endowed scholarships	\$7,834,077	\$ 7,939,537
Other endowments	2,273,200	1,989,831
	\$10,107,277	\$ 9,929,368

Ambrose University

Notes to the Financial Statements

Year ended April 30, 2025 with comparative information for 2024

12. Investment in capital and intangible assets

	2025	2024
Capital and intangible assets	\$30,419,655	\$ 30,558,256
Amounts financed by:		
Loans and borrowings	(2,980,795)	(3,120,747)
Annuity contracts	(45,833)	(45,833)
Deferred capital contributions	(14,638,758)	(15,381,441)
	\$12,754,269	\$ 12,010,235

13. Related party transactions

During the year ended April 30, 2025, Ambrose received contributions of \$564,495 (2024 – \$796,372) 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

	2025	2024
Revenue		
Sales	\$1,047,972	\$ 1,001,243
Rent	1,191,907	988,078
Events	209,859	194,939
	2,449,738	2,184,260
Expenses		
Cost of goods sold	545,313	547,255
Contract services	570,599	514,349
Other	174,582	123,516
	1,290,494	1,185,120
Sales, rent and ancillary revenue, net	\$1,159,244	\$ 999,140

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.

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Notes to the Financial Statements

Year ended April 30, 2025 with comparative information for 2024

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

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. There has been no significant change to credit risk exposure during the year.

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 significant 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 significant 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 the Investment Policy adopted by the Ambrose 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 significant change to market risk exposure during the year.

16. Commitments

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

Years ending April 30	Amount
2026	\$ 366,000
2027	2,000
2028	190

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Notes to the Financial Statements

Year ended April 30, 2025 with comparative information for 2024

17. 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:

	2025	2024
Donations	\$1,653,650	\$ 2,301,121
Total direct expenses incurred for soliciting contributions	104,843	100,349
Remuneration to employees whose principal duties involved fundraising	164,484	230,052

18. Obligation under capital lease

Capital lease on computer equipment repayable over 48 months until July 2026. The minimum monthly lease payment is \$5,406 and imputed interest on this lease is 8.35%. This lease is secured with computer equipment with a carrying value of \$97,225. Interest expense related to the capital lease obligation amounted to \$9,490 for the year ended 2025 (2024 - \$14,331).

	2025	2024
Obligation under capital lease	\$77,259	\$ 133,532
Less current portion due within one year	(61,266)	(56,789)
	\$15,993	\$ 76,743

Minimum lease payments required for capital lease obligations including interest are:

2026	\$64,869
2027	16,217
Total minimum lease payments	\$81,086
Less: imputed interest	(3,827)
	\$77,259

19. Reserve for Ambrose Institutes

Ambrose 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.

	2025	2024
Canadian Poverty Institute	\$(136,642)	\$ (74,846)
Flourishing Congregations Institute	(37,058)	15,171
Jaffray Centre For Global Initiatives	321,413	321,413
	\$147,713	\$ 261,738

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Notes to the Financial Statements

Year ended April 30, 2025 with comparative information for 2024

20. Inter-fund transfer

In the 2022 fiscal year, Ambrose received a \$250,000 partial distribution donation from an estate. There was no indication at the time that the donation was restricted in any way. In accordance with Ambrose's revenue recognition policy, the donation was recognized as unrestricted revenue in that year.

During the 2024 fiscal year, Ambrose received the final distribution of the estate donation and was informed that both donation distributions were to be used for an endowment. On account of this endowment restriction, the \$250,000 was transferred from the accumulated operating deficit to the endowments during the year.

21. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation. These reclassifications did not impact the Ambrose's annual surplus or accumulated operating deficit as at or for the year ended April 30, 2024.