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# Institution Information

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Institution name: Burman University

President name: Dr. Loren Agrey

Board Chair name: Paul Llewellyn

# 1. Accountability Acknowledgement (a & b)

## Independent Academic Institutions

### a. Accountability Statement:

*The institution's Annual Report for the year ended was prepared under the Board's direction in accordance with ministerial requirements established pursuant to the Post-Secondary Learning Act. All material economic, environmental, or fiscal implications of which we are aware have been considered in the preparation of this report.*

Signature:



### b. Management's Responsibility for Reporting:

The institution's management is responsible for the preparation, accuracy, objectivity, and integrity of the information contained in the Annual Report. 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, assets are properly accounted for and safeguarded.

Signature:



## 2. Public Interest Disclosure (Whistleblower Protection) Act

Burman University received no disclosures under the Public Interest Disclosure Act for the fiscal year May 1, 2023 to April 30, 2024.

### 3. Goals and Performance Measures

#### A. Student supports and services and their responsiveness to the evolving needs of students (e.g. academic, financial, mental, and physical well being etc.)

**Goals:** 1. Understand why students persist to degree completion (or not) and develop strategies to optimize persistence. 2. Ensure academic programming and delivery meets the needs and interests of students. 3. Create co-curricular options that will provide students opportunity for spiritual development, leadership, friendships, and wholistic development.

**Performance Measures:** 1. [Student satisfaction survey reflects personal connections with the campus community

Database of students with early warning signs

Term by term persistence and retention data and analysis available

Student survey - (no individual faculty course evaluation question average below 3.75/5)] 2. [A curated set of online courses created in selected programs

Remedial programs in place for students under academic warning and probation

Plan in place to integrate our academic programs in the community

60% of programs meet students' needs and interests as evidenced in market demand 3. Upper division mentorship program to support first- and second-year student Increase the number of students involved with student missions and/or service activities

#### B. Strategic research priorities (for research institutions), applied research, and scholarly activities

N/A

#### C. Collaborations with other learning providers (e.g. publicly funded post-secondary institutions, First Nations Colleges, or Private Career Colleges)

Burman university currently has no collaboration with other learning providers in the province of Alberta.

## 4. Financial Information

Include audited financial statements as a separate attachment to your institution's annual report submission. (Please see attached)

## 5. Self-generated Revenue

The self-generated revenue reporting requirement has been fulfilled for the 2023-24 fiscal year.

Revenue Type	Description	Amount
A. Tuition and Mandatory Fees (examples: domestic tuition, International Student Tuition, Continuing Education, mandatory fees, etc.) Please use one line per item.		
	Subtotal	\$ -
B. Auxiliary/Ancillary Services (examples: bookstores, student residences, parking lots, laundry services, printing, sports and recreational facilities, rentals and catering services, cafeterias, etc.) Please use one line per item.		
	Subtotal	\$ -
C. Donations and Investment Income (examples: total cash donations, donations in-kind, interest on endowments, etc.) Please use one line per item.		
	Subtotal	\$ -
D. Research Grants (examples: research grants from not for profit, grants from other governments, grants from businesses, etc.) Please use one line for each source group and include only grants not received from the Province of Alberta.		

## 5. Self-generated Revenue

The self-generated revenue reporting requirement has been fulfilled for the 2023-24 fiscal year.

Revenue Type	Description	Amount
	Subtotal	\$ -
E. Other Grants (examples: grants from not for profit, grants from other governments, grants from businesses, etc.) Please use one line for each source group and include only grants not received from the Province of Alberta.		
	Subtotal	\$ -
F. Land Trusts and For-Profit Ventures (any revenue-generating subsidiary entity, total revenue). Please use one line per entity and describe the ventures key area(s) of business in the description.		
	Subtotal	\$ -
G. Other - Any other self-generated revenue not captured in the previous categories.		
	Subtotal	\$ -

# 5. Self-generated Revenue

The self-generated revenue reporting requirement has been fulfilled for the 2023-24 fiscal year.

Revenue Type	Description	Amount
Grand Total:		\$ -

## 6. Capital Report

Types of Project and Funding Sources					
Type:	Project Description	Total Project Cost	Funding Source:	Funding Received to Date and Source	Revised Funding Sources
Proposed			% Gov of Alberta		
New			% Gov of Canada		
Expansion			% PSI funds		
Maintenance			% donation		
			% foundation		
			% industry		
Priority Projects (Top 3 Capital Priorities)					
Maintenance	Replace classroom technology with large screen monitors. Substantially complete Sep 2024	101,600.00	donation	\$101,600 donation	
Maintenance	Landscaping and irrigation. Project in progress (\$180,000 value completed). \$70,000 worth left to complete in spring 2025.	250,000	donation	\$250,000 donation	
Maintenance	Lakeview Hall Dormitory Washroom renovations. Total renovation and update including replacing tubs with showers. Partially complete (\$207,323.67 to be completed in summer 2025.	504,937.50	donation	\$504,937.50 donation	
Other					
Proposed					
New					

Expansion					
Maintenance					

7. Free Speech Reporting

Reporting Measure 1: Free Speech Policy Information	<ul style="list-style-type: none"><li>• Please provide the website address where your institution's free speech policy is posted.</li><li>• Has your institution amended its free speech policy during the 2023-24 fiscal year?<ul style="list-style-type: none"><li>• If yes, please explain the change and the reason for making the change.</li></ul></li><li>• Outline any intersecting administrative policies or costs (e.g. venue booking fees, security costs) at your institution that could impact event booking.</li></ul> <p>As noted in the following email, dated August 1, 2024, Burman has been granted a Ministerial exemption regarding posting the free speech policy.</p> <p>Hello Dr. Agrey, I am pleased to share that the Honourable Rajan Sawhney, Minister of Advanced Education, has approved an exemption for Burman University from the requirement to post a freedom of expression statement online. At this time, no further posting of materials with respect to the Chicago Principles or freedom of expression policies on the institution's public website is necessary. Burman University will still need to submit a report annually in alignment with the freedom of expression policy and reporting requirements.</p>								
Reporting Measure 2: Cancelled Events	<p>There have been no cancelled events on the Burman Campus during the 2023-24 fiscal year.</p>								
Reporting Measure 3: Free Speech-Related Complaints	<ul style="list-style-type: none"><li>• During the 2023-24 fiscal year, did your institution receive any complaints related to free speech issues?</li><li>• Note: These are complaints that were submitted in accordance with the institution's free speech policy and through the procedures identified by the institution. These are not complaints related to labour disputes or other issues which are captured by agreements and contracts separate from the institution's free speech policy.</li></ul> <p>For each complaint:</p> <ul style="list-style-type: none"><li>• Please provide a description of the complaint, including context.</li><li>• Discuss how the institution managed the complaint. Was the complaint addressed using the procedures set out in the institution's policy? How were issues resolved?</li></ul> <p>Burman University did not receive any complaints related to free speech issues during the 2023-24 fiscal year.</p> <table><tr><td colspan="2">• Provide the following summary data for free speech-related complaints submitted in accordance with the institution's free speech policy and through the procedures identified by the institution:</td></tr><tr><td>Total number of complaints</td><td>0</td></tr><tr><td>Total number of complaints that did not progress through the institution's resolution process as determined by institutional policy.</td><td>0</td></tr><tr><td>Total number of complaints where it was determined that the free speech policy was not followed.</td><td>0</td></tr></table>	• Provide the following summary data for free speech-related complaints submitted in accordance with the institution's free speech policy and through the procedures identified by the institution:		Total number of complaints	0	Total number of complaints that did not progress through the institution's resolution process as determined by institutional policy.	0	Total number of complaints where it was determined that the free speech policy was not followed.	0
• Provide the following summary data for free speech-related complaints submitted in accordance with the institution's free speech policy and through the procedures identified by the institution:									
Total number of complaints	0								
Total number of complaints that did not progress through the institution's resolution process as determined by institutional policy.	0								
Total number of complaints where it was determined that the free speech policy was not followed.	0								
Reporting Measure 4: Additional Information	<ul style="list-style-type: none"><li>• Please provide any additional information on any other areas of concern related to campus free speech that may not be captured under the other reporting measures.</li></ul>								

## 8. Board of Governors Training on For-profit Ventures

Not applicable to IAls

**Burman University**  
**Financial Statements**  
*April 30, 2024*

To the Board of Trustees of Burman University:

### Opinion

We have audited the consolidated financial statements of Burman University (the "University"), which comprise the consolidated statement of financial position as at April 30, 2024, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University as at April 30, 2024, and the results of its consolidated operations and its consolidated 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 Consolidated Financial Statements section of our report. We are independent of the University 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 for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is responsible for assessing the University'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 University or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these consolidated 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 University'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 University'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 University 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.

We 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.

Lacombe, Alberta

October 3, 2024

*MNP LLP*

Chartered Professional Accountants

## Burman University

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at April 30

	2024									2023	
	Operating Funds					Other Funds				All Funds	All Funds
	Burman \$	Rentals \$	Research \$	Foundation \$	Total \$	Loans \$	Endowment \$	Capital \$	Agency \$	Total \$	Total \$
<b>ASSETS</b>											
<b>Current</b>											
Cash [note 3]	3,381,538	-	-	15,791	3,397,329	-	-	-	-	3,397,329	2,883,381
Accounts receivable [note 4]	788,355	51,815	-	-	840,170	-	28,338	6,501	-	875,009	556,784
Short-term investments [note 5]	7,284,000	-	-	-	7,284,000	-	-	-	-	7,284,000	5,639,206
Prepaid expenses	505,118	-	-	-	505,118	-	-	-	-	505,118	489,677
Due from (to) other funds [note 6]	(1,571,283)	227,046	239,851	-	(1,104,386)	144,853	180,507	650,656	128,370	-	-
Inter-fund loan receivable (payable) [note 14]	34,342	-	-	-	34,342	-	-	(34,342)	-	-	-
Current portion of notes and loans receivable [note 7]	-	-	-	-	-	7,140	-	-	-	7,140	7,752
<b>Total current assets</b>	<b>10,422,070</b>	<b>278,861</b>	<b>239,851</b>	<b>15,791</b>	<b>10,956,573</b>	<b>151,993</b>	<b>208,845</b>	<b>622,815</b>	<b>128,370</b>	<b>12,068,596</b>	<b>9,576,800</b>
Notes and loans receivable [note 7]	-	-	-	-	-	14,993	-	-	-	14,993	26,563
Long-term investments [note 8]	1,004	-	-	-	1,004	-	3,492,380	5,529,341	-	9,022,725	9,793,726
Capital assets, net [note 9]	-	-	-	-	-	-	-	15,328,951	-	15,328,951	15,826,490
	<b>10,423,074</b>	<b>278,861</b>	<b>239,851</b>	<b>15,791</b>	<b>10,957,577</b>	<b>166,986</b>	<b>3,701,225</b>	<b>21,481,107</b>	<b>128,370</b>	<b>36,435,265</b>	<b>35,223,579</b>
<b>LIABILITIES AND NET ASSETS</b>											
<b>Current</b>											
Accounts payable and accrued liabilities [note 10]	2,282,183	18,000	-	-	2,300,183	-	-	-	-	2,300,183	2,089,217
Deferred revenue [note 11]	7,850	-	-	-	7,850	-	-	-	-	7,850	18,879
Deposits and agency funds	42,224	11,778	-	-	54,002	-	-	50,000	128,370	232,372	223,699
Current portion of deferred contributions [note 12]	1,292,889	-	154,987	-	1,447,876	-	-	-	-	1,447,876	908,669
<b>Total current liabilities</b>	<b>3,625,146</b>	<b>29,778</b>	<b>154,987</b>	<b>-</b>	<b>3,809,911</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>128,370</b>	<b>3,988,281</b>	<b>3,240,464</b>
Deferred contributions [note 12]	910,624	-	-	-	910,624	166,986	-	22,049	-	1,099,659	1,404,071
Deferred capital contributions [note 13]	-	-	-	-	-	-	-	8,710,623	-	8,710,623	8,807,379
<b>Total liabilities</b>	<b>4,535,770</b>	<b>29,778</b>	<b>154,987</b>	<b>-</b>	<b>4,720,535</b>	<b>166,986</b>	<b>-</b>	<b>8,782,672</b>	<b>128,370</b>	<b>13,798,563</b>	<b>13,451,914</b>
<b>Net assets</b>											
Unrestricted unallocated	1,957,962	94,083	-	15,791	2,067,836	-	-	-	-	2,067,836	1,982,459
Internally restricted [note 14]	3,929,342	155,000	84,864	-	4,169,206	-	50,045	7,795,466	-	12,014,717	11,442,378
Net assets not subject to external restrictions	5,887,304	249,083	84,864	15,791	6,237,042	-	50,045	7,795,466	-	14,082,553	13,424,837
Invested in capital assets	-	-	-	-	-	-	-	4,902,969	-	4,902,969	4,877,153
Permanently restricted	-	-	-	-	-	-	3,651,180	-	-	3,651,180	3,469,675
<b>Total net assets [statement of net assets]</b>	<b>5,887,304</b>	<b>249,083</b>	<b>84,864</b>	<b>15,791</b>	<b>6,237,042</b>	<b>-</b>	<b>3,701,225</b>	<b>12,698,435</b>	<b>-</b>	<b>22,636,702</b>	<b>21,771,665</b>
	<b>10,423,074</b>	<b>278,861</b>	<b>239,851</b>	<b>15,791</b>	<b>10,957,577</b>	<b>166,986</b>	<b>3,701,225</b>	<b>21,481,107</b>	<b>128,370</b>	<b>36,435,265</b>	<b>35,223,579</b>

See accompanying notes.

**Burman University**  
**CONSOLIDATED STATEMENT OF OPERATIONS**

Year ended April 30

	2024								2023		
	Operating Funds					Other Funds			All Funds	All Funds	
	Burman \$	Rentals \$	Research \$	Foundation \$	Total \$	Loans \$	Endowment \$	Capital \$	Agency \$	Total \$	Total \$
<b>GENERAL ACTIVITY</b>											
<b>Unrestricted revenue</b>											
Tuition and fees	5,279,651	-	-	-	5,279,651	-	-	-	-	5,279,651	5,026,624
Alberta government grants	3,178,864	-	-	-	3,178,864	-	-	-	-	3,178,864	3,178,864
Seventh-day Adventist Church in Canada appropriations <i>[note 15]</i>	5,367,795	-	-	-	5,367,795	-	-	-	-	5,367,795	4,975,808
Interest and other	738,989	-	-	-	738,989	-	45	-	-	739,034	403,777
Resale and ancillary revenue	2,162,307	409,879	2,874	-	2,575,060	-	-	-	-	2,575,060	2,179,138
Donations	396,661	-	-	-	396,661	-	-	-	-	396,661	293,707
<b>Total unrestricted revenue</b>	<b>17,124,267</b>	<b>409,879</b>	<b>2,874</b>	<b>-</b>	<b>17,537,020</b>	<b>-</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>17,537,065</b>	<b>16,057,918</b>
<b>Restricted revenue</b>											
Donations	775,652	-	127,622	12,299	915,573	-	-	-	-	915,573	595,216
Seventh-day Adventist Church in Canada appropriations <i>[note 15]</i>	142,187	-	-	-	142,187	-	-	-	-	142,187	9,974
Alberta government grants	494,252	-	-	-	494,252	-	-	-	-	494,252	355,527
<b>Total restricted revenue <i>[note 12]</i></b>	<b>1,412,091</b>	<b>-</b>	<b>127,622</b>	<b>12,299</b>	<b>1,552,012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,552,012</b>	<b>960,717</b>
<b>Total general revenue</b>	<b>18,536,358</b>	<b>409,879</b>	<b>130,496</b>	<b>12,299</b>	<b>19,089,032</b>	<b>-</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>19,089,077</b>	<b>17,018,635</b>
<b>EXPENSES</b>											
Salaries and non-pension benefits	10,831,775	3,065	91,596	-	10,926,436	-	-	-	-	10,926,436	10,155,379
Pension benefits <i>[note 16]</i>	601,703	296	-	-	601,999	-	-	-	-	601,999	1,068,357
Supplies and other	1,794,293	-	88,593	-	1,882,886	-	-	-	-	1,882,886	1,883,741
Student services	2,061,984	-	-	-	2,061,984	-	-	-	-	2,061,984	2,062,623
Plant and maintenance	2,107,573	200,809	-	-	2,308,382	-	-	3,931	-	2,312,313	1,917,639
Administrative	327,231	22,308	-	6,981	356,520	-	-	-	-	356,520	323,621
Amortization of capital assets	-	-	-	-	-	-	-	751,307	-	751,307	756,551
Interest	10,137	-	-	-	10,137	-	-	-	-	10,137	5,882
<b>Total expenses</b>	<b>17,734,696</b>	<b>226,478</b>	<b>180,189</b>	<b>6,981</b>	<b>18,148,344</b>	<b>-</b>	<b>-</b>	<b>755,238</b>	<b>-</b>	<b>18,903,582</b>	<b>18,173,793</b>
<b>Excess (deficiency) of general revenue over expenses</b>	<b>801,662</b>	<b>183,401</b>	<b>(49,693)</b>	<b>5,318</b>	<b>940,688</b>	<b>-</b>	<b>45</b>	<b>(755,238)</b>	<b>-</b>	<b>185,495</b>	<b>(1,155,158)</b>
<b>CAPITAL ACTIVITY</b>											
<b>Capital revenue</b>											
Amortization of deferred capital contributions <i>[note 13]</i>	-	-	-	-	-	-	-	389,482	-	389,482	388,550
Gain on disposal of capital assets	350	-	-	-	350	-	-	108,205	-	108,555	-
<b>Total capital revenue</b>	<b>350</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>350</b>	<b>-</b>	<b>-</b>	<b>497,687</b>	<b>-</b>	<b>498,037</b>	<b>388,550</b>
<b>Excess (deficiency) of total revenue over expenses</b>	<b>802,012</b>	<b>183,401</b>	<b>(49,693)</b>	<b>5,318</b>	<b>941,038</b>	<b>-</b>	<b>45</b>	<b>(257,551)</b>	<b>-</b>	<b>683,532</b>	<b>(766,608)</b>
<b>Transfers between funds <i>[note 17]</i></b>											
Net activity after transfers	(270,761)	(214,064)	69,109	-	(415,716)	-	50,000	365,716	-	-	-
Increase (decrease) in endowments <i>[note 18]</i>	531,251	(30,663)	19,416	5,318	525,322	-	50,045	108,165	-	683,532	(766,608)
Net assets, beginning of year	-	-	-	-	-	-	181,505	-	-	181,505	44,340
Net assets, end of year	5,356,053	279,746	65,448	10,473	5,711,720	-	3,469,675	12,590,270	-	21,771,665	22,493,933
	5,887,304	249,083	84,864	15,791	6,237,042	-	3,701,225	12,698,435	-	22,636,702	21,771,665

See accompanying notes.

Burman University

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

Year ended April 30

	2024									2023	
	Operating Funds					Other Funds				All Funds	All Funds
	Burman \$	Rentals \$	Research \$	Foundation \$	Total \$	Loans \$	Endowment \$	Capital \$	Agency \$	Total \$	Total \$
<b>Net assets not subject to external restrictions, beginning of year</b>	5,356,053	279,746	65,448	10,473	5,711,720	-	-	7,713,117	-	13,424,837	14,280,345
Excess (deficiency) of total revenue over expenses	802,012	183,401	(49,693)	5,318	941,038	-	45	(257,551)	-	683,532	(766,608)
Add: amortization of capital assets and deferred capital	-	-	-	-	-	-	-	361,825	-	361,825	368,001
(Payments) additional borrowing capital debt (net)	-	-	-	-	-	-	-	(321,079)	-	(321,079)	(389,506)
Capital assets purchased with unrestricted resources	-	-	-	-	-	-	-	(66,562)	-	(66,562)	(67,395)
Transfers between funds <i>(note 17)</i>	(270,761)	(214,064)	69,109	-	(415,716)	-	50,000	365,716	-	-	-
<b>Net assets not subject to external restrictions, end of year</b>	5,887,304	249,083	84,864	15,791	6,237,042	-	50,045	7,795,466	-	14,082,553	13,424,837
<b>Invested in capital assets, beginning of year</b>	-	-	-	-	-	-	-	4,877,153	-	4,877,153	4,788,253
Amortization of capital assets and deferred capital	-	-	-	-	-	-	-	(361,825)	-	(361,825)	(368,001)
Payments (additional borrowing), capital debt (net)	-	-	-	-	-	-	-	321,079	-	321,079	389,506
Capital assets purchased with unrestricted resources	-	-	-	-	-	-	-	66,562	-	66,562	67,395
<b>Invested in capital assets, end of year</b>	-	-	-	-	-	-	-	4,902,969	-	4,902,969	4,877,153
<b>Permanently restricted net assets, beginning of year</b>	-	-	-	-	-	-	3,469,675	-	-	3,469,675	3,425,335
Increase in endowments <i>(note 18)</i>	-	-	-	-	-	-	181,505	-	-	181,505	44,340
<b>Permanently restricted net assets, end of year</b>	-	-	-	-	-	-	3,651,180	-	-	3,651,180	3,469,675
<b>Total net assets, end of year</b>	5,887,304	249,083	84,864	15,791	6,237,042	-	3,701,225	12,698,435	-	22,636,702	21,771,665

See accompanying notes.

Burman University

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended April 30

	2024									2023	
	Operating Funds					Other Funds				All Funds	All Funds
	Burman \$	Rentals \$	Research \$	Foundation \$	Total \$	Loans \$	Endowment \$	Capital \$	Agency \$	Total \$	Total \$
<b>Cash flows from operating activities</b>											
Excess (deficiency) of total revenues over expenses	802,012	183,401	(49,693)	5,318	941,038	-	45	(257,551)	-	683,532	(766,608)
Adjustments to reconcile excess (deficiency) of revenue over expense to net cash provided:											
Amortization of capital assets	-	-	-	-	-	-	-	751,307	-	751,307	756,551
Amortization of deferred capital contributions	-	-	-	-	-	-	-	(389,482)	-	(389,482)	(388,550)
Gain on disposal of capital assets	(350)	-	-	-	(350)	-	-	(108,205)	-	(108,555)	-
(Increase) decrease in accounts receivable	(310,854)	(3,947)	-	-	(314,801)	-	(879)	(2,545)	-	(318,225)	(131,025)
(Increase) decrease in prepaid expenses	(15,441)	-	-	-	(15,441)	-	-	-	-	(15,441)	12,724
(Increase) decrease in due from/to other funds	362,862	21,282	(40,152)	-	343,992	(15,658)	(127,238)	(198,419)	(2,677)	-	-
Increase (decrease) in accounts payable and accrued liabilities	203,716	7,250	-	-	210,966	-	-	-	-	210,966	225,471
Increase (decrease) in deferred revenue	(11,029)	-	-	-	(11,029)	-	-	-	-	(11,029)	13,406
Increase (decrease) in deposits and agency funds	(82)	6,078	-	-	5,996	-	-	-	2,677	8,673	6,635
Increase (decrease) in deferred contributions	218,412	-	20,736	(7,829)	231,319	3,476	-	-	-	234,795	433,454
Transfers between funds	(270,761)	(214,064)	69,109	-	(415,716)	-	50,000	365,716	-	-	-
<b>Cash provided by (used in) operating activities</b>	<b>978,485</b>	<b>-</b>	<b>-</b>	<b>(2,511)</b>	<b>975,974</b>	<b>(12,182)</b>	<b>(78,072)</b>	<b>160,821</b>	<b>-</b>	<b>1,046,541</b>	<b>162,058</b>
<b>Cash flows from investing activities</b>											
(Increase) decrease in short-term investments	(1,644,794)	-	-	-	(1,644,794)	-	-	-	-	(1,644,794)	(2,848,083)
Proceeds from sale of capital assets	350	-	-	-	350	-	-	108,205	-	108,555	-
Purchases of capital assets	-	-	-	-	-	-	-	(253,768)	-	(253,768)	(281,975)
Increase in long-term investments	-	-	-	-	-	-	(103,433)	(125,566)	-	(228,999)	-
Decrease in long-term investments	1,000,000	-	-	-	1,000,000	-	-	-	-	1,000,000	1,366,769
Notes receivable issued	-	-	-	-	-	-	-	-	-	-	-
Payments received on notes receivable	-	-	-	-	-	12,182	-	-	-	12,182	8,648
<b>Cash provided by (used in) investing activities</b>	<b>(644,444)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(644,444)</b>	<b>12,182</b>	<b>(103,433)</b>	<b>(271,129)</b>	<b>-</b>	<b>(1,006,824)</b>	<b>(1,754,641)</b>
<b>Cash flows from financing activities</b>											
Increase in deferred capital contributions	-	-	-	-	-	-	-	292,726	-	292,726	837,998
Increase (decrease) in internal loans	182,418	-	-	-	182,418	-	-	(182,418)	-	-	-
Increase (decrease) in endowments <i>[note 18]</i>	-	-	-	-	-	-	181,505	-	-	181,505	44,340
<b>Cash provided by (used in) financing activities</b>	<b>182,418</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182,418</b>	<b>-</b>	<b>181,505</b>	<b>110,308</b>	<b>-</b>	<b>474,231</b>	<b>882,338</b>
<b>Net increase (decrease) in cash during the year</b>	<b>516,459</b>	<b>-</b>	<b>-</b>	<b>(2,511)</b>	<b>513,948</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>513,948</b>	<b>(710,245)</b>
Cash, beginning of year	2,865,079	-	-	18,302	2,883,381	-	-	-	-	2,883,381	3,593,626
<b>Cash, end of year</b>	<b>3,381,538</b>	<b>-</b>	<b>-</b>	<b>15,791</b>	<b>3,397,329</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,397,329</b>	<b>2,883,381</b>

See accompanying notes.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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April 30, 2024

### 1. NATURE OF OPERATIONS

Burman University [the "University"] was incorporated by a special Act of the Province of Alberta and is a member of the Seventh-day Adventist Church in Canada ["SDACC"]. The University was established to provide the opportunity for Christian-based education to Seventh-day Adventists and others. The University is exempt from income taxes under certain provisions of the Income Tax Act [Canada].

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the University have been prepared on an accrual basis. The significant accounting policies of the University are in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are summarized below:

#### Basis of presentation - fund accounting

The accounts are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions placed on the use of resources available to the University. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. These funds are comprised of the following:

- [i] Operating funds: Include current assets, liabilities, and transactions from restricted and unrestricted educational and rental building resources of an operating nature and include Burman University ["Burman"], rental buildings activity ["Rentals"], research [Research], and Burman University Foundation ["Foundation"] - a USA foundation (see note 15).
- [ii] Loans fund: Consists of contributions restricted for the purpose of loans to students.
- [iii] Endowment fund: Consists of assets that are subject to external restrictions which require that the principal be held in perpetuity, be invested, and only the income from such investments be used. The principal of endowment gifts are reported as permanently restricted net assets. Contributions received for endowment principal are recorded as direct additions to permanently restricted net assets.
- [iv] Capital fund [including the Heritage fund]: Consists of resources that were donor restricted and used for the acquisition of capital assets [held as deferred capital contributions] or committee allocated [held as internally restricted net assets] for future capital acquisitions. Internally restricted operating funds can be returned to the operating funds by action of the committee. The internally restricted balance includes funds transferred for future capital acquisitions, proceeds from sale of capital assets, and unrestricted capital fund investment earnings. The capital fund also consists of the cost of capital assets acquired or contributed, respective accumulated depreciation, any respective debt, and the unamortized portion of deferred capital contributions.
- [v] Agency fund: Represents funds held by the University for student associations and clubs.

#### Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of estimates include: allowance for doubtful accounts, estimated useful lives of capital assets and deferred capital contributions, donated art held for sale and employee future benefits. Actual results could differ from those estimates.

#### Cash and cash equivalents

Cash and cash equivalents include highly liquid assets that are readily convertible to cash and have maturity dates of less than three months from the date of acquisition.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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April 30, 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Capital assets

Capital assets are recorded at cost when purchased or at fair market value at the date of gift. Amortization is provided over the estimated useful lives of the respective assets on a straight-line basis as follows:

Land improvements	5 - 40 years
Buildings and building improvements	30 - 40 years
Pipe organ	100 years
Equipment, vehicles and library	5 - 30 years

Uses of operating funds for capital acquisitions and debt service payments are accounted for as transfers to the capital fund. Both principal and interest payments made to retire capital fund debt are recorded in the capital fund.

#### Investments

Investments subject to significant influence are accounted for using the cost method. Accordingly, investments subject to significant influence are recorded at original cost unless there has been impairment in value, in which case the investment has been written down to its fair value. Income is recognized when received or receivable. Gains or losses from the sale of investments recorded at cost are calculated based on the average carrying value of the investment.

Investments not subject to significant influence are initially recorded at their acquisition cost. Investments in publicly-traded securities and debt instruments, traded in an active market for which fair value is readily available, are subsequently adjusted to fair value at year end. The corresponding unrealized gain or loss is recognized in the statement of operations, except for restricted portions. Based on the fund the restricted portions belong to they are either recognized as a change to the net assets of the endowment fund, or as a liability under deferred contributions of the operating funds.

The investment in donated art held for sale has been written off.

#### Impairment of long-lived assets

The University reviews capital assets for impairment whenever events or circumstances arise that indicate that the asset no longer has any long-term service potential. A write-down is recorded to reduce the carrying amount of the asset to its residual value when there is no longer any service potential. Write-downs are not reversed if there is a subsequent change in circumstances.

#### Financial instruments

The University recognizes its financial instruments when the University becomes party to the contractual provisions of the financial instrument.

#### Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the University may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The University has not made such an election during the year.

All financial assets and liabilities issued/assumed in an arm's length transaction are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in net earnings. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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April 30, 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Related party financial instruments

The University initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to Note 15).

At initial recognition, the University may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The University has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in net earnings.

#### Financial asset impairment

The University assesses impairment of all its financial assets measured at cost or amortized cost. The University groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the University determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the University reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the balance sheet date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the University reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the balance sheet date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the University reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the balance sheet date.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.

The University reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses in the year the reversal occurs.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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April 30, 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue recognition

The University follows the deferral method of accounting for donations, Alberta and federal government grants and Seventh-day Adventist Church in Canada appropriations. Gifts of cash and other assets are reported as deferred contributions if they are received with donor stipulations that limit use of the donated assets. When the related expenses are incurred or a stipulated time restriction expires, restricted assets are recognized as income and reported in the statement of operations. Gifts of cash or other assets that must be used to acquire capital assets are also reported as deferred contributions. Deferred contributions that have been spent to acquire capital assets are transferred to deferred capital contributions, and are amortized and recognized as revenue on the same basis as the amortization expense of the related capital assets. Endowment contributions are recognized as direct increases in permanently restricted net assets in the period in which they are recorded.

The fair value of donated depreciable capital assets, whether or not restricted, is recorded as deferred capital contributions and amortized and recognized as revenue on the same basis as amortization expense is recognized for the related capital assets. The fair value of donated land is recognized as an increase to net assets invested in capital assets at the time of the gift.

Tuition and fees and resale and ancillary revenue, including rentals, are recognized as revenue in the period when services are provided. Tuition fees received in advance of the next fiscal period are recorded as deferred revenue and recognized over the period of instruction.

Interest and other revenue is recognized in the period earned. Income from investments, loans, and other instruments is accounted for in the fund owning the assets, except for the endowment fund. Only the portion of interest and other revenue required by donor restriction is added to endowment fund principal as a direct addition to net assets. Where there is no requirement to add the income to the endowment fund principal, interest and other revenue is accounted for within the operating funds. Interest and other revenue from restricted grants, donations or endowment contributions are recognized as deferred contributions when the terms for use create a liability, and are recognized as revenue when the terms of the grant, donation or endowment contribution are met.

The University actively fundraises and unrestricted contributions are recorded when received. Pledges are not recorded because historical information does not reasonably support collection.

Insurance proceeds are recognized as revenue in the period of loss and are reported under capital activity on the Statement of Operations.

#### Foreign currency translation

Monetary items denominated in a foreign currency are translated into Canadian dollars at the exchange rate in effect at the date of the Statement of Financial Position. Non-monetary items are translated into Canadian dollars at the exchange rate in effect on the date of the transaction. Revenues and expenses denominated in a foreign currency are translated into Canadian dollars at the exchange rate in effect on the date of the transactions. Any foreign exchange gain or loss is included in the determination of excess of revenue over expenses for the year.

#### Volunteer services and contributed materials

The work of the University is dependent on the volunteer services of many individuals and others. The nature and amount of volunteer services are not reflected in these financial statements because of the difficulty of determining their fair value. Contributed materials are recorded in these financial statements only when the fair value can be reasonably estimated, and when the materials are used in the normal course of operations and would otherwise have been purchased.

#### Employee future benefits

Defined contribution plan accounting is applied to a multi-employer, defined benefit, final average earnings non-contributory pension plan. Accordingly, contributions are expensed as due.

Retirement allowances are accrued and expensed for any eligible employee.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2024

**3. CASH**

Included in cash are the following balances restricted as to the use of the funds:

	2024 \$	2023 \$
Deposits and agency funds	232,372	223,699
Deferred contributions	2,547,535	2,312,740
Total restricted cash	2,779,907	2,536,439
Unrestricted cash	617,422	346,942
	<b>3,397,329</b>	<b>2,883,381</b>

Agency funds represent funds held by the University on behalf of student associations and clubs. Deferred contributions represent unspent externally restricted contributions, as described in note 12.

There is also \$590,971 [2023 - \$2,264] in cash denominated in United States dollars and thus subject to currency price risk.

**4. ACCOUNTS RECEIVABLE**

	2024 \$	2023 \$
Students	633,522	322,617
Seventh-day Adventist organizations	88,636	117,275
Other	285,851	167,136
Total accounts receivable	1,008,009	607,028
Less allowance for doubtful accounts	(133,000)	(50,244)
Net accounts receivable	875,009	556,784

The University is exposed to credit risk as it grants credit to students and other organizations in the normal course of operations. The University does not have significant credit risk to any one individual organization.

**5. SHORT-TERM INVESTMENTS**

	2024 \$	2023 \$
Guaranteed investment certificates	7,284,000	5,619,753
Donated art held for sale	-	19,453
	<b>7,284,000</b>	<b>5,639,206</b>

The guaranteed investment certificates earn interest at 3.40% to 5.95% [2023 - 3.15% to 4.83%] and mature between May 2024 and October 2024. The guaranteed investment certificates bear interest at fixed rates and thus are exposed to interest rate price risk.

**6. DUE FROM (TO) OTHER FUNDS**

The amounts shown as due from or due to other funds represent the transactions in a specific fund for which the Burman fund holds and transacts the cash. Amounts due to the loans fund of \$144,853 [2023 - \$129,195] and the endowment fund of \$180,507 [2023 - \$53,269] bear interest on the same basis as the inter-fund loan [see Note 14], being a blend of the Seventh-day Adventist Church in Canada's revolving fund deposit rate and loan rate, 2.50% and 4.00%, respectively, at year end [2023 - 1.75% and 3.25%]. Otherwise, interfund balances are non-interest bearing and have no specified settlement terms.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2024

## 7. NOTES AND LOANS RECEIVABLE

	2024 \$	2023 \$
<b>Other Funds</b>		
Student loans receivable, no fixed terms of repayment	22,133	34,315
Less amounts due within one year	(7,140)	(7,752)
	<b>14,993</b>	<b>26,563</b>

Repayment on student loans receivable begins in the seventh month following the last date of attendance. Loans are non-interest bearing when payments are kept current. If payments are not kept current, interest is charged at 1% per month on the balance outstanding.

## 8. LONG-TERM INVESTMENTS

	2024 \$	2023 \$
<b>Burman</b>		
Guaranteed investment certificates (GICs)	-	1,000,000
Equities	3	3
Mineral rights	1,001	1,001
	<b>1,004</b>	<b>1,001,004</b>
<b>Endowment</b>		
GIC	1,025,487	996,678
Mutual funds - equities	2,466,893	2,392,269
	<b>3,492,380</b>	<b>3,388,947</b>
<b>Capital</b>		
GIC	400,000	387,185
Mutual funds - equities	5,129,341	5,016,590
	<b>5,529,341</b>	<b>5,403,775</b>
	<b>9,022,725</b>	<b>9,793,726</b>

The long-term investments in mutual fund equities are traded in the market and thus exposed to market price rate risk.

Included in the long-term GICs are GICs with a maturity date of less than one year totaling \$400,000 [2023 - \$387,185] in the capital fund and \$1,025,487 [2023 - \$0] in the endowment fund.

The GICs bear interest at 2.75% to 5.25% [2023 - 2.75% to 3.30%] and mature between May 2024 and July 2024. The GICs bear interest at fixed rates and thus are exposed to interest rate price risk. \$350,000 of these GICs have been assigned to the University's "Payment Anytime" agreement in the event that funds required to cover the payroll are not on deposit.

Cash on deposit has been set aside by the board for future investment in equities to fund the activities of the capital fund (including the Heritage fund). As these funds are not for current operations and are intended to be invested in the long term, they have been presented as long term on the Statement of Financial Position. Investments held in the capital fund are for the Heritage fund and are reported as long term because of the University's intent to reinvest maturing investments over the long term.

Investments held in the Endowment fund are reported as long-term because of the University's requirement to reinvest maturing investments over the long term.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2024

## 9. CAPITAL ASSETS

	2024			
	Cost	Accumulated Amortization	Net Book Value	Amortization Expense
	\$	\$	\$	\$
Land	307,802	-	307,802	-
Land improvements	3,424,610	1,884,399	1,540,211	76,442
Buildings	21,155,498	11,169,739	9,985,759	386,833
Building improvements	5,581,716	3,163,611	2,418,105	131,087
Pipe organ	529,590	139,811	389,779	5,296
Equipment	2,760,054	2,303,531	456,523	82,777
Vehicles	557,659	483,546	74,113	25,324
Library books	1,582,449	1,425,790	156,659	43,548
	35,899,378	20,570,427	15,328,951	751,307

  

	2023			
	Cost	Accumulated Amortization	Net Book Value	Amortization Expense
	\$	\$	\$	\$
Land	307,802	-	307,802	-
Land improvements	3,292,172	1,807,957	1,484,215	76,454
Buildings	21,155,498	10,782,906	10,372,592	388,012
Building improvements	5,581,716	3,032,524	2,549,192	135,796
Pipe organ	529,590	134,515	395,075	5,296
Equipment	2,746,759	2,220,754	526,005	101,263
Vehicles	490,099	479,772	10,327	9,842
Library books	1,574,515	1,393,233	181,282	39,888
	35,678,151	19,851,661	15,826,490	756,551

The University Board of Trustees has designated certain lands within the city of Lacombe as eligible for sale. The designated lands total approximately 200 acres. On February 11, 2015, Burman University signed a Purchase and Sale Agreement for the sale of approximately 31 acres of land. The first portion of these lands (16.36 acres) transacted in the fall of 2018 and the balance is expected to transact in the fall of 2025.

## 10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
	\$	\$
Seventh-day Adventist organizations	17,886	1,152
Municipal government	122,291	154,374
Receiver General	9,866	12,033
Vacation and payroll	409,375	404,742
Retirement allowances	604,897	609,312
Student credit balances	417,309	375,447
Other	718,559	532,157
	2,300,183	2,089,217

The Retirement allowance accrual was calculated based on SDACC Retirement Plan formula for allowances for employees who were 55 years old or older as of April 30, 2024.

The University has available credit card debt limit of \$250,000 [2023 - \$104,550] bearing interest at 16.99% [2023 - 16.99%].

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2024

## 11. DEFERRED REVENUE

Deferred revenue represents funds received in advance of the courses and services being provided.

## 12. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent externally restricted contributions which consist of the following:

	2024				
	Beginning Balance	Amount Received During the Year	Amount Used During the Year	Amount Transferred to Deferred Capital Contributions [note 13]	Ending Balance
	\$	\$	\$	\$	\$
Student loans, aid, and scholarships	1,262,874	356,489	(425,627)	-	1,193,736
Equipment and supplies	837,423	1,356,548	(675,633)	(292,726)	1,225,612
Government grants	212,443	366,496	(450,752)	-	128,187
	2,312,740	2,079,533	(1,552,012)	(292,726)	2,547,535

  

	2023				
	Beginning Balance	Amount Received During the Year	Amount Used During the Year	Amount Transferred to Deferred Capital Contributions [note 13]	Ending Balance
	\$	\$	\$	\$	\$
Student loans, aids, and scholarships	1,335,514	200,812	(273,452)	-	1,262,874
Equipment and supplies	397,301	1,645,357	(367,238)	(837,997)	837,423
Government grants	146,471	385,999	(320,027)	-	212,443
	1,879,286	2,232,168	(960,717)	(837,997)	2,312,740

Of the total deferred contributions \$1,447,876 [2023 - \$908,669] is expected to be spent in accordance with the related external restrictions in the upcoming year.

## 13. DEFERRED CAPITAL CONTRIBUTIONS

Externally restricted contributions consists of funds used for the acquisition of capital assets and donated capital assets as follows:

	2024			
	Beginning Balance	Amount Transferred from Deferred Contributions [note 12]	Amount Amortized During the Year	Ending Balance
	\$	\$	\$	\$
Capital projects	8,807,379	292,726	(389,482)	8,710,623

  

	2023			
	Beginning Balance	Amount Transferred from Deferred Contributions [note 12]	Amount Amortized During the Year	Ending Balance
	\$	\$	\$	\$
Capital projects	8,357,932	837,997	(388,550)	8,807,379

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 14. INTERNALLY RESTRICTED NET ASSETS

The University board and management impose restrictions on net assets which require that the resources be reserved for specific uses. The components of internally restricted net assets as at the year end are as follows:

	2024					
	Burman	Rentals	Research	Endowment	Capital	Total
	\$	\$	\$	\$	\$	\$
Operating purposes	3,749,220	-	-	50,045	-	3,799,265
Capital purposes	28,942	155,000	-	-	140,118	324,060
Heritage fund	-	-	-	-	7,655,348	7,655,348
Research purposes	151,180	-	84,864	-	-	236,044
<b>Total internally restricted net assets</b>	<b>3,929,342</b>	<b>155,000</b>	<b>84,864</b>	<b>50,045</b>	<b>7,795,466</b>	<b>12,014,717</b>

	2023				
	Burman	Rentals	Research	Capital	Total
	\$	\$	\$	\$	\$
Operating purposes	3,250,722	-	-	-	3,250,722
Capital purposes	50,095	185,906	-	162,043	398,044
Heritage fund	-	-	-	7,551,074	7,551,074
Research purposes	177,090	-	65,448	-	242,538
<b>Total internally restricted net assets</b>	<b>3,477,907</b>	<b>185,906</b>	<b>65,448</b>	<b>7,713,117</b>	<b>11,442,378</b>

Included in the capital fund are the following loans advanced from the Heritage fund for the purpose of purchase of capital assets. The terms and conditions related to these advances are as follows:

		2024	2023
		\$	\$
Loan receivable from the capital fund payable to the operating fund, interest free, no repayment schedule	(Library)	-	216,760
Loan receivable from the capital fund payable to the operating fund, interest free, no repayment schedule	(Committee of 100 Project - 15 Passenger Bus)	34,342	-
Loan receivable from the capital fund payable to the capital fund (Heritage fund), repayable in blended annual installments of \$129,662 from May 1, 2011 to January 31, 2035 with interest at a blend of the SDACC's revolving fund deposit rate and loan rate, 3.25% at April 30, 2024 [2023 - 2.5%]	(PE Centre Expansion)	1,189,071	1,278,770
Loan receivable from the capital fund payable to the capital fund (Heritage fund), repayable in blended annual installments of \$107,435 from June 1, 2011 to December 31, 2024 with interest at a blend of the SDACC's revolving fund deposit rate and loan rate, 3.25% at April 30, 2024 [2023 - 2.5%]	(Riverton Hall)	75,057	178,256
Loan receivable from the capital fund payable to the capital fund (Heritage fund), repayable in blended annual installments of \$65,642 from May 1, 2016 to April 30, 2031 with interest at a blend of the SDACC's revolving fund deposit rate and loan rate, 3.25% at April 30, 2024 [2023 - 2.5%]	(Facility Maintenance Building)	416,890	468,172
		<b>1,715,360</b>	<b>2,141,958</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 15. RELATED PARTY TRANSACTIONS

Related parties and related party transactions are as follows:

#### Seventh-day Adventist Church in Canada ["SDACC"]

The University is affiliated with the SDACC, which has headquarters in Oshawa, Ontario. This national church organization covers all of Canada and the French possessions of St. Pierre and Miquelon; comprising the Alberta, British Columbia, Manitoba-Saskatchewan, Maritime, Ontario, and Quebec Conferences and the Seventh-day Adventist Church in Newfoundland and Labrador, which represent the interests of the Seventh-day Adventist Church in one or more provinces. The President of the SDACC is the Chair of the University's Board of Trustees.

During 2024, the SDACC subsidized the operations of the University in the amount of \$5,509,982 [2023 - \$4,985,782]. Included in these balances is \$5,367,795 [2023 - \$4,975,808] recognized as unrestricted revenues and \$142,187 [2023 - \$9,974] recognized as restricted revenues. As a result, the University is dependent on the SDACC to fund a significant portion of its operations.

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

#### Canadian University College Foundation

The Letters Patent incorporating the Canadian University College Foundation [the "Canadian Foundation"] were issued effective September 21, 2000, pursuant to Part II of the Canada Corporations Act. The Canadian Foundation is located in Lacombe, Alberta. The objectives of the Canadian Foundation are to receive gifts, bequests, trusts, funds and property and beneficially, or as a trustee or agent, to hold, invest, develop, manage, accumulate and administer funds and property for the purpose of disbursing funds and property exclusively to the University and such other qualified donees as are associated with or related to the University or adhere to, promote or proclaim the doctrines and tenets of the Seventh-day Adventist Church. The members of the Canadian Foundation are the President of the University, Chairman of the Board of Trustees of the University, Vice President for Financial Administration of the University; and those persons whose applications for admittance as a member of the Canadian Foundation have been approved by the three persons named above.

The Canadian Foundation has not initiated any transactions during the year, nor has any assets, liabilities, revenues, expenses, gains or losses.

#### Burman University Foundation (USA)

The state of Washington articles of incorporation for the Burman University Foundation [the "USA Foundation"] were effective November 22, 2019, pursuant to Revised Code of Washington 24.03. The USA Foundation is a Section 501(c)(3) charitable organization. The purpose of the corporation is to provide students with scholarships to encourage them into living a life of service post-graduation. The Board of Directors of the USA Foundation are 1) President, Burman University, 2) Secretary/Treasurer, Vice President for Financial Administration, Burman University, 3) Senior Development Officer, Burman University, and 4) Members of the Burman University Board Financial Monitoring Committee. The USA Foundation received its first donations in 2021. Since the USA Foundation is a controlled entity, its financial activity and balances are consolidated with the Universities and are reported under the column headed "Foundation".

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 16. PENSION PLANS

The University is a participating employer in the following non-contributory, defined benefit pension plans:

1) Seventh-day Adventist Church Retirement Plan for Canadian Employees [the "Registered Plan"] is registered with the Financial Services Regulatory Authority of Ontario and with the Canada Revenue Agency. The Registered Plan covers substantially all employees who have completed two years of service and provides a defined benefit pension based on a benefit rate factor, pension factor, and credited service. Under the terms of the Registered Plan, each participating employer's required contribution consists of two parts; a pro-rated "amortization" portion of the unfunded past service cost; and a "normal cost" amount for current service cost of active employees.

2) Supplemental pension and other post-retirement benefits are provided by The Seventh-day Adventist Church Retirement Plan for Canadian Employees [the "Supplemental Plan"]. These benefits include post-retirement healthcare, non-registered pension, funeral allowance and retirement allowance for all employees who meet the specified requirements. The Supplemental Plan is not a registered plan. The Supplemental Plan is unfunded; it receives contributions from participating employers in amounts sufficient only to cover the benefits actually paid each year.

The Registered Plan and Supplemental Plan are considered multi-employer plans for accounting purposes only. It is not reasonably possible to determine the funded position by each participating employer since plan assets are held in aggregate only. As a result, the University is required to account for its participation as if the plans were defined contribution plans. Required contributions during the year are included in pension benefits expense in the statement of operations.

Based on the latest full valuation of the Registered Plan as a whole, as at January 1, 2023, and rolled forward to December 31, 2023, the actuarially computed value of accumulated plan benefits was estimated to be \$171,319,000 [2023 - \$158,183,000], and the market value of net assets was estimated to be \$148,541,000 [2023 - \$138,428,000] for the Registered Plan as a whole, resulting in a deficit of \$22,778,000 [2023 - deficit of \$19,755,000]. As a participating employer, the University is required to make contributions to the Registered Plan in amounts which are subject to change as determined by the Registered Plan's governing board.

Based on the latest valuation of the Supplemental Plan, as at January 1, 2023, for non-registered pensions and as at January 1, 2022, for other post-retirement benefits, both rolled forward to December 31, 2023, the actuarially computed value of accumulated plan benefits was estimated to be \$54,534,000 [2023 - \$50,448,000] and the market value of net assets was estimated to be \$0 [2023 - \$0] for the Supplemental Plan as a whole, resulting in a deficit of \$54,534,000 [2023 - \$50,448,000].

The required contributions, and expense recorded, by the University are as follows:

	2024 \$	2023 \$
Registered Plan		
Amortization payment	-	34,777
Normal cost	244,061	331,992
Supplemental Plan		
Pension benefits	118,290	130,262
Retirement Allowance	168,037	171,291
Other post-retirement benefits	71,611	400,035
	601,999	1,068,357

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## 17. TRANSFERS BETWEEN FUNDS

	2024					
	Burman \$	Rentals \$	Research \$	Endowment \$	Capital \$	Total \$
Interfund services	40,988	(40,988)	-	-	-	-
Capital funding	(211,236)	(154,480)	-	-	365,716	-
Interfund Heritage fund interest	18,596	(18,596)	-	-	-	-
Research	(69,109)	-	69,109	-	-	-
Scholarships	(50,000)	-	-	50,000	-	-
	(270,761)	(214,064)	69,109	50,000	365,716	-

  

	2023				
	Burman \$	Rentals \$	Research \$	Capital \$	Total \$
Interfund services	33,790	(33,790)	-	-	-
Capital funding	51,282	-	-	(51,282)	-
Interfund Heritage fund interest	(276,940)	(173,077)	-	450,017	-
Research	(78,286)	-	78,286	-	-
	(270,154)	(206,867)	78,286	398,735	-

## 18. INCREASE IN ENDOWMENTS

	2024 \$	2023 \$
Endowment contributions	174,811	43,272
Interest and other earned on endowments	33,922	29,074
Temporary investment gains (losses)	66,624	(5,830)
Interest and other transferred to operating fund	(93,852)	(22,176)
<b>Increase in endowments</b>	<b>181,505</b>	<b>44,340</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 19. RECOMMENDED WORKING CAPITAL AND LIQUIDITY

The following is a summary of working capital and liquidity as recommended and defined by the Working Policy of the North American Division of the General Conference of Seventh-day Adventists.

Canadian generally accepted accounting principles allow the use of current assets only in the calculation of working capital; however, the University invests operating funds in non-current investments for a better rate of return. Table A shows working capital and liquidity according to Canadian generally accepted accounting principles and Working Policy of the North American Division of the General Conference of Seventh-day Adventists. Table B shows the Organization's operating fund's working capital combined with noncurrent operating fund investments.

Table A - Working capital with current operating investments

	2024 \$	2023 \$
<b>Core expenses</b>		
Operating Expenses	18,148,344	17,413,363
Minus: operating expenses from deferred contributions	(1,552,012)	(960,717)
Total core expenses	16,596,332	16,452,646
<b>Available working capital</b>		
Current assets		
Operating funds	10,956,573	8,993,999
Current liabilities		
Operating funds	(3,809,911)	(3,064,771)
Working capital	7,146,662	5,929,228
Minus:		
Current assets held for long-term deferred contributions	(910,624)	(1,218,512)
Related long-term investments	1,004	1,001,004
Available working capital	6,237,042	5,711,720
<b>Recommended working capital</b>		
Six months of total core expenses	8,298,166	8,226,323
Surplus/(Shortfall) in Recommended Minimum Available Working Capital	(2,061,124)	(2,514,603)
<b>Available working capital in months (a minimum of six months recommended)</b>	4.5	4.2
<b>Liquidity</b>		
Cash	3,397,329	2,883,381
Short-term investments	7,284,000	5,639,206
Receivable from higher organizations	66,488	88,176
Total liquid current assets	10,747,817	8,610,763
Minus: current liabilities	(3,809,911)	(3,064,771)
Minus:		
Current assets held for long-term deferred contributions	(910,624)	(1,218,512)
Related Long term investments	1,004	1,001,004
Available liquid assets	6,028,286	5,328,484
<b>Recommended minimum available liquid assets</b>		
Three months of total core expenses	4,149,083	4,113,162
Surplus/(shortfall) in recommended minimum available liquid assets	1,879,203	1,215,322
<b>Available liquid assets in months (a minimum of three months recommended)</b>	4.4	3.7

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**Table B - Operating fund working capital combined with noncurrent operating investments**

<b>Available working capital (modified)</b>		
Current assets	<b>10,956,573</b>	8,993,999
Noncurrent operating investments	<b>1,004</b>	1,001,004
	<b>10,957,577</b>	9,995,003
Minus: current liabilities	<b>(3,809,911)</b>	(3,064,771)
Working capital combined with noncurrent investments	<b>7,147,666</b>	6,930,232
Minus: Current assets held for long-term deferred contributions	<b>(910,624)</b>	(1,218,512)
<b>Available working capital combined with noncurrent investments surplus</b>	<b>6,237,042</b>	5,711,720
<b>Recommended working capital</b>		
Six months of Total Core Expenses	<b>8,298,166</b>	8,226,323
Surplus/(Shortfall) in Recommended Minimum Available Working Capital	<b>(2,061,124)</b>	(2,994,962)
<b>Available working capital with noncurrent investments in months (a minimum of six months recommended)</b>	<b>4.5</b>	<b>4.2</b>

**20 COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with current year presentation.