MENNONITE BRETHREN BIBLICAL SEMINARY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MAY 31, 2023

manning elliott

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INDEPENDENT AUDITORS' REPORT

To the Members of Mennonite Brethren Biblical Seminary

Opinion

We have audited the financial statements of Mennonite Brethren Biblical Seminary (the "Seminary"), which comprise the statement of financial position as at May 31, 2023, and the statements of changes in fund balances, operations 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 financial statements present fairly, in all material respects, the financial position of the Seminary as at May 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Seminary in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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:

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INDEPENDENT AUDITORS' REPORT

- 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 Seminary'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 Seminary's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Seminary 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.

Manning Elliott LLP

Chartered Professional Accountants
Vancouver, British Columbia
November 10, 2023

MENNONITE BRETHREN BIBLICAL SEMINARY
STATEMENT OF FINANCIAL POSITION
AS AT MAY 31, 2023

	General Fund	Restricted Fund	Endowment Fund	**2023 Total**	2022 Total
ASSETS					
CURRENT					
Cash and cash equivalents	$ 412,940	$ 36,841	$ -	**$ 449,781**	$ 431,615
Accounts receivable *(Note 10)*	78,217	-	-	**78,217**	52,279
Interest receivable *(Note 5)*	-	1,149	-	**1,149**	-
GST recoverable	3,848	-	-	**3,848**	5,141
Investments *(Note 4)*	350,264	1,239,743	498,480	**2,088,487**	2,002,742
Due from The Canadian Conference of the Mennonite Brethren Church of North America *(Notes 5 & 10)*	338,804	54,979	-	**393,783**	385,155
Due from Associated Canadian Theological Schools *(Note 10)*	14,462	-	-	**14,462**	14,462
Current portion of loans receivable *(Note 6)*	-	5,200	-	**5,200**	11,025
	1,198,535	1,337,912	498,480	**3,034,927**	2,902,419
LOAN RECEIVABLE *(Note 6)*	-	7,986	-	**7,986**	7,722
PROPERTY AND EQUIPMENT *(Note 7)*	25,949	-	-	**25,949**	29,193
	$ 1,224,484	$ 1,345,898	$ 498,480	**$ 3,068,862**	$ 2,939,334
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities *(Note 10)*	$ 96,482	$ -	$ -	**$ 96,482**	$ 24,992
Deferred revenue *(Note 8)*	8,801	-	-	**8,801**	-
	105,283	-	-	**105,283**	24,992
DEFERRED CAPITAL CONTRIBUTIONS *(Note 9)*	20,000	-	-	**20,000**	22,500
	125,283	-	-	**125,283**	47,492
FUND BALANCES					
Restricted funds					
Internally restricted *(Note 11)*	-	1,040,418	-	**1,040,418**	939,565
Externally restricted *(Note 11)*	-	305,480	-	**305,480**	334,530
Endowment Fund *(Note 12)*	-	-	498,480	**498,480**	498,480
Unrestricted	1,099,201	-	-	**1,099,201**	1,119,267
	1,099,201	1,345,898	498,480	**2,943,579**	2,891,842
	$ 1,224,484	$ 1,345,898	$ 498,480	**$ 3,068,862**	$ 2,939,334

COMMITMENTS *(Note 13)*

CONTINGENT LIABILITY *(Note 14)*

Approved by the Board

_____________________________ *Director* _____________________________ *Director*

MENNONITE BRETHREN BIBLICAL SEMINARY
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MAY 31, 2023

	General Fund	Restricted Fund	Endowment Fund	**2023 Balance**
FUND BALANCES, BEGINNING OF YEAR	$ 1,119,267	$ 1,274,095	$ 498,480	**$ 2,891,842**
(Deficiency) excess of revenues over expenses for the year	(20,066)	71,803	-	**51,737**
FUND BALANCES, END OF YEAR	$ 1,099,201	$ 1,345,898	$ 498,480	**$ 2,943,579**

	General Fund	Restricted Fund	Endowment Fund	2022 Balance
FUND BALANCES, BEGINNING OF YEAR	$ 979,871	$ 1,376,150	$ 498,480	$ 2,854,501
Excess (deficiency) of revenues over expenses for the year	139,396	(102,055)	-	37,341
FUND BALANCES, END OF YEAR	$ 1,119,267	$ 1,274,095	$ 498,480	$ 2,891,842

MENNONITE BRETHREN BIBLICAL SEMINARY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MAY 31, 2023

	General Fund	Restricted Fund	Endowment Fund	**2023 Total**	2022 Total
REVENUES					
Donations					
General	$ 441,862	$ 35,061	$ -	**$ 476,923**	$ 361,510
Congregations	236,193	-	-	**236,193**	231,097
Denomination support *(Note 10)*	160,000	-	-	**160,000**	140,000
Legacy/Estates	-	-	-	**-**	65,252
Programs					
Associated Canadian Theological Schools *(Note 10)*	211,730	-	-	**211,730**	252,297
Associated Canadian Theological Schools World Campus *(Note 10)*	128,708	-	-	**128,708**	201,526
Teaching Church Initiative	49,348	-	-	**49,348**	85,985
Continuing Education	13,500	-	-	**13,500**	2,936
Canadian Mennonite University *(Note 10)*	-	-	-	**-**	5,493
Grants	-	10,135	-	**10,135**	-
Other	6,700	-	-	**6,700**	8,100
	1,248,041	45,196	-	**1,293,237**	1,354,196
EXPENSES (Schedule 1)					
Shared Graduate Education Costs					
Associated Canadian Theological Schools *(Note 10)*	422,142	-	-	**422,142**	430,198
Associated Canadian Theological Schools World Campus *(Note 10)*	138,987	-	-	**138,987**	190,148
Canadian Mennonite University *(Note 10)*	30,000	-	-	**30,000**	24,040
Other administrative charges	198,692	26	-	**198,718**	142,590
Executive Administration	169,749	-	-	**169,749**	163,902
Advancement	159,654	-	-	**159,654**	150,148
Teaching Church Initiative	78,805	33,933	-	**112,738**	54,099
Associated Canadian Theological Schools special payment	50,000	-	-	**50,000**	-
Rent *(Note 10)*	37,318	-	-	**37,318**	36,628
Leadership development	8,485	10,135	-	**18,620**	3,783
Student financial aid	-	17,557	-	**17,557**	16,090
Board related expenses	3,675	-	-	**3,675**	4,386
Graduate education costs	1,641	-	-	**1,641**	3,285
Student recruitment	127	-	-	**127**	-
Bad debts (recovery)	-	(5,460)	-	**(5,460)**	27,875
	1,299,275	56,191	-	**1,355,466**	1,247,172
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	(51,234)	(10,995)	-	**(62,229)**	107,024
OTHER INCOME (EXPENSE)					
Investment income	26,517	63,233	-	**89,750**	163,164
Change in fair market value of investments	(4,821)	(23,924)	-	**(28,745)**	(298,693)
Gain on foreign exchange	9,472	43,489	-	**52,961**	65,846
	31,168	82,798	-	**113,966**	(69,683)
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	$ (20,066)	$ 71,803	$ -	**$ 51,737**	$ 37,341

MENNONITE BRETHREN BIBLICAL SEMINARY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MAY 31, 2023

	General Fund	Restricted Fund	Endowment Fund	**2023 Total**	2022 Total
OPERATING ACTIVITIES					
Excess (deficiency) of revenues over expenses for the year	$ (20,066)	$ 71,803	$ -	**$ 51,737**	$ 37,341
Items not affecting cash:					
Amortization of property and equipment	3,244	-	-	**3,244**	3,514
Amortization of deferred capital contributions	(2,500)	-	-	**(2,500)**	(2,500)
Change in fair market value of investments	4,821	23,924	-	**28,745**	298,693
Gain on foreign exchange	(9,472)	(43,489)	-	**(52,961)**	(65,846)
	(23,973)	52,238	-	**28,265**	271,202
Changes in non-cash working capital	55,646	(1,149)	-	**54,497**	(20,091)
	31,673	51,089	-	**82,762**	251,111
INVESTING ACTIVITIES					
Purchase of property and equipment	-	-	-	**-**	(32,437)
Proceeds from loans receivable	-	5,561	-	**5,561**	37,774
Net changes in investments	(16,327)	(45,202)	-	**(61,529)**	99,372
Deferred capital contributions received	-	-	-	**-**	25,000
Due from The Canadian Conference of the Mennonite Brethren Church of North America	(7,288)	(1,340)	-	**(8,628)**	(332,235)
	(23,615)	(40,981)	-	**(64,596)**	(202,526)
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	8,058	10,108	-	**18,166**	48,585
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	404,882	26,733	-	**431,615**	383,030
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 412,940	$ 36,841	$ -	**$ 449,781**	$ 431,615

1. NATURE OF OPERATIONS

Mennonite Brethren Biblical Seminary (the "Seminary") is a graduate theological school of The Canadian Conference of the Mennonite Brethren Church of North America ("CCMBC").

The Seminary was incorporated under the authority of the Mennonite Brethren Biblical Seminary Act of the Province of B.C.

The Seminary participates as a partner in a society of four members known as the Associated Canadian Theological Schools Society ("ACTS") on the campus of Trinity Western University ("TWU"). The four members of ACTS are the Seminary, Northwest Baptist Seminary, Canadian Baptist Seminary and TWU.

The consortium is accredited by the Association of Theological Schools ("ATS") and offers one diploma program, seven masters degree programs and a doctor of ministry program, all in theological studies. These programs are designed to provide personal and spiritual enrichment that equip people for professional Christian service and enable research in biblical and theological studies.

The Seminary is affiliated with Canadian Mennonite University ("CMU") in Winnipeg, Manitoba, Tyndale Seminary in Toronto, Ontario and Horizon Seminary in Saskatoon, Saskatchewan.

The Seminary is a registered charity under the Income Tax Act of Canada and is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook - Accounting. Financial statements prepared in accordance with ASNPO are also in accordance with Canadian generally accepted accounting principles ("GAAP").

These financial statements have, in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

(a) Fund accounting

The Seminary presents its financial statements using the following funds:

The General Fund accounts for the Seminary’s general and administrative activities and reports unrestricted funds.

The Restricted Fund reports restricted assets and restricted fund balances.

The Endowment Fund reports the endowments of the Seminary.

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

(b) Revenue recognition

The Seminary follows the restricted fund method of accounting for contributions. Restricted, unrestricted and endowment contributions are recognized as revenue of the appropriate funds when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions for which there is no corresponding restricted fund are deferred and recognized as revenue in the general fund in the year in which the related expenses are incurred, in accordance with the deferral method of accounting for contributions.

Deferred capital contributions include contributions that are restricted for the purchase of property and equipment. These contributions are amortized and recognized as revenue on the same basis as the amortization expense related to the acquired property and equipment.

Investment and other income are recognized in the appropriate fund when earned.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and guaranteed investment certificates with maturity dates of less than 90 days from the date that they were acquired.

(d) Financial instruments

(i) Measurement

The Seminary's financial instruments consist of cash and cash equivalents, accounts receivable, interest receivable, investments, amounts due from The Canadian Conference of the Mennonite Brethren Church of North America, amounts due from Associated Canadian Theological Schools, loans receivable and accounts payable.

The Seminary initially measures all of its financial instruments at fair value. The Seminary subsequently measures all of its financial instruments at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations in the period incurred.

(ii) Transaction costs

Transaction costs that are directly attributable to the origination, issuance or assumption of a financial instrument that is subsequently measured at amortized cost are assigned to those financial instruments. All other transaction costs are recognized in the statement of operations in the period incurred.

(iii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations in the period in which it is determined.

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

(e) Property and equipment

Property and equipment are recorded at historical cost and amortization has been provided on a straight-line basis as follows:

Furniture and equipment	10 years
Leasehold improvements	10 years

The Seminary's policy is to record a write-down to a capital asset's fair value or replacement cost when conditions indicate that a capital asset is impaired. Such conditions include when the capital asset no longer contributes to the Seminary's ability to provide goods and services or when the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. Write-downs are recognized as an expense in the statement of operations and are not reversed. To May 31, 2023, no impairments have been recorded.

(f) Foreign currency transactions

The Seminary uses the temporal method to translate its foreign currency transactions. Under this method, monetary statement of financial position items are translated at the exchange rates in effect at year-end and non-monetary items are translated at historical exchange rates. Revenues and expenses are translated at the exchange rates in effect on the transaction dates or at the average exchange rates of the period. Translation gains or losses are included in the statement of operations.

(g) 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 about future events that affect the reported amounts of assets, liabilities, revenues and expenses at the end of, or during the reporting period. Management believes that the estimates used are reasonable and prudent; however actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the valuation of accounts receivable and loans receivable, a discount rate for interest free loans receivable, the valuation of investments, the determination of the useful lives of property and equipment used for calculating amortization, measurement of deferred revenue and deferred capital contributions, amounts recorded as accrued liabilities, and disclosures about commitments and contingencies at the date of the financial statements.

(h) Contributed services and materials

The Seminary benefits from contributed services in the form of volunteer time and contributed materials. Contributed services are not recognized in the financial statements. Contributed materials are recorded at the fair market value only when a realizable value of the related benefit can be reasonably estimated and the materials are used in the normal course of operations and would otherwise have been purchased.

3. FINANCIAL INSTRUMENTS RISKS AND CONCENTRATION OF RISK

The Seminary is exposed to various risks through its financial instruments (Note 2(d)) and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Seminary's risk exposure and concentration as of May 31, 2023. In management's opinion, the Seminary is not exposed to significant credit, liquidity, market, currency, interest rate or other price risk, except as noted below. In addition, there has been no significant change in risk exposures from the prior year.

Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Seminary's main credit risk relates to its accounts receivable, due from Associated Canadian Theological Schools and loans receivable. The Seminary maintains, if deemed necessary, provision for potential credit losses, and any such losses to date have been within management's expectations.

Management has determined an appropriate allowance for doubtful accounts and anticipates that the remaining receivable balances as at May 31, 2023 are fully collectable. The maximum exposure equal to the carrying value of these financial instruments is $105,865 (2022 - $85,488).

Liquidity risk:

Liquidity risk is the risk that the Seminary will encounter difficulty in meeting obligations associated with liabilities. The Seminary is exposed to this risk mainly in respect of its accounts payable. The Seminary's ability to meet obligations depends on the receipt of donations, the collection of its accounts receivable and loans receivable and the liquidity of its investments. The Seminary controls liquidity risk by managing its working capital and cash flows.

Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Consequently, certain assets and liabilities are subject to foreign exchange fluctuations.

As at May 31, 2023, the Seminary has cash and cash equivalents of $62,706 (2022 – $57,001), loans receivable of $Nil (2022 – $139) and equity investments of $1,063,416 (2022 – $1,037,424) that are denominated in US dollars, resulting in currency risk. The Seminary regularly monitors foreign currency fluctuations to manage currency risk.

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Seminary is exposed to interest rate risk on its amounts due from The Canadian Conference of the Mennonite Brethren Church of North America, and loans receivable. The Seminary mitigates the risk through its normal operating and financing activities

3. FINANCIAL INSTRUMENTS RISKS AND CONCENTRATION OF RISK *(continued)*

Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Seminary is exposed to other price risk through its equity investments. The Seminary mitigates the risk through controls to monitor and limit concentration in these investments and through the use of an investment advisor.

4. INVESTMENTS

	2023	2022
General Fund		
Equity investments	**$ 350,264**	$ 329,286
Restricted Fund		
Equity investments	**1,239,743**	1,174,976
Endowment Fund		
Equity investments	**498,480**	498,480
	$ 2,088,487	$ 2,002,742

5. DUE FROM THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Amounts due from The Canadian Conference of the Mennonite Brethren Church of North America bear interest at 5% per annum. Interest is payable semi-annually and the investments are redeemable at any time without penalty.

6. LOANS RECEIVABLE

	2023	2022
Loans:		
Interest free	**$ 13,186**	$ 156,012
Allowance for doubtful accounts	**-**	(137,265)
	13,186	18,747
Current portion	**(5,200)**	(11,025)
	$ 7,986	$ 7,722

The loans receivable are from Canadian and American students who were enrolled prior to 2011 in the Fresno Pacific Biblical Seminary (formerly the Fresno campus of the Mennonite Brethren Biblical Seminary Inc.) graduate program. Student loan repayments begin six months after graduation or upon termination of their student status.

Students have one to ten years to repay these loans based on the individual loan amounts. The loans made to students who belong to the Mennonite Brethren denomination are interest free, while other student loans bear interest between 3.00% and 6.00% per annum. The interest free loans have been discounted using a 2.00% interest rate.

There have been no new loans issued since 2011.

7. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	**2023 Net book value**	2022 Net book value
Furniture and equipment	$ 5,403	$ 5,403	**$ -**	$ -
Leasehold improvements	32,437	6,488	**25,949**	29,193
	$ 37,840	$ 11,891	**$ 25,949**	$ 29,193

8. DEFERRED REVENUE

During the year, the Society received $18,936 from the In Trust Center for Theological Schools of which $10,135 was recognized as revenue for the Navigate Bible Conferences held during the year. As at May 31, 2023, $8,801 was deferred in accordance with the Society's revenue recognition policy as described in Note 2(b).

9. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent restricted contributions that have been used to purchase property and equipment. These contributions are amortized at the same rate as the underlying property and equipment.

	2023	2022
Balance, beginning of year	$ 22,500	$ -
Contributions received during the year	-	25,000
Amount recognized as revenue during the year	(2,500)	(2,500)
Balance, end of year	$ 20,000	$ 22,500

10. RELATED PARTY TRANSACTIONS

The Seminary is related to the Associated Canadian Theological Schools Society ("ACTS") through its membership in ACTS and is related to the Canadian Mennonite University ("CMU") through an affiliation agreement. The Seminary is also related to The Canadian Conference of the Mennonite Brethren Church of North America ("CCMBC") through the CCMBC's right to appoint a majority of the Seminary's board of directors.

Unless otherwise stated, the advances and loans with these related organizations are unsecured, without interest and are due on demand.

As at May 31, 2023, the Seminary had the following balances and during the year engaged in the following transactions with these related parties. These transactions were made in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed upon by the related parties.

	2023	2022
Associated Canadian Theological Schools Society		
Accounts receivable	$ 41,764	$ 43,958
Due from Associated Canadian Theological Schools	14,462	14,462
Program revenues - ACTS	211,730	252,297
Program revenues - ACTS World Campus	128,708	201,526
Shared graduate education costs - ACTS	422,142	430,198
Shared graduate education costs - ACTS World Campus	138,987	190,148
Rent	37,318	36,628
The Canadian Conference of the Mennonite Brethren Church of North America		
Due from The Canadian Conference of the Mennonite Brethren Church of North America	$ 393,783	$ 385,155
Denomination support	140,000	140,000
Interest income	16,765	1,928
The Canadian Mennonite University		
Accounts payable	$ 4,583	$ 3,958
Program revenues	-	5,493
Shared graduate education costs	30,000	24,040

11. FUND BALANCES - RESTRICTED

		2023		2022
Internally Restricted				
Student financial aid	$	**940,418**	$	839,565
Student tuition protection fund (in compliance with BC Ministry of Advanced Education tuition protection requirements)		**100,000**		100,000
	$	**1,040,418**	$	939,565

		2023		2022
Externally Restricted				
Theological Education	$	**172,839**	$	211,452
Scholarships		**62,471**		91,733
International Pastoral Leadership		**56,983**		26,611
Other		**12,000**		3,500
Benevolence		**1,187**		1,234
	$	**305,480**	$	334,530

12. FUND BALANCES - ENDOWMENT

		2023		2022
Endowment Fund balances are restricted as follows:				
a) John and Kathryn Froese – The investment income shall be used to honour outstanding communicators of the Gospel at Mennonite Brethren Biblical Seminary.	$	**44,832**	$	44,832
b) Nathan Paul Toews Fund – The investment income shall be used for student scholarships for those preparing for a career in the Christian ministry through the Mennonite Brethren denomination.		**53,510**		53,510
c) Rueben and Emma Baerg Estate – The investment income shall be used for the development and ministry of the Seminary.		**51,454**		51,454
d) Student Aid – The Seminary has received endowments to be used for student aid from the following donors: Cornelius J. Martens, Jacob D. Friesen, J. A. Toews, Sam and Elizabeth Willems, J. J. Toews, J. J. and Lena Toews, Peter and Mina Pauls, Laurence and Leona Hiebert.		**348,684**		348,684
	$	**498,480**	$	498,480

13. COMMITMENTS

The Seminary is part of the ACTS consortium from whom it also leases its office space. The Seminary is committed to provide eighteen months written notice to ACTS in the event the Seminary decides to withdraw from the consortium. Withdrawing from ACTS would also end the Seminary's lease agreement. The Seminary has also agreed to help fund a theological education program at the Canadian Mennonite University over the year. The anticipated payments during the next five years are as follows:

2024	$ 68,107
2025	38,869
2026	39,646
2027	40,439
2028	41,248
	$ 228,309

14. CONTINGENT LIABILITY

The Seminary guaranteed a one-third portion of a $300,000 line of credit for the Associated Canadian Theological Schools Society. As at May 31, 2023 the balance drawn on this line of credit was $Nil (2022 - $Nil).

15. ALLOCATION OF EXPENSES

The Seminary allocates costs, not directly attributable to a program, based on the time spent.

16. COMPARATIVE FIGURES

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with presentation in the current year financial statements. Such reclassification does not have any impact on the total assets, total liabilities, total fund balances, or excess of revenues over expenses previously reported.

MENNONITE BRETHREN BIBLICAL SEMINARY

SCHEDULE OF EXPENSES BY CATEGORY **(Schedule 1)**

FOR THE YEAR ENDED MAY 31, 2023

	General Fund	Restricted Fund	Endowment Fund	**2023 Total**	2022 Total
EXPENSES					
Salaries and benefits	$ 820,938	$ 33,933	$ -	**$ 854,871**	$ 869,658
Shared costs of Associated Canadian Theological Schools	156,520	-	-	**156,520**	126,000
Professional fees	68,801	10,135	-	**78,936**	36,834
Miscellaneous	55,252	-	-	**55,252**	5,479
Rental	37,318	-	-	**37,318**	36,628
Shared costs of Canadian Mennonite University	30,000	-	-	**30,000**	22,500
Advertising and promotion	29,066	-	-	**29,066**	22,171
Travel	24,271	-	-	**24,271**	18,731
Student financial aid	-	17,557	-	**17,557**	16,090
Investment management fees	17,386	-	-	**17,386**	22,119
Course development	14,444	-	-	**14,444**	16,461
Office supplies	12,976	-	-	**12,976**	6,885
Office furniture and equipment	9,862	-	-	**9,862**	5,260
Professional development	8,683	-	-	**8,683**	890
Interest and bank charges	5,580	26	-	**5,606**	4,812
Insurance	4,934	-	-	**4,934**	5,265
Amortization of property and equipment	3,244	-	-	**3,244**	3,514
Bad debts (recovery)	-	(5,460)	-	**(5,460)**	27,875
TOTAL	$ 1,299,275	$ 56,191	$ -	**$ 1,355,466**	$ 1,247,172