
MENNONITE BRETHREN BIBLICAL SEMINARY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2025

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, 2025, 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, 2025, 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.

INDEPENDENT AUDITORS' REPORT

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 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;
- Identified fraud or suspected fraud; and
- Other matters related to fraud that are, in our judgment, relevant to the responsibilities of those charged with governance

manning elliott LLP

Chartered Professional Accountants
Vancouver, British Columbia
November 14, 2025

MENNONITE BRETHREN BIBLICAL SEMINARY
STATEMENT OF FINANCIAL POSITION
AS AT MAY 31, 2025

	General Fund	Restricted Fund	Endowment Fund	2025 Total	2024 Total
ASSETS					
CURRENT					
Cash and cash equivalents	\$ 707,570	\$ 55,550	\$ -	\$ 763,120	\$ 781,440
Accounts receivable (Note 11)	21,689	-	-	21,689	13,002
Interest receivable (Note 4)	-	878	-	878	1,201
GST recoverable	5,301	-	-	5,301	1,408
Investments (Note 5)	192,341	1,753,221	538,229	2,483,791	2,324,484
Due from The Canadian Conference of the Mennonite Brethren Church of North America (Notes 4, 11)	373,522	60,631	-	434,153	413,381
Due from Associated Canadian Theological Schools (Note 11)	14,462	-	-	14,462	14,462
Current portion of loans receivable (Note 6)	-	600	-	600	3,536
	1,314,885	1,870,880	538,229	3,723,994	3,552,914
LOANS RECEIVABLE (Note 6)	-	3,650	-	3,650	4,450
PROPERTY AND EQUIPMENT (Note 7)	19,462	-	-	19,462	22,706
	\$ 1,334,347	\$ 1,874,530	\$ 538,229	\$ 3,747,106	\$ 3,580,070
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities (Note 11)	\$ 38,409	\$ -	\$ -	\$ 38,409	\$ 27,040
Deferred revenue (Note 9)	6,363	-	-	6,363	8,801
	44,772	-	-	44,772	35,841
DEFERRED CAPITAL CONTRIBUTIONS (Note 10)	15,000	-	-	15,000	17,500
	59,772	-	-	59,772	53,341
FUND BALANCES					
RESTRICTED FUNDS					
INTERNALLY RESTRICTED (Note 12)	-	1,575,184	-	1,575,184	1,485,206
EXTERNALLY RESTRICTED (Note 12)	-	299,346	-	299,346	291,111
ENDOWMENT FUND (Note 13)	-	-	538,229	538,229	498,480
UNRESTRICTED	1,274,575	-	-	1,274,575	1,251,932
	1,274,575	1,874,530	538,229	3,687,334	3,526,729
	\$ 1,334,347	\$ 1,874,530	\$ 538,229	\$ 3,747,106	\$ 3,580,070

COMMITMENTS (Note 14)

CONTINGENT LIABILITIES (Note 15)

Approved by the Board

Director

Director

MENNONITE BRETHREN BIBLICAL SEMINARY
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MAY 31, 2025

	General Fund	Restricted Fund	Endowment Fund	2025 Balance
FUND BALANCES, BEGINNING OF YEAR	\$ 1,251,932	\$ 1,776,317	\$ 498,480	\$ 3,526,729
Excess of revenues over expenses for the year	112,314	8,542	39,749	160,605
Interfund transfers (<i>Note 2(a), Note 12</i>)	(89,671)	89,671	-	-
FUND BALANCES, END OF YEAR	\$ 1,274,575	\$ 1,874,530	\$ 538,229	\$ 3,687,334
	General Fund	Restricted Fund	Endowment Fund	2024 Balance
FUND BALANCES, BEGINNING OF YEAR	\$ 1,099,201	\$ 1,345,898	\$ 498,480	\$ 2,943,579
Excess of revenues over expenses for the year	472,853	110,297	-	583,150
Interfund transfers (<i>Note 2(a), Note 12</i>)	(320,122)	320,122	-	-
FUND BALANCES, END OF YEAR	\$ 1,251,932	\$ 1,776,317	\$ 498,480	\$ 3,526,729

MENNONITE BRETHREN BIBLICAL SEMINARY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MAY 31, 2025

	General Fund	Restricted Fund	Endowment Fund	2025 Total	2024 Total
REVENUES					
Donations					
General	\$ 493,268	\$ 29,595	\$ 39,749	\$ 562,612	\$ 778,729
Congregations	218,511	-	-	218,511	233,712
Denomination support (Note 11)	140,000	-	-	140,000	140,000
Legacy/Estates	12,592	-	-	12,592	19,409
Programs					
Associated Canadian Theological Schools (Note 11)	185,574	-	-	185,574	219,535
Associated Canadian Theological Schools World Campus (Note 11)	110,802	-	-	110,802	113,453
Teaching Church Initiative	97,586	-	-	97,586	78,485
Other	5,500	-	-	5,500	9,902
	1,263,833	29,595	39,749	1,333,177	1,593,225
EXPENSES (Schedule 1)					
Shared Graduate Education Costs					
Associated Canadian Theological Schools (Note 11)	406,142	-	-	406,142	449,873
Associated Canadian Theological Schools World Campus (Note 11)	116,849	-	-	116,849	113,891
Canadian Mennonite University (Note 11)	-	-	-	-	30,000
Other administrative charges	197,420	-	-	197,420	153,119
Executive Administration	192,168	-	-	192,168	175,412
Advancement	189,527	-	-	189,527	162,305
Teaching Church Initiative	80,772	47,538	-	128,310	129,275
Centre Spiritual Care Fund	58,898	1,594	-	60,492	-
Rent (Note 11)	41,605	-	-	41,605	40,192
Student financial aid	-	34,380	-	34,380	15,496
Graduate education costs	19,084	-	-	19,084	1,284
Board related costs	3,687	-	-	3,687	3,877
Leadership development	166	-	-	166	5,686
Student recruitment	-	-	-	-	500
	1,306,318	83,512	-	1,389,830	1,280,910
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS					
	(42,485)	(53,917)	39,749	(56,653)	312,315
OTHER INCOME (EXPENSE)					
Investment income (Note 11)	149,928	72,428	-	222,356	167,853
Change in fair market value of investments	(20,641)	(9,969)	-	(30,610)	89,133
Gain on foreign exchange	25,512	-	-	25,512	13,849
	154,799	62,459	-	217,258	270,835
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	\$ 112,314	\$ 8,542	\$ 39,749	\$ 160,605	\$ 583,150

MENNONITE BRETHREN BIBLICAL SEMINARY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MAY 31, 2025

	General Fund	Restricted Fund	Endowment Fund	2025 Total	2024 Total
OPERATING ACTIVITIES					
Excess of revenues over expenses for the year	\$ 112,314	\$ 8,542	\$ 39,749	\$ 160,605	\$ 583,150
Items not affecting cash:					
Amortization of property and equipment	3,244	-	-	3,244	3,243
Amortization of deferred capital contributions	(2,500)	-	-	(2,500)	(2,500)
Change in fair market value of investments	20,641	9,969	-	30,610	(89,133)
Gain on foreign exchange	(25,512)	-	-	(25,512)	(13,849)
Changes in non-cash working capital	108,187 (3,649)	18,511 323	39,749 -	166,447 (3,326)	480,911 (1,839)
	104,538	18,834	39,749	163,121	479,072
INVESTING ACTIVITIES					
Proceeds from loans receivable	-	3,736	-	3,736	5,200
Net changes in investments	290,555	(415,211)	(39,749)	(164,405)	(133,015)
Due from The Canadian Conference of Mennonite Brethren Church of North America	(17,871)	(2,901)	-	(20,772)	(19,598)
	272,684	(414,376)	(39,749)	(181,441)	(147,413)
OTHER					
Interfund transfers	(89,671)	89,671	-	-	-
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR					
	287,551	(305,871)	-	(18,320)	331,659
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR					
	420,019	361,421	-	781,440	449,781
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 707,570	\$ 55,550	\$ -	\$ 763,120	\$ 781,440

MENNONITE BRETHREN BIBLICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2025

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 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.

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 the Seminary's restricted assets and restricted fund balances.

The Endowment Fund reports the endowments of the Seminary.

Transfers between the funds are made when they are considered appropriate and when they are authorized by the Board. These interfund transfers are reporting in the statement of changes in fund balances.

MENNONITE BRETHREN BIBLICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2025

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.

MENNONITE BRETHREN BIBLICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2025

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 property and equipment's fair value or replacement cost when conditions indicate that a property and equipment is impaired. Such conditions include when the property and equipment 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 property and equipment 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, 2025, 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, the determination of the useful lives of property and equipment used for calculating amortization, amounts recorded as accrued liabilities, measurement of deferred revenue and deferred capital contributions 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.

MENNONITE BRETHREN BIBLICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2025

3. FINANCIAL INSTRUMENTS RISKS

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, 2025. 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, the Seminary is not exposed to any material concentrations of risk and 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, amounts due from the Canadian Conference of the Mennonite Brethren Church of North America, amounts 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. At May 31, 2025 and 2024, an allowance for doubtful accounts was not considered necessary by management.

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, 2025, the Seminary has cash and cash equivalents of \$62,971 CAD (2024 – \$52,043 CAD) and equity investments of \$1,343,652 CAD (2024 – \$1,087,225 CAD) that are denominated in U.S. 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.

MENNONITE BRETHREN BIBLICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2025

3. FINANCIAL INSTRUMENTS RISKS (*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. 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 rates ranging from 3.50% to 5.00% (2024 - 4.75% to 5.00) per annum. Interest is payable semi-annually and the investments are redeemable at any time without penalty.

5. INVESTMENTS

	2025	2024
General Fund		
Equity investments	\$ 192,341	\$ 478,025
Restricted Fund		
Equity investments	1,753,221	1,347,979
Endowment Fund		
Equity investments	538,229	498,480
	\$ 2,483,791	\$ 2,324,484

MENNONITE BRETHREN BIBLICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2025

6. LOANS RECEIVABLE

	2025	2024
Loans:		
Interest free	\$ 4,250	\$ 7,986
	4,250	7,986
Current portion	(600)	(3,536)
	\$ 3,650	\$ 4,450

The loans receivable are from Canadian and American students who were enrolled 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.

7. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Furniture and equipment	\$ 5,403	\$ 5,403	\$ -	\$ -
Leasehold improvements	32,437	12,975	19,462	22,706
	\$ 37,840	\$ 18,378	\$ 19,462	\$ 22,706

8. BANK LINE OF CREDIT

The Seminary has an operating line of credit to a maximum of \$100,000 (2024 - \$100,000) with VanCity. Funds advanced under this line of credit bear interest at 1.25% (2024 - 1.25%) over VanCity's prime lending rate. The line of credit is secured by a general security agreement providing a charge over all assets of the Seminary. As at May 31, 2025 and 2024, no amounts were drawn on the line of credit.

9. DEFERRED REVENUE

In fiscal 2023, the Society received \$18,936 from the In Trust Center for Theological Schools. This funding has been restricted for use at the Navigate Bible Conferences. As at May 31, 2025, \$6,363 (2024 - \$8,801) has been deferred in accordance with the Seminary's revenue recognition policy as described in Note 2(b).

MENNONITE BRETHREN BIBLICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2025

10. 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.

	2025	2024
Balance, beginning of year	\$ 17,500	\$ 20,000
Amount recognized as revenue during the year	(2,500)	(2,500)
Balance, end of year	\$ 15,000	\$ 17,500

11. RELATED PARTY TRANSACTIONS

The Seminary is related to the Associated Canadian Theological Schools Society ("ACTS") through its membership in ACTS. 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, 2025, the Seminary had the following balances and during the year engaged in the following transactions with these related parties, including the disclosure in Note 15. 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.

	2025	2024
Associated Canadian Theological Schools Society		
Accounts receivable	\$ -	\$ 1,638
Due from Associated Canadian Theological Schools	14,462	14,462
Program revenues - ACTS	185,574	219,535
Program revenues - ACTS World Campus	110,802	113,453
Shared graduate education costs - ACTS	406,142	449,873
Shared graduate education costs - ACTS World Campus	116,849	113,891
Rent	41,605	40,192
The Canadian Conference of the Mennonite Brethren Church of North America		
Due from The Canadian Conference of the Mennonite Brethren Church of North America	\$ 434,153	\$ 413,381
Denomination support	140,000	140,000
Interest income	18,463	19,598

MENNONITE BRETHREN BIBLICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2025

12. FUND BALANCES - RESTRICTED

	2025	2024
Internally Restricted		
Student financial aid	\$ 1,155,511	\$ 1,061,856
Administrative	271,808	223,350
Student tuition protection fund (in compliance with BC Ministry of Advanced Education tuition protection requirements)	100,000	100,000
The Centre for Education and Advancement of Spiritual Care	47,865	100,000
	\$ 1,575,184	\$ 1,485,206

During the year \$89,671 (2024 - \$320,122) was transferred from the general fund to the internally restricted fund to allocate interest income earned on the internally restricted investments, cover administrative expenses of the internally restricted fund as well as increase the amounts held for student financial aid.

Externally Restricted

Scholarships	\$ 113,272	\$ 98,734
Theological Education	86,705	121,229
International Pastoral Leadership	61,101	58,523
Other	36,894	11,355
Benevolence	1,374	1,270
	\$ 299,346	\$ 291,111

13. FUND BALANCES - ENDOWMENT

	2025	2024
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.	\$ 84,581	\$ 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
	\$ 538,229	\$ 498,480

MENNONITE BRETHREN BIBLICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2025

14. COMMITMENTS

The Seminary is part of the ACTS consortium from whom it also leases its office space. The ACTS consortium will dissolve April 30, 2026, which will also end the Seminary's lease agreement as of May 31, 2026. The anticipated payments during the next fiscal year are as follows:

	2026	\$ <u>42,594</u>
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15. CONTINGENT LIABILITIES

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, 2025 the balance drawn on this line of credit was \$Nil (2024 - \$Nil). No fee is charged for this guarantee.

As at May 31, 2025, the Seminary was involved in negotiations relating to a former employee. The outcome of this matter is currently uncertain. Management has determined that they are unable to reliably estimate the amount of any potential loss, if any. The Seminary will continue to monitor the situation and will record a liability when the amount of settlement can be reasonably estimated.

16. ALLOCATION OF EXPENSES

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

MENNONITE BRETHREN BIBLICAL SEMINARY
SCHEDULE OF EXPENSES BY CATEGORY
FOR THE YEAR ENDED MAY 31, 2025

(Schedule 1)

	General Fund	Restricted Fund	Endowment Fund	2025 Total	2024 Total
EXPENSES					
Salaries and benefits	\$ 913,609	\$ 48,575	\$ -	\$ 962,184	\$ 881,757
Shared costs of Associated Canadian Theological Schools	162,240	-	-	162,240	162,240
Professional fees	60,121	531	-	60,652	49,020
Rental	41,605	-	-	41,605	40,192
Student financial aid	-	34,380	-	34,380	15,496
Travel	32,297	-	-	32,297	19,720
Investment management fees	26,063	-	-	26,063	18,355
Office furniture and equipment	11,850	-	-	11,850	4,312
Office supplies	11,404	-	-	11,404	12,029
Miscellaneous	10,019	-	-	10,019	10,194
Advertising and promotion	9,073	26	-	9,099	7,046
Course development	9,092	-	-	9,092	12,716
Interest and bank charges	7,260	-	-	7,260	6,437
Insurance	5,815	-	-	5,815	5,497
Amortization of property and equipment	3,244	-	-	3,244	3,243
Professional development	2,626	-	-	2,626	2,656
Shared costs of Canadian Mennonite University	-	-	-	-	30,000
TOTAL	\$ 1,306,318	\$ 83,512	\$ -	\$ 1,389,830	\$ 1,280,910