

**BRIERCREST COLLEGE AND
SEMINARY**

***NON-CONSOLIDATED FINANCIAL
STATEMENTS***

June 30, 2023

Independent Auditor's Report

To the Board of Directors of
Briercrest College and Seminary

Opinion

We have audited the non-consolidated financial statements of Briercrest College and Seminary (the "Organization"), which comprise the non-consolidated statement of financial position as at June 30, 2023, and the non-consolidated statements of operations and changes in fund balances, and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "non-consolidated financial statements").

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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 Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-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 GAAS 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 non-consolidated financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated 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 Organization'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 Organization'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 non-consolidated 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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

Deloitte LLP

Chartered Professional Accountants
Regina, Saskatchewan
November 3, 2023

Briercrest College and Seminary

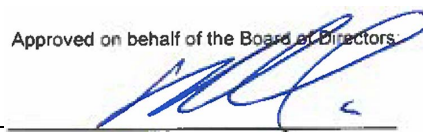
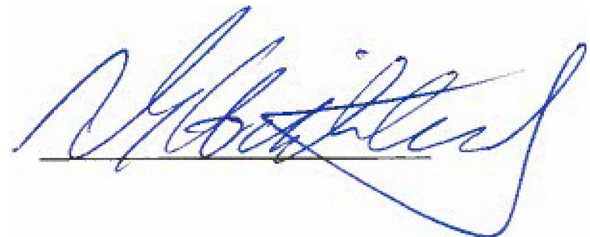
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30

	2023						Total	2022
	Operating Fund	Capital Asset Fund	Educational Projects Fund	Mission Trust Fund	Annuity Fund	Endowment Fund		
	\$	\$	\$	\$	\$	\$	\$	
ASSETS								
Current								
Cash	960,081	103,327	59,187	32,107	16,567	427,316	1,598,585	2,193,201
Accounts receivable [note 3]	184,843	-	-	-	-	-	184,843	116,618
Inventory	74,719	-	-	-	-	-	74,719	76,073
Investments [note 4]	1,104,755	1,102,545	1,727,671	-	-	-	3,934,971	4,911,282
Prepaid expenses and supplies	277,751	-	-	-	-	-	277,751	215,779
Total current assets	2,602,149	1,205,872	1,786,858	32,107	16,567	427,316	6,070,869	7,512,953
Loans receivable	27,917	111,119	-	-	-	-	139,036	149,760
Investments [note 4]	-	-	-	-	-	2,735,349	2,735,349	2,528,747
Capital assets [note 5]	-	7,382,372	-	-	-	-	7,382,372	7,257,660
Other assets [note 6]	-	16,819	-	-	-	-	16,819	-
	2,630,066	8,716,182	1,786,858	32,107	16,567	3,162,665	16,344,445	17,449,120
LIABILITIES AND FUND BALANCES								
Current								
Accounts payable and accrued charges	1,093,166	-	-	-	657	-	1,093,823	1,122,227
Deferred revenue and deposits [note 7]	434,238	-	-	-	-	-	434,238	323,452
Due (from) to other funds	(1,156,393)	832,271	175,430	-	-	148,692	-	-
Current portion of capital lease obligations [note 8]	-	3,851	-	-	-	-	3,851	26,796
Total current liabilities	371,011	836,122	175,430	-	657	148,692	1,531,912	1,472,475
Capital lease obligations [note 8]	-	275	-	-	-	-	275	4,126
Life annuity bond agreements [note 9]	-	-	-	-	55,000	-	55,000	55,000
Investment loss on subsidiary	4,915	-	-	-	-	-	4,915	-
Total liabilities	375,926	836,397	175,430	-	55,657	148,692	1,592,102	1,531,601
Fund balances								
Invested in capital assets	-	7,879,785	-	-	-	-	7,879,785	8,401,010
Externally restricted	-	-	1,611,428	32,107	-	2,886,024	4,529,559	4,631,753
Internally restricted	-	-	-	-	(39,090)	127,949	88,859	49,651
Unrestricted	2,254,140	-	-	-	-	-	2,254,140	2,835,105
Total fund balances	2,254,140	7,879,785	1,611,428	32,107	(39,090)	3,013,973	14,752,343	15,917,519
	2,630,066	8,716,182	1,786,858	32,107	16,567	3,162,665	16,344,445	17,449,120

The accompanying notes are an integral part of the non-consolidated financial statements

Approved on behalf of the Board of Directors:

Briercrest College and Seminary

NON-CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Year ended June 30

	Operating Fund		Restricted Funds				Endowment Fund		
	2023	2022	Capital	Educational	Mission	Total	Total	2023	2022
			Asset	Projects	Trust				
	\$	\$	2023	2023	2023	2023	2022	\$	\$
REVENUES									
Tuition and fees	8,651,718	9,101,426	-	-	-	-	-	-	-
Donations	2,338,528	1,767,412	48,882	387,515	120	-	2,309,928	168,444	157,549
Government grants and assistance [note 10]	242,600	975,686	-	-	-	-	-	-	-
Investment income (loss) [note 11]	194,348	(263,798)	93,836	329,323	-	-	(716,671)	-	-
Ancillary operations	725,028	511,160	-	-	-	-	-	-	-
General sales	1,027,317	588,730	-	-	-	-	-	-	-
Rentals	934,425	882,555	-	-	-	-	-	-	-
Miscellaneous	254,932	68,934	116,378	-	-	-	215,757	-	-
	14,368,896	13,632,105	259,096	716,838	120	-	1,809,014	168,444	157,549
EXPENSES									
Operating expenses	6,555,159	6,012,558	1,869	-	2,077	-	33,415	-	-
Salaries and benefits	7,555,879	6,827,957	-	-	-	-	-	-	-
Ancillary cost of goods sold	801,577	738,969	-	-	-	-	-	-	-
Amortization	-	-	777,607	-	-	-	946,921	-	-
Interest	-	-	269	-	-	-	1,506	-	-
Scholarships and annuity payments	-	-	-	531,543	-	6,030	452,899	-	-
Program development expenses	-	(39,818)	-	417,702	-	-	332,978	-	-
Miscellaneous	28,282	(4,784)	576	-	-	-	-	-	-
	14,940,897	13,534,882	780,321	949,245	2,077	6,030	1,767,719	-	-
(Deficiency) Excess of revenues over expenses	(572,001)	97,223	(521,225)	(232,407)	(1,957)	(6,030)	41,295	168,444	157,549
Fund balances, beginning of year	2,835,105	2,737,882	8,401,010	1,905,686	34,064	(33,060)	10,019,421	2,774,714	2,864,149
Interfund transfers [note 12]	(8,964)	-	-	(61,851)	-	-	246,984	70,815	(246,984)
Fund balances, end of year	2,254,140	2,835,105	7,879,785	1,611,428	32,107	(39,090)	10,307,700	3,013,973	2,774,714

The accompanying notes are an integral part of the non-consolidated financial statements

Briercrest College and Seminary

NON-CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended June 30

	Operating Fund 2023 \$	Capital Asset Fund 2023 \$	Educational Projects Fund 2023 \$	Mission Trust Fund 2023 \$	Annuity Fund 2023 \$	Endowment Fund 2023 \$	Total 2023 \$	Total 2022 \$
OPERATING ACTIVITIES								
(Deficiency) Excess of revenues over expenses	(572,001)	(521,225)	(232,407)	(1,957)	(6,030)	168,444	(1,165,176)	296,067
Add charges to operations not requiring a current cash payment								
Unrealized (gain) loss on investments	(198,178)	(92,470)	(78,314)	-	-	(185,718)	(554,680)	1,071,042
Amortization of capital assets	-	777,607	-	-	-	-	777,607	946,921
Contributed capital assets	-	(38,732)	-	-	-	-	(38,732)	(763,976)
Gain on disposal of capital assets	-	(32,882)	-	-	-	-	(32,882)	(112,455)
	(770,179)	92,298	(310,721)	(1,957)	(6,030)	(17,274)	(1,013,863)	1,437,599
Net change in non-cash working capital balances related to operations <i>[note 13]</i>	(41,546)	(16,819)	-	-	-	-	(58,365)	869,017
Cash provided by (used in) operating activities	(811,725)	75,479	(310,721)	(1,957)	(6,030)	(17,274)	(1,072,228)	2,306,616
INVESTING ACTIVITIES								
Purchase of investments	(2,594,315)	(15,436)	(42,105)	-	-	(49,861)	(2,701,717)	(5,096,097)
Proceeds on disposal of investments	3,618,147	12,311	213,858	-	-	30,781	3,875,097	2,212,192
Realized loss on investments	149,173	1,759	1,981	-	-	(1,904)	151,009	119,039
Purchase of capital assets	-	(914,820)	-	-	-	-	(914,820)	(636,785)
Proceeds on disposal of capital assets	-	84,115	-	-	-	-	84,115	194,707
Cash provided (used in) by investing activities	1,173,005	(832,071)	173,734	-	-	(20,984)	493,684	(3,206,944)
FINANCING ACTIVITIES								
Addition of loans receivable	-	-	-	-	-	-	-	(111,119)
Repayment of loans receivable	10,724	-	-	-	-	-	10,724	1,379
Repayment of capital lease obligations	-	(26,796)	-	-	-	-	(26,796)	(33,765)
Repayment of amounts due to (from) other funds	(406,338)	185,121	(10,759)	-	-	231,976	-	-
Reduction of life annuity bond agreements	-	-	-	-	-	-	-	(2,000)
Cash (used in) provided by financing activities	(395,614)	158,325	(10,759)	-	-	231,976	(16,072)	(145,505)
Net (decrease) increase in cash during the year	(34,334)	(598,267)	(147,746)	(1,957)	(6,030)	193,718	(594,616)	(1,045,833)
Cash, beginning of year	1,003,379	701,594	268,784	34,064	22,597	162,783	2,193,201	3,239,034
Interfund transfers	(8,964)	-	(61,851)	-	-	70,815	-	-
Cash, end of year	960,081	103,327	59,187	32,107	16,567	427,316	1,598,585	2,193,201

The accompanying notes are an integral part of the non-consolidated financial statements

BRIERCREST COLLEGE AND SEMINARY

Notes to Non-Consolidated Financial Statements

Year Ended June 30, 2023

1. PURPOSE OF THE ORGANIZATION

Briercrest College and Seminary (the “Organization”) is a partnership of three Christ-centred, Bible-anchored, ministry-focused schools that thrive in the context of a vibrant spiritual community. The Organization operates as Briercrest Christian Academy, College and Seminary, together with various ancillary businesses. The Organization is incorporated under An Act to Incorporate Briercrest College and Seminary in the province of Saskatchewan and operates as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”) and reflect the following significant accounting policies:

Fund accounting

The accounts of the Organization are maintained in accordance with the principles of fund accounting in order that limitations and restrictions placed on the use of available resources are observed. Under fund accounting, resources are classified for accounting and reporting purposes into funds with activities or objectives specified. For financial reporting purposes, the accounts have been classified into the following funds:

The **Operating Fund** records the operating revenue, which includes any unrestricted contributions and revenue and expenditures, and the related assets and liabilities.

The **Capital Asset Fund** records capital assets, any corresponding indebtedness, and the revenue and expenditures related to these assets and liabilities.

The **Endowment Fund** records permanently endowed contributions and investment income to be held for student and faculty scholarships, library resources and faculty chairs.

The **Educational Projects Fund** records donations received for the assistance and development of charitable and educational programs and investment income earned on endowed contributions for future awards.

The **Mission Trust Fund** records donations received for mission projects as approved by the Organization.

The **Annuity Fund** records funds acquired by the Organization under the terms of life annuity bond agreements.

BRIERCREST COLLEGE AND SEMINARY

Notes to Non-Consolidated Financial Statements

Year Ended June 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of non-consolidated financial statements in conformity with ASNPO requires management to make estimates and use assumptions that affect reported amounts of assets and liabilities at the date of the non-consolidated financial statements and the reported amounts of revenue and expenses during the year. Key components of the non-consolidated financial statements requiring management to make estimates include allowance for doubtful accounts and the useful lives of capital assets. Actual results could differ from those estimates.

Revenue and expense recognition

The Organization follows the restricted fund method whereby externally restricted contributions (grants and donations) are recognized in the fund corresponding to the purpose for which they were contributed.

Restricted contributions for which no corresponding restricted fund is presented must be recognized in the Operating Fund using the deferral method. Unrestricted contributions are recognized as revenues in the Operating Fund in the year received if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations are recorded as revenue only when received; pledges are not recorded in the accounts.

Tuition, ancillary revenue, general sales and rental income are recorded when services are provided.

Government assistance and grants towards current expenditures have been included in revenue of the Operating Fund.

Investment income includes interest income, realized investment gains and losses on sales of investments measured at amortized cost, and unrealized gains and losses on investments measured at fair value.

Investment income on Endowment Fund resources that is not endowed is recognized as revenue in the Educational Projects Fund when earned. Investment income on the resources of all other restricted funds is recognized as revenue in the respective fund when earned. Other investment income is recognized as revenue of the Operating Fund when earned.

Contributed materials

Contributed materials normally purchased of \$38,732 (\$763,976 - 2022) are recorded at their fair value. The fair value is determined in relation to the market value of similar materials.

BRIERCREST COLLEGE AND SEMINARY

Notes to Non-Consolidated Financial Statements

Year Ended June 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments, which the Organization has measured at fair market value.

Transaction costs related to financial instruments measured subsequent to initial recognition at fair value are expensed as incurred. Transaction cost related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in net earnings as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Organization recognizes in net earnings an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net earnings in the period the reversal occurs.

Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances, including bank overdraft with a balance that fluctuate frequently from being positive to overdrawn.

Inventory

Inventory is valued at the lower of cost and net realizable value, determined on an average cost basis for the bookstore and on a first-in, first-out basis for the other inventory. Net realizable value is the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale. Any write-down of inventory to its net realizable value is recognized as an expense in the period. When the net realizable value subsequently increases, the previously recognized impairment loss is reversed and recognized as a reduction in the amount of inventories expensed to cost of sales in the period the reversal occurs.

Capital assets

Capital assets are recorded at cost. When capital assets are sold or retired, the related cost and accumulated amortization are removed from the respective accounts and any gain or loss is recorded in the non-consolidated statement of operations and changes in fund balances. Expenditures for repairs and maintenance are expensed as incurred.

BRIERCREST COLLEGE AND SEMINARY

Notes to Non-Consolidated Financial Statements

Year Ended June 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets (continued)

Capital assets are amortized over their estimated useful lives using the straight-line method at the following rates:

Land improvements	10 years
Buildings	10 – 40 years
Electrical distribution system	25 years
Furniture and equipment	4, 5, 10 or 20 years
Library resources	4 or 20 years
Vehicles	5 years
Equip./Veh. under Capital lease	5 years

Capital assets under construction are not amortized until they are placed in service.

Impairment of capital assets

When a capital asset no longer contributes to the Organization's ability to provide goods and services, or the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost.

Cloud computing arrangements

Expenditures from cloud computing arrangements are accounted for as a software service. Any expenditures that are directly attributable to implementing the software service are capitalized as incurred. Capitalized amounts are amortized over the expected period of access to the software service of 5 years using the straight-line method.

Employee future benefits

The Organization has made contributions of \$119,426 (\$113,237 - 2022) to a defined contribution employee future benefit plan. These contributions are expensed as incurred.

Subsidiaries

Briercrest has a 100% owned subsidiary, 102141386 Saskatchewan Ltd., which is a profit-oriented organization that holds Briercrest's ownership interest in CanWest Sports Science and Performance Centre Inc. The subsidiary is accounted for using the equity method.

BRIERCREST COLLEGE AND SEMINARY

Notes to Non-Consolidated Financial Statements

Year Ended June 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Application of new accounting guidance

On July 1, 2022 the Organization early adopted the new accounting guideline AcG-20, Customer's Accounting for Cloud Computing Arrangements. This guideline provides guidance on accounting for a customer's expenditures in a cloud computing arrangement, and determining whether a software intangible asset exists in the arrangement. The overall impact of adoption is the recognition of a new asset along with the required disclosure. This guidance was adopted early as permitted, with an effective date for years beginning on or after January 1, 2024.

3. ACCOUNTS RECEIVABLE

	2023 \$	2022 \$
Trade	38,761	18,357
Student	49,716	50,382
Rent	1,566	4,722
Government assistance	-	456
Other	134,862	54,504
	<u>224,905</u>	<u>128,421</u>
Less: Allowance for doubtful accounts	40,062	11,803
	<u>184,843</u>	<u>116,618</u>

4. INVESTMENTS

	2023		2022	
	Cost \$	Carrying Value \$	Cost \$	Carrying Value \$
Mutual Funds – CAD	4,195,491	4,120,380	5,543,661	5,130,889
Mutual Funds – International	1,408,768	1,397,682	1,446,293	1,298,489
Mutual Funds – USD	1,210,655	1,152,258	1,149,249	1,010,551
Shares	-	-	100	100
	<u>6,814,914</u>	<u>6,670,320</u>	<u>8,139,303</u>	<u>7,440,029</u>
Less: current portion	4,194,489	3,934,971	5,539,812	4,911,282
	<u>2,620,425</u>	<u>2,735,349</u>	<u>2,599,491</u>	<u>2,528,747</u>

BRIERCREST COLLEGE AND SEMINARY

Notes to Non-Consolidated Financial Statements

Year Ended June 30, 2023

5. CAPITAL ASSETS

	2023		2022	
	Cost \$	Accumulated Amortization \$	Cost \$	Accumulated Amortization \$
Land	213,260	-	213,260	-
Land improvements	326,017	109,257	326,017	92,903
Buildings	25,693,440	19,767,790	25,028,965	19,289,017
Electrical distribution system	7,977	6,063	21,326	19,092
Furniture and equipment	1,658,766	1,229,995	1,587,325	1,134,068
Library resources	1,241,233	738,465	1,261,761	744,550
Vehicles	566,283	477,081	553,057	470,069
Equip./Veh. under capital lease	18,370	14,323	175,664	160,016
	29,725,346	22,342,974	29,167,375	21,909,715
Less:				
Accumulated amortization	22,342,974		21,909,715	
Net book value	7,382,372		7,257,660	

6. OTHER ASSETS

	2023 \$	2022 \$
Software implementation costs	18,688	-
Less: Accumulated amortization	1,869	-
	16,819	-

7. DEFERRED REVENUE AND DEPOSITS

	2023 \$	2022 \$
Advance fees	354,617	240,490
Damage fee deposits	79,621	82,962
	434,238	323,452

8. CAPITAL LEASE OBLIGATIONS

	2023 \$	2022 \$
Capital lease obligations repayable to Davlyn Corporation at rates of 3.45%, repayable in monthly installments of \$2,136, matured in September 2022.	-	14,422
Capital lease obligations repayable to Toyota Credit Canada Inc. at rates of 3.45 %, repayable in monthly installments of \$351, matured in September 2022.	-	8,579

BRIERCREST COLLEGE AND SEMINARY

Notes to Non-Consolidated Financial Statements

Year Ended June 30, 2023

8. CAPITAL LEASE OBLIGATIONS (continued)

Capital lease obligations repayable to Hyundai Capital Lease Inc. at rates of 1.49 %, repayable in monthly installments of \$324, maturing in July 2024.

	4,126	7,921
	4,126	30,922
Less: current portion	3,851	26,796
	275	4,126

Principal repayments due in each of the next two years are as follows:

	\$
2024	3,851
2025	275

9. COMMITMENTS AND CONTINGENT OBLIGATIONS

The Organization has established a gift annuity plan as a form of public support and, in exchange for contributions held in trust, obligates itself to pay donors fixed annual returns for life at rates varying from 5% to 13% (life annuity bond agreements). At the time of an annuitant's death, the principal balance passes to the Organization and is recorded as a donation in the Annuity Fund.

During the year \$6,030 (\$6,032 - 2022) of annuity payments were made. No external actuarial estimate of the annuity liability has been made.

10. GOVERNMENT ASSISTANCE

In response to COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS") program in March 2020 and the Canada Recovery Hiring Program ("CRHP") in June 2021. CEWS and CRHP provided a wage subsidy on eligible remuneration, subject to a maximum per employee, to eligible employers based on meeting certain eligibility criteria, including demonstration of revenue declines as a result of COVID-19. The Organization has assessed its eligibility related to CEWS and CRHP and determined it has qualified for the subsidies. Government assistance specifically from CEWS and CRHP in the amount of \$nil (\$677,340 - 2022) is included in government grants and assistance on the non-consolidated statement of operations and changes in fund balances.

As at June 30, 2023, \$nil (\$456 - 2022) related to CRHP was receivable and is included in accounts receivable on the non-consolidated statement of financial position.

11. INVESTMENT INCOME (LOSSES) ON AMOUNTS HELD IN THE ENDOWMENT FUND

Investment income for the year on amounts held in the Endowment Fund of \$219,507 (\$371,097 loss - 2022) was allocated to the Educational Projects Fund.

BRIERCREST COLLEGE AND SEMINARY

Notes to Non-Consolidated Financial Statements

Year Ended June 30, 2023

12. INTERFUND TRANSACTIONS

The Operating Fund transferred \$8,964 to the Educational Projects Fund to fund shortfalls in certain scholarships.

The Educational Projects Fund transferred \$71,570 to the Endowment Fund to be preserved and applied towards financing future provision of scholarships.

The Endowment Fund transferred \$755 (\$246,984 – 2022) to the Educational Projects Fund to finance the provision of scholarships.

13. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS

	2023 \$	2022 \$
(INCREASE) DECREASE IN		
Accounts receivable	(68,225)	769,141
Other assets	(16,819)	-
Inventory	1,354	4,254
Prepaid expenses and supplies	(61,972)	(35,307)
Equities in co-operatives	-	5
(DECREASE) INCREASE IN		
Accounts payable and accrued charges	(28,404)	14,742
Deferred revenue and deposits	110,786	116,182
Investment loss on subsidiary	4,915	-
	(58,365)	869,017

14. LEASE COMMITMENTS

The Organization is committed to payments under term lease agreements as follows:

	\$
2024	24,500
2025	24,500
2026	24,500
2027	24,500
2028	18,375

BRIERCREST COLLEGE AND SEMINARY

Notes to Non-Consolidated Financial Statements

Year Ended June 30, 2023

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Organization, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments. The following analysis provides a measurement of risk at June 30, 2023.

Credit Risk

The Organization's principal financial assets are cash, investments and accounts receivable which are subject to credit risk. The carrying amount of financial assets on the non-consolidated statement of financial position represents the Organization's maximum credit exposure at the non-consolidated statement of financial position date.

The Organization's credit risk is primarily attributable to trade and student receivables. The amounts disclosed in the non-consolidated statement of financial position are net of allowance for doubtful accounts, estimated by management based on previous experience and its assessment of the current economic environment. The Organization does not have significant exposure to any individual customer and has not incurred any significant bad debts during the year.

The credit risk associated with cash is minimized as cash is held with reputable Canadian credit unions and investments are held with highly rated financial management companies.

Interest Rate Risk

The Organization is exposed to interest rate risk on its floating interest rate financial instruments. Floating rate instruments subject the Organization to a cash flow risk. The Organization is exposed to these risks as a result of investments in mutual funds. The Organization does not use derivative instruments to reduce exposure to risk.

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. The Organization is exposed to other price risk through its investments in mutual funds for which the value fluctuates with the quoted market price. This risk is mitigated by maintaining a mixed asset portfolio and pooled investments.

Liquidity Risk

The Organization's objective is to have sufficient liquidity to meet its liabilities when due. The Organization monitors its cash balance and cash flows generated from operations to meet its requirements. As at June 30, 2023, the most significant financial liability is accounts payable and accrued charges.

16. COMPARATIVE AMOUNTS

Certain comparative figures have been reclassified to current year presentation. In the present year, reflected in the non-consolidated statement of operations and changes in fund balances, amounts related to health benefit plans has been reclassified from general sales and operating expenses into salaries and benefits to conform with current year presentation.