

**BRIERCREST COLLEGE AND
SEMINARY**

***NON-CONSOLIDATED FINANCIAL
STATEMENTS***

June 30, 2022

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 statement of financial position as at June 30, 2022, and the 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, 2022, 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 audit 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the non-consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our qualified audit opinion.

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 4, 2022

Briercrest College and Seminary

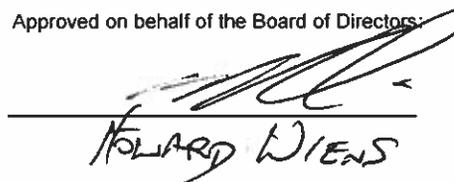
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30

	2022						Total \$	2021 Total \$
	Operating Fund \$	Capital Asset Fund \$	Educational Projects Fund \$	Mission Trust Fund \$	Annuity Fund \$	Endowment Fund \$		
ASSETS								
Current								
Cash	1,003,379	701,594	268,784	34,064	22,597	162,783	2,193,201	3,239,034
Accounts receivable [note 3]	116,618	-	-	-	-	-	116,618	885,759
Inventory	76,073	-	-	-	-	-	76,073	80,327
Investments [note 4]	2,079,482	1,008,709	1,823,091	-	-	-	4,911,282	2,844,024
Prepaid expenses and supplies	215,779	-	-	-	-	-	215,779	180,472
Total current assets	3,491,331	1,710,303	2,091,875	34,064	22,597	162,783	7,512,953	7,229,616
Loans receivable	38,641	111,119	-	-	-	-	149,760	40,020
Equities in co-operatives	-	-	-	-	-	-	-	5
Investments [note 4]	100	-	-	-	-	2,528,647	2,528,747	2,902,181
Capital assets [note 5]	-	7,257,660	-	-	-	-	7,257,660	6,886,072
	3,530,072	9,079,082	2,091,875	34,064	22,597	2,691,430	17,449,120	17,057,894
LIABILITIES AND FUND BALANCES								
Current								
Accounts payable and accrued charges	1,121,570	-	-	-	657	-	1,122,227	1,107,485
Deferred revenue and deposits [note 6]	323,452	-	-	-	-	-	323,452	207,270
Due to (from) other funds	(750,055)	647,150	186,189	-	-	(83,284)	-	-
Current portion of capital lease obligations [note 7]	-	26,796	-	-	-	-	26,796	33,764
Total current liabilities	694,967	673,946	186,189	-	657	(83,284)	1,472,475	1,348,519
Capital lease obligations [note 7]	-	4,126	-	-	-	-	4,126	30,923
Life annuity bond agreements [note 8]	-	-	-	-	55,000	-	55,000	57,000
Total liabilities	694,967	678,072	186,189	-	55,657	(83,284)	1,531,601	1,436,442
Fund balances								
Invested in capital assets	-	8,401,010	-	-	-	-	8,401,010	8,467,645
Externally restricted	-	-	1,905,686	34,064	-	2,692,003	4,631,753	4,165,475
Internally restricted	-	-	-	-	(33,060)	82,711	49,651	250,450
Unrestricted	2,835,105	-	-	-	-	-	2,835,105	2,737,882
Total fund balances	2,835,105	8,401,010	1,905,686	34,064	(33,060)	2,774,714	15,917,519	15,621,452
	3,530,072	9,079,082	2,091,875	34,064	22,597	2,691,430	17,449,120	17,057,894

See accompanying notes

Approved on behalf of the Board of Directors:



 HOWARD WIENS



Briercrest College and Seminary

NON-CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Year ended June 30

	Operating Fund		Restricted Funds				Endowment Fund			
	2022	2021	Capital	Educational	Mission	Annuity	Total	Total	2022	2021
			Asset	Projects	Trust					
	\$	\$	2022	2022	2022	2022	2022	2021	\$	\$
REVENUES										
Tuition and fees	9,101,426	6,884,422	-	-	-	-	-	-	-	-
Donations	1,767,412	2,419,349	857,326	1,449,882	720	2,000	2,309,928	733,073	157,549	58,062
Government grants and assistance	975,686	4,086,759	-	-	-	-	-	-	-	-
Investment (loss) income	(263,798)	43,088	(191,291)	(525,380)	-	-	(716,671)	425,597	-	-
Ancillary operations	511,160	199,202	-	-	-	-	-	-	-	-
General sales	741,330	440,916	-	-	-	-	-	-	-	-
Rentals	882,555	1,162,194	-	-	-	-	-	-	-	-
Miscellaneous	68,934	63,272	215,757	-	-	-	215,757	2,596,569	-	-
	13,784,705	15,299,202	881,792	924,502	720	2,000	1,809,014	3,755,239	157,549	58,062
EXPENSES										
Operating expenses	6,192,590	5,412,436	-	-	33,415	-	33,415	-	-	-
Salaries and benefits	6,800,525	6,504,571	-	-	-	-	-	-	-	-
Ancillary cost of goods sold	738,969	560,982	-	-	-	-	-	-	-	-
Amortization	-	-	946,921	-	-	-	946,921	967,921	-	-
Interest	-	62,992	1,506	-	-	-	1,506	2,735	-	-
Scholarships and annuity payments	-	-	-	446,867	-	6,032	452,899	186,110	-	-
Program development expenses	(39,818)	-	-	332,978	-	-	332,978	87,790	-	-
Miscellaneous	(4,784)	13,016	-	-	-	-	-	576	-	-
	13,687,482	12,553,997	948,427	779,845	33,415	6,032	1,767,719	1,245,132	-	-
Excess (deficiency) of revenues over expenses before discontinued operations	97,223	2,745,205	(66,635)	144,657	(32,695)	(4,032)	41,295	2,510,107	157,549	58,062
DISCONTINUED OPERATIONS										
Gain on disposal of capital assets	-	-	-	-	-	-	-	319,463	-	-
Excess (deficiency) of revenues over expenses from discontinued operations [note 15]	-	15,659	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues over expenses	97,223	2,760,864	(66,635)	144,657	(32,695)	(4,032)	41,295	2,829,570	157,549	58,062
Fund balances, beginning of year	2,737,882	(10,082)	8,467,645	1,514,045	66,759	(29,028)	10,019,421	7,346,398	2,864,149	2,636,640
Interfund transfers [note 11]	-	(12,900)	-	246,984	-	-	246,984	(156,547)	(246,984)	169,447
Fund balances, end of year	2,835,105	2,737,882	8,401,010	1,905,686	34,064	(33,060)	10,307,700	10,019,421	2,774,714	2,864,149

See accompanying notes

Briercrest College and Seminary

NON-CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended June 30

	Operating Fund 2022 \$	Capital Asset Fund 2022 \$	Educational Projects Fund 2022 \$	Mission Trust Fund 2022 \$	Annuity Fund 2022 \$	Endowment Fund 2022 \$	Total 2022 \$	Total 2021 \$
OPERATING ACTIVITIES								
Excess (deficiency) of revenues over expenses before discontinued operations	97,223	(66,635)	144,657	(32,695)	(4,032)	157,549	296,067	5,313,374
Add charges to operations not requiring a current cash payment								
Net loss (gain) on investments	355,706	224,584	193,494	-	-	416,297	1,190,081	(393,532)
Amortization of capital assets	-	946,921	-	-	-	-	946,921	967,921
Contributed capital assets	-	(763,976)	-	-	-	-	(763,976)	(8,123)
Gain on disposal of capital assets	-	(112,455)	-	-	-	-	(112,455)	(2,588,490)
	452,929	228,439	338,151	(32,695)	(4,032)	573,846	1,556,638	3,291,150
Net change in non-cash working capital balances related to operations [note 12]	940,459	(74,700)	3,356	-	(98)	-	869,017	(279,818)
Cash (used in) provided by operating activities	1,393,388	153,739	341,507	(32,695)	(4,130)	573,846	2,425,655	3,011,332
INVESTING ACTIVITIES								
Purchase of investments	(2,082,499)	(1,241,829)	(1,668,746)	-	-	(103,023)	(5,096,097)	(4,331,343)
Proceeds on disposal of investments	1,660,037	8,536	483,359	-	-	60,260	2,212,192	2,744,925
Purchase of capital assets	-	(636,785)	-	-	-	-	(636,785)	(492,779)
Proceeds on disposal of capital assets	-	194,707	-	-	-	-	194,707	3,216,981
	(422,462)	(1,675,371)	(1,185,387)	-	-	(42,763)	(3,325,983)	1,137,784
Cash used in discontinued operations	-	-	-	-	-	-	-	(70,537)
Cash (used in) provided by investing activities	(422,462)	(1,675,371)	(1,185,387)	-	-	(42,763)	(3,325,983)	1,067,247
FINANCING ACTIVITIES								
Repayment of demand loans	-	-	-	-	-	-	-	(2,450,000)
Addition of loans receivable	-	(111,119)	-	-	-	-	(111,119)	(3,252)
Repayment of loans receivable	1,379	-	-	-	-	-	1,379	-
Repayment of capital lease obligations	-	(33,765)	-	-	-	-	(33,765)	(66,296)
Repayment of amounts due to (from) other funds	(2,348,664)	2,251,118	434,182	-	-	(336,636)	-	-
Reduction of life annuity bond agreements	-	-	-	-	(2,000)	-	(2,000)	-
Cash (used in) provided by financing activities	(2,347,285)	2,106,234	434,182	-	(2,000)	(336,636)	(145,505)	(2,519,548)
Net (decrease) increase in cash during the year	(1,376,359)	584,602	(409,698)	(32,695)	(6,130)	194,447	(1,045,833)	1,559,031
Cash and bank indebtedness, beginning of year	2,379,738	116,992	431,498	66,759	28,727	215,320	3,239,034	1,680,003
Interfund transfers	-	-	246,984	-	-	(246,984)	-	-
Cash and bank indebtedness, end of year	1,003,379	701,594	268,784	34,064	22,597	162,783	2,193,201	3,239,034

See accompanying notes

BRIERCREST COLLEGE AND SEMINARY

Notes to the Non-Consolidated Financial Statements

Year Ended June 30, 2022

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 Organization follows the restricted fund method of accounting for contributions. 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 and expenditures of the Organization as well as 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 the Non-Consolidated Financial Statements

Year Ended June 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of the non-consolidated financial statements in conformity with ASNPO requires management to make estimates and use assumptions that effect 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

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

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Endowment contributions are recognized as revenue in the Endowment Fund.

Tuition and ancillary revenue are recorded when services are provided.

Government assistance towards current expenditures has been included in revenue of the Operating Fund.

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 of \$763,976 (\$8,123 - 2021) are recorded at their fair value.

BRIERCREST COLLEGE AND SEMINARY

Notes to the Non-Consolidated Financial Statements

Year Ended June 30, 2022

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 as 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.

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 statement of operations and changes in fund balances. Expenditures for repairs and maintenance are expensed as incurred.

BRIERCREST COLLEGE AND SEMINARY

Notes to the Non-Consolidated Financial Statements

Year Ended June 30, 2022

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

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.

Employee future benefits

The Organization has made contributions of \$113,237 (\$112,000 - 2021) 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.

3. ACCOUNTS RECEIVABLE

	2022	2021
	\$	\$
Trade	18,357	50,730
Student	50,382	45,890
Rent	4,722	16,461
Government assistance	456	560,676
Other	54,504	248,930
	128,421	922,687
Allowance for doubtful accounts	11,803	36,928
	116,618	885,759

BRIERCREST COLLEGE AND SEMINARY

Notes to the Non-Consolidated Financial Statements

Year Ended June 30, 2022

4. INVESTMENTS

	2022		2021	
	Cost \$	Carrying Value \$	Cost \$	Carrying Value \$
GIC - CAD	-	-	480,000	480,000
Mutual Funds – CAD	5,543,661	5,130,889	3,556,073	3,713,314
Mutual Funds – International	1,446,293	1,298,489	613,400	696,674
Mutual Funds – USD	1,149,249	1,010,551	724,963	856,217
Shares	100	100	-	-
	8,139,303	7,440,029	5,374,436	5,746,205
Less current portion	5,539,812	4,911,282	2,831,579	2,844,024
	2,599,491	2,528,747	2,542,857	2,902,181

Investments (\$480,000 – 2021) included a guaranteed investment certificate with interest rate of 0.80% and that matured August 2021.

5. CAPITAL ASSETS

	2022		2021	
	Cost \$	Accumulated Amortization \$	Cost \$	Accumulated Amortization \$
Land	213,260	-	214,120	-
Land improvements	326,017	92,903	306,175	76,550
Buildings	25,028,965	19,289,017	24,024,316	18,844,787
Electrical distribution system	21,326	19,092	21,326	18,239
Furniture and equipment	1,587,325	1,134,068	1,530,234	969,888
Library resources	1,261,761	744,550	1,487,658	949,663
Vehicles	553,057	470,069	527,657	417,132
Equip./Veh. under capital lease	175,664	160,016	175,666	124,821
	29,167,375	21,909,715	28,287,152	21,401,080
Less:				
Accumulated amortization	21,909,715		21,401,080	
Net book value	7,257,660		6,886,072	

6. DEFERRED REVENUE AND DEPOSITS

	2022 \$	2021 \$
Advance fees	240,490	57,150
Damage fee deposits	82,962	71,370
Capital Asset Fund Deposit	-	78,750
	323,452	207,270

BRIERCREST COLLEGE AND SEMINARY

Notes to the Non-Consolidated Financial Statements

Year Ended June 30, 2022

7. CAPITAL LEASE OBLIGATIONS

	2022	2021
	\$	\$
Capital lease obligations repayable to Davlyn Corporation at rates of 3.45%, repayable in monthly installments of \$2,136, maturing in September 2022.	14,422	40,352
Capital lease obligations repayable to Toyota Credit Canada Inc. at rates of 3.45 %, repayable in monthly installments of \$351, maturing in September 2022.	8,579	12,675
Capital lease obligations repayable to Hyundai Capital Lease Inc. at rates of 1.49 %, repayable in monthly installments of \$324, maturing in July 2024.	7,921	11,660
	30,922	64,687
Less: current portion	26,796	33,764
	4,126	30,923

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

	\$
2023	26,796
2024	3,851
2025	275

8. 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 \$6,032 (\$6,230 - 2021) of annuity payments were made. No external actuarial estimate of the annuity liability has been made.

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

Investments losses for the year on amounts held in the Endowment Fund of \$371,097 (2021: Income of \$417,088) was allocated to the Educational Projects Fund.

BRIERCREST COLLEGE AND SEMINARY

Notes to the Non-Consolidated Financial Statements

Year Ended June 30, 2022

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 \$677,340 (\$3,756,099 - 2021) is included in government grants and assistance on the statement of operations and changes in fund balances.

As at June 30, 2022, \$456 (\$560,676 - 2021) related to CRHP (CEWS – 2021) was receivable and is included in accounts receivable on the statement of financial position.

11. INTERFUND TRANSACTIONS

The Endowment Fund transferred \$246,984 to the Educational Projects Fund to be applied towards the provision of scholarships.

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

	2022 \$	2021 \$
DECREASE (INCREASE) IN		
Accounts receivable	769,141	(208,963)
Inventory	4,254	41,351
Prepaid expenses and supplies	(35,307)	142,405
Equities in co-operatives	5	-
INCREASE (DECREASE) IN		
Accounts payable and accrued charges	14,742	(79,231)
Deferred revenue and deposits	116,182	16,828
Forgivable loan	-	(192,208)
	869,017	(279,818)

13. LEASE COMMITMENTS

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

	\$
2023	28,265

BRIERCREST COLLEGE AND SEMINARY

Notes to the Non-Consolidated Financial Statements

Year Ended June 30, 2022

14. 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, 2022.

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 statement of financial position represents the Organization's maximum credit exposure at the statement of financial position date.

The Organization's credit risk is primarily attributable to trade and student receivables. The amounts disclosed in the 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.

Interest Rate Risk

Briercrest is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed interest instruments subject Briercrest to fair value risk, while the floating rate instruments subject it to a cash flow risk. Briercrest is exposed to these risks as a result of investments in mutual funds. Briercrest 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. Briercrest 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, 2022, the most significant financial liabilities are: accounts payable and accrued charges, and capital lease obligations.

15. DISCONTINUED OPERATIONS

On November 20, 2019, the Organization resolved to dispose of its land and building for the Pilgrim Centre. The planned disposal was affected in order to obtain excess cash flow. As the fair value less cost to sell exceeds the carrying value, no impairment loss was recorded at June 30, 2020.

On May 25, 2020, the Organization accepted a conditional offer to sell its land and building for the Pilgrim Centre. The conditional offer is subject to certain terms and conditions. The conditions of the offer were lifted on September 1, 2020. The closing date of the sale was November 19, 2020.

BRIERCREST COLLEGE AND SEMINARY

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The results of the discontinued operations, which have been included in the statement of operations and changes in fund balances were as follows:

	2022 \$	2021 \$
Revenues	-	838,877
Operating expenses	-	90,581
Salaries and benefits	-	71,336
Ancillary cost of goods sold	-	661,301
Amortization	-	-
	-	823,218
Excess of revenues over expenses from discontinued operations	-	15,659