

Financial Statements of

COLUMBIA BIBLE COLLEGE

And Independent Auditor's Report thereon

Year ended April 30, 2024



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INDEPENDENT AUDITOR'S REPORT

To the Members of Columbia Bible College

Opinion

We have audited the financial statements of Columbia Bible College (the Entity), which comprise:

- the statement of financial position as at April 30, 2024 and 2023
- the statements of operations for the year then ended
- the statements of changes in net assets for the year then ended
- the statements of cash flows for the year then ended
- and notes and schedules to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at April 30, 2024 and its results of 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. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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

KPMG LLP

Chartered Professional Accountants

Abbotsford, Canada

September 6, 2024

COLUMBIA BIBLE COLLEGE


Statement of Financial Position

April 30, 2024 and 2023

	2024	2023
Assets		
Current assets:		
Cash (notes 2 and 3)	\$ 1,831,519	\$ 2,094,425
Investments and marketable securities (note 3)	1,230,854	1,149,256
Accounts receivable	129,806	198,768
Inventories	9,801	18,391
Prepaid expenses	170,758	168,953
	<u>3,372,738</u>	<u>3,629,793</u>
Life insurance cash surrender value	51,207	47,891
Capital assets (note 4)	8,320,964	8,737,319
	<u>\$ 11,744,909</u>	<u>\$ 12,415,003</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 214,448	\$ 260,497
Accrued holiday pay	186,689	200,075
Scholarships payable	73,000	85,650
Refundable deposits and unearned revenue	444,288	393,545
Deferred revenue (note 6)	474,552	447,421
	<u>1,392,977</u>	<u>1,387,188</u>
Deferred capital contributions (note 7)	6,896,915	7,246,525
Net assets:		
Invested in capital assets (note 8(a))	1,424,049	1,490,794
Scholarship endowment principal	1,457,512	1,443,540
Internally restricted (note 10)	368,175	438,300
Unrestricted	205,281	408,656
	<u>3,455,017</u>	<u>3,781,290</u>
Commitments (note 11)		
	<u>\$ 11,744,909</u>	<u>\$ 12,415,003</u>

See accompanying notes to financial statements.

On behalf of the Board:


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COLUMBIA BIBLE COLLEGE

Statements of Operations

Years ended April 30, 2024 and 2023

	2024	2023
Student revenue:		
Course fees	\$ 2,469,785	\$ 2,829,945
Other student revenue	319,947	305,911
	<u>2,789,732</u>	<u>3,135,856</u>
Constituency support:		
Donations (note 9)	1,145,157	1,234,343
Conference support revenue (note 9)	350,773	338,514
Programs to assist students (note 6)	125,600	131,142
	<u>1,621,530</u>	<u>1,703,999</u>
Other income:		
Ancillary income (Schedule 1)	1,389,968	1,125,775
Lease, investment, and miscellaneous income	192,617	366,006
	<u>1,582,585</u>	<u>1,491,781</u>
	<u>5,993,847</u>	<u>6,331,636</u>
Expenses:		
Academic programs	2,002,779	2,288,842
Administration	1,555,336	1,580,579
Ancillary services (Schedule 1)	1,001,333	969,030
Development and advancement	664,614	853,736
Operating Scholarships	177,275	231,203
Programs to assist students (note 6)	125,600	131,142
Student development	740,410	717,025
	<u>6,267,347</u>	<u>6,771,557</u>
Deficiency of revenues over expenses before the undernoted	(273,500)	(439,921)
Amortization of capital assets	(416,355)	(431,437)
Amortization of deferred capital contributions (note 7)	349,610	349,610
	<u>(66,745)</u>	<u>(81,827)</u>
Deficiency of revenues over expenses	<u>\$ (340,245)</u>	<u>\$ (521,748)</u>

See accompanying notes to financial statements.

COLUMBIA BIBLE COLLEGE

Statements of Changes in Net Assets

Years ended April 30, 2024 and 2023

	Invested in capital assets	Scholarship endowment principal	Internally restricted	Unrestricted	2024	2023
Net assets, beginning of year	\$ 1,490,794	\$ 1,443,540	\$ 438,300	\$ 408,656	\$ 3,781,290	\$ 4,272,849
Deficiency of revenues over expenses (note 8(b))	(66,745)	-	-	(273,500)	(340,245)	(521,748)
Endowment contributions	-	13,972	-	-	13,972	30,189
Interfund transfers (note 10)	-	-	(70,125)	70,125	-	-
	\$ 1,424,049	\$ 1,457,512	\$ 368,175	\$ 205,281	\$ 3,455,017	\$ 3,781,290

See accompanying notes to financial statements.

COLUMBIA BIBLE COLLEGE

Statements of Cash Flows

Years ended April 30, 2024 and 2023

	2024	2023
Cash provided by (used in):		
Operations:		
Deficiency of revenues over expenses	\$ (340,245)	\$ (521,748)
Items not involving cash:		
Amortization of capital assets	416,355	431,437
Amortization of deferred capital contributions	(349,610)	(349,610)
Increase in life insurance cash surrender value	(3,316)	(1,192)
Unrealized gain on investments and marketable securities	(81,598)	(16,542)
Changes in non-cash operating working capital:		
Accounts receivable	68,962	(149,397)
Inventories	8,590	(6,597)
Prepaid expenses	(1,805)	(26,311)
Accounts payable and accrued liabilities	(46,049)	69,573
Accrued holiday pay	(13,386)	(10,303)
Scholarships payable	(12,650)	(20,760)
Refundable deposits and unearned revenue	50,743	(14,539)
Deferred revenue	27,131	3,176
	(276,878)	(612,813)
Financing:		
Endowment contributions	13,972	30,189
Investing:		
Purchase of capital assets	-	(148,880)
Decrease in cash	(262,906)	(731,504)
Cash, beginning of year	2,094,425	2,825,929
Cash, end of year	\$ 1,831,519	\$ 2,094,425

See accompanying notes to financial statements.

COLUMBIA BIBLE COLLEGE

Notes to Financial Statements

Years ended April 30, 2024 and 2023

General:

Columbia Bible College (the "College") is incorporated as a corporation without share capital under the Columbia Bible College Act of British Columbia. The College provides post-secondary education, including Bachelor of Arts degrees, diplomas and certificates to students drawn from Canada and other parts of the world.

The College is a registered charity under the Income Tax Act and accordingly is exempt from income taxes under Paragraph 149(1)(l) of the Income Tax Act.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The College's significant accounting policies are as follows:

(a) Revenue recognition:

The College follows the deferral method of accounting for revenue recognition. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets. Unrestricted contributions and pledges are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as direct increases in endowment net assets.

Restricted investment income is deferred and recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

Operating subsidies are recognized as revenue when received.

Course fees and ancillary revenues are recognized as revenue when earned.

A substantial number of volunteers contribute a significant amount of their time each year. Due to the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

Gifts-in-kind are valued at their estimated fair value at their time of contribution when a fair value can be determined and the College would otherwise have purchased the items.

COLUMBIA BIBLE COLLEGE

Notes to Financial Statements (continued)

Years ended April 30, 2024 and 2023

1. Significant accounting policies (continued):

(b) Inventory:

Inventory consisting of food, bookstore merchandise, office and general supplies, is valued at the lower of actual cost and net realizable value, with cost being actual cost and net realizable value being the estimated selling price less costs to sell. Inventory consisting of office and general supplies is valued at the lower of actual cost and replacement cost.

(c) Life insurance policies:

Life insurance policies are recorded at fair value which is equal to the cash surrender value. Premiums are expensed as incurred. Any final pay-out is recognized as revenue when received.

(d) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Colleges' ability to provide services, its carrying amount is written down to its residual value, if any.

Capital assets are amortized on a straight-line basis using the following annual rates:

Asset	Rate
Building and improvements	40 years
Furniture, fixtures, and equipment	8 years
Vehicles	5 years

In the year of acquisition, amortization is taken at one-half of the above rates.

(e) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and accrued liabilities. Actual results could differ from those estimates.

COLUMBIA BIBLE COLLEGE

Notes to Financial Statements (continued)

Years ended April 30, 2024 and 2023

1. Significant accounting policies (continued):

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The College has elected to carry investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the College determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the College expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

2. Cash:

The College has a credit facility with the BMO Bank of Montreal for \$500,000 bearing interest at prime plus 0.5%. As at April 30, 2024, there was no amount drawn on this facility (2023 - nil).

COLUMBIA BIBLE COLLEGE

Notes to Financial Statements (continued)

Years ended April 30, 2024 and 2023

3. Restricted assets:

Included within cash and investments and marketable securities are the following restricted assets which are segregated and held for the purpose of funding the following obligations:

	2024		2023	
Scholarship endowment principal	\$	1,457,512	\$	1,443,540
Deferred revenue		474,552		447,421
Internally restricted		368,175		438,300
	\$	2,300,239	\$	2,329,261
Represented by:				
Cash	\$	1,115,839	\$	1,218,668
Investments and marketable securities		1,184,400		1,110,593
	\$	2,300,239	\$	2,329,261

4. Capital assets:

	2024		2023	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 1,494,291	\$ -	\$ 1,494,291	\$ 1,494,291
Buildings and improvements	15,144,709	8,571,404	6,573,305	6,920,645
Furniture, fixtures, equipment and vehicles	2,316,776	2,063,408	253,368	322,383
	\$ 18,955,776	\$ 10,634,812	\$ 8,320,964	\$ 8,737,319

The Certificate of Title for the land on which the College operates is held in escrow for a period of 50 years, ending on January 1, 2050.

COLUMBIA BIBLE COLLEGE

Notes to Financial Statements (continued)

Years ended April 30, 2024 and 2023

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$56,301 (2023 - \$68,319), which includes amounts payable for payroll related taxes and employer health taxes.

6. Deferred revenue:

Deferred revenue represents externally restricted donations and restricted investment income received for the purpose of programs assisting students. Specifically, the distribution of student scholarships and bursaries.

	Gym maintenance reserve	Programs assisting students	2024	2023
Balance, beginning of year	\$ 101,535	\$ 345,886	\$ 447,421	\$ 444,245
Add amounts received:				
Donations	-	72,005	72,005	103,955
Investment income	-	91,559	91,559	27,683
Student fees	22,160	-	22,160	26,550
	123,695	509,450	633,145	602,433
Less amounts recognized as revenue in the year, used for:				
Bursaries and scholarships awarded	-	(125,600)	(125,600)	(131,142)
Gym maintenance	(32,993)	-	(32,993)	(23,870)
	\$ 90,702	\$ 383,850	\$ 474,552	\$ 447,421

7. Deferred capital contributions:

Deferred capital contributions represent the unamortized amount of donations received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

COLUMBIA BIBLE COLLEGE

Notes to Financial Statements (continued)

Years ended April 30, 2024 and 2023

7. Deferred capital contributions (continued):

	2024	2023
Balance, beginning of year	\$ 7,246,525	\$ 7,596,135
Less: amounts amortized to revenue	(349,610)	(349,610)
Balance, end of year	\$ 6,896,915	\$ 7,246,525

8. Invested in capital assets:

(a) Invested in capital assets is calculated as follows:

	2024	2023
Capital assets - net book value	\$ 8,320,964	\$ 8,737,319
Amounts financed by:		
Deferred capital contributions	(6,896,915)	(7,246,525)
	\$ 1,424,049	\$ 1,490,794

(b) Change in invested in capital assets is calculated as follows:

	2024	2023
Deficiency of revenue over expenses:		
Amortization of deferred capital contributions	\$ 349,610	\$ 349,610
Amortization of capital assets	(416,355)	(431,437)
	\$ (66,745)	\$ (81,827)
Net change in invested in capital assets:		
Purchase of capital assets	\$ -	\$ 148,880

COLUMBIA BIBLE COLLEGE

Notes to Financial Statements (continued)

Years ended April 30, 2024 and 2023

9. Related parties:

During the year, the College received subsidies from the Mennonite Church BC (MCBC) and the B.C. Conference of Mennonite Brethren Churches (BCMBC) as follows:

	2024	2023
Mennonite Church BC	\$ 100,000	\$ 100,000
B.C. Conference of Mennonite Brethren Churches	250,773	238,514
	<u>\$ 350,773</u>	<u>\$ 338,514</u>

MCBC and BCMBC are related parties by virtue of their ability to elect members to the College's Board.

In addition the College received donations of \$538,138 (2023 - \$299,050) from members of the College's Board.

10. Internally restricted:

On an annual basis, the Board of Directors will internally restrict up to 2.5% of operating revenues as a capital reserve. These internally restricted funds are not available for other purposes without the approval of the Board of Directors.

	2024	2023
Balance, beginning of year	\$ 438,300	\$ 683,989
Permitted expenditures	(70,125)	(245,689)
	<u>\$ 368,175</u>	<u>\$ 438,300</u>

COLUMBIA BIBLE COLLEGE

Notes to Financial Statements (continued)

Years ended April 30, 2024 and 2023

11. Commitments:

The College is committed to minimum lease payments for office equipment. The estimated lease payments up to the end of the lease terms are as follows:

2025	\$	16,548
2026		16,548
2027		16,548
2028		16,548
2029		3,119

12. Financial risks and concentration of risk:

(a) Liquidity risk:

Liquidity risk is the risk that the College will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The College manages its liquidity risk by monitoring its operating requirements. The College prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. Management does not believe there is a significant credit risk. The College monitors on a regular basis the credit risk to which the College is exposed in relation to its financial assets and takes steps to minimize the risk of loss.

(c) Investment risk:

The College manages its investment portfolio to earn investment income and invests according to an Investment Policy Statement approved by the Board. The College is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

The College manages interest-rate risk, market, credit and cash flow risk from its investments by investing in a diversified portfolio.

There has been no change to the financial risk exposure from prior year.

COLUMBIA BIBLE COLLEGE

Schedule 1 - Ancillary Services

Years ended April 30, 2024 and 2023

	Residence	Food services	Hospitality	Bookstore	Biblical museum	2024 Total	2023 Total
Revenues	\$ 511,242	\$ 495,558	\$ 358,872	\$ 22,721	\$ 1,575	1,389,968	1,125,775
Expenses	(273,785)	(505,258)	(181,487)	(29,180)	(11,623)	(1,001,333)	(969,030)
	\$ 237,457	\$ (9,700)	\$ 177,385	\$ (6,459)	\$ (10,048)	388,635	156,745

COLUMBIA BIBLE COLLEGE

Schedule of PTA tuition

Year ended April 30, 2024, with comparative information for 2023

	2024	2023
PTA tuition revenue from approved programs	\$ 322,165	\$ 230,582
PTA unearned tuition from approved programs	5,750	750