

**AUDITED
 FINANCIAL STATEMENTS
 and Supporting Schedules for
 FUNDED PRIVATE SCHOOLS
 FOR THE YEAR ENDED AUGUST 31, 2023**
 Education Act, Section 29
 Private Schools Regulation, Alberta Regulation 127/2022

Koinonia Christian School-Red Deer Society

Name of Private School and Legal Name of Organization Operating the Private School

6014-57th Ave; Red Deer, AB
 Mailing Address

403-346-1818 (phone) 403-347-3013 (fax)
 Telephone and Fax Numbers

These Financial Statements and Supporting Schedules are Audited by:

Aperture Chartered Professional Accountants # 101
 5621 11 Street NE Calgary, Ab T2E 6Z7



Name and Address of the Audit Firm

Auditor's Signature

PRIVATE SCHOOL MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING.

Koinonia Christian School-Red Deer Society

The financial statements and supporting schedules of _____
 (Name of Private School)

presented to Alberta Education have been prepared by the private school's management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit organizations and Ministerial requirements for Alberta funded private schools.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the private school's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the private school's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

The ultimate responsibility for the financial statements lies with the Board of Directors. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Independent Auditors

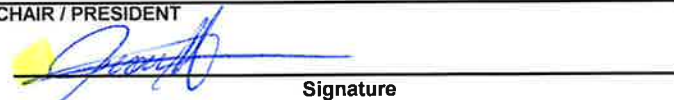
The Board appoints external independent auditors to audit these financial statements and meets with the auditor to review their findings. The external independent auditors have full and free access to school authority's records.

Declaration of Board Chair and Treasurer, Secretary-Treasurer

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position as at August 31, 2023 and results of operations, cash flows, and changes in net assets for the year then ended in accordance with Canadian Accounting Standards for Not-For-Profit Organizations and Ministerial requirements for Alberta funded private schools.

BOARD CHAIR / PRESIDENT

Juan Francisco Arias
 Name



Signature

HEAD OF SCHOOL / PRINCIPAL

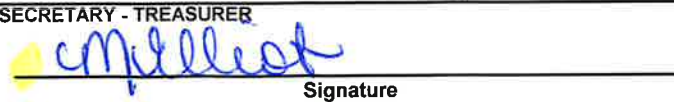
Mary Lou Stacey
 Name



Signature

TREASURER OR SECRETARY - TREASURER

Michelle Elliot
 Name



Signature

December 6, 2023
 Board-approved Release Date

ALBERTA EDUCATION, Financial Reporting and Accountability,
 8th Floor Commerce Place, 10155-102 Street, Edmonton, Alberta T5J 4L5
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Koinonia Christian School - Red Deer Society,

Opinion

We have audited the financial statements of Koinonia Christian School - Red Deer Society, which comprise of the statement of financial position as at August 31, 2023, and the statements of operations, changes in net assets 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 including the supplementary information in Schedules 1 through 5 present fairly, in all material respects, the financial position of Koinonia Christian School - Red Deer Society as at August 31, 2023 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 report. We are independent of the School Society 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's and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), 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 these financial statements, management is responsible for assessing the School Society's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the School Society or to cease operations, or has no realistic alternative to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

We also:

- 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 School Society'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 School Society'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 School Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CALGARY, ALBERTA
December 6, 2023



CHARTERED PROFESSIONAL ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
as at August 31
 (in dollars)

		AFS 2023	AFS 2022 (NOTE *) x
ASSETS			
Current assets			
Cash and cash equivalents	Note	\$2,322,678	\$2,152,666
Accounts receivable (net after allowances)			
Province of Alberta	Note	\$23,577	\$9,410
Federal Government and/or First Nations	Note	\$11,095	\$9,633
Other accounts receivable	Note	\$48,347	\$23,419
Prepaid expenses	Note	\$27,685	\$62,792
Other current assets	Note 4	\$17,879	\$20,879
Total current assets		\$2,451,261	\$2,278,799
School generated assets	Note	\$0	\$0
Trust assets	Note	\$0	\$0
Other assets	Note 3	\$78,517	\$73,736
Capital assets			
Land at cost		\$760,000	\$760,000
Buildings at cost	\$609,810		
Less: accumulated amortization	\$432,488	\$177,322	\$168,619
Leasehold improvements at cost	\$0		
Less: accumulated amortization	\$0	\$0	\$0
Equipment at cost	\$295,254		
Less: accumulated amortization	\$239,691	\$55,563	\$57,088
Vehicles at cost	\$10,000		
Less: accumulated amortization	\$1,000	\$9,000	\$17,722
Total capital assets	Note	\$1,001,885	\$1,003,429
TOTAL ASSETS	\$3,531,663	\$3,531,663	\$3,355,964
LIABILITIES			
Current liabilities			
Bank indebtedness	Note	\$0	\$0
Accounts payable and accrued liabilities			
Province of Alberta	Note	\$0	\$0
Federal Government and/or First Nations	Note	\$56,609	\$43,681
Other payables and accrued liabilities	Note	\$135,966	\$122,826
Capital payables	Note	\$0	\$0
Deferred contributions	Note 5	\$71,557	\$96,814
Deferred capital allocations	Note	\$0	\$0
Current portion of long term debt		\$0	\$0
Total current liabilities		\$264,132	\$263,321
School generated liabilities	Note	\$0	\$0
Trust liabilities	Note	\$0	\$0
Other liabilities	Note	\$78,517	\$73,736
Long term debt			
Debentures & Bonds	Note	\$0	\$0
Capital loans	Note	\$0	\$0
Capital leases	Note 6	\$0	\$13,274
Mortgages	Note	\$0	\$0
Other loans	Note	\$0	\$0
Less: Current portion of long term debt	Note	\$0	\$0
Unamortized capital allocations	Note 7	\$32,614	\$30,459
Total long term liabilities		\$111,131	\$117,469
TOTAL LIABILITIES		\$375,263	\$380,790
NET ASSETS			
Unrestricted net assets		\$2,187,129	\$2,015,476
Operating reserves		\$0	\$0
Total accumulated surplus (deficit) from operations		\$2,187,129	\$2,015,476
Investment in capital assets		\$969,271	\$959,698
Capital reserves		\$0	\$0
Total capital funds		\$969,271	\$959,698
Total net assets		\$3,156,400	\$2,975,174
TOTAL LIABILITIES AND NET ASSETS	\$3,531,663	\$3,531,663	\$3,355,964

Note: * Audited Financial Statements (AFS) as submitted to Alberta Education pursuant to Section 29 of the Education Act; Private Schools Regulation, Alberta Regulation 127/2022 or as restated.
 Input "(Restated)" in 2022 column heading where not taken from the finalized 2021/2022 Audited Financial Statements.

STATEMENT OF OPERATIONS
for the Year Ended August 31
 (in dollars)

	AFS 2023	Budget 2023 (NOTE *)	AFS 2022 (NOTE *)
		x	x
REVENUES			
Alberta Education (excluding Home Education)	\$2,550,038	\$2,314,864	\$2,458,071
Alberta Education - Home Education	\$897,369	\$1,043,783	\$727,067
Total Alberta Education Revenues	\$3,447,407	\$3,358,647	\$3,185,138
Other Government of Alberta	\$40,195	\$277,726	\$3,506
Federal Government and/or First Nations	\$0	\$0	\$0
Other Alberta school authorities	\$0	\$0	\$0
Instructional fees/Tuition fees	\$324,309	\$507,000	\$317,214
Non-instructional fees (O&M, Transportation, Admin, etc.)	\$60,155	\$30,776	\$81,696
Other sales and services	\$21,543	\$239,506	\$36,114
Interest on investments	\$58,161	\$4,800	\$10,329
Gifts and donations	\$75,577	\$84,000	\$79,091
Amortization of capital allocations	\$12,278		\$4,521
Other	\$95,622	\$11,000	\$131,396
Total Revenues	\$4,135,247	\$4,513,455	\$3,849,005
EXPENSES			
Home Education	\$710,918	\$1,101,230	\$527,337
Instruction - ECS	\$91,356	\$182,452	\$68,176
Instruction - Grades 1 to 12	\$2,420,977	\$2,521,033	\$1,851,329
Operations and maintenance	\$221,615	\$356,576	\$215,472
Transportation	\$50,095	\$45,250	\$50,869
Board and System Administration	\$358,543	\$220,926	\$375,532
External services	\$100,516	\$47,240	\$116,216
Total Expenses	\$3,954,021	\$4,474,707	\$3,204,931
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$181,226	\$38,748	\$644,074
	\$181,226		

Note: * Input "(Restated)" in Budget 2023 and/or AFS 2022 column headings where comparatives are not taken from the respective finalized 2022/2023 Budget Report and/or finalized 2021/2022 Audited Financial Statements.

STATEMENT OF CASH FLOWS
for the Year Ended August 31
(in dollars)

	AFS 2023	AFS 2022 (NOTE *) x	
CASH FLOWS FROM:			
A. OPERATING ACTIVITIES			
Surplus (deficit) of revenues over expenses for the year	\$181,226	\$644,074	
Add (Deduct) items not requiring cash:			
Amortization of capital allocations revenue	(\$12,278)	(\$4,521)	
Total amortization expense	\$45,669	\$43,973	
Add losses or deduct gains on disposal of capital assets	\$7,722	\$0	
Changes in accrued accounts:			
Accounts receivable	(\$40,557)	(\$13,033)	
Prepays and other current assets	\$38,107	(\$29,662)	
Payables and accrued liabilities	\$26,068	(\$46,184)	
Deferred contributions	(\$25,257)	\$14,185	
Other (specify):		\$0	
Total sources (uses) of cash from operations	\$220,699	\$608,832	
B. INVESTING ACTIVITIES			
Purchases of capital assets:			
Land	\$0	\$0	
Buildings	(\$28,946)	(\$6,935)	
Leasehold improvements	\$0	\$0	
Equipment	(\$8,467)	\$0	
Vehicles	\$0	\$0	
Net proceeds from disposal of capital assets	\$0	\$0	
Other (specify): fence	\$0	(\$17,917)	
Total sources (uses) of cash from investing activities	(\$37,413)	(\$24,852)	
C. FINANCING ACTIVITIES			
Capital contributions received	\$0	\$0	
Issuance of long term debt	\$0	\$0	
Repayment of long term debt	(\$13,274)	(\$11,747)	
Other (specify):	\$0	\$0	
Total sources (uses) from financing activities	(\$13,274)	(\$11,747)	
Net sources (uses) of cash equivalents* * during year	\$170,012	\$572,233	
Cash equivalents at the beginning of year	\$2,152,666	\$1,580,433	
Cash equivalents at the end of year	\$2,322,678	\$2,152,666	\$2,152,666

NOTE: * Input "(Restated)" in 2022 column heading where not taken from the finalized 2021/2022 Audited Financial Statements.
* * Cash equivalents consist of cash and temporary investments net of bank indebtedness.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2023
 (in dollars)

	(1) TOTAL NET ASSETS (Columns 2+3+4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS (+,-)	(4) TOTAL RESTRICTED NET ASSETS (Columns 5 to 8)	(5) OPERATING RESERVES			(6) RESTRICTED RESERVES		(7) Grades K to 12	(8) External Services
								CAPITAL RESERVES			
								Grades K to 12	External Services		
Balance at August 31, 2022	\$2,975,174	\$959,698	\$2,015,476	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior period adjustments (specify):											
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted balance, August 31, 2022	\$2,975,174	\$959,698	\$2,015,476	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Surplus(deficit) of revenues over expenses (from page 3)	\$181,226		\$181,226								
Capital asset acquisitions (less financed and/or less capital contributions received)		\$37,412	(\$37,412)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Donations of non-amortizable assets	\$0	\$0									
Amortization of capital assets (expense) *		(\$45,669)	\$45,669								
Amortization of capital allocations (revenue) **		\$12,278	(\$12,278)								
Disposal of capital assets		(\$7,722)	\$7,722	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt principal payments ***		\$13,274	(\$13,274)								
Net transfers to/from operating reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net transfers to/from capital reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other transfers (specify):	\$0	\$0									
Balance at August 31, 2023	\$3,156,400	\$969,271	\$2,187,129	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$3,156,400	\$969,271	\$2,187,129	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Note:

- * Amortization of Capital Assets expense decreases the Investment in Capital Assets and increases Unrestricted Net Assets.
- ** Amortization of Capital Allocations revenue increases the Investment in Capital Assets and decreases Unrestricted Net Assets.
- *** Principal payments increase Investment in Capital Assets and decreases Unrestricted Net Assets as the outstanding capital debt is paid down.

SCHEDULE 1
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS
for the Year Ended August 31, 2023

REVENUES	TOTAL	Instruction				Transportation	Board and System Administration	External Services
		Home Education and Shared Responsibility	Early Childhood Services (ECS)	Instruction (Grades 1 to 12)	Operations and Maintenance of Schools			
Alberta Education allocations								
(1) ECS Base Instruction	\$36,833		\$36,833					
(2) Grades 1 to 12 Base Instruction (including Distance Education Primary and Non-Primary, Summer School)	\$1,177,853			\$1,177,853				
(3) Home Education and Shared Responsibility	\$897,369	\$897,369						
(4) Program Supports and Services	\$0		\$0					
(5) Operations and Maintenance Grant	\$135,185			\$135,185				
(6) Transportation Grant	\$6,317				\$6,317			
(7) System Administration	\$115,842			\$115,842				
(8) Other - Alberta Education	\$1,078,008		\$30,913	\$1,047,095				
TOTAL ALBERTA EDUCATION ALLOCATIONS	\$3,447,407	\$897,369	\$67,746	\$2,224,948	\$6,317	\$115,842		
(9) Other Government of Alberta	\$40,195	\$0	\$0	\$30,982	\$0	\$0	\$0	\$9,213
(10) Federal Government and/or First Nations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(11) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(12) Instructional fees / tuition fees	\$324,308	\$0	\$1,013	\$313,295				
(13) Non-instructional fees (O&M, Transport, Admin, etc.)	\$60,155	\$0	\$325	\$30,280	\$0	\$0	\$0	\$29,550
(14) Other sales and services	\$21,543	\$3,335	\$0	\$4,971	\$0	\$0	\$0	\$4,595
(15) Interest on investments	\$58,161	\$0	\$0	\$0	\$0	\$0	\$0	\$58,161
(16) Gifts and donations	\$75,577	\$0	\$0	\$0	\$0	\$0	\$0	\$75,577
(17) Amortization of capital allocations	\$12,278	\$0	\$0	\$12,278	\$0	\$0	\$0	\$0
(18) Other (specify): Fundraising	\$95,622	\$0	\$0	\$0	\$0	\$0	\$0	\$95,622
TOTAL REVENUES	\$4,135,247	\$900,704	\$78,884	\$2,616,935	\$14,959	\$174,003		\$214,577
EXPENSES								
(19) Certificated salaries	\$1,568,642	\$234,815	\$34,996	\$1,246,912				\$41,026
(20) Certificated benefits	\$194,621	\$21,821	\$3,518	\$157,838				\$10,766
(21) Non-certificated salaries and wages	\$813,667	\$108,972	\$30,252	\$488,269	\$30,542	\$10,656	\$197,232	\$577
(22) Non-certificated benefits	\$198,034	\$15,047	\$6,378	\$98,537	\$6,049	\$1,561		\$0
SUB-TOTAL	\$2,774,964	\$380,655	\$75,244	\$2,001,556	\$36,591	\$12,217		\$11,469
(23) Services, contracts & supplies - other than Consulting fees / Management fees, and leases	\$1,097,723	\$330,263	\$16,113	\$359,400	\$185,024	\$37,878		\$17,685
(24) Consulting / Management Fees	\$16,561	\$0	\$0	\$6,531	\$0	\$0	\$9,951	\$0
(25) Leases - Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(26) Leases - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital and debt services								
(27) Amortization of capital assets from restricted funds	\$12,278	\$0	\$0	\$12,278	\$0	\$0	\$0	\$0
(28) Amortization of capital assets from unrestricted funds	\$33,391	\$0	\$0	\$33,391	\$0	\$0	\$0	\$0
(29) Interest on capital debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(31) Losses (gains) on disposal of capital assets	\$7,722	\$0	\$0	\$7,722	\$0	\$0	\$0	\$0
(32) Other (specify): Fundraising	\$71,962	\$0	\$0	\$0	\$0	\$0	\$0	\$71,962
TOTAL EXPENSES	\$3,954,021	\$710,918	\$81,356	\$2,420,977	\$221,615	\$50,095	\$358,543	\$100,516
Surplus(deficit) of revenues over expenses	\$181,226	\$189,786	(\$12,472)	\$195,957	(\$86,430)	(\$35,136)	(\$184,540)	\$114,061
	\$181,226							

SCHEDULE 2
ANALYSIS OF EARLY CHILDHOOD SERVICES (ECS) PROGRAM UNIT EXPENSES
for the Year Ended August 31, 2023

	ECS Program Unit (excluding Moderate Language Delay Grant)	ECS Moderate Language Delay Grant code 48 only
Instruction		
Certificated salaries	\$34,996	\$0
Certificated benefits	\$3,618	\$0
Non-certificated salaries and wages		\$30,252
Non-certificated benefits		\$6,378
Specialized services and supports	\$0	\$16,113
Supplies and materials	\$0	\$0
Parent and staff in-service	\$0	\$0
Other (specify)	\$0	\$0
Specialized equipment & furniture (child specific). Please specify:	\$0	\$0
Total	\$38,614	\$52,742

**Schedule 3
Remuneration and Monetary Incentives
for the Year Ended August 31, 2023**

Position	Name	Full Time Equivalent (FTE)	Remuneration	Benefits and Allowances	Other Accrued Unpaid Benefits	Other Expenses
Board Chair:	Juan Arias	0.15	\$0	\$0	\$0	\$0
Secretary-Treasurer:		0.00	\$0	\$0	\$0	\$0
Secretary:		0.00	\$0	\$0	\$0	\$0
Treasurer:	Michelle Elliot	0.08	\$0	\$0	\$0	\$0
Board of Directors:	1 Chad Paul	0.05	\$0	\$0	\$0	\$0
	2 Dave Neufeldd	0.50	\$0	\$0	\$0	\$0
	3 Shafer Parker	0.50	\$0	\$0	\$0	\$0
	4 Allan Neill	0.50	\$0	\$0	\$0	\$0
	5	0.00	\$0	\$0	\$0	\$0
	6	0.00	\$0	\$0	\$0	\$0
	7	0.00	\$0	\$0	\$0	\$0
	8	0.00	\$0	\$0	\$0	\$0
	9	0.00	\$0	\$0	\$0	\$0
	10	0.00	\$0	\$0	\$0	\$0
	11	0.00	\$0	\$0	\$0	\$0
	12	0.00	\$0	\$0	\$0	\$0
	13	0.00	\$0	\$0	\$0	\$0
Board of Directors - Total		1.55	\$0	\$0	\$0	\$0
Head of School	Mary-Lou, Stacey (Executive Principal)	0.40	\$34,249	\$2,033	\$0	\$0
Principals:	1 Mary-Lou, Stacey-K@H	0.60	\$90,683	\$6,677	\$0	\$0
	2 Natasja Willms-Emmas Learning Commons)	1.00	\$93,026	\$10,985	\$0	\$0
	3 Jerry Lutz-Koinonia Christian School Red Deer	1.00	\$100,597	\$8,529	\$0	\$0
	4	0.00	\$0	\$0	\$0	\$0
	5	0.00	\$0	\$0	\$0	\$0
	6	0.00	\$0	\$0	\$0	\$0
	7	0.00	\$0	\$0	\$0	\$0
	8	0.00	\$0	\$0	\$0	\$0
	9	0.00	\$0	\$0	\$0	\$0
Principals - Total		2.60	\$284,306	\$26,190	\$0	\$0
Chief Financial Officer:		0.00	\$0	\$0	\$0	\$0
Management/Executives:	1. Esther Chilquillo	1.00	\$50,000	\$9,554	\$0	\$0
	2	0.00	\$0	\$0	\$0	\$0
	3	0.00	\$0	\$0	\$0	\$0
	4	0.00	\$0	\$0	\$0	\$0
	5	0.00	\$0	\$0	\$0	\$0
	6	0.00	\$0	\$0	\$0	\$0
Management/Executives - Total		1.00	\$50,000	\$9,554	\$0	\$0
Total Certificated staff (excluding Home Education)			\$1,333,827	\$172,800	\$0	\$0
Total Non-Certificated staff (excluding Home Education)			\$704,695	\$122,987	\$0	\$0
Total Certificated contract staff (excluding Home Education)			\$0	\$0	\$0	\$0
Total Non-Certificated contract staff (excluding Home Education)			\$0	\$0	\$0	\$0
Total Certificated staff (Home Education)			\$234,815	\$21,821	\$0	\$0
Total Non-Certificated staff (Home Education)			\$108,972	\$15,047	\$0	\$0
Total Certificated Contract staff (Home Education)			\$0	\$0	\$0	\$0
Total Non-Certificated Contract staff (Home Education)			\$0	\$0	\$0	\$0
Contracted Services for Senior Management and Director's Position Only:						
Position	Name	FTE 2023	Contract Amount 2023	Allowances 2023	Bonuses 2023	Other Expenses 2023
Consulting / Management fees:	1	0.00	\$0	\$0	\$0	\$0
	2	0.00	\$0	\$0	\$0	\$0
	3	0.00	\$0	\$0	\$0	\$0
	4	0.00	\$0	\$0	\$0	\$0
Consulting / Management fees - Total		0.00	\$0	\$0	\$0	\$0

Schedule 4
Related Party Transactions
for the Year Ended August 31, 2023
 (in dollars)

DETAILS OF TRANSACTION	DETAILS AND NATURE OF RELATIONSHIP	2023	2022
Revenues			
Rental		\$0	\$0
Sale of Capital Assets		\$0	\$0
Other (specify)	school fee-Oke, Arias, Tycholaz	\$15,882	\$26,569
Other (specify)	Donation-cameron Oke-board chair ,michelle(2022)	\$11,774	\$500
Total Revenues		\$27,656	\$27,069
Expenses			
Salary and Benefits (Position)	Oke, Tamara(daughter in law to board chair)	\$18,466	\$27,578
Salary and Benefits (Position)	Oostenbrug,Emily-(granddaughter to board chair)	\$0	\$21,863
Salary and Benefits (Position)	Eshter Chilquillo (wife of current boardchair-Juan Arias)	\$53,003	\$23,630
Rental		\$0	\$0
System Support		\$0	\$0
Other (specify)	Oostenbrug, Kimberly (daughter of form board chair-salary)	\$28,109	\$24,496
Other (specify)	Hankins, Heather (daughter of former board chair/Shafer/Daveparent reimbursed)	\$5,615	\$942
Other (specify)	Tycholaz, Jennifer (spouse of board member-salary)	\$61,335	\$4,110
Other (specify)	supplies (Tamara Oke, Kimberly Oostenbrug, Jennifer Tycholaz)SN Expenes - Michelle's son	\$2,443	\$0
Other (specify)	supplies (Tamara Oke, Kimberly Oostenbrug, Jennifer Tycholaz)SN Expenes - Michelle's son	\$801	\$0
Total Expenses		\$169,770	\$102,619
Receivable from/ Payable to			
		\$0	\$0
		\$0	\$0
		\$0	\$0
Other Contractual Obligations/ Contingencies			
		\$0	\$0
		\$0	\$0

Note:

- Describe the nature of different fees and charges and segregate if significant.
- Group with other if not significant.
- Describe the nature of transactions included in Other.
- If applicable, include loans, payables, and receivables.

Schedule 5
Analysis of Home Education Funding Balances
for the Year Ended August 31, 2023
(in dollars)

DETAILS OF TRANSACTION	Full Time Equivalent (FTE) Enrolled	2022/2023	2021/2022
Home Education Funding Received from Alberta Education	0	\$659,770	\$535,160
Eligible 50% parent portion		\$329,886	\$267,580
Alberta Education Home Education Funding*:			
Paid to parents		\$281,724	\$213,007
Unclaimed by parents (deferred)		\$48,161	\$54,573
Declined by parents (deferred)		\$0	\$0
Parents transferred parental portion to school (per signed Parent Declaration** form)		\$0	\$12,808
Accounts Payable to Alberta Education			
Prior year deferred Unclaimed and Declined balances		\$54,573	
Less: reimbursements to parents for 2021/2022 expenses		(\$32,326)	
Less: 2021/2022 parent portion transferred to school		(\$12,808)	
Total Accounts Payable to Alberta Education		\$9,439	

Note:

* An accredited funded private school must offer to the parents of a home education student 50 per cent of the home education funding for the purchase of instructional materials. Parents have up to two years to access the parental portion of home education funding. Alberta Education will recover the unclaimed/declined portion, the year following the previous two year period.

** Declaration forms must be made available upon request by Alberta Education.

Parents who were eligible to receive 50% funding in 2021/22 had until the end of 2022/23 to claim expenses and/or transfer to school per signed Parent Declaration form. Any unclaimed/declined amounts remaining are payable to Alberta Education.

**KOINONIA CHRISTIAN SCHOOL - RED DEER SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2023**

1. PURPOSE OF THE ORGANIZATION

Koinonia Christian School - Red Deer Society is a local organization which is set up to run an elementary and secondary Christian school, under the guidelines of Alberta Education. The School Society allows students to pursue academic excellence as well as to develop spiritually and mentally. The Koinonia Christian School - Red Deer Society is incorporated under the Societies Act of Alberta as a not-for-profit organization and is registered as a charitable organization under the Income Tax Act. As a result, it is exempted from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) applied on a going concern basis.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they became known.

Significant estimates in these financial statements include amortization of capital assets, amortization of deferred contribution relating to capital assets and prepaid expenses, the ability to collect on accounts receivable, valuation of accrued payables and deferred revenue.

Financial instruments

Financial instruments are recorded at exchange value when acquired or issued. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

The School Society's financial instruments consist of cash and cash equivalents, accounts receivables, accounts payable and accrued liabilities, long term debts, and capital lease obligation. Unless otherwise indicated, it is management's opinion that the School Society is not exposed to significant interest or credit risks arising from these financial instruments. The exchange values of these financial instruments approximate their carrying value, unless otherwise noted.

**KOINONIA CHRISTIAN SCHOOL - RED DEER SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2023**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Capital assets are recorded at cost. Capital assets with a cost less than \$5,000 are expensed in the year of acquisition. Amortization on capital assets is recorded on the following basis:

Portable buildings	10 years straight line
Building	15 years straight line
Equipment	5 years straight line
Fence	15 years straight line
Furniture and equipment	5 years straight line
Automobile	10 years straight line
Equipment under capital lease	5 years straight line

The School Society regularly reviews its capital assets to eliminate obsolete items and determine any impairment. Government grants are treated as a reduction of capital assets cost.

Revenue recognition

The School Society follows the deferral method of accounting for contributions. Revenue and expenses are recorded on the accrual basis.

Tuition and registration fees are recognized as revenue as related services are provided and the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations, federal and other grants, fundraising, provincial grants, and transportation are recognized in the year to which they relate.

Administrative and sundry income received for the purpose of school administration are recognized in the year to which they relate.

Academic activities related to courses and programs are recognized as revenue when such courses and programs are delivered.

Amortization of deferred contributions related to capital assets are recorded as deferred contribution liabilities and recognized into income on the same basis as amortization related to capital assets recognition.

Designated funds are recorded as deferred contributions until spent. Once spent, they are recorded to revenue on the same basis as the expenses incurred by the funds.

Contributed services

As with most charitable organizations, significant donations of time and services are received during each year. Due to the difficulties in establishing dollar values for these services, no attempt has been made to include a value for the services in the records of the School Society.

**KOINONIA CHRISTIAN SCHOOL - RED DEER SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2023**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated property, equipment and materials

Donated property, equipment and materials are recorded at fair market value when fair value can be reasonably estimated.

3. RESTRICTED CASH

Cash of \$78,517 (2022 - \$73,736) have been set aside to meet certain externally restricted obligations. See Note 5.

4. NOTES RECEIVABLE

The amount of \$17,879 (2022 - \$20,879) due from Airdrie Christian Academy (formerly Airdrie Koinonia Christian School), is non-interest bearing and unsecured. The loan matures on August 1, 2027.

Principal repayments due in the next four years are estimated to be as follows:

2024	\$	3,000
2025		3,000
2026		3,000
2027		8,879

5. UNDISBURSED DESIGNATED CONTRIBUTIONS

	<u>2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>2023</u>
Building fund	\$ -	\$ 2,000	\$ -	\$ 2,000
Christmas wishlist	320	18,955	16,219	3,056
Missions fund	57,646	-	-	57,646
Scholarship fund	15,770	-	-	15,770
Other	<u>-</u>	<u>1,369</u>	<u>1,324</u>	<u>45</u>
	<u>\$ 73,736</u>	<u>\$ 22,324</u>	<u>\$ 17,543</u>	<u>\$ 78,517</u>

Christmas wishlist is used for the purpose of acquiring academic related supplies, materials, and capital assets.

Missions fund is used for the purpose of trips for students and staffs to perform ministry projects outside of the local area.

Scholarship fund is used for the purpose of helping needy families attending the school with cost of tuition fees.

Other designated fund is used for the purpose of purchasing chromebooks or other special projects.

**KOINONIA CHRISTIAN SCHOOL - RED DEER SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2023**

6. CAPITAL LEASE OBLIGATIONS

	<u>2023</u>	<u>2022</u>
Photocopier lease with Meridian Lease Finance requires annual installments of \$15,000 including interest at 13.00%, matured August 2023. There are no assets pledged as security.	\$ -	\$ 13,274
Amount payable within one year	<u>-</u>	<u>13,274</u>
	<u>\$ -</u>	<u>\$ -</u>

7. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets represent the funds contributed to the School Society by funders for building a new school. These deferred contributions are recognized as revenue on the same basis as the amortization expense related to the new school building.

8. COMMITMENTS

During the year, the School Society entered into an operational lease agreement for the use of photocopiers requiring an annual payments of \$11,890 plus GST. The lease is set to mature October 1, 2027

9. ECONOMIC DEPENDENCE

During the year, the School Society received \$3,641,712 (2022 - \$3,185,138) Alberta Government grants, representing 83.4% (2022 - 83%) of the School Society's total revenue. As such, the School Society's future economic viability is dependent on its continuance to receive such funding.

10. RELATED PARTY TRANSACTIONS

The School Society paid \$168,888 (2022 - \$102,619) to various staff members and collected \$27,656 (2022 - \$27,069) in tuition fees from students who are related to members on the Board of Directors. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

11. UNUSED CREDIT FACILITIES

The school has an authorized credit facility with Servus Credit Union to a maximum of \$400,000 (2022 - \$400,000). This line of credit bears interest at the Credit union's prime rate of interest plus 0.70% (2022 - prime plus 0.70%), is due on demand. At August 31, 2023 the balance owing was \$NIL. (2022 - \$NIL).

**KOINONIA CHRISTIAN SCHOOL - RED DEER SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2023**

11. UNUSED CREDIT FACILITIES (continued)

The school has an authorized credit facility with Servus Credit Union to a maximum of \$20,000 (2022 - \$20,000). This line of credit bears interest at the Credit union's prime rate of interest plus 2.00% (2022 - prime plus 2.00%), is due on demand. At August 31, 2023 the balance owing was \$NIL. (2022 - \$NIL).

The school also has a paid off but undischarged all purpose mortgage with Servus Credit Union to a maximum of \$500,000 (2022 - \$500,000). This mortgage is secured by general Interest rate and balance available on the mortgage would be determined by mortgage application with Servus Credit Union. At August 31, 2023 the balance owing was \$NIL. (2022 - \$NIL).

All Servus Credit Union credit facilities are secured by the following: A borrowing resolution, a certificate of non-restriction, a general security agreement providing a first charge and security interest to all of the borrower's present and after-acquired personal property as required by the Credit Union, All purpose mortgage in the amount of \$500,000 as detailed above, assignment of rents registered by way of caveat representing a second fixed charge over the legal title of buildings, land and improvements at 6014-57 Avenue, Red Deer Alberta, signed environmental indemnity agreement and title insurance or real property report with proof of zoning compliance from the appropriate regulating authority.

12. FUNDRAISING

In order to raise \$95,622 (2022 - \$131,396) of fundraising revenue, the School Society spent \$71,362 (2022 - \$104,783) on expenses incurred for the purpose of obtaining such revenue. All fundraising activities were organized and ran by volunteers. The School Society has no employees whose principal duties involve fundraising.

13. CAPITAL ASSETS NOT CAPITALIZED

With reference to Note 2, assets with a per unit cost of \$5,000 and under are not capitalized to conform with the School Society's capitalization policy.

	<u>2023</u>	<u>2022</u>
Equipment	\$ 8,624	\$ 2,728
Computer equipment and softwares	<u>926</u>	<u>396</u>
	<u>\$ 9,550</u>	<u>\$ 3,124</u>

**KOINONIA CHRISTIAN SCHOOL - RED DEER SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2023**

14. FINANCIAL RISK MANAGEMENT

Credit risk

Credit risk is the risk that a counter-party will default on its contractual obligations resulting in a financial loss. The School Society is exposed to credit risk on its accounts receivable and cash. Management assesses its accounts receivable on a continuous basis and makes a provision for any amounts that are not collectible through an allowance for doubtful accounts. There has been no change to credit risk exposure during the year. Cash is deposited at major commercial banks.

Liquidity risk

Liquidity risk is the risk that the School Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The School Society manages its liquidity risk by monitoring its operating cash flow requirements, and by preparing budgets and cash flow forecasts to ensure it has sufficient funds to meet its obligations. There has been no change to liquidity risk exposure during the year.