

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules for
FUNDED INDEPENDENT SCHOOLS
FOR THE YEAR ENDED AUGUST 31, 2025**

Education Act, Section 29
Independent Schools Regulation, Alberta Regulation 127/2022

Koinonia Christian School -Red Deer Society

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

6014-57th Ave Red Deer, AB T4N 4S9

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

Aperture Professional Corporation

Name and Address of the Audit Firm

Auditor's Signature

INDEPENDENT SCHOOL MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING.

Koinonia Christian School-Red Deer Society

The financial statements and supporting schedules of

(Name of Independent School)

presented to Alberta Education and Childcare have been prepared by the independent 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 independent schools.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the independent 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 independent 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, 2025 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 independent schools.

BOARD CHAIR / PRESIDENT

Juan Arias

Name

Signed in original

Signature

HEAD OF SCHOOL / PRINCIPAL

Gregg McNeil

Name

Signed in original

Signature

TREASURER OR SECRETARY - TREASURER

Jeremy Anderson

Name

Signed in original

Signature

November 19, 2025

Board-approved Release Date

ALBERTA EDUCATION AND CHILDCARE, Financial Reporting and Accountability,
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Alberta Government

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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 (the "School Society"), which comprise of the statement of financial position as at August 31, 2025, 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 6 present fairly, in all material respects, the financial position of Koinonia Christian School - Red Deer Society as at August 31, 2025 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
November 19, 2025

Aperture Professional Corporation

CHARTERED PROFESSIONAL ACCOUNTANTS

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

		AFS 2025	AFS 2024 (NOTE *) x
ASSETS			
Current assets			
Cash and cash equivalents	Note	\$3,406,114	\$3,337,595
Accounts receivable (net after allowances)			
Province of Alberta	Note	\$38,789	\$23,684
Federal Government and/or First Nations	Note	\$10,865	\$20,492
Other accounts receivable	Note	\$112,417	\$62,547
Prepaid expenses	Note	\$77,185	\$33,758
Other current assets	Note	\$11,097	\$10,833
Total current assets		\$3,656,467	\$3,488,909
School generated assets	Note	\$0	\$0
Trust assets	Note	\$0	\$0
Other assets	Notes 3, 4	\$90,989	\$94,573
Capital assets			
Land at cost		\$760,000	\$760,000
Buildings at cost	\$615,803		
Less: accumulated amortization	(\$473,501)	\$142,302	\$156,814
Leasehold improvements at cost	\$0		
Less: accumulated amortization	\$0	\$0	\$0
Equipment at cost	\$341,213		
Less: accumulated amortization	(\$285,738)	\$55,475	\$77,135
Vehicles at cost	\$10,000		
Less: accumulated amortization	(\$3,000)	\$7,000	\$8,000
Total capital assets	Note	\$964,777	\$1,001,949
TOTAL ASSETS		\$4,712,233	\$4,585,431
LIABILITIES			
Current liabilities			
Bank indebtedness	Note	\$0	\$0
Accounts payable and accrued liabilities			
Province of Alberta	Note	\$614,861	\$721,368
Federal Government and/or First Nations	Note	\$36,262	\$54,016
Other payables and accrued liabilities	Note	\$0	\$139,857
Capital payables	Note	\$0	\$0
Deferred contributions	Note	\$115,653	\$98,596
Deferred capital allocations	Note	\$0	\$0
Current portion of long term debt		\$9,120	\$8,349
Total current liabilities		\$775,896	\$1,022,186
School generated liabilities	Note	\$0	\$0
Trust liabilities	Note	\$0	\$0
Other liabilities	Note 5	\$79,110	\$79,694
Long term debt			
Debentures & Bonds	Note	\$0	\$0
Capital loans	Note	\$0	\$0
Capital leases	Note 6	\$29,967	\$38,317
Mortgages	Note	\$0	\$0
Other loans	Note	\$0	\$0
Less: Current portion of long term debt	Note 6	(\$9,120)	(\$8,349)
Unamortized capital allocations	Note 7	\$17,727	\$25,170
Total long term liabilities		\$117,684	\$134,832
TOTAL LIABILITIES		\$893,580	\$1,157,018
NET ASSETS			
Unrestricted net assets		\$2,901,570	\$2,489,951
Operating reserves		\$0	\$0
Total accumulated surplus (deficit) from operations		\$2,901,570	\$2,489,951
Investment in capital assets		\$917,083	\$938,462
Capital reserves		\$0	\$0
Total capital funds		\$917,083	\$938,462
Total net assets		\$3,818,653	\$3,428,413
TOTAL LIABILITIES AND NET ASSETS		\$4,712,233	\$4,585,431

Note: * Audited Financial Statements (AFS) as submitted to Alberta Education and Childcare pursuant to Section 29 of the Education Act; Independent Schools Regulation, Alberta Regulation 127/2022 or as restated.

Input "(Restated)" in 2024 column heading where not taken from the finalized 2023/2024 Audited Financial Statements.

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

	AFS 2025	Budget 2025 (NOTE *)	AFS 2024 (NOTE *)
		x	x
REVENUES			
Alberta Education and Childcare (excluding Home Education)	\$2,276,814	\$2,539,759	\$2,283,899
Alberta Education and Childcare - Home Education	\$1,209,532	\$1,263,290	\$1,195,127
Total Alberta Education and Childcare Revenues	\$3,486,346	\$3,803,049	\$3,479,026
Other Government of Alberta	\$41,856	\$0	\$30,110
Federal Government and/or First Nations	\$0	\$0	\$0
Other Alberta school authorities	\$0	\$0	\$0
Instructional fees/Tuition fees	\$336,580	\$388,514	\$268,883
Non-instructional fees (O&M, Transportation, Admin, etc.)	\$23,353	\$25,893	\$27,533
Other sales and services	\$26,587	\$50,500	\$26,270
Interest on investments	\$112,581	\$130,450	\$68,113
Gifts and donations	\$19,052	\$30,000	\$79,775
Amortization of capital allocations	\$7,444	\$0	\$7,443
Other	\$37,975	\$0	\$42,013
Total Revenues	\$4,091,774	\$4,428,406	\$4,029,166
EXPENSES			
Home Education	\$1,003,856	\$1,262,145	\$890,153
Instruction - ECS	\$92,257	\$163,444	\$130,017
Instruction - Grades 1 to 12	\$2,047,034	\$2,482,047	\$2,101,199
Operations and maintenance	\$206,671	\$217,555	\$213,790
Transportation	\$73,008	\$68,524	\$101,568
Board and System Administration	\$244,042	\$192,046	\$259,941
External services	\$34,666	\$29,500	\$60,485
Total Expenses	\$3,701,534	\$4,415,261	\$3,757,153
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$390,240	\$13,145	\$272,013

Note: * Input "(Restated)" in Budget 2025 and/or AFS 2024 column headings where comparatives are not taken from the respective finalized 2024/2025 Budget Report and/or finalized 2023/2024 Audited Financial Statements.

STATEMENT OF OPERATIONS - Segment Disclosure
for the Year Ending August 31
(in dollars)

		Alberta Education	
		Funding and Expenses Only	
		AFS 2025	AFS 2024
<u>REVENUES</u>			
Alberta Education and Childcare Revenues		\$3,486,346	\$3,479,026
Less: Childcare Revenues		\$0	\$0
TOTAL ALBERTA EDUCATION REVENUES ONLY		\$3,486,346	\$3,479,026
<u>EXPENSES</u>			
Home Education		\$1,003,856	\$890,153
Instruction ECS		\$92,257	\$130,017
Instruction Grades 1 to 12		\$2,047,034	\$2,060,411
Operations and Maintenance		\$129,591	\$165,639
Transportation		\$67,590	\$82,320
Board and System Administration		\$146,018	\$150,486
Other (specify):		\$0	\$0
TOTAL ALBERTA EDUCATION EXPENSES ONLY		\$3,486,346	\$3,479,026
Government of Alberta Funds Balance*		\$0	\$0
*Balance represents the difference between revenue received and expenses incurred from Government of Alberta funds. A positive balance represents unspent amounts. This schedule only reports expenditures from the funds received from GOA and therefore the expenses cannot be greater than revenue.			

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

		AFS 2025	AFS 2024 (NOTE *)
			x
CASH FLOWS FROM:			
A. OPERATING ACTIVITIES			
Surplus (deficit) of revenues over expenses for the year		\$390,240	\$272,013
Add (Deduct) items not requiring cash:			
Amortization of capital allocations revenue		(\$7,444)	(\$7,443)
Total amortization expense		\$43,166	\$45,896
Add losses or deduct gains on disposal of capital assets		\$0	\$0
Changes in accrued accounts:			
Accounts receivable		(\$55,348)	(\$23,704)
Prepays and other current assets		(\$43,691)	(\$16,906)
Payables and accrued liabilities		(\$264,118)	\$722,666
Deferred contributions		\$17,057	\$27,039
Other (specify): Notes Receivables		\$3,000	\$2,999
Total sources (uses) of cash from operations		\$82,862	\$1,022,560
B. INVESTING ACTIVITIES			
Purchases of capital assets:			
Land		\$0	\$0
Buildings		(\$5,994)	\$0
Leasehold improvements		\$0	\$0
Equipment		\$0	(\$45,960)
Vehicles		\$0	\$0
Net proceeds from disposal of capital assets		\$0	\$0
Other (specify):		\$0	\$0
Total sources (uses) of cash from investing activities		(\$5,994)	(\$45,960)
C. FINANCING ACTIVITIES			
Capital contributions received			\$45,960
Issuance of long term debt		\$0	\$0
Repayment of long term debt		(\$8,349)	(\$7,643)
Other (specify):		\$0	\$0
Total sources (uses) from financing activities		(\$8,349)	\$38,317
Net sources (uses) of cash equivalents* * during year		\$68,519	\$1,014,917
Cash equivalents at the beginning of year		\$3,337,595	\$2,322,678
Cash equivalents at the end of year	\$3,406,114	\$3,406,114	\$3,337,595

NOTE: * Input "(Restated)" in 2024 column heading where not taken from the finalized 2023/2024 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, 2025
(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	TOTAL NET ASSETS (Columns 2+3+4)	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS (+, -)	TOTAL RESTRICTED NET ASSETS (Columns 5 to 8)	RESTRICTED NET ASSETS			
					OPERATING RESERVES		CAPITAL RESERVES	
					Grades K to 12	External Services	Grades K to 12	External Services
Balance at August 31, 2024	\$3,428,413	\$938,462	\$2,489,951	\$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
Adjusted balance, August 31, 2024	\$3,428,413	\$938,462	\$2,489,951	\$0	\$0	\$0	\$0	\$0
Surplus(deficit) of revenues over expenses (from page 3)	\$390,240		\$390,240					
Capital asset acquisitions (less financed and/or less capital contributions received)		\$5,994	(\$5,994)	\$0	\$0	\$0	\$0	\$0
Donations of non-amortizable assets	\$0	\$0						
Amortization of capital assets (expense) *		(\$43,166)	\$43,166					
Amortization of capital allocations (revenue) * *		\$7,444	(\$7,444)					
Disposal of capital assets		\$0	\$0	\$0			\$0	\$0
Debt principal payments * * *		\$8,349	(\$8,349)					
Net transfers to/from operating reserves	\$0	\$0	\$0	\$0	\$0	\$0		
Net transfers to/from capital reserves	\$0	\$0	\$0	\$0			\$0	\$0
Other transfers (specify):	\$0	\$0	\$0					
Balance at August 31, 2025	\$3,818,653	\$917,083	\$2,901,570	\$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, 2025

Independent School Authority Code:

9211

REVENUES	TOTAL	Instruction			Operations and Maintenance of Schools	Transportation	Board and System Administration	External Services
		Home Education and Shared Responsibility	Early Childhood Services (ECS)	Instruction (Grades 1 to 12)				
Alberta Education and Childcare allocations								
(1) ECS Base Instruction	\$44,960		\$44,960					
(2) Grades 1 to 12 Base Instruction (including Distance Education Primary and Non-Primary, Summer School)	\$1,083,115			\$1,083,115				
(3) Home Education and Shared Responsibility	\$1,209,532	\$1,209,532						
(4) Program Supports and Services	\$0		\$0	\$0				
(5) Operations and Maintenance Grant	\$116,426		\$0	\$0	\$116,426			
(6) Transportation Grant	\$67,590					\$67,590		
(7) System Administration	\$146,018		\$0	\$0	\$0	\$0	\$146,018	
(8) Other - Alberta Education and Childcare	\$818,705	\$0	\$64,033	\$754,672	\$0	\$0	\$0	\$0
TOTAL ALBERTA EDUCATION AND CHILDCARE ALLOCATIONS	\$3,486,346	\$1,209,532	\$108,993	\$1,837,787	\$116,426	\$67,590	\$146,018	\$0
(9) Other Government of Alberta	\$41,856	\$0	(\$4,400)	\$46,310	\$0	\$0	\$0	(\$54)
(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	\$336,580		\$17,895	\$318,685				\$0
(13) Non-Instructional fees (O&M, Transport, Admin, etc.)	\$23,353	\$0	\$0	\$23,353	\$0	\$0	\$0	\$0
(14) Other sales and services	\$26,587	\$4,135	\$0	\$0	\$0	\$0		\$22,452
(15) Interest on Investments	\$112,581	\$0	\$0	\$0	\$0	\$0	\$98,388	\$14,193
(16) Gifts and donations	\$19,052	\$0	\$0	\$0	\$0	\$0	\$0	\$19,052
(17) Amortization of capital allocations	\$7,444	\$0	\$0	\$7,444	\$0	\$0	\$0	\$0
(18) Other (specify): Fundraising	\$37,975	\$0	\$0	\$0	\$0	\$0	\$0	\$37,975
TOTAL REVENUES	\$4,091,774	\$1,213,667	\$122,488	\$2,233,579	\$116,426	\$67,590	\$244,406	\$93,618
EXPENSES								
(19) Certificated salaries	\$1,475,530	\$482,630	\$40,038	\$944,415			\$8,447	\$0
(20) Certificated benefits	\$178,466	\$45,687	\$3,474	\$125,990			\$3,315	\$0
(21) Non-certificated salaries and wages	\$741,343	\$36,459	\$40,514	\$506,835	\$36,897	\$661	\$119,977	\$0
(22) Non-certificated benefits	\$144,805	\$3,103	\$7,255	\$112,326	\$5,618	\$120	\$16,383	\$0
SUB-TOTAL	\$2,540,144	\$567,879	\$91,281	\$1,689,566	\$42,515	\$781	\$148,122	\$0
(23) Services, contracts & supplies - other than Consulting fees / Management fees, and leases	\$1,081,487	\$435,977	\$976	\$311,749	\$164,156	\$72,227	\$89,388	\$7,014
(24) Consulting / Management Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$7,444	\$0	\$0	\$7,444	\$0	\$0	\$0	\$0
(28) Amortization of capital assets from unrestricted funds	\$35,722	\$0	\$0	\$35,722	\$0	\$0	\$0	\$0
(29) Interest on capital debt	\$3,541	\$0	\$0	\$0	\$0	\$0	\$3,541	\$0
(30) Other interest charges	\$5,544	\$0	\$0	\$2,553	\$0	\$0	\$2,991	\$0
(31) Losses (gains) on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other (specify): Fundraising Expenses	\$27,652	\$0	\$0	\$0	\$0	\$0	\$0	\$27,652
TOTAL EXPENSES	\$3,701,534	\$1,003,856	\$92,257	\$2,047,034	\$206,671	\$73,008	\$244,042	\$34,666
Surplus(deficit) of revenues over expenses	\$390,240	\$209,811	\$30,231	\$186,545	(\$90,245)	(\$5,418)	\$364	\$58,952

SCHEDULE 2
ANALYSIS OF EARLY CHILDHOOD SERVICES (ECS) PROGRAM UNIT EXPENSES
for the Year Ended August 31, 2025

	ECS Program Unit (excluding Moderate Language Delay Grant)	ECS Moderate Language Delay Grant code 48 only
Instruction		
Certificated salaries	\$40,038	
Certificated benefits	\$3,474	
Non-certificated salaries and wages	\$0	\$40,514
Non-certificated benefits	\$0	\$7,255
Specialized services and supports	\$0	\$0
Supplies and materials	\$226	\$750
Parent and staff in-service	\$0	\$0
Other (specify)	\$0	\$0
Specialized equipment & furniture (child specific). Please specify:	\$0	\$0
Total	\$43,738	\$48,519

Schedule 3
Remuneration and Monetary Incentives
for the Year Ended August 31, 2025

Position	Name	Full Time Equivalent (FTE)	Remuneration	Benefits and Allowances	Other Accrued Unpaid Benefits	Other Expenses
Board Chair:	Juan Arias	0.20	\$0	\$0	\$0	\$0
Secretary-Treasurer:		0.00	\$0	\$0	\$0	\$0
Secretary:		0.00	\$0	\$0	\$0	\$0
Treasurer:	Jeremy Anderson (Elected February 2025)	0.08	\$0	\$0	\$0	\$0
Board of Directors:	1 Conrad Tycho az	0.10	\$0	\$0	\$0	\$0
	2 Shafer Parker	0.10	\$0	\$0	\$0	\$0
	3 Heidi Gebbink (appointed June 2025)	0.01	\$0	\$0	\$0	\$0
	4 Dave Neufeld (Resigned June 2025)	0.03	\$0	\$0	\$0	\$0
	5 Michelle Elliot (Resigned June 2025)	0.03	\$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		0.27	\$0	\$0	\$0	\$0
Head of School	Gregg McNeil (Executive Principal-Hired April 2025)	1.00	\$57,083	\$6,442	\$0	\$0
Principals:	1 Jerry Lutz-Principal of KCS RD	1.00	\$106,586	\$10,599	\$0	\$0
	2 Natasja Wilms-Principal of KCS RD-Kindergarten	0.05	\$6,231	\$728	\$0	\$0
	3 Natasja Wilms-Principal of Emmaus Learning Center	0.72	\$89,383	\$10,445	\$0	\$0
	4 Natasja Wilms-Principal of Koinonia@Home	0.23	\$29,013	\$3,390	\$0	\$0
	5 Vern Rand-Executive Principal Interim	0.50	\$50,000	\$4,476	\$0	\$0
	6				\$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		2.50	\$281,213	\$29,638	\$0	\$0
Chief Financial Officer:		0.00	\$0	\$0	\$0	\$0
Management/Executives:	1. Maxima Chilquillo Flores -Financial Controller	1.00	\$66,516	\$9,483	\$0	\$0
	2 Vern Rand-Facility Manager	0.20	\$15,000	\$1,343	\$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		1.20	\$81,516	\$10,826	\$0	\$0
Total Certificated staff (excluding Home Education)		12.90	\$992,900	\$132,779	\$0	\$0
Total Non-Certificated staff (excluding Home Education)		23.45	\$704,684	\$141,702	\$0	\$0
Total Certificated contract staff (excluding Home Education)		0.00	\$0	\$0	\$0	\$0
Total Non-Certificated contract staff (excluding Home Education)		0.00	\$0	\$0	\$0	\$0
Total Certificated staff (Home Education)		3.38	\$482,630	\$45,687	\$0	\$0
Total Non-Certificated staff (Home Education)		2.00	\$36,459	\$3,103	\$0	\$0
Total Certificated Contract staff (Home Education)		0.00	\$0	\$0	\$0	\$0
Total Non-Certificated Contract staff (Home Education)		0.00	\$0	\$0	\$0	\$0
Contracted Services for Senior Management and Director's Position Only:						
Position	Name	FTE 2025	Contract Amount 2025	Allowances 2025	Bonuses 2025	Other Expenses 2025
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, 2025
(in dollars)

DETAILS OF TRANSACTION	DETAILS AND NATURE OF RELATIONSHIP	2025	2024
Revenues			
Rental		\$0	\$0
Sale of Capital Assets		\$0	\$0
Other (specify)	School Fees, Arias, Tycholaz	\$0	\$10,808
Other (specify)	Donation, fundraising-Board chair, Michelle, Tycholaz	\$0	\$920
Total Revenues		\$0	\$11,728
Expenses			
Salary and Benefits (Position)	Esther Chilquillo(Wife of current board chair-Juan Arias	\$66,516	\$66,086
Salary and Benefits (Position)	Tycholaz Jennifer(Wife of Vice chair-Conrad Tycholaz)	\$72,627	\$69,390
Salary and Benefits (Position)		\$0	\$0
Rental		\$0	\$0
System Support	Hankins, Heather (daughter of former board chair/Parent reimbursed	\$0	\$1,156
Other (specify)	Supplies(Tamara Oke, Kimberly O, Jennifer Tycholaz), SN expenses-Michelle's son		\$4,611
Other (specify)	Transportation Grants -(Esther C, Jeremy Anderson, Heidi G, Jennifer T)	\$5,412	\$0
Other (specify)	Home Reimbursement-Michelle Elliot	\$1,802	\$0
Other (specify)	Christmas gift Cards(Esther, Jennifer), reimbursements(Jennifer T)	\$848	\$0
Other (specify)	Mileage (Shafer, David)	\$743	\$0
Total Expenses		\$147,948	\$141,243
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, 2025
(in dollars)

DETAILS OF TRANSACTION	Full Time Equivalent (FTE) Enrolled Students	2024/2025	2023/2024
Home Education Funding Received from Alberta Education and Childcare	0	\$809,404	\$812,558
Eligible 50% parent portion		\$404,702	\$406,279
Alberta Education and Childcare Home Education Funding*:			
Paid to parents		\$353,728	\$350,675
Unclaimed by parents (deferred)		\$50,974	\$55,604
Declined by parents (deferred)		\$0	\$0
Parents transferred parental portion to school (per signed Parent Declaration** form)		\$0	
Accounts Payable to Alberta Education and Childcare			
Prior year deferred Unclaimed and Declined balances		\$55,604	
Less: reimbursements to parents for 2023/2024 expenses		(\$5,050)	
Less: 2023/2024 parent portion transferred to school		(\$8,919)	
Total Accounts Payable to Alberta Education and Childcare		\$41,635	

Note:

* An accredited funded independent 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 and Childcare 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 and Childcare.

Parents who were eligible to receive 50% funding in 2023/24 had until the end of 2024/25 to claim expenses and/or transfer to school per signed Parent Declaration form. Any unclaimed/declined amounts remaining are payable to Alberta Education and Childcare.

Schedule 6
Salary Disclosure
for the Year Ended August 31, 2025

Total Compensation/Contract Range	Number of Individuals (Part time)	Number of Individuals (Full time)
\$1 to \$49,999	42	16
\$50,000 to \$99,999	4	10
\$100,000 to \$129,999	0	2
\$130,000 to 159,999		
160,000 to 189,999		
190,000 to 197,000		
\$197,001 to 229,999		
over \$230,000		

Part time specification:

For example: the three individuals reported under Part time are the equivalent of 0.70 FTE, 0.5 FTE and 0.25 FTE. You would still report 3 under part time.

No individual should be counted more than once; report based on full compensation even if received for multiple roles

Total compensation includes salary, wage, benefits, and allowances including other unpaid accrued benefits

**KOINONIA CHRISTIAN SCHOOL - RED DEER SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025**

1. PURPOSE OF THE ORGANIZATION

Koinonia Christian School - Red Deer Society (the "School 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 School 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.

Cash and cash equivalents

Cash and cash equivalents consist primarily of bank accounts and deposits with an original maturity date of purchase less than a year. Because of the short term maturity of these investments, their carrying amount approximates exchange value.

**KOINONIA CHRISTIAN SCHOOL - RED DEER SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025**

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:

Automobile	10 years straight line
Building	40 years straight line
Equipment	5 years straight line
Equipment under capital lease	5 years straight line
Fence	15 years straight line
Furniture and equipment	5 years straight line
Portable buildings	10 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.

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

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

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.

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

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.

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, 2025**

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 \$79,110 (2024 - \$79,694) have been set aside to meet certain externally restricted obligations. See Note 5.

4. NOTES RECEIVABLE

The amount of \$11,879 (2024 - \$14,879) due from Airdrie Christian Academy (formerly Airdrie Koinonia Christian School), is non-interest bearing and unsecured. The notes receivable matures on August 1, 2027.

Principal repayments due in the next 2 years are estimated to be as follows:

2026	\$	3,000
2027		8,879

5. UNDISBURSED DESIGNATED CONTRIBUTIONS

	<u>2024</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>2025</u>
Building fund	\$ 2,000	\$ 2	\$ -	\$ 2,002
Christmas wishlist	4,078	-	1,036	3,042
Missions fund	57,646	50	-	57,696
Scholarship fund	15,970	400	-	16,370
Other	-	2,420	2,420	-
	<u>\$ 79,694</u>	<u>\$ 2,872</u>	<u>\$ 3,456</u>	<u>\$ 79,110</u>

Building fund is used for the purpose of purchasing new building in the future.

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.

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

**KOINONIA CHRISTIAN SCHOOL - RED DEER SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025**

6. CAPITAL LEASE OBLIGATIONS

	<u>2025</u>	<u>2024</u>
Photocopiers lease with Meridian Lease Finance requires annual installments of \$11,890 including interest at 9.24%, matures September 2027.	\$ 29,967	\$ 38,317
Amount payable within one year	<u>9,120</u>	<u>8,349</u>
	<u>\$ 20,847</u>	<u>\$ 29,968</u>

Principal repayments due in the next 3 years are estimated to be as follows:

2026	\$ 9,120
2027	9,963
2028	10,884

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. ECONOMIC DEPENDENCE

During the year, the School Society received \$3,486,346 (2024 - \$3,477,676) Alberta Government grants, representing 85% (2024 - 86%) 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.

**KOINONIA CHRISTIAN SCHOOL - RED DEER SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025**

9. UNUSED CREDIT FACILITIES

The school has an authorized credit facility with Servus Credit Union to a maximum of \$400,000 (2024 - \$400,000). This line of credit bears interest at the Credit union's prime rate of interest plus 0.70% (2024 - prime plus 0.70%), is due on demand. At August 31, 2025 the balance owing was \$NIL. (2024 - \$NIL).

The school has an authorized credit facility with Servus Credit Union to a maximum of \$20,000 (2024 - \$20,000). This line of credit bears interest at the Credit union's prime rate of interest plus 2.00% (2024 - prime plus 2.00%), is due on demand. At August 31, 2025 the balance owing was \$NIL. (2024 - \$NIL).

The school also has a paid off but undischarged all purpose mortgage with Servus Credit Union to a maximum of \$500,000 (2024 - \$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, 2025 the balance owing was \$NIL. (2024 - \$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.

10. 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.