

E.C.S. Private Operator Authority Code: 0252

Incorporation Number: 5016105784

**EARLY CHILDHOOD SERVICES PRIVATE OPERATORS
AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2023**

{Education Act, Section 21(6);
Early Childhood Services Regulation, Section 10(1)}

Kin Dir Education Foundation

INCORPORATED NAME OF SOCIETY

#5 - 2611 37 Avenue NE, Calgary, Alberta T1Y 5V7

Mailing Address

403-227-0425 (phone); 403-277-7101 (fax); info@kindired.com

Telephone and Fax Numbers, Email address

Audited by:

Professional Corporation, #101, 2719 7th Avenue NE, Calgary, Alb

Name and address of the Auditor

Ali Gangji Professional Corporation
Signature of the Auditor

EARLY CHILDHOOD SERVICES PRIVATE OPERATOR MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules of Kin Dir Education Foundation
(Name of E.C.S. Private Operator)

presented to Alberta Education have been prepared by the private operator which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta Education funded E.C.S. private operators.

In fulfilling its reporting responsibilities, the E.C.S. private operator has maintained internal control systems and procedures designed to provide reasonable assurance that its 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 operator'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.

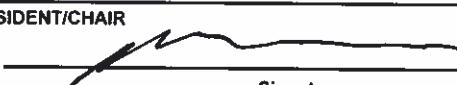
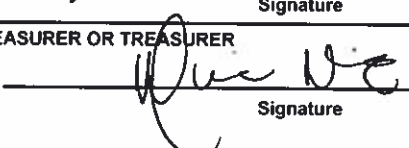
The ultimate responsibility for the financial statements lies with the society's board. The Board reviewed the financial statements in detail and approved the financial statements and supporting schedules for release.

External Auditors:

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

Declaration of President and Secretary-Treasurer/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 and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-For-Profit Organizations and Ministerial requirements for Alberta Education funded early childhood services private operators.

PRESIDENT/CHAIR	
<u>Mark Snyder</u>	
Name	Signature
SECRETARY-TREASURER OR TREASURER	
<u>Gladys Directo-Banayat</u>	
Name	Signature
<u>January 29, 2024</u>	
Dated	

ONE Original signed copy and ONE electronic copy of the AFS are to be forwarded to:
ALBERTA EDUCATION, Financial Reporting & Accountability Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: edc.fra-ecs@gov.ab.ca
PHONE: (780) 422-1256 FAX: (780) 422-6996
By November 30, 2023

Alberta Government

TABLE OF CONTENTS

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2022

	<u>Page</u>
AUDITOR'S REPORT	
STATEMENT OF FINANCIAL POSITION	AFS 1
STATEMENT OF OPERATIONS	AFS 2
STATEMENT OF CASH FLOWS	AFS 3
STATEMENT OF CHANGES IN NET ASSETS	AFS 4
NOTES TO THE FINANCIAL STATEMENTS	
 <u>Supporting Schedules</u>	
SCHEDULE A Allocation of Revenues and Expenses to Programs	AFS 5
SCHEDULE B Alberta Education Revenue Allocation and Expense Details	AFS 6
SCHEDULE C Remuneration and Monetary Incentives	AFS 7
RPT Related Party Transactions	AFS 8

STATEMENT OF FINANCIAL POSITION
as at August 31, 2023
(in dollars)

	2023	2022
ASSETS		
Current assets		
Cash and temporary investments	\$1,317,844	\$2,188,368
Accounts receivable (net after allowances)		
Alberta Education:		
Program Unit	\$0	\$0
Other (e.g. Base Instruction, Administration, etc.)	\$0	\$0
Other accounts receivable	\$240	\$1,320
Prepaid expenses	\$41,201	\$42,805
Other current assets	\$0	\$0
Total current assets	\$1,359,285	\$2,232,493
Capital assets (net book value)		
Furniture & Fixtures	\$0	\$0
Vehicles	\$376,704	\$260,563
Equipment	\$0	\$0
Buildings	\$408,674	\$129,562
Land	\$0	\$0
Other (Please specify:)	\$0	\$0
Other (Please specify:)	\$0	\$0
Total capital assets	\$785,378	\$390,125
TOTAL ASSETS	\$2,144,663	\$2,622,618
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities:		
Alberta Education:		
Program Unit	\$0	\$0
Other (Base Instruction, Administration, etc.)	\$0	\$0
Other	\$360,208	\$190,204
Deferred contributions	\$478,399	\$481,958
Current portion of long term debt	\$0	\$0
Total current liabilities	\$838,607	\$672,162
Long term debt	\$0	\$0
Less: Current portion of long term debt	\$0	\$0
Total long term liabilities	\$0	\$0
TOTAL LIABILITIES	\$838,607	\$672,162
NET ASSETS		
Unrestricted net assets	\$999,077	\$1,560,331
Operating reserves	\$0	\$0
Accumulated surplus (deficit) from operations **	\$999,077	\$1,560,331
Investment in capital assets	\$306,979	\$390,125
Capital reserves	\$0	\$0
Total capital funds	\$306,979	\$390,125
Total net assets	\$1,306,056	\$1,950,456
TOTAL LIABILITIES AND NET ASSETS	\$2,144,663	\$2,622,618

* Please input "Restated" in 2022 column heading where comparatives are not taken from the finalized 2022 Audited Financial Statements filed with Alberta Education.

** This number also goes to the Budget report for the Accumulated Surplus (deficit) from operations.

STATEMENT OF OPERATIONS
for the Year Ended August 31, 2023
(in dollars)

	Actual 2023	Budget 2023	Actual 2022
REVENUES			
Alberta Education	\$4,771,434	\$4,635,333	\$4,158,544
Other - Government of Alberta	\$42,542	\$10,000	\$10,483
Federal Government and/or First Nations	\$0	\$0	\$0
Other Alberta School Authorities	\$0	\$0	\$0
Alberta municipalities	\$0	\$0	\$0
Parents & individuals	\$0	\$0	\$0
Other sales and services	\$0	\$2,000	\$11,603
Investment income	\$0	\$0	\$0
Gifts and donations	\$0	\$0	\$0
Fundraising	\$0	\$0	\$0
Other revenue	\$4,658	\$0	\$0
Gains on disposal of capital assets	\$0	\$0	\$0
TOTAL REVENUES	\$4,818,634	\$4,647,333	\$4,180,630
EXPENSES			
Certificated salaries	\$877,217	\$986,453	\$763,834
Certificated benefits	\$118,672	\$111,958	\$86,692
Non-certificated salaries and wages	\$2,915,859	\$2,395,039	\$2,014,005
Non-certificated benefits	\$485,546	\$358,361	\$309,665
Services, contracts and supplies	\$1,007,559	\$775,379	\$734,587
Fundraising	\$0	\$0	\$0
Amortization of capital assets	\$57,617	\$20,000	\$11,273
Bank and other interest charges	\$564	\$143	\$143
Losses on disposal of capital assets	\$0	\$0	\$0
TOTAL EXPENSES	\$5,463,034	\$4,647,333	\$3,920,199
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	(\$644,400)	\$0	\$260,431

* Please input "Restated" in 2022 column heading where comparatives are not taken from the finalized 2022 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CASH FLOWS
 for the Year Ended August 31, 2023
 (in dollars)

	2023	2022
CASH FLOWS FROM:		
A. Operating Activities		
Surplus (deficit) of revenues over expenses for the year	(\$644,400)	\$260,431
Add (Deduct) items not requiring cash:		
Amortization of capital assets	\$57,617	\$11,273
Changes in accrued accounts:		
Accounts receivable	\$1,080	\$1,560
Prepays and other current assets	\$1,604	(\$9,819)
Payables and accrued liabilities (specify in notes)	\$170,004	\$81,423
Deferred contributions	(\$3,559)	\$481,958
Other (Please specify:)	\$0	\$0
Total sources (uses) of cash from Operations	(\$417,654)	\$826,826
B. Investing Activities		
Purchases of capital assets:		
Furniture & Fixtures	\$0	\$0
Vehicles	(\$170,508)	(\$215,470)
Equipment	\$0	\$0
Buildings	(\$282,362)	(\$129,562)
Land	\$0	\$0
Other (Please specify:)	\$0	\$0
Other (Please specify:)	\$0	\$0
Proceeds from disposal of capital assets	\$0	\$0
Other Investing Activities (Please specify:)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$452,870)	(\$345,032)
C. Financing Activities		
Bank loan	\$0	\$0
Other (Please specify: Tenant improvement allowance)		\$0
Net sources (uses) of cash equivalents* during year	(\$870,524)	\$481,794
Cash equivalents at the beginning of the year	\$2,188,368	\$1,706,574
Cash equivalents at the end of the year	\$1,317,844	\$2,188,368

Notes: * Cash equivalents consist of:
 - cash and temporary investments
 - bank indebtedness

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

	(1)	(2)	(3)	(4)	(5)	(6)
	TOTAL NET ASSETS (Columns 2+3+4)	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL RESTRICTED NET ASSETS (Columns 5 and 6)	RESTRICTED NET ASSETS	
					Operating Reserves	Capital Reserves
Balance at August 31, 2022	\$1,950,456	\$390,125	\$1,560,331	\$0	\$0	\$0
Adjustments affecting previous year's surplus:						
	\$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 at Aug. 31, 2022	\$1,950,456	\$390,125	\$1,560,331	\$0	\$0	\$0
Surplus(deficit) of revenues over expenses	(\$644,400)		(\$644,400)			
Capital additions *		\$456,099	(\$456,099)	\$0	\$0	\$0
Amortization of capital assets		(\$57,617)	\$57,617			
Disposal of capital assets		\$0	\$0	\$0		\$0
Capital debt principal payments **		\$0	\$0	\$0		\$0
Net transfers to and from operating reserves		(\$481,628)	\$481,628	\$0	\$0	\$0
Net transfers to and from capital reserves		\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2023	\$1,306,056	\$306,979	\$999,077	\$0	\$0	\$0
	\$1,306,056					

Note:

Amortization of Capital Assets expense decreases the Investment in Capital Assets and increases Unrestricted Net Assets.
Accumulated Operating Surplus = Unrestricted Net Assets + Operating Reserves.

* Each capital item included should have a unit purchase cost greater than \$5,000.

** Principal payments increase Investment in Capital Assets and decreases Unrestricted Net Assets as the outstanding capital debt is paid down.

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

REVENUES	TOTAL	ECS Instruction	ECS Program Unit	ECS Moderate Language Delay	ECS Operations & Maintenance	ECS Transportation	ECS System Administration	Other Services
Total Alberta Education Revenue	\$4,771,434	\$849,824	\$3,204,293	\$0	\$225,484	\$165,466	\$226,367	
(1) Other - Government of Alberta	\$42,542	\$0	\$0	\$0	\$0	\$0	\$0	\$42,542
(2) Federal Government and/or First Nations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(3) Other Alberta School Authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(4) Alberta municipalities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parents and individuals:								
(5) Instructional fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(6) Non-instructional fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7) Transportation fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(8) Other sales and services (i.e. Day Care/After-school Care)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(9) Investment income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10) Gifts and donations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(11) Fundraising	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(12) Other revenue	\$4,658	\$0	\$0	\$0	\$0	\$0	\$0	\$4,658
(13) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$4,816,634	\$949,824	\$3,204,293	\$0	\$225,484	\$165,466	\$226,367	\$47,200

EXPENSES	(14) Certificated salaries	(15) Certificated benefits	(16) Non-certificated salaries and wages	(17) Non-certificated benefits	(18) Services, contracts & supplies:	(19) Fundraising	(20) Amortization of capital assets	(21) Bank and other interest charges	(22) Losses on disposal of capital assets	TOTAL EXPENSES	Surplus (deficit)
(14) Certificated salaries	\$877,217	\$877,217	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(15) Certificated benefits	\$118,672	\$118,672	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(16) Non-certificated salaries and wages	\$2,915,659	\$0	\$2,915,659	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(17) Non-certificated benefits	\$465,546	\$0	\$465,546	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SUB - TOTAL	\$4,397,294	\$995,889	\$3,401,405	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) Services, contracts & supplies:											
- Instructional supplies	\$102,513	\$5,092	\$97,421	\$0	\$0	\$0	\$0	\$0	\$0	\$53,955	\$0
- Parent & staff in-service	\$60,482	\$0	\$60,482	\$0	\$0	\$0	\$0	\$0	\$0	\$269,550	\$0
- Specialized Equipment and Furniture (child specific)	\$181	\$0	\$181	\$0	\$0	\$0	\$0	\$0	\$0	\$185,735	\$109,145
- Consulting, management and professional fees	\$53,955	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Leases	\$269,550	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Other services, contracts and supplies	\$520,878	\$0	\$4,473	\$0	\$0	\$0	\$0	\$0	\$0	\$151,525	\$0
(19) Fundraising	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(20) Amortization of capital assets	\$57,817	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$54,367	\$0
(21) Bank and other interest charges	\$564	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$564	\$0
(22) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES	\$5,483,034	\$1,000,981	\$3,565,862	\$0	\$469,099	\$205,892	\$223,100	\$0	\$0	\$223,100	\$0
Surplus (deficit)	(\$644,400)	(\$11,157)	(\$359,669)	\$0	(\$243,615)	\$417,200	\$0	\$0	\$0	\$3,287	\$47,200

SCHEDULE B to the AFS
Alberta Education Revenue Allocation and Expense Details
 for the Year Ended August 31, 2023

ALBERTA EDUCATION REVENUES										
	TOTAL	ECS Instruction	ECS Program Unit	ECS Moderate Language Delay	ECS Operations & Maintenance	ECS Transportation	ECS System Administration	Other Services	Total Schedule B Expenses	
ECS Base instruction	\$880,111	\$880,111							\$1,000,981	
Program Supports and Services										
English as an second language (ESL)	\$0	\$0							\$0	
ECS Program unit funding	\$2,353,314		\$2,353,314						\$3,563,962	
ECS Moderate language delay	\$0			\$0					\$0	
ECS Mid/moderate disabilities, gifted and talented	\$0	\$0							\$0	
School-Based Grants										
ECS Operations and maintenance	\$162,553				\$162,553				\$469,098	
ECS Transportation	\$165,466					\$165,466			\$205,892	
ECS SuperNet service funding	\$80,325	\$80,325			\$0		\$0		\$0	
ECS System Administration	\$226,367						\$226,367		\$223,100	
Other Alberta Education revenue	\$879,522		\$879,522	\$0	\$0	\$0	\$0		\$0	
Reallocations of Alberta Education revenue	\$23,776	(\$10,612)	(\$28,543)	\$0	\$62,931	\$0	\$0		\$0	
TOTAL	\$4,771,434	\$949,824	\$3,204,293	\$0	\$225,484	\$165,466	\$226,367		\$5,463,034	

**SCHEDULE C to the AFS
Remuneration and Monetary Incentives
for the Year Ended August 31, 2023**

Position/Role	Name	Full Time Equivalent (FTE)	Remuneration	Benefits	Other Compensation	Contracted Services	Expenses	Total Compensation	Total Compensation per FTE	% Benefits vs. Remuneration
Board Members:										
1 Board Chair/President	Mark Snyder							\$0	na	na
2 Secretary-Treasurer	Gladys Directo-Bansayat							\$0	na	na
3 Secretary								\$0	na	na
4 Treasurer								\$0	na	na
5 (Other Board of Directors)	Melanie Nickel							\$0	na	na
6	Leanne Boskers							\$0	na	na
7	Michelle Dreffs							\$0	na	na
8								\$0	na	na
9								\$0	na	na
10								\$0	na	na
11								\$0	na	na
12								\$0	na	na
13								\$0	na	na
14								\$0	na	na
Subtotal		0.00	\$0	\$0	\$0	\$0		\$0	na	na
Senior Management:										
1 Executive Director	Mark Snyder (ED and Psychologist)	0.80				\$140,000		\$140,000	\$175,000	na
2 Finance Director								\$0	na	na
3 HR Director	Roxanne Manabat	1.00	\$72,000	\$3,295	\$805			\$76,100	\$76,100	5%
4 Clinical Program Coordinator	Carmen Knowles	1.00	\$119,040	\$6,888	\$1,150			\$127,078	\$127,078	6%
5 Academic Program Coordinator	Cavell Burley	1.00	\$100,800	\$5,827	\$500			\$107,127	\$107,127	6%
6 Operations Supervisor	Janelle Taylor	1.00	\$60,000	\$2,951	\$500			\$63,451	\$63,451	5%
7								\$0	na	na
8								\$0	na	na
9								\$0	na	na
10								\$0	na	na
11								\$0	na	na
12								\$0	na	na
13								\$0	na	na
14								\$0	na	na
Subtotal		4.80	\$351,840	\$18,961	\$2,955	\$140,000		\$513,755	\$107,032	5%
Other:										
Total Certificated Staff										
		11.00	\$877,217	\$118,672				\$995,889	\$90,535	14%
Total Non-Certificated Staff (Other than Senior Management)										
		48.20	\$2,564,019	\$466,585				\$3,030,604	\$62,876	18%
Subtotal		59.20	\$3,441,236	\$585,257	\$0	\$0		\$4,026,493	\$68,015	17%
TOTALS		64.00	\$3,793,076	\$604,218	\$2,955	\$140,000		\$4,540,249	\$70,941	16%

**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)		\$0	\$0
Other (specify)		\$0	\$0
Total Revenues		\$0	\$0
Expenses			
Salary and Benefits (Position)		\$0	\$0
Salary and Benefits (Position)		\$0	\$0
Salary and Benefits (Position)		\$0	\$0
Rental		\$0	\$0
System Support		\$0	\$0
Other (specify)	Kids First Psychology Inc. (100% owned by Mark Snyder). Provider of psychological services to studen	\$140,000	\$140,000
Other (specify)		\$0	\$0
Other (specify)		\$0	\$0
Other (specify)		\$0	\$0
Other (specify)		\$0	\$0
Total Expenses		\$140,000	\$140,000
Receivable from/ Payable to			
Payable to Kids First Psychology Inc.	Included in expenses noted above	\$70,000	\$35,000
		\$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.

Kin-Dir Education Foundation
Notes to Financial Statements
Year ended August 31, 2023

1. General

Kin-Dir Education Foundation (the “Society”) was incorporated under the Societies Act of the Province of Alberta on May 30, 2011 and qualifies for tax-exempt status as a not-for-profit organization under paragraph 149 (1) (l) of the Income Tax Act.

The Society provides educational services for children ranging from preschool (ages 3-4) to kindergarten (ages 5-6). It is accredited as an Early Childhood Services operator by Alberta Education, and delivers education programs under the authority of the *Education Act*, Chapter E-0.3 Statutes of Alberta, 2012 (formerly the *School Act*, Chapter S-3, Revised Statutes of Alberta 2000).

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies are summarized as follows:

(a) Basis of accounting

The basis of accounting followed in the financial statement presentation includes revenues recognized in the period in which the transactions or events occurred that gave rise to the revenues, and expenses recognized in the period the goods or services are acquired and a liability is incurred or transfers are due.

(b) Revenue recognition

The Society follows the deferral method of accounting for funding. Restricted funding pertaining to specific projects are recognized as revenue in the year in which the related expenses are incurred. Unrestricted funding is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Cash and cash equivalents

Cash and cash equivalents consist of balances with financial institutions.

(d) Capital assets

Capital assets are recorded at cost, with items requiring an initial cost of \$ 5,000 or greater to be capitalized. Amortization is provided for on a straight-line basis over the useful economic life at the following annual rates:

Building retrofitting	20 years
Motor vehicles	5 years
Equipment	5 years

Kin-Dir Education Foundation
Notes to Financial Statements
Year ended August 31, 2023

2. Summary of significant accounting policies (continued)

(d) Capital assets (continued)

In the year of acquisition, no amortization of capital assets is recorded.

(e) Financial instruments

The Society initially measures its financial assets and financial liabilities at their fair value. The Society subsequently measures its financial assets and financial liabilities at amortized cost. The financial assets subsequently measured at amortized cost are cash, cash equivalents and accounts receivable. The financial liabilities subsequently measured at amortized cost are accounts payable and accrued liabilities.

Credit risk

Credit risk is the possibility that other parties may default on their financial obligations. As the Society's primary source of revenue is provincial government funding, the Society is not exposed to any significant credit risk.

Currency risk

Currency risk is the risk that arises from the change in price of one currency against another. As all of the Society's transactions involve Canadian currency, the Society is not exposed to any significant currency risk.

Interest rate risk

Interest rate risk is the risk that an investment or loan will change due to a change in the absolute level of interest rates or a change in any interest rate relationship. As there are no investments held by, or interest-bearing loans involving, the Society, the Society is not exposed to any interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Society will not be able to fund its obligations as they come due. The Society manages this risk by maintaining ongoing communication and regular reporting to the primary funder to ensure continuous funding.

Kin-Dir Education Foundation
Notes to Financial Statements
Year ended August 31, 2023

2. Summary of significant accounting policies (continued)

(e) Financial instruments (continued)

Market and other price risk

Market and other price risk is the risk that the fair value of financial instruments will fluctuate due to changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Because of the nature of the financial instruments held by the Society, which are comprised of cash and accounts receivable (financial assets), as well as accounts payable and accrued liabilities (other financial liabilities), the Society is not exposed to significant market or other price risk.

There have been no changes in the Society's financial instrument risk exposures from the previous fiscal year.

(f) Deferred contributions

Deferred contributions represent unspent funds, which are externally-restricted for specific purposes, and restricted funding received or receivable in the current period that relates to the subsequent period. These revenues will be recognized as revenue when related expenses are incurred. Deferred contributions also represent amounts received to assist in the purchase of capital assets. These contributions are amortized on the same basis as the related capital asset.

(g) Management estimates

The preparation of these financial statements, in accordance with Canadian accounting standards for not-for-profit organizations, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates made by the Society as additional information becomes available in the future.

(h) Contributed services

Volunteers contribute many hours every year to assist the Society in carrying out its programs and services. Because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

Kin-Dir Education Foundation
Notes to Financial Statements
Year ended August 31, 2023

3. Capital assets

	<u>Cost</u>	<u>2023</u> <u>Accumulated</u> <u>amortization</u>	<u>Net book</u> <u>value</u>	<u>2022</u> <u>Net book</u> <u>value</u>
Building retrofitting	\$ 415,152	\$ 6,478	\$ 408,674	\$ 260,563
Motor vehicles	\$ 442,344	\$ 65,640	\$ 376,704	\$ 129,562
Equipment	\$ 31,622	\$ 31,622	\$ -	\$ -
	<u>\$ 889,118</u>	<u>\$ 103,740</u>	<u>\$ 785,378</u>	<u>\$ 390,125</u>

4. Deferred contributions

Deferred contributions consist of funding from Alberta Education that is designated for Covid mitigation support and related expenditures. These contributions will be recognized as revenue when the designated disbursements are made or as related capital assets acquired with this funding are amortized. Deferred contributions also include a tenant improvement allowance received from a landlord from which the Society occupies space under a long-term lease. At year end, the balance is comprised as follows:

	<u>Beginning</u> <u>Balance</u>	<u>2023</u> <u>Addition</u>	<u>Utilization</u>	<u>Ending</u> <u>Balance</u>	<u>2022</u> <u>Ending</u> <u>Balance</u>
Alberta Education – Covid mitigation support funding	\$ 481,958	\$ -	\$ (64,890)	\$ 417,068	\$ 481,958
Tenant improvement allowance	-	64,560	(3,229)	61,331	-
	<u>\$ 481,958</u>	<u>\$ 64,560</u>	<u>\$ (68,119)</u>	<u>\$ 478,399</u>	<u>\$ 481,958</u>

Kin-Dir Education Foundation
Notes to Financial Statements
Year ended August 31, 2023

5. Funding from Alberta Education

	<u>2023</u>	<u>2022</u>
Program Supports & Services	\$ 2,353,314	\$ 1,886,230
Instruction Funding	880,111	607,007
Bridge Funding – ECS	879,522	1,153,016
Administration Funding	226,367	226,367
Transportation Funding	165,466	158,189
Plant Operations and Maintenance Funding	162,553	112,112
Supplemental Enrolment Growth Funding	80,325	-
Provincial Covid Mitigation Support	64,891	10,454
Federal Safe Indoor Air Funding	-	5,169
Prior Year Revenue Adjustments	(41,115)	-
Funding from Alberta Education	\$ <u>4,771,434</u>	\$ <u>4,158,544</u>
<u>Add:</u> Prior Year Revenue Adjustments	41,115	-
<u>Subtract:</u> Recognition of deferred contributions - Provincial Covid Mitigation Support	(64,891)	481,958
Total Alberta Education Funding Received	\$ <u><u>4,747,658</u></u>	\$ <u><u>4,640,502</u></u>

6. Economic dependence

The Society recognized revenues of \$4,771,434 (2022 - \$4,158,544) from Alberta Education, which is common in the industry of the Society. Because this funding represents 99.0% (2022 – 99.5%) of the total revenues earned by the Society, the Society is economically dependent on Alberta Education for funding their operations.

7. Related party transactions

During the year, the Society incurred expenses of \$140,000 (2022 - \$140,000) to a corporation owned by one of the Society’s directors for the provision of psychological services and program administration and development.

The above related party transactions are recorded in the normal course of operations and are measured at the exchange amount, which is the amount of consideration, established and agreed to, between the related parties.

Kin-Dir Education Foundation
Notes to Financial Statements
Year ended August 31, 2023

8. Commitments

The Society has an office lease commitment that will last until August 31, 2024. Minimum lease payments for the duration of this commitment, not including operating costs, are as follows:

2024	\$ 46,440
------	-----------

The Society also has a lease commitment that will last until August 31, 2026 for the housing of a preschool. Minimum lease payments for the duration of this commitment, not including operating costs, are as follows:

2024	\$ 51,740
2025	\$ 53,730
2026	\$ 55,720

In addition, the Society has a lease commitment a learning academy that will last until August 31, 2032. Minimum lease payments for the duration of this commitment, not including operating costs, are as follows:

2024	\$ 61,485
2025	\$ 61,485
2026	\$ 61,485
2027	\$ 61,485
Thereafter	\$ 368,910