Kin-Dir Education Foundation

Financial Statements

August 31, 2025

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Calgary, Alberta T1Y 5V7

Management's Responsibility for Financial Statements

The accompanying financial statements of the Kin-Dir Education Foundation (the "Society") are the responsibility of management. The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, using management's best estimates and judgments, where appropriate. In the opinion of management, these financial statements reflect fairly the financial position, results of its operations and changes in financial position of the Society within reasonable limits of materiality.

A system of internal accounting and administrative controls is maintained by management to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that the financial records are properly maintained to provide accurate and reliable financial statements.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. The Board carries out this responsibility through regular meetings with management throughout the year to review significant accounting and auditing matters.

These financial statements have been audited, in accordance with Canadian generally accepted auditing standards, by Gangji & Associates, Chartered Professional Accountant, who was appointed by the Board of Directors. Gangji & Associates has full and unrestricted access to management and the Board of Directors to discuss their audit and their related findings as to the integrity of the organization's financial reporting. The Auditor's Report outlining the scope of their examination and their opinion on the financial statements is presented on the following page.

Mark Snyder
President
December 30, 2025

Independent Auditor's Report

To the Members of the Kin-Dir Education Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Kin-Dir Education Foundation (the "Society"), which comprise 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 a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Society as at August 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 Society in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 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 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 the auditor's report. However, future events or conditions may cause the 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 30, 2025

Ali Gangji Professional Corporation
Chartered Professional Accountant

Gangji & Associates*
Chartered Professional Accountant

*operating through Ali Gangji Professional Corporation

Kin-Dir Education Foundation
Statement of Financial Position
As at August 31, 2025

		2025		2024
Assets				
Current				
Cash	$	437,508	$	142,180
Accounts receivable		261		328
Prepaid expenses and deposits		34,681		36,153
		472,450		178,661
Capital assets (note 3)		570,330		594,061
	$	1,042,780	$	772,722
Liabilities				
Current				
Accounts payable and accrued liabilities	$	92,866	$	125,236
Deferred contributions (note 4)		229,850		301,482
	$	322,716	$	426,718
Net Assets				
Invested in capital assets	$	340,480	$	292,579
Unrestricted net assets		379,584		53,425
	$	720,064	$	346,004
	$	1,042,780	$	772,722

Approved on behalf of the Board

President - Mark Snyder

Treasurer - Roxanne Manabat

Kin-Dir Education Foundation
Statement of Changes in Net Assets
Year ended August 31, 2025

	2025		
	Invested in capital assets	Unrestricted net assets	Total
Balance, beginning of year	$ 292,579	$ 53,425	$ 346,004
Excess (deficiency) of revenues over expenses	-	374,060	374,060
Net acquisition (disposal) of capital assets	54,074	(54,074)	-
Amortization	(74,577)	74,577	-
Transfers to unrestricted net assets	68,404	(68,404)	-
Balance, end of year	$ 340,480	$ 379,584	$ 720,064

	2024		
	Invested in capital assets	Unrestricted net assets	Total
Balance, beginning of year	$ 306,979	$ 999,077	$ 1,306,056
Excess (deficiency) of revenues over expenses	-	(960,052)	(960,052)
Net acquisition (disposal) of capital assets	(113,905)	113,905	-
Amortization	(74,184)	74,184	-
Transfer to/from unrestricted net assets	173,689	(173,689)	-
Balance, end of year	$ 292,579	$ 53,425	$ 346,004

Kin-Dir Education Foundation
Statement of Operations
Year ended August 31, 2025

	2025	2024
Revenues		
Funding from Alberta Education (note 5)	$ 5,196,425	$ 4,837,297
Other government funding	38,120	25,045
Other earned revenues	32,799	8,162
	5,267,344	4,870,504
Expenses		
Amortization	74,577	74,184
Assessments	89,400	55,862
Bank fees	631	889
Building rental and maintenance	397,688	422,165
Insurance	33,053	53,624
Losses on disposal of capital assets	-	52,765
Office and administration	121,544	91,435
Parent Inservice	20,570	20,880
Professional fees	47,481	25,005
Programs	2,368	4,494
Salaries and wages	3,809,929	4,760,424
Specialized equipment maintenance	3,818	5,174
Staff Inservice	30,930	29,440
Supplies and materials	57,899	56,114
Transportation	142,568	118,104
Travel	60,828	59,997
	4,893,284	5,830,556
Excess (deficiency) of revenues over expenses	$ 374,060	$ (960,052)

Kin-Dir Education Foundation
Statement of Cash Flows
Year ended August 31, 2025

	2025	2024
Operating activities:		
Excess (deficiency) of revenues over expenses	$ 374,060	$ (960,052)
Adjustments to determine cash provided by operating activities:		
Amortization of capital assets	74,577	74,184
Losses on disposal of capital assets	-	52,765
	448,637	(833,103)
Net changes in non-cash working capital items:		
Accounts receivable	67	(88)
Prepaid expenses and deposits	1,472	5,048
Accounts payable and accrued liabilities	(32,370)	(234,972)
Deferred contributions	(71,632)	(176,917)
Cash flows from (used in) operating activities	346,174	(1,240,032)
Investing activities:		
Acquistion of capital assets	(54,074)	(7,860)
Proceeds from disposal of capital assets	-	69,000
Cash flows from (used in) investing activities	(54,074)	61,140
Financing activities:		
Recognition of tenant improvement allowance	3,228	3,228
Cash flows from financing activities	3,228	3,228
Net increase (decrease) in cash and cash equivalents during the year	295,328	(1,175,664)
Cash and cash equivalents, beginning of year	142,180	1,317,844
Cash and cash equivalents, end of year	$ 437,508	$ 142,180

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.

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

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.

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.

3. Capital assets

	2025			2024
	Cost	Accumulated amortization	Net book value	Net book value
Building retrofitting	$ 477,086	$ 48,386	$ 428,700	$ 395,776
Motor vehicles	$ 283,272	$ 141,642	$ 141,630	$ 198,285
Equipment	$ 31,622	$ 31,622	$ -	$ -
	$ 791,980	$ 221,650	$ 570,330	$ 594,061

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:

	2025				2024
	Beginning Balance	Addition	Utilization	Ending Balance	Ending Balance
Alberta Education – Covid mitigation support funding	$ 243,379	$ -	$ (68,404)	$ 174,975	$ 243,379
Tenant improvement allowance	58,103	-	(3,228)	54,875	58,103
	$ 301,482	$ -	$ (71,632)	$ 229,850	$ 301,482

5. Funding from Alberta Education

		2025		2024
Program Supports & Services	$	3,306,169	$	2,791,278
Instruction Funding		1,049,838		999,903
Transportation Funding		334,224		293,352
Administration Funding		241,341		230,516
Plant Operations and Maintenance Funding		190,072		183,037
Provincial Covid Mitigation Support		68,404		173,689
Supplemental Enrolment Growth Funding		11,876		6,905
Stabilization / Bridge Funding		-		191,406
Revenue Adjustments		(5,499)		(32,789)
Funding from Alberta Education	$	5,196,425	$	4,837,297
Add: Revenue Adjustments		5,499		32,789
Subtract: Recognition of deferred contributions - Provincial Covid Mitigation Support		(68,404)		(173,689)
Total Alberta Education Funding Received	$	5,133,520	$	4,696,397

6. Economic dependence

The Society recognized revenues of $5,196,425 (2024 - $4,837,297) from Alberta Education, which is common in the industry of the Society. Because this funding represents 98.7% (2024 – 99.3%) 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 $160,900 (2024 - $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 Society also incurred payroll expenses of $99,750 (2024 - $95,678) for a member of senior management who also serves as a board member for the Society.

The above related party transaction 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.

8. Commitments

The Society 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:

2026	$ 55,720

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

2026	$ 51,600

The Society has a lease commitment for 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:

2026	$ 61,485
2027	$ 61,485
2028	$ 61,485
2029	$ 61,485
2030	$ 61,485
Thereafter	$ 122,970

Additionally, the Society has a lease commitment for a learning academy that will last until June 30, 2034. Minimum lease payments for the duration of this commitment, not including operating costs, are as follows:

2026	$ 26,200
2027	$ 26,827
2028	$ 29,960
2029	$ 27,463
2030	$ 27,463
Thereafter	$ 121,267