

**FUNDED PRIVATE SCHOOLS
AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2009**
[School Act, Sections 28(6); Private Schools Regulation 190/2000]

Concordia High School

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

7128 Ada Boulevard, Edmonton, Alberta, T5B 4E4
Mailing Address

Telephone: (780) 479-8481 Fax: (780) 479-1933
Telephone and Fax Numbers

AUDITOR(S)

KPMG LLP
Name
10125 102 Street, Edmonton, Alberta, T5J 3V8
Address

PRIVATE SCHOOL MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules of Concordia High School
(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 generally accepted accounting principles 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 Auditors

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

Declaration of Management and Board Chairman

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, 2009 and results of operations, cash flows, and changes in net assets for the year then ended in accordance with Canadian generally accepted accounting principles and Ministerial requirements for Alberta funded private schools.

BOARD CHAIR

Trevor Johnson
Name
Signature

SUPERINTENDENT / PRINCIPAL

Dave Eifert
Name
Signature

SECRETARY TREASURER OR TREASURER

Ray Smith
Name
Signature

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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AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF CONCORDIA HIGH SCHOOL

We have audited the statement of financial position of Concordia High School as at August 31, 2009 and the statements of revenues and expenses, cash flows and changes in net assets and for the year then ended. These financial statements are the responsibility of High School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by administration, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the High School as at August 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly wavy line that underlines the text.

Chartered Accountants

Edmonton, Canada
November 26, 2009

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

	AFS 2009	AFS 2008 (NOTE *) Restated
ASSETS		
Current assets		
Cash and temporary investments	\$41,606	\$0
Accounts receivable (net after allowances:		
Province of Alberta	\$13,388	\$5,354
Federal Government and/or First Nations	\$0	\$0
Other accounts receivable	\$31,996	\$9,909
Prepaid expenses	\$0	\$0
Other current assets	\$21,925	\$29,567
Total current assets	\$108,915	\$44,830
School generated assets	\$0	\$0
Trust assets	\$30,708	\$32,488
Other assets (specify): Investments	\$79,789	\$88,184
Capital assets		
Land at cost	\$0	\$0
Buildings at cost	\$0	\$0
Less: accumulated amortization	\$0	\$0
Leasehold improvements at cost	\$0	\$0
Less: accumulated amortization	\$0	\$0
Equipment at cost	\$38,422	\$18,608
Less: accumulated amortization	\$23,822	\$14,600
Vehicles at cost	\$0	\$0
Less: accumulated amortization	\$0	\$0
Total capital assets	\$14,600	\$18,608
TOTAL ASSETS	\$234,012	\$184,110
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities:		
Province of Alberta	\$0	\$0
Federal Government and/or First Nations	\$0	\$0
Other payables and accrued liabilities	\$375,908	\$403,991
Capital payables	\$0	\$0
Deferred revenue	\$312,487	\$190,938
Deferred capital allocations	\$0	\$0
Current portion of long term debt	\$37,954	\$3,017
Total current liabilities	\$726,349	\$597,946
School generated liabilities	\$0	\$0
Trust liabilities	\$30,708	\$32,488
Other liabilities (specify):		\$0
Long term debt		
Debentures & Bonds	\$0	\$0
Capital loans	\$0	\$0
Capital leases	\$12,127	\$15,144
Mortgages	\$0	\$0
Other loans (specify): LFC Loan	\$34,849	\$34,849
Less: Current portion of long term debt	(\$37,954)	(\$3,017)
Unamortized capital allocations	\$0	\$0
Total long term liabilities	\$39,730	\$79,464
TOTAL LIABILITIES	\$766,079	\$677,410
NET ASSETS		
Unrestricted net assets	(\$534,540)	(\$496,764)
Operating reserves	\$0	\$0
Total accumulated operating surplus (deficit)	(\$534,540)	(\$496,764)
Investment in capital assets	\$2,473	\$3,464
Capital reserves	\$0	\$0
Total capital funds	\$2,473	\$3,464
Total net assets	(\$532,067)	(\$493,300)
TOTAL LIABILITIES AND NET ASSETS	\$234,012	\$184,110

Private School Authority Code:	9052
School Code:	7916

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31

(in dollars)

	AFS 2009	Budget 2009 (NOTE *)	AFS 2008 (NOTE *) Restated
REVENUES			
Alberta Education	\$414,495	\$401,323	\$289,850
Other Government of Alberta	\$0	\$0	\$0
Federal Government and/or First Nations	\$0	\$0	\$0
Other Alberta school authorities	\$0	\$0	\$0
Instructional fees/Tuition fees	\$683,911	\$656,008	\$562,840
Non-instructional fees (O&M ** , Transportation, Admin, etc.)	\$0	\$0	\$0
Other sales and services	\$38,600	\$88,187	\$144,207
Interest on investments	\$0	\$0	(\$117)
Gifts and donations	\$72,362	\$75,500	\$50,162
Net school generated funds	\$0	\$0	\$0
Amortization of capital allocations	\$0	\$0	\$0
Other (specify):	\$0		\$0
Total Revenues	\$1,209,368	\$1,221,018	\$1,046,942
EXPENSES			
Certificated salaries	\$573,529	\$651,009	\$585,033
Certificated benefits	\$172,290	\$155,887	\$126,409
Non-certificated salaries and wages	\$89,004	\$43,676	\$77,992
Non-certificated benefits	\$21,032	\$18,442	\$18,224
Services, contracts and supplies	\$374,877	\$342,963	\$405,512
Net school generated funds	\$0	\$0	\$0
Capital and debt services			
Amortization of capital assets	\$9,008	\$9,007	\$9,007
Interest on capital debt	\$0	\$0	\$0
Other interest charges	\$0	\$0	\$0
Losses (gains) on disposal of capital assets	\$0	\$0	\$0
Other (specify): Loss on value of investments	\$8,395	\$0	\$0
Total Expenses	\$1,248,135	\$1,220,984	\$1,222,177
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	(\$38,767)	\$34	(\$175,235)

Note: * Input "(Restated)" in Budget 2009 and/or AFS 2008 column headings where comparatives are not taken from the respective finalized 2008/2009 Budget Report and/or finalized 2007/2008 Audited Financial Statements.

** (O&M) Operations and Maintenance of Schools.

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

	AFS 2009	AFS 2008 (NOTE *) Restated
CASH FLOWS FROM:		
A. OPERATING ACTIVITIES		
Surplus (deficit) of revenues over expenses for the year	(\$38,767)	(\$175,235)
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	\$0	\$0
Total amortization expense	\$9,008	\$9,007
Add losses or deduct gains on disposal of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	(\$30,121)	\$33,017
Prepays and other current assets	\$7,642	\$19,039
Payables and accrued liabilities	(\$28,083)	\$166,158
Deferred revenue	\$121,549	(\$48,098)
Other (specify):	\$0	\$0
Total sources (uses) of cash from operations	\$41,228	\$3,888
B. INVESTING ACTIVITIES		
Purchases of capital assets:		
Land	\$0	\$0
Buildings	\$0	\$0
Leasehold improvements	\$0	\$0
Equipment	\$0	\$0
Vehicles	(\$5,000)	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (specify):	Investments	(\$3,032)
Investments	\$8,395	(\$3,032)
Total sources (uses) of cash from investing activities	\$3,395	(\$3,032)
C. FINANCING ACTIVITIES		
Capital contributions received	\$0	\$0
Issuance of long term debt	\$0	(\$856)
Repayment of long term debt	(\$3,017)	\$0
Other (specify):	\$0	\$0
Total sources (uses) from financing activities	(\$3,017)	(\$856)
Net sources (uses) of cash equivalents* * during year	\$41,606	\$0
Cash equivalents at the beginning of year	\$0	\$0
Cash equivalents at the end of year	\$41,606	\$0

NOTE: * Input "(Restated)" in 2008 column heading where not taken from the finalized 2007/2008 Audited Financial Statements.

** Cash equivalents consist of cash and temporary investments of bank indebtedness.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2009
(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, 2008	(\$531,345)	\$3,464	(\$538,633)	\$3,824	\$3,824	\$0	\$0	\$0
Prior period adjustments (specify):								
	\$38,045	\$0	\$41,869	(\$3,824)	(\$3,824)	\$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 bal., Aug. 31, 2008	(\$493,300)	\$3,464	(\$496,764)	\$0	\$0	\$0	\$0	\$0
Surplus(deficit) of revenues over expenses (from page 3)	(\$38,767)		(\$38,767)					
Capital asset acquisitions (less financed and/or less capital contributions amount)		\$5,000	(\$5,000)	\$0	\$0	\$0	\$0	\$0
Donations of non-amortizable assets	\$0	\$0						
Amortization of capital assets (expense) *		(\$9,008)	\$9,008					
Amortization of capital allocations (revenue) * *		\$0	\$0					
Net book value of the disposal of capital assets		\$0	\$0	\$0			\$0	\$0
Debt principal payments * * *		\$3,017	(\$3,017)					
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						
Changes in balance sheet								
Balance at August 31, 2009	(\$532,067)	\$2,473	(\$534,540)	\$0	\$0	\$0	\$0	\$0
	(\$532,067)	(\$532,067)	\$2,473	(\$534,540)	\$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, 2009**

REVENUES		TOTAL	Home Education	Early Childhood Services	Instruction (Grades 1 to 12)	Operations and Maintenance of Schools (Grades 1 to 12)	Transportation (Grades 1 to 12)	Board and System Administration (Grades 1 to 12)	External Services
Alberta Education allocations									
(1)	Instruction	\$397,010	\$0	\$0	\$397,010				
(2)	Student Health Initiative (SHI)	\$0	\$0	\$0	\$0				
(3)	Alberta Initiative for School Improvement (AISII)	\$17,485	\$0	\$0	\$17,485				
(4)	Other - Alberta Education	\$0	\$0	\$0	\$0	\$0			
TOTAL ALBERTA EDUCATION ALLOCATIONS		\$414,495	\$0	\$0	\$414,495	\$0			
(5)	Other Government of Alberta	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(6)	Federal Government and/or First Nations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7)	Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(8)	Instructional fees / tuition fees	\$683,911	\$0	\$0	\$683,911				\$0
(9)	Non-instructional fees (O&M *, Transport, Admin, etc.)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10)	Other sales and services	\$38,600	\$0	\$0	\$0	\$0	\$0	\$0	\$38,600
(11)	Interest on investments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(12)	Gifts and donations	\$72,362	\$0	\$0	\$0	\$0	\$0	\$0	\$72,362
(13)	Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(14)	Amortization of capital allocations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(15)	Other (specify):	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES		\$1,209,368	\$0	\$0	\$1,098,406	\$0	\$0	\$0	\$110,962
EXPENSES									
(16)	Certificated salaries	\$573,529	\$0	\$0	\$573,529			\$0	\$0
(17)	Certificated benefits	\$172,290	\$0	\$0	\$172,290			\$0	\$0
(18)	Non-certificated salaries and wages	\$89,004	\$0	\$0	\$89,004	\$0	\$0	\$0	\$0
(19)	Non-certificated benefits	\$21,032	\$0	\$0	\$21,032	\$0	\$0	\$0	\$0
SUB-TOTAL		\$855,855	\$0	\$0	\$855,855	\$0	\$0	\$0	\$0
(20)	Services, contracts & supplies	\$374,877	\$0	\$0	\$374,877	\$0	\$0	\$0	\$0
(21)	Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital and debt services									
Amortization of capital assets									
(22)	From restricted funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(23)	From unrestricted funds	\$9,008	\$0	\$0	\$0	\$0	\$0	\$9,008	\$0
(24)	Interest on capital debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(25)	Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(26)	Losses (gains) on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(27)	Other (specify): Loss on investments	\$8,395	\$0	\$0	\$0	\$0	\$0	\$0	\$8,395
TOTAL EXPENSES		\$1,248,135	\$0	\$0	\$1,230,732	\$0	\$0	\$9,008	\$8,395
Surplus(deficit) of revenues over expenses		(\$38,767)	(\$38,767)	\$0	(\$132,326)	\$0	\$0	(\$9,008)	\$102,567
		(\$38,767)							

* (O&M) Operations & Maintenance of Schools.

**SCHEDULE 2
ANALYSIS OF INSTRUCTION (GRADES 1 TO 12) REVENUES AND EXPENSES
for the Year Ended August 31, 2009**

SUB-PROGRAM CLASSIFICATION	REVENUES	EXPENSES		TOTAL EXPENSES	NET 2009	NET 2008* * *
		Classroom Instruction	SAIS * * and SIS			
Mild and Moderate Special Needs / Gifted and Talented *	\$0	\$0	\$0	\$0	\$0	\$0
Severe Disabilities	\$0	\$0	\$0	\$0	\$0	\$0
Institutional Programs (Applies to 1 Authority Only)	\$0	\$0		\$0	\$0	\$0
Learning Resource Credit (LRC)	\$0	\$0		\$0	\$0	\$0
Early Literacy (EL)	\$0	\$0	\$0	\$0	\$0	\$0
English as a Second Language (ESL) and Enhanced ESL	\$0	\$0	\$0	\$0	\$0	\$0
Student Health Initiative (SHI)	\$0	\$0		\$0	\$0	\$0
Alberta Initiative for School Improvement (AISi)	\$17,485	\$17,485	\$0	\$17,485	\$0	\$0
Base Instruction and other (excluding all the above)	\$1,080,921	\$1,213,247	\$0	\$1,213,247	(\$132,326)	(\$270,480)
TOTAL * * * *	\$1,098,406	\$1,230,732	\$0	\$1,230,732	(\$132,326)	(\$270,480)

EXCLUDES the Early Childhood Services (ECS) and Home Education program.

REVENUES and EXPENSES include funding and offsetting expenditures from sources other than just Alberta Education.

* MILD and MODERATE SPECIAL NEEDS includes gifted & talented programs specific to Grades 1 to 12 students.

* * (SAIS) School Administration and Instruction Support, (SIS) System Instruction Support (see page 14 of guidelines).

* * * Input "(Restated)" in NET 2008 column heading where not taken from the finalized 2007/2008 Audited Financial Statements and Supporting Schedules.

* * * * The total revenues and expenses of schedule 2 must agree with the schedule 1 total revenues and expenses allocated under the Instruction (Grades 1 to 12) program.

**SCHEDULE 3
ANALYSIS OF EARLY CHILDHOOD SERVICES REVENUES AND EXPENSES
for the Year Ended August 31, 2009**

	AFS 2009	AFS 2008**
REVENUES		
Alberta Education *		
Base Instruction	\$0	\$0
Student Health Initiative (SHI)	\$0	\$0
Alberta Initiative for School Improvement (AISi)	\$0	\$0
Mild or Moderate Disabilities and Gifted & Talented	\$0	\$0
Program Unit (PU)	\$0	\$0
English as a Second Language (ESL) and Enhanced ESL	\$0	\$0
Transportation - special needs	\$0	\$0
Transportation - regular	\$0	\$0
Plant Operations and Maintenance	\$0	\$0
Administration	\$0	\$0
SuperNet Services	\$0	\$0
Other-Alberta Education	\$0	\$0
Total Alberta Education Revenues	\$0	\$0
Instruction fees	\$0	\$0
All other revenues	\$0	\$0
TOTAL REVENUES* * *	\$0	\$0
EXPENSES		
Instruction	\$0	\$0
Parent resources, coordination and teacher in-service	\$0	\$0
Food services program	\$0	\$0
Administration	\$0	\$0
Operations & maintenance	\$0	\$0
Transportation	\$0	\$0
Alberta Initiative for School Improvement (AISi)	\$0	\$0
Student Health Initiative (SHI)	\$0	\$0
All other expenses	\$0	\$0
TOTAL EXPENSES* * *	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$0	\$0

* Alberta Education Revenues as per Funding for School Authorities in the 2008/2009 School Year manual under the Early Childhood Services section.

* * Input "(Restated)" in AFS 2008 column heading where not taken from the finalized 2007/2008 Audited Financial Statements and Supporting Schedule

* * * The total revenues and expenses on this schedule must agree with the schedule 1 total revenues and expenses allocated under the ECS program.

Private School Authority Code: 9052
 School Code: 7916

**SCHEDULE 4
 ANALYSIS OF EARLY CHILDHOOD SERVICES TRANSPORTATION REVENUES AND EXPENSES
 for the Year Ended August 31, 2009**

Sub-Program Classification	Revenues	Expenses	Net
Children with Mild or Moderate Disabilities			
To-and-from school	\$0	\$0	\$0
Home visits	\$0	\$0	\$0
Field trips	\$0	\$0	\$0
Children with Severe Disabilities (Program Unit)			
To-and-from school	\$0	\$0	\$0
Home visits	\$0	\$0	\$0
Field trips and in-program transportation	\$0	\$0	\$0
Children with No Disabilities (Regular)			
To-and-from school	\$0	\$0	\$0
Field trips	\$0	\$0	\$0
Other (specify):	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0

**SCHEDULE 5 (Note *)
 ANALYSIS OF EARLY CHILDHOOD SERVICES PROGRAM UNIT EXPENSES
 for the Year Ended August 31, 2009**

	AFS 2009	AFS 2008 * * *
Instruction		
Salaries & wages (non-certificated)	\$0	\$0
Benefits (non-certificated)	\$0	\$0
Specialized services and supports	\$0	\$0
Supplies and materials	\$0	\$0
Parent and staff in-service	\$0	\$0
Transportation		
Total Program Unit transportation costs (from schedule 4)	\$0	
Less transportation revenues (from schedule 4)	\$0	
Total	\$0	
Program Unit Transportation costs in excess of transportation funding * *	\$0	\$0
* * If transportation revenues exceed transportation costs (i.e. negative number as total), then 0 will be entered as difference.		
Specialized equipment & furniture (child specific)	\$0	\$0
Total	\$0	\$0

Note: * Designated Special Education ECS Programs do not need to complete this schedule. Costs for these programs will be determined using Schedule 3.

* * * Input "(Restated)" in AFS 2008 column heading where not taken from the finalized 2007/2008 Audited Financial Statements and Supporting Schedules.

Private School Authority Code:	9052
School Code:	7916

**SCHEDULE 6
ANALYSIS OF HOME EDUCATION REVENUES AND EXPENSES
for the Year Ended August 31, 2009**

	AFS 2009	AFS 2008**
REVENUES		
Total Alberta Education Revenues	\$0	\$0
All other revenues	\$0	\$0
TOTAL REVENUES*	\$0	\$0
EXPENSES		
Instruction:		
Salaries and wages	\$0	\$0
Benefits	\$0	\$0
Contracts	\$0	\$0
Supplies and materials	\$0	\$0
Payments to parents providing home education programs:		
Instructional materials, and other resources related to the home education program (receipts required)	\$0	\$0
Professional Development for staff	\$0	\$0
Administration	\$0	\$0
Operations & maintenance	\$0	\$0
Alberta Initiative for School Improvement (AIS)	\$0	\$0
Student Health Initiative (SHI)	\$0	\$0
Net school generated funds, capital and debt services, and other expenses	\$0	\$0
TOTAL EXPENSES*	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$0	\$0

* The total revenues and expenses on this schedule must agree with the schedule 1 total revenues and expenses allocated under the Home Education program.

** Input "(Restated)" in AFS 2008 column heading where not taken from the finalized 2007/2008 Audited Financial Statements and Supporting Schedules.

CONCORDIA HIGH SCHOOL
Notes to Financial Statements
Year ended August 31, 2009

1. PURPOSE OF THE ORGANIZATION

The purpose of Concordia High School (“the High School”) is to provide high school education to members of the public within a Christian context.

The High School was incorporated February 22, 2001 under the Companies Act of the Province of Alberta. It is a registered charity and as such is exempt from corporate income taxes. The High School commenced independent operations on July 1, 2003.

By mutual agreement, assets and liabilities of Concordia High School (operating as part of Concordia High School of Alberta through June 30, 2003) were transferred to the High School effective July 1, 2003.

2. ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles and are prepared using the deferral method of accounting for contributions. The following policies are considered significant:

Basis of presentation

These financial statements have been prepared on a going concern basis which assumes that the High School will continue in operation for the foreseeable future and be able to realize its asset and discharge its liabilities in the normal course of operations.

The High School’s continuation as a going concern is dependent on its ability to generate sufficient revenue from student fees, government grants and other external sources to meet its planned expenditures, and making an acceptable agreement with Concordia University College of Alberta and Lutheran Foundation Canada on the repayment of debts owing to them.

These financial statements do not reflect any adjustments that might be necessary if the going concern assumption was not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments might be necessary in the carrying value of assets and liabilities, the reported revenues and expenditures and the statement of financial position classifications used.

Investments

Investments are recorded at fair market value.

Inventory

On September 1, 2008, the High School adopted Section 3031 of the CICA Handbook, “inventories”. This standard requires the measurement of inventories at the lower of cost and net realizable value, including allocation of overheads and other costs to inventory. The standard also requires the consistent use of either first-in, first-out or weighted average cost formula to measure the cost of inventories and requires reversal of previous write-downs to net realizable value when there is a subsequent increase in the value of inventories. It also provides more restrictive guidance on cost methodologies that are used to assign costs to inventories, defines net realizable value and describes additional disclosure requirements.

CONCORDIA HIGH SCHOOL
Notes to Financial Statements
Year ended August 31, 2009

2. ACCOUNTING POLICIES (continued)

The adoption of this section did not have an impact on the High School's financial position or results of operations.

Inventory is stated at the lower of cost and net realizable value and is recorded using the first-in first-out method. Cost of purchased inventory includes the purchase price, shipping and net tax. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated selling costs. When circumstances which previously caused inventories to be written down no longer exist the previous impairment is reversed. Inventory represents textbook inventory.

Capital assets

Capital assets are recorded at cost. Donated capital assets are recorded at the fair market value on the date of the receipt of the gift. Property under capital leases is initially recorded at the net present value of minimum lease payments at the inception of the lease. Amortization is computed using the straight-line method at the following annual rates:

<u>Asset</u>	<u>Rate</u>
Computer equipment	33.3%
Photocopier	20%
Van	30%

Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates included in the financial statements include the allowance for doubtful accounts, the value of donated assets, provision for amortization and accrued liabilities. Actual results could differ from those estimates.

Capital Management

The High School's objectives when managing capital are to safeguard its ability to continue as a going concern, in order to continue to achieve its purpose. The High School sets the sufficiency of capital required to achieve its purpose. In order to maintain or adjust the capital structure, management looks forward to future needs and will continue to make recommendations to secure additional capital requirements.

Specially designated funds

Specially designated funds are resources that have been placed with the High School for specific purposes that are not part of the operations of the High School.

Revenue recognition

Tuition fees are recognized as revenue in the period in which instruction is provided.

CONCORDIA HIGH SCHOOL
Notes to Financial Statements
Year ended August 31, 2009

2. ACCOUNTING POLICIES (continued)

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Endowment contributions are recognized as direct increases in net assets. Unrestricted investment income is recognized as revenue when earned.

Income from the investment of restricted assets is included in deferred revenue in the Statement of Financial Position.

Deferred revenue is comprised of pre-registration fees, other student fees, and donations.

Financial instruments and Investments

Financial assets and liabilities are classified in order to recognize measure and account for changes in fair value.

Financial assets classified:

- As held-for-trading are measured at fair value with changes in fair value recognized immediately in the statement of operations, and
- As held-to-maturity, or as loans and receivables, are measured at fair value and then amortized cost with gains and losses recognized in the statement of operations when the asset is derecognized.

Financial Liabilities classified:

- As held-for-trading are measured at fair value with changes in fair value recognized immediately in the statement of operations, and
- As other financial liabilities are measured at fair value and then amortized cost with gains and losses recognized in the statement of operations when the liability is derecognized.

The High School's financial assets and liabilities are generally classified and measured as follows:

<u>Financial Statement category</u>	<u>Classification</u>
Cash and temporary investments	Held-for-trading
Investments	Held-for-trading
Accounts receivable and trust assets	Loans and receivables
Accounts payable and accrued liabilities and trust liabilities	Other financial liabilities
Payable to Concordia University College of Alberta	Other financial liabilities
Capital lease and loan payable	Other financial liabilities

CONCORDIA HIGH SCHOOL
Notes to Financial Statements
Year ended August 31, 2009

2. ACCOUNTING POLICIES (continued)

The value of the High School's financial instruments is recognized on their settlement date. Transaction costs related to all financial instruments are expensed as incurred.

The High School has elected, as permitted by the standard, not to classify non-financial contracts or derivatives embedded in non-financial contracts, leases and insurance contracts.

Risk management and fair value:

The High School periodically monitors the principal risks assumed in its investments. The risks that arise from transacting financial instruments include credit risk, liquidity risk, and price risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices. The High School does not use derivative financial instruments to alter the effects of these risks. The High School manages these risks using risk management policies and practices, including various approved asset mix strategies and risk management limits.

Changes in interest rates and credit ratings are the main cause of changes in the fair value of government securities and corporate bonds resulting in a favourable or unfavourable variance compared to book value. Credit risk is mitigated by investing in securities with a rating of BBB or better and diversifying the securities between government, government backed and corporate issuers. Interest rate risk is mitigated by managing maturity dates and payment frequency. The High School is exposed to credit risk related to the accounts receivable arising from student fees and auxiliary activities. The fair value of the High School's other financial instruments, measured at amortized cost, do not differ significantly from their carrying values. The High School's long-term interest bearing debts are at fixed rates to mitigate the effects to cash flow that interest rate changes could have.

CONCORDIA HIGH SCHOOL
Notes to Financial Statements
Year ended August 31, 2009

3. INVESTMENTS

In accordance with the general investment policy, The High School participates in a pooled investment through the Lutheran Foundation Canada. The High School has no direct control over the individual investment decisions made by the Lutheran Foundation Canada.

	2009	2008
<i>Lutheran Foundation of Canada</i>		
Domestic equities	\$ 25,573	\$ 30,512
Foreign Equities	20,801	19,958
Interest bearing bonds	5,162	7,239
Bonds	25,716	30,475
Cash and cash equivalents	2,537	-
	\$ 79,789	\$ 88,184

Investment income (loss) included is comprised of the following:

	2009 Fair Value	2008 Fair Value
Interest	\$ 123	\$ 3,032
Unrealized change in fair value of investments	(5,219)	-
Realized loss on sale of investments	(2,487)	-
Transaction costs	(812)	-
	\$ (8,395)	\$ 3,032

4. SPECIALLY DESIGNATED FUNDS

Specially designated funds consist of resources in the amount of \$30,708 (2008 - \$32,488) that have been placed with the High School for specific purposes that are not part of the operations of the High School.

CONCORDIA HIGH SCHOOL
Notes to Financial Statements
Year ended August 31, 2009

5. EQUIPMENT

	2009		2008	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 17,422	\$ 17,422	\$ -	\$ 5,808
Property under Capital Lease				
Photocopier	16,000	6,400	9,600	12,800
Van	5,000	-	5,000	-
	<u>\$ 38,422</u>	<u>\$ 23,822</u>	<u>\$ 14,600</u>	<u>\$ 18,608</u>

Amortization of property under capital lease of \$3,200 (2008 - \$3,200) is included in amortization expense.

6. RELATED PARTY TRANSACTIONS

The High School utilizes a facility owned by Concordia University College of Alberta. In addition to the provision of the facility, the University College provides human resources, computing services and maintenance services to the High School. The High School is charged a composite fee for these services. The agreement relating to the provision of services is one year agreement commencing July 1, 2009. The fee is negotiated annually and was \$97,181 in 2009 (2008 - \$98,735). In addition, interest of \$7,666 (2008 - \$8,919) was charged on the balance owing to Concordia University College of Alberta.

At August 31, 2009, \$310,541 (2008 - \$385,047) is payable to the Concordia University College of Alberta.

7. DEFERRED REVENUE

	Balance, beginning of year (Restated, Note 12)	Receipts	Revenue recognized	Balance, end of year
Education fees	\$ 99,447	\$ 801,394	\$ 683,911	\$ 216,930
Donations	91,491	76,428	72,362	95,557
Government grants	-	414,495	414,495	-
	<u>\$ 190,938</u>	<u>\$ 1,292,317</u>	<u>\$ 1,170,768</u>	<u>\$ 312,487</u>

CONCORDIA HIGH SCHOOL
Notes to Financial Statements
Year ended August 31, 2009

8. CAPITAL LEASE

Obligation under capital lease

	2009	2008
Year ending August 31:		
2009	\$ -	\$ 3,423
2010	3,423	3,423
2011	3,423	3,423
2012	3,423	3,423
2013	2,569	2,569
<i>Total minimum lease payments</i>	12,838	16,261
<i>Less amount representing interest at 2.9%</i>	(711)	(1,117)
Present Value of net minimum lease payments	12,127	15,144
Current portion under capital lease	(3,105)	(3,017)
	\$ 9,022	\$ 12,127

The above obligation is secured by the assets held under the capital lease. Interest of \$407 was paid in 2009 (2008 - \$0) and is included in Services, contracts and supplies expense.

9. LOAN PAYABLE

	2009	2008
<u>4.0% fixed rate term loan, matured on June 30, 2009.</u>	<u>\$ 34,849</u>	<u>\$ 34,849</u>

No repayment terms have been set by Lutheran Foundation Canada on the unsecured loan payable. Interest due in the current year was \$1,394 (2008 – \$1,262) and is included in related service and facility fee expenditures.

Although the loan was due on June 30, 2009, the Lutheran Foundation Canada and the High School have entered into discussions to extend the maturity date, with a mutually agreeable repayment schedule to be formalized before December 31, 2009. In the meantime, the High School is making quarterly payments to retire the outstanding accrued interest.

10. PENSION PLAN

The High School participates in the Worker Benefit Plan of the Lutheran Church - Canada, a multi-employer pension plan. All permanent employees are covered by this retirement program. Concordia contributes a fixed percentage of each participant's salary to the Plan. In the current year contributions were \$68,689 (2008 – \$58,424).

CONCORDIA HIGH SCHOOL
Notes to Financial Statements
Year ended August 31, 2009

11. GOVERNMENT FUNDING

During the 2009 fiscal year ending August 31, \$414,495 (2008 - \$289,850) in grants were received by the High School from the Government of Alberta to assist with program and instructional costs.

12. COMPARATIVE FIGURES

The 2008 comparative figures of the High School have been retroactively adjusted to remove the Continuing Education High School portion of Concordia University College of Alberta.

As a result, the comparative figures of the High School for 2008 have been restated as follows:

	2008 As previously reported	2008 Change	2008 As restated
<u>Statement of Financial Position</u>			
Accounts receivable – Province of Alberta	\$ 2,778	\$ 2,576	\$ 5,354
Inventory	34,242	(4,675)	29,567
Trust assets	40,692	(8,204)	32,488
Deferred revenue	(231,083)	40,145	(190,938)
Trust liabilities	(40,692)	8,204	(32,488)
Unrestricted net assets	(538,633)	41,869	(496,764)
Operating reserves	3,824	(3,824)	-
Total accumulated operating surplus (deficit)	(534,809)	38,045	(496,764)
Total net assets	(531,345)	38,045	(493,300)
Total liabilities and net assets	\$ 194,412	\$ (10,302)	\$ 184,110

	2008 As previously reported	2008 Change	2008 As restated
<u>Statement of Revenues and Expenses</u>			
Alberta Education	\$ 310,183	\$ (20,333)	\$ 289,850
Instructional fees/Tuition fees	597,678	(34,838)	562,840
Total revenues	1,102,113	(55,171)	1,046,942
Certificated salaries	628,421	(43,388)	585,033
Certificated benefits	128,665	(2,256)	126,409
Services, contracts and supplies	425,669	(20,157)	405,512
Total expenses	1,287,978	(65,801)	1,222,177
Surplus (deficit) of revenues over expenses	\$ (185,865)	\$ 10,630	\$ (175,235)