

AR95198

October 25, 2016

Ms. Lynn Gullackson
Board Chair
Trinity Christian School Association
5731 – 50 Avenue
Cold Lake AB T9M 1T1

Dear Ms. Gullackson:

RE: Closure of Trinity Christian School Association

Pursuant to Section 28(3)(a) of the *School Act*, effective October 25, 2016, I am cancelling Trinity Christian School Association (Trinity)'s registration and accreditation as a private school. I have made this decision for the following reasons:

1. Trinity has failed to appropriately supervise its home education program.
2. Trinity has failed to demonstrate accountability for funding received from the Government of Alberta.

In short, Trinity has failed to demonstrate that it has the ability or willingness to oversee an education program, or to properly account for its spending of public funds.

My decision is final. My more detailed reasons are below.

Background

Trinity Christian School Association is a society registered and accredited to operate a private school in Alberta. Trinity is also an "associate private school" within the meaning of the *Home Education Regulation*. Trinity is the recipient of a significant amount of grant funding provided for the purpose of delivering and supervising education programs, including home education. As such, Trinity has numerous obligations under the *School Act*, its associated regulations and the *Education Grants Regulation*.

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Trinity has been made aware of Alberta Education's concerns with its operations on a number of occasions. Most recently, I wrote to Trinity on June 6, 2016, directing Trinity to provide specific information about the supervision of the home education program, and accounting for expenditure of public funds. Because the response was less than thorough, the Minister wrote to Trinity on July 29, 2016 directing an onsite financial review due to serious concerns about Trinity's ability to manage the home education program, and to meet its legislative requirements under the *School Act*, the *Home Education Regulation* and the *Education Grants Regulation*.

This onsite financial review was an opportunity for Trinity to demonstrate its capacity and willingness to comply with Alberta law. The review by Alberta Education staff resulted in *Trinity Christian School Association: Review of Financial Management and Administration* (Trinity Review Report), the contents of which have led me to my conclusion about Trinity not being able or willing to meet its legal obligations of proper supervision and accountability. This report and its appendices, as well as the recent correspondence between Alberta Education and Trinity referenced herein, have formed the basis for my decision.

1. Supervision of Programming

As a registered and accredited private school and "associate private school" Trinity has, among other things, an obligation to employ teachers to conduct evaluations of students registered in home education. Trinity is in breach of this requirement and has been repeatedly warned about this breach.

- In response to the submission of Trinity's 2013 and 2014 audited financial statements, Alberta Education wrote to Trinity to specifically inform you that s. 4(2)(b) of the *Home Education Regulation* requires an associate private school supervising a home education program to arrange for teachers employed by the associate private school to conduct at least two evaluations of the progress of the student in each school year.
- On February 24, 2014, Alberta Education advised you directly that "having teachers employed by the contractor conduct the evaluations is in direct breach of this regulation."

On June 6, 2016, I requested information related to the employment of teachers. Trinity supplied invoices and contracts for "facilitators" from the 2014/15 fiscal year. During the onsite review, department staff reviewed additional records related to the employment of teachers. Those records revealed that the teachers conducting the evaluations of home education students are not employed by Trinity Christian School Association. The records demonstrate that the "contracts" for "home school facilitators" are between "WISDOM Home Schooling" and either individual teachers or corporate entities. Invoices submitted related to these contracts indicate that the contractors charge GST to WISDOM Home Schooling. Payment of these invoices is debited from the bank account of Wisdom Home Schooling Society of Alberta.

I have reviewed the correspondence Trinity has referenced from 1997. There is no mention made in that correspondence of the employment status of teachers. More importantly, these letters have most certainly been made irrelevant, given the more recent and clearly relevant correspondence in 2014.

Failure by the associate private school to directly employ teachers that conduct these evaluations is a clear-cut and significant breach of the *Home Education Regulation*. Failure to comply with this legal obligation thwarts the policy objective behind the requirement. The Regulation explicitly requires that all teachers who are conducting evaluations of students in home education programs must be employed directly and supervised by the legal entity that has accredited status under the *School Act*.

There can be no question that Trinity has been warned about this breach, and has been provided the opportunity – and ample time – to come into compliance. Trinity has failed to do so.

2. Financial Accountability

Trinity has failed to demonstrate proper oversight and accountability of funds received from the Government of Alberta.

Section 7 of the *Education Grants Regulation* requires all accredited private schools who accept funding – including Trinity – to account, to the Minister’s satisfaction, how grant funds are or were used. Trinity has failed to demonstrate appropriate accountability over its expenditure of grant funds.

The Department of Education began systematically raising concerns following the department’s review of Trinity’s audited financial statements over the last two fiscal years. These concerns have been the subject of much discussion between Trinity and Strategic Financial Services. Trinity’s failure to properly account led to my June 6, 2016 request for a full accounting for the 2014/2015 fiscal year.

Trinity did not provide this information.

On July 29, 2016, the Minister informed Trinity that the information provided was unacceptable. Department staff spent weeks reviewing the financial records that had been originally requested.

What was revealed by this review was alarming. While my conclusion is based on the full contents of the Trinity Review Report, I will summarize some of the more egregious facts below.

When staff conducted the financial review, they were specifically looking for evidence of oversight by Trinity into the activities and operations of the home education program. I am informed that Trinity was not able to demonstrate appropriate approval or oversight of:

- a. senior management remuneration, paid for by Government of Alberta education funding;
- b. conflicts of interest involving senior management and related party transactions, including the terms of employment contracts, terms of leases with related parties and approval of expense claims;
- c. day-to-day expenses of “Wisdom” (to this end, staff uncovered numerous instances of inappropriate spending such as liquor, gift cards, “double dipping” – mileage charged for the same

travel as a car allowance or per diem for a hotel charged for the same day as a hotel receipt, claiming expenses over receipted amounts, babysitting expenses, theatre tickets and funeral expenses); and

- d. home education funding reimbursement for parents in accordance with s. 7 of the *Home Education Regulation*.

In addition, staff reviewed records related to the reporting of a capital transaction to Alberta Education in Trinity's audited financial statements that turned out to be inconsistent with the records reviewed.

Further details are set out in the Trinity Review Report.

In response to your September 29, 2016 letter to me, I acknowledge your view that "WISDOM Home Schooling" is the home education program of Trinity. You also appear to be saying that the creation of Wisdom Home Schooling Society of Alberta, as distinct from "WISDOM Home Schooling" was directed by Alberta Education (namely Ron Smith, then-Director, Regional Office Branch). While we could debate the merit of these views, they are not relevant to my decision.

A private school may not, by contract or otherwise, share, delegate or abdicate its legal or financial accountability to Albertans and the students for whom the school accepts responsibility. I hold Trinity accountable for the poor management of Alberta Education funds, whether those decisions were made by "WISDOM Home Schooling," Wisdom Home Schooling Society of Alberta or any other person who purported to make decisions about this home education program and its funding.

Actions Required

The department and my office will be in touch with parents regarding providing contact information and resources for student placement for the remainder of the 2016/2017 school year.

Pursuant to Section 9(1) of the *Education Grants Regulation*, I am requiring Trinity to repay any unused portion of the home education grant by issuing a cheque to the Government of Alberta. Trinity will no longer be operating as a registered or accredited private school and will, therefore, no longer have any future programming needs for which to use these funds.

Notwithstanding the cancellation of Trinity's registration and accreditation, under Section 15(1) of the *Private Schools Regulation*, Trinity will still be required to submit to Alberta Education, by November 30, 2016, audited financial statements in the prescribed form for the 2015/2016 school year. Trinity is required to account for all funds related to the 2015/2016 school year in the submission of the August 31, 2016 financial statements. In addition, as an addendum to your 2015/2016 audited statements, you are required to provide, by December 31, 2016, an accounting of how funds were used in the period September 1, 2016 to November 30, 2016, including amounts reimbursed to families and amounts unclaimed as of November 30, 2016.

As part of your 2015/2016 audited financial submission, you are specifically required to repay the amount identified as the unused parent portion with a reconciliation up to November 30, 2016 for amounts reimbursed to families listing the payments by family name for the period September 1, 2016 to November 30, 2016. (For example, \$746,828 was reported in Trinity's audited financial statements on August 31, 2015, represented by \$479,322 reported for amounts not spent by parents and \$267,506 reported for amounts declined by parents.)

I expect that all tuitions for 2016/2017 will be refunded to parents pro rata by November 30, 2016. In addition, my expectation is that all parents with outstanding eligible reimbursement claims will be paid by November 30, 2016.

Direction regarding Student Records

In accordance with s. 20(3)(b) of the *Private Schools Regulation*, I am directing Trinity to make both the enrolled student and home education student records available for pickup. Please note that on October 28, 2016, at noon, a courier will be arriving at 6015 – 51 Avenue, Cold Lake, Alberta, to retrieve enrolled student records (both current and past students). Similarly, on October 28, 2016, at noon, a courier will be arriving at SE14, Township 54, Range 7, west of 4th meridian in Derwent Alberta to collect all student records for home education students registered with your school.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Clarke', with a stylized flourish at the end.

Curtis Clarke, PhD
Deputy Minister

Attachments

cc: Margaret Schienbein, Secretary Treasurer